OECD Social, Employment and Migration Working Papers
No. 124

Is the European Welfare State Really More Expensive? Indicators on Social Spending, 1980-2012; and a Manual to the OECD Social Expenditure Database (SOCX)

Willem Adema,

Pauline Fron,

Maxime Ladaique

https://dx.doi.org/10.1787/5kg2d2d4pbf0-en

OECD

DIRECTORATE FOR EMPLOYMENT, LABOUR AND SOCIAL AFFAIRS

OECD SOCIAL, EMPLOYMENT AND MIGRATION WORKING PAPERS

www.oecd.org/els/workingpapers

This series is designed to make available to a wider readership selected labour market, social policy and migration studies prepared for use within the OECD. Authorship is usually collective, but principal writers are named. The papers are generally available only in their original language – English or French – with a summary in the other.

Comment on the series is welcome, and should be sent to the Directorate for Employment, Labour and Social Affairs, 2, rue André-Pascal, 75775 PARIS CEDEX 16, France.

The opinions expressed and arguments employed here are the responsibility of the author(s) and do not necessarily reflect those of the OECD.

Applications for permission to reproduce or translate all or part of this material should be made to:

Head of Publications Service
OECD
2, rue André-Pascal
75775 Paris, CEDEX 16
France

Copyright OECD 2011

SUMMARY

Part I of this paper first presents information on trends and composition of social expenditure as in the OECD Social Expenditure database for the years 1980 – 2007. Over this period, public social expenditure as a percentage of GDP, on average across OECD, increased from 15.6% to 19.2%. Public pension spending (6.4% of GDP) and public health expenditure (5.8% of GDP) are the largest social spending items.

Detailed SOCX data is not available for the period after 2007. However, the public social expenditure series as in SOCX was extended to 2008, 2009 and 2010 using available information on national aggregates and public social spending aggregates were estimated for 2011 and 2012. These data suggest that on average across the OECD, public social spending as a percentage of GDP increased by 3 percentage points since 2007 to 22.5% in 2009. Since then, this spending ratio is estimated to have fallen to just over 22% of GDP in 2012.

Part I also presents social expenditure indicators that account for the effects of the tax system as well as indicators on private social expenditure. Including both of these features alters country rankings by level of social spending and leads to a convergence of spending-to-GDP ratios across countries. Based on this broader measure net total social expenditure as a percent of GDP at factor costs in 2007 was highest in France and Belgium, at 30% of GDP, and between 22 and 28% of GDP in Austria, Canada, Denmark, Finland, Italy, Japan, the Netherlands, Portugal, the United Kingdom and the United States.

Part II of this paper presents the OECD SOCX Manual. It starts with a discussion of methodological, classification and data issues regarding the gross spending items as in SOCX. It also looks at the methodological aspects of measuring net social expenditure, and presents information on how relevant estimates were derived. Accounting for the effect of the tax system and private social expenditure leads to greater similarity in social expenditure-to-GDP ratios across countries and to a reassessment of the magnitude of welfare states. After accounting for the impact of taxation and private benefits, social expenditure amounts to over 30% of GDP at factor cost in Belgium and France; social expenditure also ranges within a few percentage points of each other in Austria, Canada, Denmark, Finland, Italy, Japan, the Netherlands, Portugal, the United Kingdom and the United States.

RÉSUMÉ

La Partie I de ce document présente tout d'abord des informations sur les tendances et la composition des dépenses sociales issues de la base de données OCDE sur les dépenses sociales pour les années 1980 - 2007. Durant cette période, les dépenses sociales publiques en pourcentage du PIB ont augmenté en moyenne de 15,6% à 19,2% dans les pays de l'OCDE. Les dépenses de retraite publiques (6,4% du PIB) et les dépenses de santé publique (5,8% du PIB) sont les plus grandes catégories de dépenses sociales.

Les données détaillées SOCX ne sont pas disponibles pour la période après 2007. Cependant les données de dépenses sociales publiques telles que dans SOCX ont été étendues à 2008, 2009 et 2010 en utilisant les informations disponibles sur les agrégats nationaux, et les agrégats des dépenses sociales publiques ont été estimés pour 2011 et 2012. Ces données montrent que les dépenses sociales publiques ont cru de 3 points de pourcentage à partir de 2007 pour atteindre 22.5% en 2009 en moyenne dans les pays de l'OCDE. On estime ensuite que ce ratio baisse jusque 22% du PIB en 2012.

La Partie I présente également des indicateurs de dépenses sociales tenant compte des effets du système fiscal et ainsi que des indicateurs sur les dépenses sociales privées. La prise en compte de ces deux effets modifie le classement des pays selon le niveau de dépenses sociales et conduit à une convergence des ratios entre les niveaux des dépenses sociales et le PIB entre les pays. Basées sur cette mesure plus large, les dépenses sociales totales nettes en pourcentage du PIB aux coûts des facteurs atteignent 30% du PIB en 2007 pour les plus élevées, en France et en Belgique, et varient entre 22 et 28% du PIB en Autriche, au Canada, au Danemark, en Finlande, en Italie, au Japon, aux Pays-Bas, au Portugal, au Royaume-Uni et aux États-Unis.

La Partie II de ce document présente le manuel SOCX de l'OCDE, avec tout d'abord une discussion sur des questions méthodologiques, sur la classification des dépenses brutes telles que présentées dans SOCX. Les aspects méthodologiques de la mesure de dépenses sociales nettes sont ensuite présentés, notamment avec des informations sur la façon dont les estimations ont été dérivées. La prise en compte des prestations sociales privées et de l'impact de la fiscalité sur les dépenses sociales a pour effet d'égaliser les ratios entre les niveaux des dépenses sociales et le PIB. Après la prise en compte des prestations sociales privées et de l'impact de la fiscalité, les dépenses sociales atteignent plus de 30% du PIB aux coûts des facteurs en Belgique et en France ; enfin les écarts entre les dépenses sociales en Autriche, Canada, Danemark, Finlande, Italie, Japon, Pays-Bas, Portugal, Royaume-Uni et aux États-Unis ne sont que de quelques points de pourcentage.

TABLE OF CONTENTS

SUMMARY ... 3
RÉSUMÉ ... 4
IS THE EUROPEAN WELFARE STATE REALLY MORE EXPENSIVE? ... 8
Introduction ... 8
PART I: INDICATORS ON SOCIAL SPENDING, 1980 - 2012 ... 9
I.1. Summary and Main findings ... 9
I.2. Trends in public social spending ... 10
I.3. Public social spending 2008-2012 ... 10
I.3.1. Disentangling spending and GDP trends ... 12
I.3.2. Comparing social spending to "trend GDP" ... 15
I.4. The composition of public social spending in 2007 ... 17
I.4.1. Trends in social expenditures 2007-2012 by broad social policy area ... 19
I.5. Private social expenditure: trends and composition ... 22
I.6 Net (after tax) social expenditure ... 24
I.6.1. The value of direct taxation of transfer income in aggregate terms ... 25
I.6.2. The importance of indirect taxation of consumption out of benefit income ... 26
I.6.3. Tax breaks for social purposes ... 29
I.6.4. The overall effect of tax systems on social spending ... 30
I.6.5. Social spending from the perspective of households ... 32
REFERENCES ... 35
ANNEX I.1: ESTIMATING PUBLIC SOCIAL EXPENDITURE 2008-2012 – SOURCES AND METHODS ... 36
ANNEX I.2: ADDITIONAL NET SOCIAL EXPENDITURE INDICATORS: ... 47
A.I.2.1: Individual country data : 2001, 2003, 2005 and 2007 ... 47
A.I.2.2. Net Social Expenditure Indicators Related to GDP at Market Prices and National Income, 2007 ... 82
A.I.2.3. Trends in Gross and Net Social Expenditure ... 85

PART II: THE SOCX MANUAL 88

II.1. Introduction 88
II.2. Defining the social domain 90
II.2.1. Towards a social purpose 90
II.2.2. Inter-personal redistribution or compulsion 92
II.2.3. Public, private social and exclusively private expenditure 93
II.3. Social expenditure programme data in SOCX 96
II.3.1 Categorisation of programmes across policy areas 96
II.3.2. Accounting conventions and practices 100
II.3.3. Data sources 101
II.4. Net (after tax) social expenditure 103
II.4.1. Direct taxation of cash benefits 103
II.4.1.1. Methods and sources; administrative records, microsimulation and microdata 105
Estimating Average Itemised Tax Rates through 'Microsimulation' 105
II.4.2. Indirect taxation of consumption out of benefit income 107
II.4.2.1. Methods and sources: national accounts and revenue statistics 107
II.4.3. Tax breaks for social purposes 110
II.4.3.1. Methods and sources; the valuation of tax revenue forgone 110
II.4.3.2. Which tax breaks are included in the calculations and which are not? 112
II.4.4. The net social expenditure framework: a concise overview 113

REFERENCES 115

ANNEX II.1. DETAILED INFORMATION ON SOURCES OF TEH OECD SOCIAL EXPENDITURE DATABASE 119

AII.1.1. From ESSPROS to SOCX 119
AII.1.2. OECD Health data 121
AII.1.3. OECD Labour Market Programmes database 123
AII.1.4. OECD Education database 123

ANNEX II.2. HOW TO ACCESS SOCX ELECTRONICALLY? 125

Tables

Table I.1: In Anglophone countries income-testing plays an important role in social policy 19
Table I.2: Between 2007 and 2010 income support for the working-age population increased most in Estonia, Ireland, Spain, the United Kingdom and the United States 21
Table I.3: Composition of private social spending 24
Table I.4: From gross public to net total social spending, 2007 33

Table II.1: Categorisation of benefits with a social purpose 94
Table II.2: Structure of SOCX database for public and mandatory private programmes 96
Table II.3: Tax treatment of benefits differs across countries 104
Table II.4: Average implicit indirect tax rates of consumption out of benefit income 109
Table II.5: Value of selected tax breaks for pensions, the United States, 2007 111
Table II.6: From gross to net social expenditure: a concise overview 114

Boxes

Box II.1: The relationship between OECD, Eurostat and ILO social accounting systems 89
Box II.2: Earnings and deferred wages; the treatment of pensions and severance payments in SOCX ... 91
Box II.3: Identifying and categorising benefits with a social purpose 95
Box II.4: An example of calculating Average Itemised Tax rates 106

Charts

Chart I.1: Social spending has increased in most OECD countries since 1980 11
Chart I.2: Growth in real social spending largely outpaced real GDP growth over the 1990-2007 period12
Chart I.3: Since 2009 real social spending has stabilized in most OECD countries and is falling in Greece, Hungary, Iceland, Ireland and Portugal. 13
Chart I.4: In an environment of economic growth, social spending often grows faster than GDP, but not in the Netherlands and Sweden 16
Chart I.5: On average OECD countries spend 7% of GDP on pensions and 6% on health services 17
Chart I.6: The recent crisis had the largest effect on unemployment rates in Estonia and Spain..... 20
Chart I.7: Gross private social spending has increased since 1990 22
Chart I.8: A large tax burden on benefit income in Denmark and Sweden 27
Chart I.9: Indirect taxation is least important in Non-European OECD countries 28
Chart I.10: A high value of TBSPs in the United States, while they are virtually non-existent in Scandinavian countries 30
Chart I.11: Using net rather than gross indicators changes the ranking among countries in international comparison of social spending 34

IS THE EUROPEAN WELFARE STATE REALLY MORE EXPENSIVE?

Indicators on social spending, 1980-2012; and, a manual to the OECD Social Expenditure database (SOCX)

Introduction

1. The *OECD Social Expenditure database* (SOCX) was developed to analyse trends in social spending and its composition at the detailed social expenditure programme level. The detailed information in SOCX enables users to verify spending aggregates, regroup spending items for the analysis of selected social policy areas, and undertake cross-national analysis of trends in social policy reform. Detailed spending series are available up to 2007. For most countries, the series go back to 1980, but for countries that joined the OECD in the 1990s and 2000s data may only be available for shorter periods. This version of SOCX includes information on spending for 34 OECD countries, including Chile, Estonia, Israel and Slovenia which joined the OECD in 2010.

2. Detailed SOCX data is not available for the period after 2007. However, the public social expenditure series as in SOCX was extended to 2008, 2009 and 2010 using available information on national aggregates in the *OECD Economic Outlook* (OECD, 2011a) and the European Union's Annual macro-economic database (AMECO), or country responses to an OECD questionnaire on social policy experiences during the economic crisis. Based on projections in the *OECD Economic Outlook* and AMECO, public social spending aggregates were estimated for 2011 and 2012.

3. Over the years, SOCX has been developed in different dimensions, particularly in the areas of private social expenditure, spending on children in formal early care and education services, and net - after tax - indicators of social expenditure. The OECD Social Policy Division works closely with the OECD Centre for Tax Policy and Administration to continuously improve the quality of the net social expenditure indicators which are now available for 27 countries. Unfortunately, the necessary detail to obtain good estimates on the amount of tax levied on benefits only becomes available and can be collected about 2 to 3 years after the date. The next collection of SOCX data up to and including tax estimates for 2009 will be in late 2011.

4. This working paper is in two parts. Part I presents social spending indicators on trends and the composition of gross and net public and private social expenditure. Annex I.1 to this part of the paper provides additional information on the methodology and sources underlying the estimates of social spending that were made for recent years, whereas Annex I.2 provides detailed information per country and other background information on net social expenditure indicators. Part II presents the SOCX Manual, which defines the social protection domain; outlines categorisation and recording practices; and, discusses the methodology underlying net social spending indicators. Its Annexes present detailed information on sources used with respect to gross spending items in SOCX; and, on how to access SOCX electronically (see also www.oecd.org/els/social/expenditure).

PART I: INDICATORS ON SOCIAL SPENDING, 1980 - 2012

I.1. Summary and Main findings

5. Part I discusses the main gross (before tax) public spending trends, both overall and by broad social policy area from 1980 to 2007. Aggregate social spending data is also presented for 2008 – 2010 as well as estimates for 2011 and 2012. The composition of gross public and private social spending and the ways in which tax systems affect social expenditure totals are also examined. Tax effects are the result of direct taxation of public and private cash transfers, indirect taxation of consumption financed out of benefit income, and public support granted through tax breaks with a social purpose. Part I findings include:

- **Since 1980 public social spending has increased by more than 20% across the OECD.** Experiences differ across countries, but on average across the OECD, public social expenditure as a percent of GDP has increased from 15.6% in 1980 to 19.2% in 2007.
- **Public expenditure on health and pensions are the largest social spending items.** On average across the OECD, public spending on pensions was 7% of GDP in 2007 and public expenditure on health amounted to 5.8%. Public spending on income support for the working-age population (3.9% of GDP) and on other social services (2.1%) was comparatively limited.
- **Public social spending-to-GDP-ratios initially increased in 2008 and 2009 in many OECD countries** as the crisis unfolded in 2008/09 as social spending rose and GDP-growth slowed. On average, public social spending increased from 19.2% in 2007 to 22.5% in 2009. In some countries, fiscal tightening and/or re-ignited economic activity have reduced social spending-to-GDP ratios (including Greece, Iceland and Ireland), while in others spending-to-GDP ratios have stabilized. The public social spending-to-GDP ratio is projected to be around 22% on average across the OECD in 2012.
- **At over 10% of GDP in 2007, private social spending was largest in the United States,** which reflects the importance of private health spending. Pension benefits and/or mandatory employer-provided incapacity benefits are the other significant areas of private spending. At over 5% of GDP in 2007, private social spending is also important in Canada, Iceland, the Netherlands, Switzerland and the United Kingdom.
- **Direct and indirect taxation of benefit income and associated consumption** is much more important in European OECD countries than in non-European member countries. At 5% of GDP or more in 2007, the amount of direct and indirect tax levied on public benefit income was highest in Denmark, Finland and Sweden.
- **Tax breaks for social purposes** (excluding pensions as there is no agreement on how to measure their real effect across countries) are generally least important in countries with relatively high direct tax levies. Tax breaks similar to cash benefits were worth around 1.0% of GDP in Canada, France, Germany and Portugal. Tax breaks towards current private spending arrangements (health insurance) were largest in the United States at over 1% of GDP in 2007.
- **Net (after tax) public social expenditure is significantly below the levels suggested by gross public and private social expenditure indicators**, except for Australia, Canada, Japan, Korea, Mexico, Turkey and the United States. This is because most countries levy significant direct and indirect taxes on social benefits and associated consumption.
- **Accounting for both the tax system and the role of private social benefits** reveals that total social spending as a share of GDP is similar in countries which are often thought to have very

different levels of social spending. Total net social spending in Austria, Canada, Denmark, Finland, Italy, Japan, the Netherlands, Portugal, the United Kingdom and the United States only differ by a few percentage points of GDP.

I.2. Trends in public social spending

6. Since 1980, gross public social expenditure has increased from about 15.6% to 19.2% of GDP in 2007 on average across the 34 OECD countries (Chart I.1). Experiences differ across OECD countries, but on average, public social spending-to-GDP ratios increased most significantly in the early 1980s, early 1990s and, again in the beginning of this millennium. In between these decennial turning points spending-to-GDP ratios changed little; during the 1980s the average OECD public social spending-to-GDP ratio oscillated around 17% of GDP while during the 1990s it was generally just below 20% of GDP after the economic downturn in the early 1990s.

7. In most OECD countries, spending-to-GDP ratios in 2007 were well above 1980s levels, except for Ireland and the Netherlands in particular, where during the 1990s persistent economic growth, tightening of generosity of, and inflow into, disability benefits, and the privatisation of sick-pay led to a decline in the public social spending-to-GDP ratio by 4% of GDP (Chart I.1). The most important increases in the public social expenditure-to-GDP ratios (by more than 4 percentage points) were recorded for Denmark, Finland, Ireland, Japan, Spain, Estonia, the United States and the United Kingdom. Other countries, such as Australia, Hungary, Israel, Switzerland and Poland recorded a much more modest increase in term of public social spending as a percent of GDP: around 1 percentage point or less than half the OECD average (for all years, see Annex I.1).

8. The two key drivers of increases in social spending period have been increased support for the (growing) retired population and health expenditure; population projections suggest further spending increases in these two areas in future (Adema and Ladaique, 2009). On average across OECD countries, public spending on old age increased from 5.1% of GDP in 1980 to 6.4% in 2007. Similarly, public expenditure on health increased from 4.5% of GDP in 1980 to 5.8% in 2007. On average across the OECD (and the same holds for EU-21), spending on family benefits has increased by half a percentage point of GDP since 1990 (there was no significant change in the 1980s).

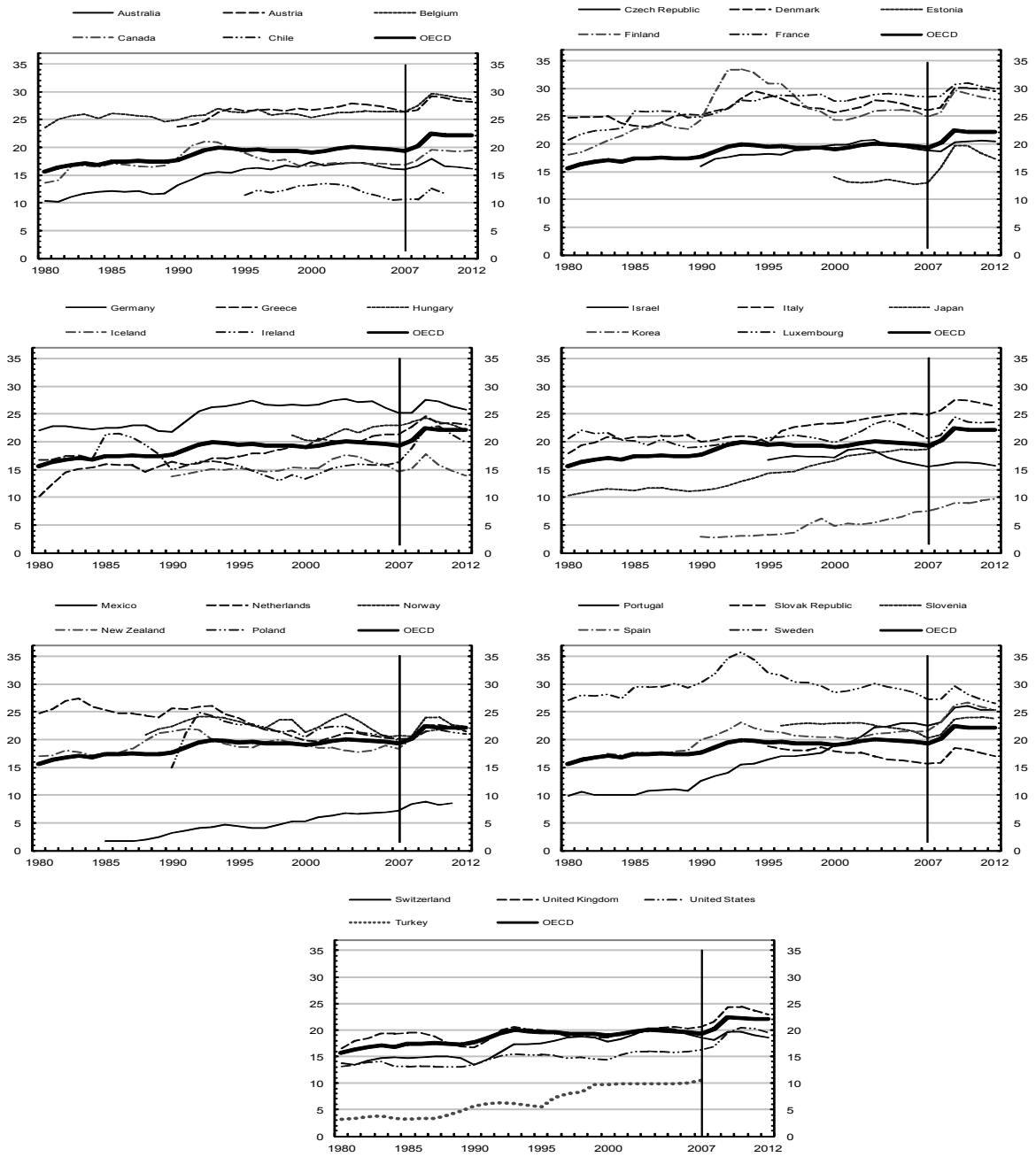
I.3. Public social spending 2008-2012

9. Chart I.1 shows that the economic crisis which started in 2008/09 has had an important effect on indicators of social spending. International comparisons of the magnitude of the welfare state are often measured by comparing public social expenditure-to-GDP ratios. Using available information on national aggregates to extend the SOCX series to 2008, 2009 and 2010 (Annex I.1) suggests that, on average across the OECD, the public social spending-to-GDP ratio increased from 19.2% in 2007 to 22.5% at peak in 2009. Public social spending-to-GDP ratios rose rapidly in 2009 and 2010. Projections suggest they will stabilize and sometimes decline in 2011 and 2012[1] (Annex I.1). Nevertheless, levels remain higher than recorded prior to the economic crisis: on average across the OECD public social spending as a percent of GDP was 3 percentage points higher in 2010 than in 2007 (22.2% compared with 19.2% in 2007).

[1] Estimates on social spending-to-GDP ratios for 2011 and 2012 are based on indicators on social spending and GDP as in OECD (2011*a*), *Economic Outlook* which was released in May 2011. Revisions of GDP growth released in September 2011 suggest that the May 2011 estimates may have overestimated GDP growth by 1 percentage point on average across the G7 economies (in September 2011, there were no revised estimates social spending aggregates as in OECD, 2011*a*). This suggests that spending-to-GDP ratios for 2011 may have been overestimated by 0.2 percentage points.

Chart I.1: Social spending has increased in most OECD countries since 1980

Public social spending aggregates based on detailed data for 1980-2007, national aggregates for 2008-2010 and estimates for 2011 and 2012, in percentage of GDP



Note: 2000-2004 data for Turkey are linearly estimated between 1999 and 2005 figures. Data are available for 34 OECD countries from 2000. Data prior to 2000 have been interpolated backwards from an unweighted OECD average based from 23 OECD countries. For information on the methodology for projections, please see Annex I.1. Information on national spending aggregates beyond 2009 and 2008 is not available for Japan and Turkey respectively. Because of the natural disaster in Chile in 2010, no estimate was made for 2011-12.

Source: OECD Social Expenditure Database (SOCX, www.oecd.org/els/social/expenditure).

10. Public social expenditure-to-GDP ratios increased in all OECD countries during the recent economic downturn. The largest increases took place in Estonia, Ireland and Spain, and were more limited in Israel, Switzerland, and Hungary (Chart I.1 and Annex I.1).

I.3.1. Disentangling spending and GDP trends

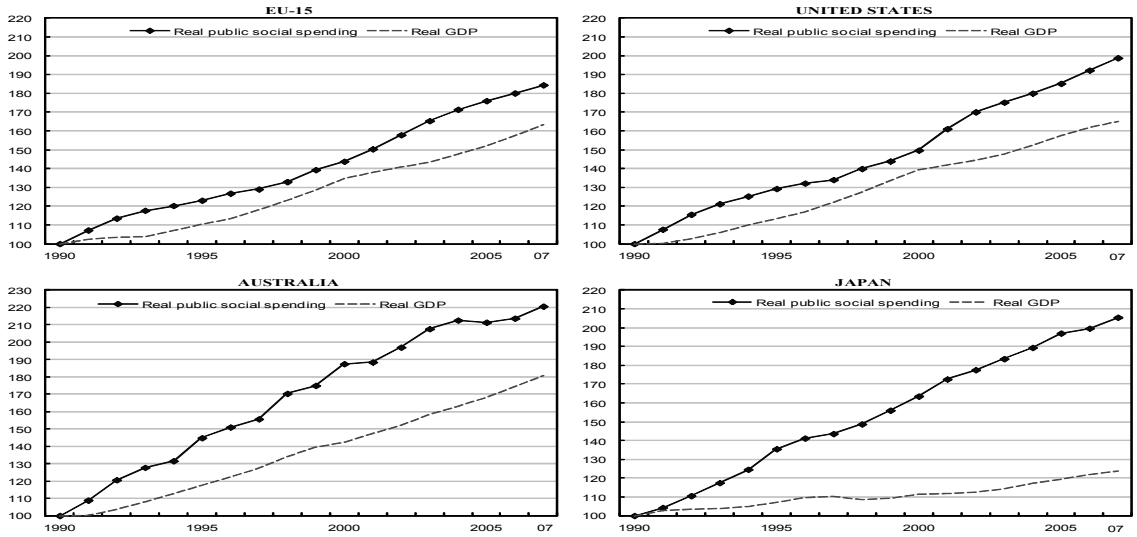
11. To facilitate international comparison, indicators on social spending are usually related to GDP. However, trends in spending and economic growth need to be separated in order to assess the evolution of social expenditures. Chart I.2 shows that over the 1990-2007 period, public social spending in real terms by and large grew faster than GDP across the OECD area (real spending growth tailed off in Australia after 2004). In Japan, real spending growth has outpaced sluggish real GDP-growth since 1990, so much so that the public social expenditure-to-GDP ratio increased from 11.3% in 1990 to 18.7% in 2007 (Chart I.2).

12. Diverging real spending and GDP trends also underline the rapid increase in social spending-to-GDP ratios in the late 2000s. With the economic downturn, GDP growth slowed in most countries. Nevertheless, real GDP in 2012 is expected to be above 2007-levels except for the Czech Republic, Greece, Hungary, Ireland, Italy, Japan and the United Kingdom (Chart I.3).

13. Between 2007 and 2010, national aggregates suggest that social spending in real terms increased by 10% or more in most OECD countries, and this increase was 20% or more in Chile, Estonia, Korea, Luxembourg, Spain and the United States. Overall, real spending trends are estimated to be relatively flat from 2009/10 onwards in most countries. Pronounced falls in real social spending after 2008/09 as a result of fiscal tightening are estimated for Greece, Hungary, Iceland, Ireland and Portugal.

Chart I.2: Growth in real social spending largely outpaced real GDP growth over the 1990-2007 period

Real public social expenditure and real GDP from 1990 to 2007, Index1990=100



Notes: Information on Superannuation benefits paid to former civil servants in Australia became available in 1995, which contributed to the rapid increase of real public social spending at the time. Rapid growth of Australian social spending in 2000 reflects policy changes: in particular the one-off payment of the "Aged Persons Savings Bonus" and increased spending on family support through the "Family Tax Benefit".

The Japanese health accounts record data on basis of the principles of the OECD System of Health Accounts from 1995 onwards; the break in the series contributes to seemingly accelerate spending growth in Japan for 1995.

Source: OECD Social Expenditure Database (SOCX, www.oecd.org/els/social/expenditure).

Chart I.3: Since 2009 real social spending has stabilized in most OECD countries and is falling in Greece, Hungary, Iceland, Ireland and Portugal.

Estimates of real public social spending and real GDP (Index 2007=100)
and public social spending in percentage of GDP (right scale), 2007-2012

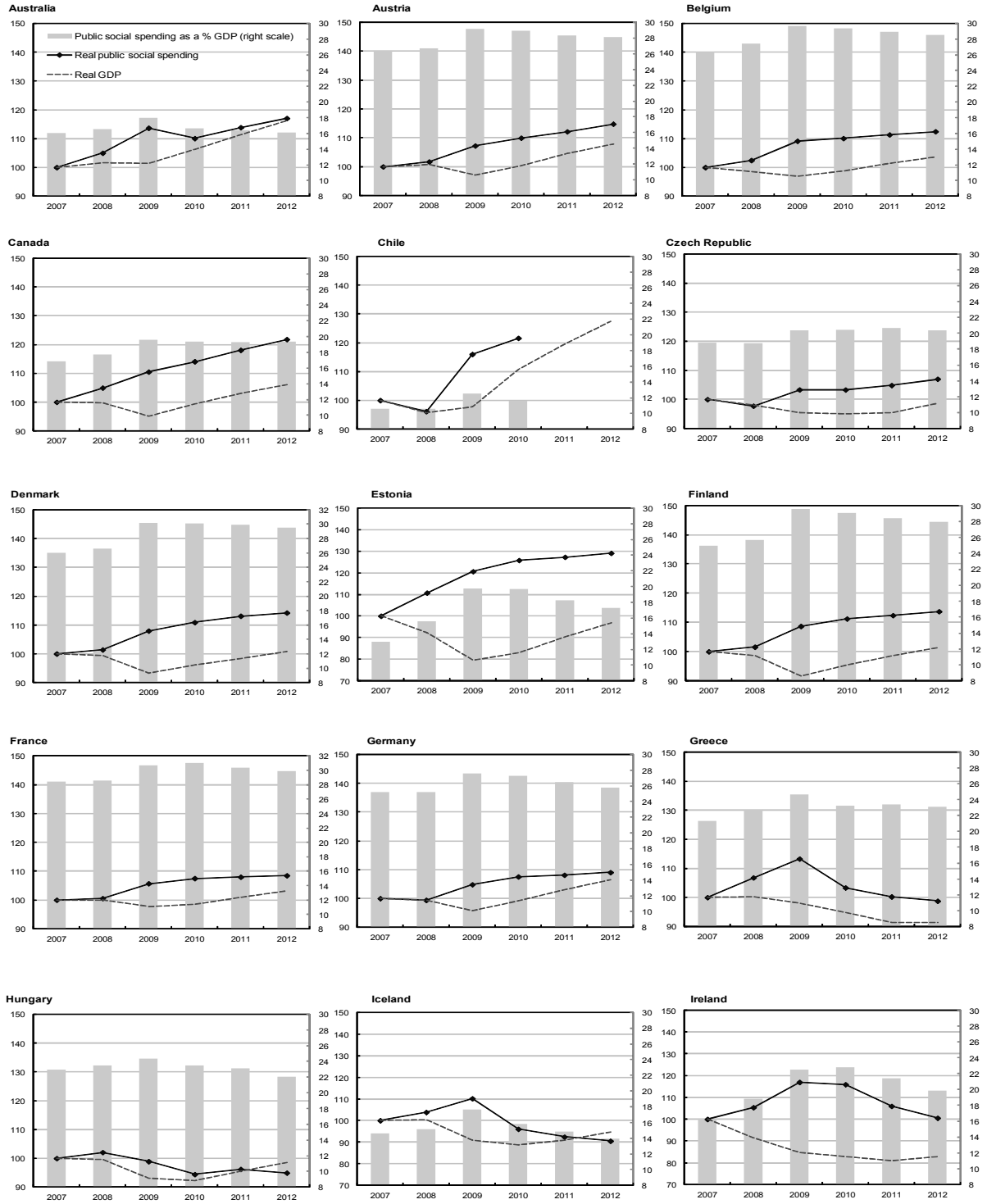
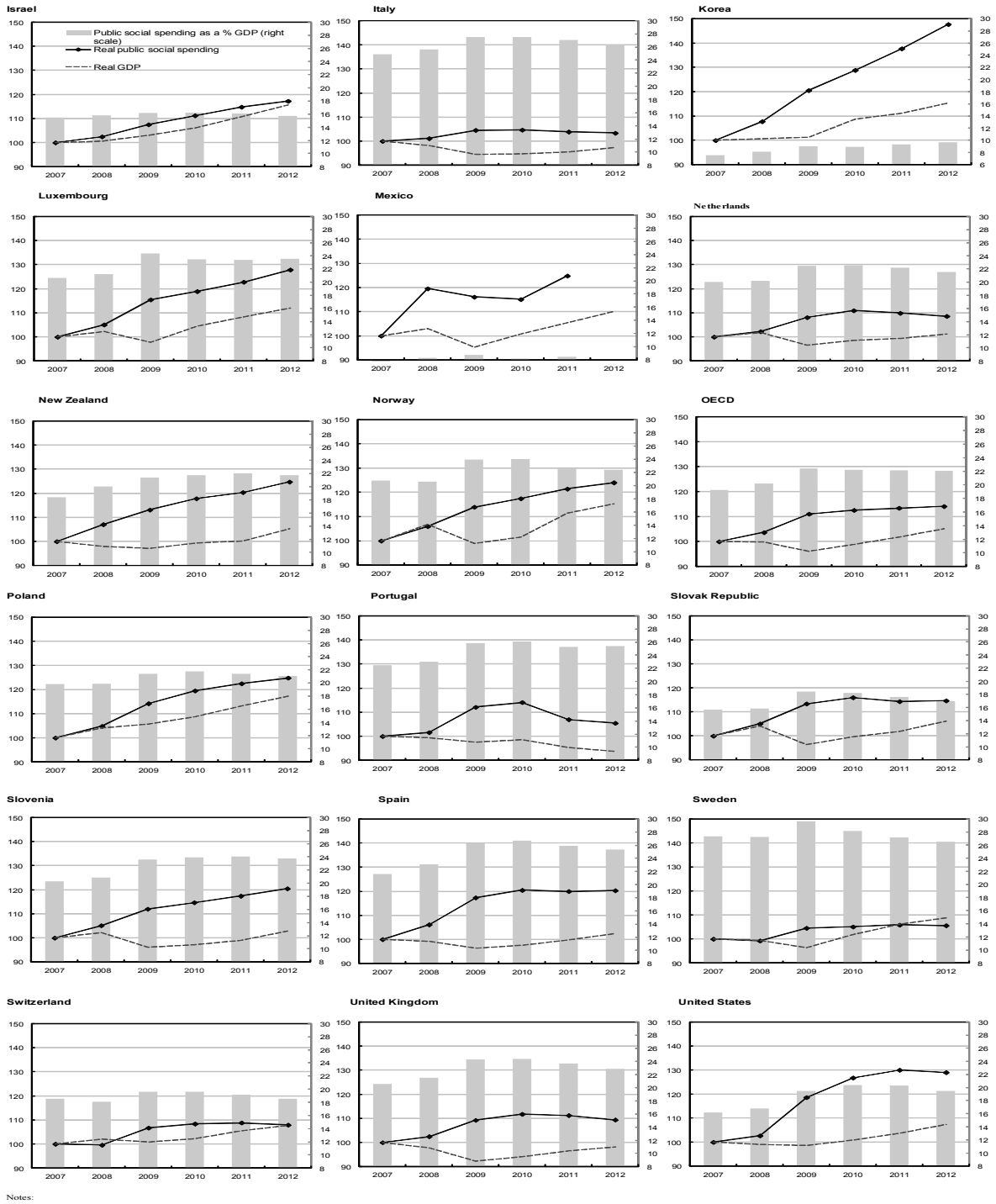


Chart I.3: Since 2009 real social spending has stabilized in most OECD countries and is falling in Greece, Iceland, Ireland and Portugal (*cont.*)

Estimates of real public social spending and real GDP (Index 2007=100)
and public social spending in percentage of GDP (right scale), 2007-2012



Note: see Annex I.1 for information on data and methodology underlying the estimates.

Source: OECD Social Expenditure Database (SOCX, www.oecd.org/els/social/expenditure).

I.3.2. Comparing social spending to "trend GDP"

14. Charts I.1 and I.3 showed that international comparisons of spending-to-GDP ratios not only reflect differences in spending levels but also differences in levels of economic activity. The impact of the economic crisis differed across OECD countries in terms of timing and intensity. International comparisons of spending-to-GDP-ratios are more generally affected by the fact that economies are not all at the same stage of the cycle at the same time. Therefore, an adjustment is needed to capture the automatic budget effects resulting from deviations from structural GDP.

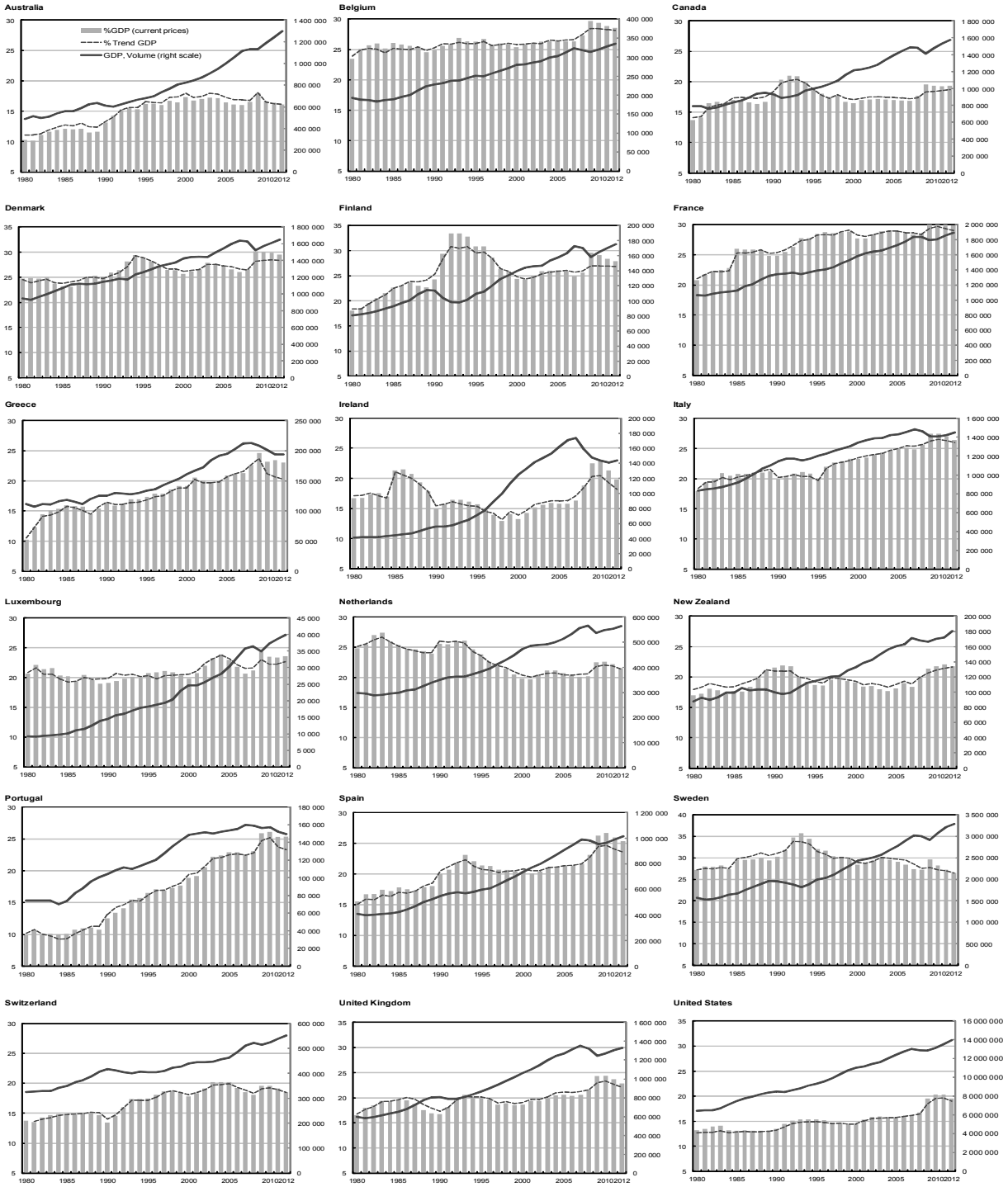
15. Chart I.4 presents real GDP data and public social expenditure ratios with actual GDP and "trend GDP" for those OECD countries where data over the complete 1980-2012 period is available. Trend GDP has been calculated applying a Hodrick-Prescott filter (smoothing-factor 1000) on GDP data for the period 1980-2012, (for more information on definitions, see *OECD System of Composite leading indicators*, http://www.oecd.org/dataoecd/26/39/41629509.pdf). This non-linear "trend GDP" does not properly adjust for GDP-fluctuations with the cycle and therefore is not equivalent to structural GDP. However, deviations from "trend GDP" approximate deviations from structural GDP to a certain extent and as such can be used as an illustration.

16. When social expenditure grows in line with GDP the ratio will remain stable over time as, for example, in Canada for the years 2002-2007. But such stability is rare. Between 1980 and 2008/09 GDP grew continuously in most countries for which the full spending times series is available. In France, Greece, Italy, Portugal and Switzerland (and to a lesser extent the United States) this was associated with rising ratios of social spending to GDP, while that ratio fell in the Netherlands and Sweden (after the crisis in the early 1990s).

17. As expected, economic crises bring about significant deviations between social spending as related to trend and actual GDP. The Finnish and Swedish experiences in the early 1990s and most OECD countries for recent years show this clearly. The stage of the cycle can be very different across countries For example, in the early 1990s Belgian GDP continued to grow, in contrast to what happened in Finland (Chart I.4). The variation in timing and size of cyclical fluctuations can diminish the "power" of cross-national comparisons of social-spending-to-GDP ratios.

Chart I.4: In an environment of economic growth, social spending often grows faster than GDP, but not in the Netherlands and Sweden

Projected public social spending as a % GDP and as a % "trend GDP" and real GDP, 1980-2012



Note: see Annex I.1 for information on data and methodology underlying the estimates.

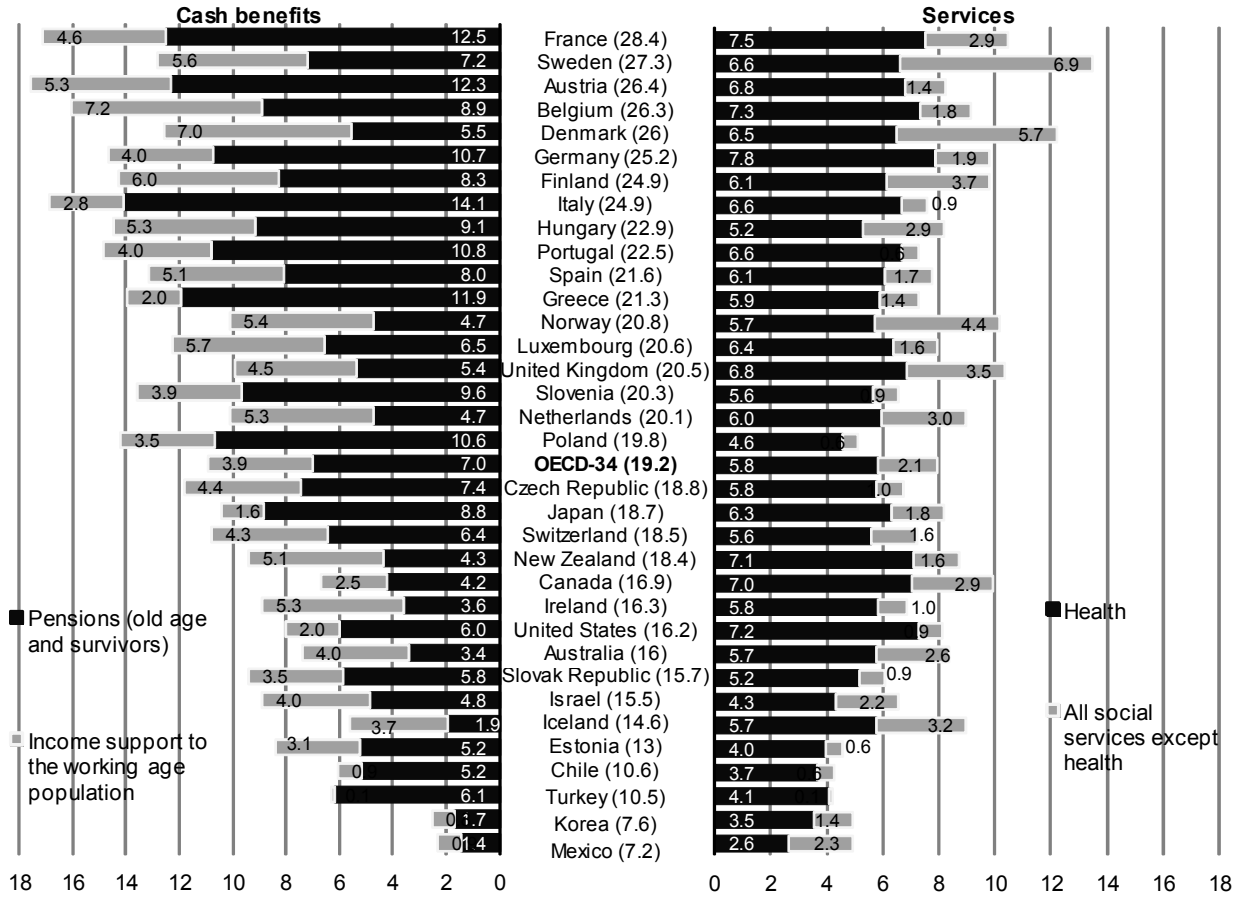
Source: OECD Social Expenditure Database (SOCX, www.oecd.org/els/social/expenditure), OECD Economic Outlook 89A.

I.4. The composition of public social spending in 2007

18. In 2007, gross public social expenditure was 19.2% of GDP on average across OECD countries, with spending on cash benefits as on services (Chart 1.5). Cross-country differences in public social spending are wide, ranging from 7% of GDP in Mexico and Korea to just over 28% in France and 27% in Sweden. The largest category of public social spending concerns old-age and survivors' pensions; on average across the OECD, they account for 7% of GDP, excluding pension payments through autonomous programmes to former civil servants since these are categorised as private spending in line with the System of National Accounts (SNA). However, public spending on old-age and survivor pensions account for more than 14% in Italy, above 12% of GDP in Austria and France, but less than 4% in Australia, Iceland, Ireland, Korea and Mexico. On average across the OECD, income transfers to the working-age population amounted to just over 4% of GDP.

Chart I.5: On average OECD countries spend 7% of GDP on pensions and 6% on health services

Public social expenditure by broad social policy area in percentage of GDP, 2007



Note: Countries are ranked by decreasing order of public social expenditure as a percentage of GDP. Spending on Active Labour Market Programs (ALMPs) cannot be split by cash/services breakdown; they are however included in the total public spending (shown in brackets).

Source: OECD Social Expenditure Database (SOCX, www.oecd.org/els/social/expenditure).

19. Public expenditure on health services amounted to less than 6% of GDP on average in 2007 while spending on other social services (e.g, childcare, home help) was just over 2% of GDP. The latter exceeded 5% of GDP only in Denmark and Sweden, where the public role in providing services to the elderly, the disabled and families is extensive. In southern and eastern European countries, Chile and the United States, other social services accounted for about 1% of GDP due to the greater reliance on private and informal care.

20. Since previous versions of SOCX, considerable efforts have been made to improve reporting in SOCX of childcare and early education services. Spending figures are now more consistent across countries. All available data on public financial support for families with children participating in both formal day-care services (*i.e.,* crèches, day-care centres and family day-care for children under 3) and pre-school institutions (including kindergartens and day-care centres for children aged from 3 to 5 inclusive). Improved information in SOCX on publicly supported childcare and early education services show that on average public spending in this regard was just below 0.6% of GDP in 2007, with considerable cross-country variation: from about 0.2% of GDP in Switzerland to almost 1.3% of GDP in Denmark (*OECD Family database* - Indicator PF3.1 - www.oecd.org/els/social/family/database).[2]

21. Most OECD countries pay income support to households which do not have sufficient other resources to support themselves, but the extent to which countries use income-tested programmes varies across countries. By selecting relevant programmes from country data files, SOCX facilitates identifying income-tested spending items. Table I.1 shows such spending for 2007, by including spending on "other social policy areas", income-tested spending on the unemployed, income-tested support payments to elderly and disabled, and other income-tested payments including family cash transfers (see note to Table I.1).

22. In 2007, spending on income-tested social programmes accounted on average for 2.0% of GDP, which corresponds to 11% of public social spending or 21% of public social spending on cash transfers. In countries that have an insurance-based support system (for example, Scandinavian countries, Belgium, France and Germany, Japan and Luxembourg), the role for income-tested programmes is usually limited and aimed primarily at those who have exhausted their unemployment insurance entitlements and are eligible for unemployment assistance or social assistance; spending is less than 5% of all public social spending. But in countries such as Australia, Canada, Iceland and the United Kingdom, the role of income-tested programmes is considerably larger. Overall income-tested social programmes have seen an increase over the last years and this has also been reinforced in the context of the economic crisis in order to ensure support for the least well-off.

[2] A side effect of making SOCX more consistent is that some spending is included both in SOCX and in OECD Statistics on education spending. If for some reasons it is desirable to sum the two data series, an adjustment is now required, see Annex AII.1.4.

Table I.1: In Anglophone countries income-testing plays an important role in social policy

Public social expenditure on income-tested programmes, 2007

	Millions, national currency	% GDP	% SOCX public	% SOCX public in cash
Australia	66 125	5.6	34.9	75.9
Austria	5 129	1.9	7.1	10.7
Belgium	4 538	1.4	5.1	8.5
Canada	56 412	3.6	21.6	54.8
Chile	316 844	0.4	3.5	6.1
Czech Republic	23 853	0.7	3.6	5.7
Denmark	27 587	1.6	6.2	13.0
Estonia	236	0.1	0.7	1.1
Finland	2 493	1.4	5.6	9.7
France	77 797	4.1	14.5	24.1
Germany	80 216	3.3	13.1	22.5
Greece	4 952	2.2	10.3	15.8
Hungary	388 491	1.5	6.7	10.6
Iceland	51 899	4.0	27.2	70.9
Ireland	8 128	4.3	26.3	48.4
Israel	6 208	0.9	5.8	10.2
Italy	19 076	1.2	5.0	7.3
Japan	2 842 844	0.6	3.0	5.3
Korea	7 547 338	0.8	10.2	30.7
Luxembourg	213	0.6	2.7	4.6
Mexico	94 086	0.8	11.7	36.9
Netherlands	20 795	3.6	18.1	36.1
New Zealand	5 990	3.3	18.0	35.3
Norway	32 341	1.4	6.8	14.1
Poland	10 770	0.9	4.6	6.5
Portugal	4 486	2.7	11.8	18.0
Slovak Republic	590	1.0	6.1	10.2
Slovenia	669	1.9	9.5	14.3
Spain	27 871	2.6	12.3	20.2
Sweden	33 886	1.1	4.0	8.5
Switzerland	8 700	1.7	9.0	15.5
Turkey	355	0.3	3.5	5.1
United Kingdom	70 096	5.0	24.1	50.0
United States	167 949	1.2	7.5	15.2
OECD average	**-**	**2.0**	**10.6**	**21.2**

Note: The following income-tested spending items are included: spending on "other contingencies - other social policy areas" as in the OECD Social Expenditure Database (SOCX), income-tested spending on the unemployed (*e.g.,* unemployment assistance payments for Germany), income-tested support payments to elderly and disabled (*e.g.,* Belgium and the United Kingdom), other income-tested payments (family cash transfers) but do not include specific housing subsidies, spending on Active Labour Market Policies, or income-tested medical support. Data for Turkey refer to 1999.

Source: OECD Social Expenditure database, www.oecd.org/els/social/expenditure.

I.4.1. Trends in social expenditures 2007-2012 by broad social policy area

23. In addition to extending SOCX estimates on aggregate public social spending, estimates were also made for spending along four broad public social spending groupings: pensions, income support to people of working age, health and other social services.

Pensions

24. Public spending on pensions includes public old age and survivors' cash benefits. These payments reflect long-term entitlements and financial commitments and are driven by demographic trends. They therefore tend to be far less cyclical than social spending on the working-age population (see below). With population ageing and the maturing of pension systems, public pension spending generally increases

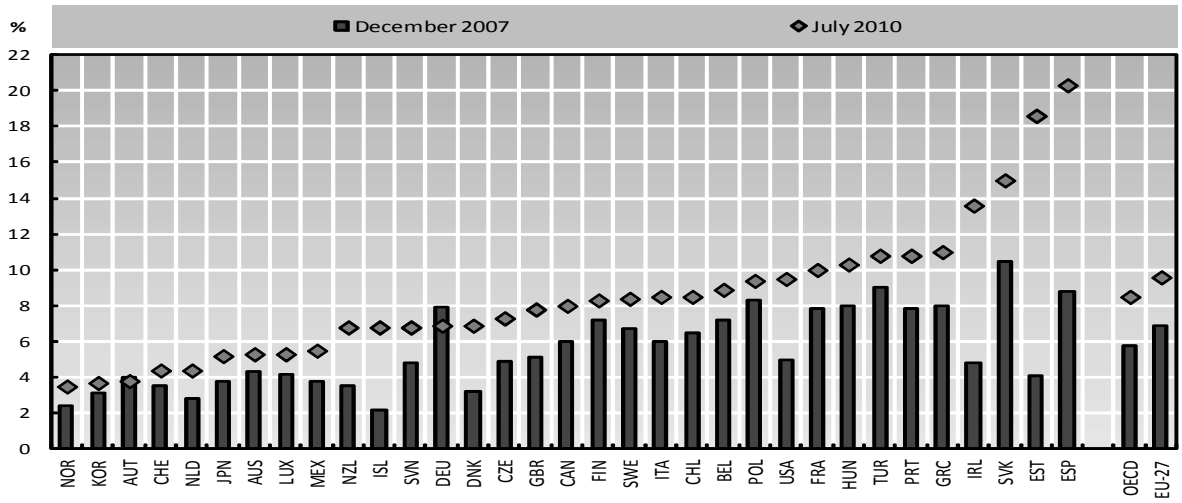
over the 2007-2012 period. This is particularly important in, for example, Korea where the pension system is now maturing. Many OECD countries are reforming their pension systems to limit spending and ensure long-term financial sustainability of pension systems (OECD, 2011*b*); recent reforms in the Czech Republic and Poland, for example, have contributed to significant declines in public pension spending as a share of GDP.

Income support to the working-age population

25. Spending on unemployment compensation fluctuates with the economic cycle. SOCX shows it peaked at 1.6% of GDP in 1993, but in 2007 it was at the same level as in the early 1980s: at 0.7% of GDP. The economic crisis led to an increase in unemployment rates in all OECD countries, except Germany (partly due to the effect of short-term work programmes). Chart I.6 shows that by July 2010 "harmonised" unemployment rates exceeded 13% in Ireland, the Slovak Republic, Estonia and Spain. The increase in unemployment led to increased spending on unemployment, social assistance benefits and sometimes other income support benefits to the working-age populations. OECD (2011*c*) shows that spending on unemployment compensation and Active Labour Market Programmes (ALMPs) rose considerably between 2007 and 2009. On average across the OECD, unemployment compensation (OECD Labour Market Programme Database, (2011*c*)): Out of work income maintenance and support) increased from 0.6% in 2007 to more than 1% of GDP in 2009 while spending on ALMPs increased from 0.50% to 0.62%. The increases in public social spending for unemployed compensation increased significantly in Estonia, Greece, Ireland, Italy, Spain, the United Kingdom and the United States.

Chart I.6: The recent crisis had the largest effect on unemployment rates in Estonia and Spain

OECD harmonised unemployment rates, in percentage of labour force, December 2007 to July 2010



Note: All data are seasonally adjusted. March 2010 for Greece; April 2010 for Turkey; May 2010 for the United Kingdom; June 2010 for Chile, Estonia, Mexico, Norway and the Netherlands; and 2010 Q2 for Iceland, New Zealand and Switzerland (OECD harmonised unemployment rate data are not available on a monthly basis for the last three of these countries).

Source: OECD Labour Force Statistics database (www.oecd.org/employment).

26. Overall, for social spending on income support for the working-age population, at over 1 percentage point in GDP, increases in spending between 2007 and 2010 were most pronounced in Estonia, Ireland, Iceland, Spain, the United Kingdom and the United States.

27. In response to the crisis many OECD countries initially extended social support to job-losers (e.g, as in the United States) or provided income support associated with shortened working hours (*e.g.,* the Netherlands). However, many countries are now introducing reforms to reduce fiscal deficits and public debt. For example, Greece, Ireland, Spain and the United Kingdom, are among the countries that have made cuts in social benefits and tightened eligibility criteria (OECD, 2011*d*).

Social and Health Services

28. Expenditures on social and health services are generally much less cyclical than cash spending and it generally takes more time to adjust outlays on these items. Public health expenditures are a case in point, and their upward trend is also related to ageing populations. Public expenditure on health as a percent of GDP is expected to stay relatively stable over the 2007-12 period. Nevertheless, important increases were recorded in a few countries, including Canada, Chile, New Zealand, and the United States (Table I.2). In addition to the ageing of the population, determinants of health spending growth include also rising national income, relative medical prices and technological progress (OECD, 2010*a*).

Table I.2: Between 2007 and 2010 income support for the working-age population increased most in Estonia, Ireland, Spain, the United Kingdom and the United States

Composition of public social expenditure, in percentage of GDP, by broad category, 2007, 2010-2012 (estimates)

	2007					2010					2012				
	Public social exp % GDP	of which:				**Public social exp % GDP**	of which:				**Public social exp % GDP**	of which:			
		Pension	Income support to the working age	Health	Other services		Pension	Income support to the working age	Health	Other services		Pension	Income support to the working age	Health	Other services
Australia	**16.0**	3.4	4.0	5.7	2.9	**16.6**	3.4	4.1	6.1	3.0	**16.1**	3.4	3.8	6.2	2.7
Austria	**26.4**	12.3	5.3	6.8	2.1	**28.9**	12.2	5.8	6.9	4.0	**28.1**	12.2	5.8	7.0	3.1
Belgium	**26.3**	8.9	7.2	7.3	3.0	**29.4**	9.1	8.0	7.4	4.9	**28.6**	9.3	7.7	7.5	4.0
Canada	**16.9**	4.2	2.5	7.0	3.2	**19.3**	4.6	2.8	8.4	3.6	**19.3**	4.7	2.7	8.7	3.2
Chile	**10.6**	5.2	0.9	3.7	0.9	**11.6**	5.2	1.0	4.3	1.2	**..**	..	..	..	..
Czech Republic	**18.8**	7.4	4.4	5.8	1.2	**20.4**	6.8	4.7	5.9	3.0	**20.4**	6.7	4.7	6.1	3.0
Denmark	**26.0**	5.5	7.0	6.5	7.0	**30.1**	5.7	8.0	6.6	9.7	**29.5**	5.9	8.1	6.7	8.8
Estonia	**13.0**	5.2	3.1	4.0	0.7	**19.7**	6.0	5.7	4.1	3.9	**17.3**	5.9	4.9	4.2	2.4
Finland	**24.9**	8.3	6.0	6.1	4.6	**29.1**	8.8	7.2	6.2	6.9	**28.0**	9.2	6.9	6.3	5.5
France	**28.4**	12.5	4.6	7.5	3.8	**31.0**	13.0	5.1	7.6	5.4	**29.9**	13.0	4.9	7.7	4.4
Germany	**25.2**	10.7	4.0	7.8	2.7	**27.3**	10.5	4.1	8.1	4.6	**25.8**	10.4	3.9	8.2	3.2
Greece	**21.3**	11.9	2.0	5.9	1.6	**23.2**	11.8	2.3	6.0	3.1	**23.1**	12.0	2.4	6.1	2.5
Hungary	**22.9**	9.1	5.3	5.2	3.2	**23.5**	9.5	5.4	5.2	3.3	**22.1**	9.3	5.1	5.3	2.3
Iceland	**14.6**	1.9	3.7	5.7	3.2	**15.8**	2.6	5.0	5.2	3.0	**14.0**	2.3	4.4	4.7	2.6
Ireland	**16.3**	3.6	5.3	5.8	1.6	**22.8**	3.7	8.1	5.9	5.2	**19.8**	3.7	6.9	5.9	3.3
Israel	**15.5**	4.8	4.0	4.3	2.3	**16.3**	5.1	4.3	4.2	2.5	**15.7**	5.0	4.2	4.0	2.5
Italy	**24.9**	14.1	2.8	6.6	1.4	**27.5**	14.1	3.1	6.6	3.7	**26.4**	14.1	3.0	6.7	2.6
Korea	**7.6**	1.7	0.8	3.5	1.5	**9.0**	2.4	1.4	3.8	1.3	**9.7**	2.6	1.4	4.3	1.4
Luxembourg	**20.6**	6.5	5.7	6.4	2.1	**23.5**	6.5	6.6	6.5	4.0	**23.6**	6.6	6.5	6.6	3.9
Mexico	**7.2**	1.4	0.9	2.6	2.3	**8.2**	1.7	1.2	2.4	2.9	**..**	..	..	..	..
Netherlands	**20.1**	4.7	5.3	6.0	4.1	**22.6**	4.6	6.1	6.1	5.8	**21.5**	4.8	5.9	6.2	4.6
New Zealand	**18.4**	4.3	5.1	7.1	1.9	**21.8**	5.0	5.8	8.8	2.1	**21.8**	5.1	5.3	9.4	1.9
Norway	**20.8**	4.7	5.4	5.7	5.0	**24.0**	5.1	6.1	5.8	7.1	**22.4**	5.3	5.7	5.8	5.5
Poland	**19.8**	10.6	3.5	4.6	1.1	**21.8**	9.9	3.7	4.7	3.5	**21.1**	9.5	3.6	4.8	3.2
Portugal	**22.5**	10.8	4.0	6.6	1.1	**26.1**	11.2	4.7	6.7	3.4	**25.4**	11.3	4.8	6.8	2.5
Slovak Republic	**15.7**	5.8	3.5	5.2	1.1	**18.2**	5.7	4.2	5.4	3.0	**17.0**	5.6	4.0	5.5	1.9
Slovenia	**20.3**	9.6	3.9	5.6	1.1	**23.9**	9.8	4.6	5.8	3.7	**23.7**	10.0	4.6	5.9	3.2
Spain	**21.6**	8.0	5.1	6.1	2.4	**26.7**	8.5	6.6	6.2	5.3	**25.3**	8.6	6.4	6.2	4.1
Sweden	**27.3**	7.2	5.6	6.6	8.0	**28.2**	7.3	5.7	6.7	8.6	**26.5**	7.2	5.3	6.7	7.3
Switzerland	**18.5**	6.4	4.3	5.6	2.2	**19.6**	6.3	4.8	5.6	3.0	**18.5**	6.4	4.5	5.2	2.3
United Kingdom	**20.5**	5.4	4.5	6.8	3.8	**24.4**	5.4	5.5	6.9	6.5	**22.9**	5.5	5.3	7.0	5.1
United States	**16.2**	6.0	2.0	7.2	1.0	**20.4**	6.9	3.1	8.9	1.5	**19.5**	6.7	2.6	8.7	1.5
OECD	**19.3**	**6.9**	**4.0**	**5.8**	**2.5**	**22.2**	**7.1**	**4.8**	**6.1**	**4.1**	**22.1**	**7.4**	**4.9**	**6.3**	**3.5**

Note: see Annex I.1 for information on data and methodology underlying the estimates.

Source: OECD Social Expenditure database (SOCX, www.oecd.org/els/social/expenditure).

29. Other social services (not including health) capture services to the elderly and disabled, family services, housing, other social policy areas and include ALMPs. The economic crisis resulted in

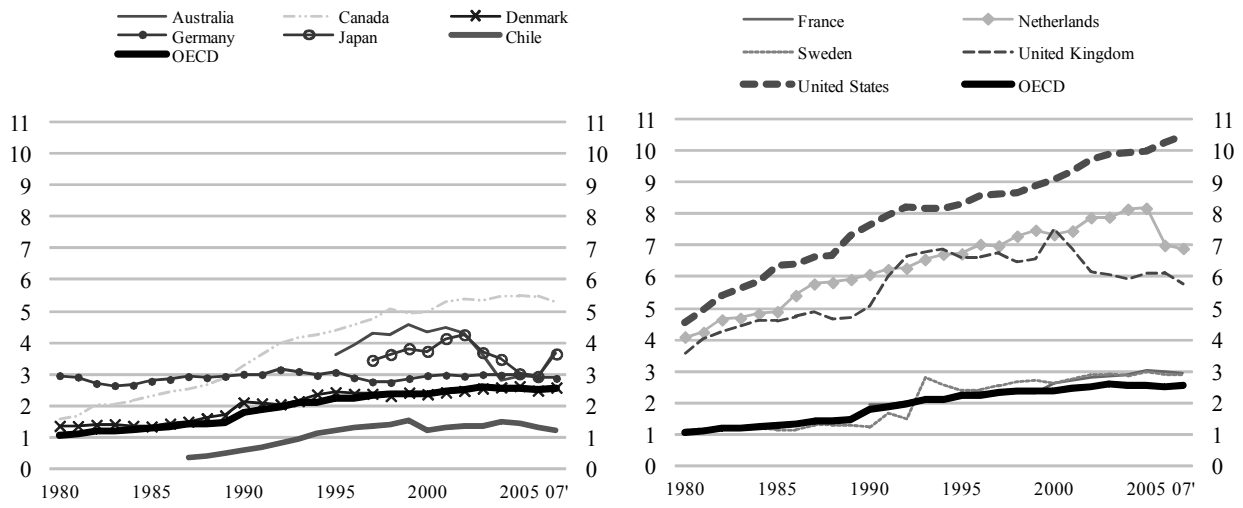
higher spending on ALMPs in many countries, including in Denmark, Estonia, Finland, Ireland, Slovenia, Spain and the United Kingdom.

I.5. Private social expenditure: trends and composition

30. Countries differ strongly in the degree to which their social protection systems rely on private provision. In 2007, gross private social spending was highest at over 10% of GDP in the United States. By contrast, private social spending as recorded in SOCX amounted to less than 1% of GDP in the Czech Republic, Estonia, Hungary, Israel, Luxembourg, Mexico, Poland, New Zealand, Spain and Turkey. In some OECD countries, the role of private social benefits has increased in recent years, especially in Canada, Chile, Iceland, Korea and the United States (Chart I.7).

Chart I.7: Gross private social spending has increased since 1990

Mandatory and voluntary private social spending, in percentage of GDP, 1980 to 2007



Note: Significant change for Japan and the United Kingdom results from a break in series.

Source: OECD Social Expenditure database (SOCX, www.oecd.org/els/social/expenditure).

31. Private social health spending is a major spending item in the United States and increasing health care costs since the 1980s have contributed to the trend increase in private social spending. In many other countries there is a general upward trend in private social spending driven in large part by the maturing, i.e. an increasing number of pay-outs, of private pension schemes.

32. However, Chart I.7 also shows that in some countries the private social spending-to-GDP ratios have declined over some years. The decline in Australia over the 2001 to 2006 period is largely related to a decline in overall payouts of superannuation lump-sum transfers. There was a downward trend in employer-paid severance payments in Japan, while greater coverage of pension benefit plans underlies the increase in recorded spending for 2007. Health reform in the Netherlands in 2005/06 meant that almost all Dutch residents are now covered by public health arrangements, whereas prior to reform about one-third of residents only had private health coverage. The recorded decline in private pension spending in the United Kingdom around the turn of the millennium does not reflect reform but a break in the series due to a re-categorisation of benefits when the new ESSPROS methodology came into force (Eurostat, 2008). With the increasing interest in private social benefits, the recording of relevant programmes is likely to improve.

33. Spending-to-GDP ratios facilitate a cross-country comparison of current outlays accruing from private pension programmes. However, it provides only a partial view of the importance of private pension saving and does not say anything about current revenue of fully- or partly-funded pension systems, the size of assets held by pension funds or the rate of return on such assets. At present, the working-age population pays more into funded pension systems than is paid out to those in retirement. However, the group of retirees is growing and it is this maturing of pension programmes that partially underlies the upward trend in private social expenditure. Again, SOCX only records pension benefits paid to recipients and not contributions to the system, and hence does not allow for a comparison of total current revenue of public and private pension systems (earnings-related pension contributions and budgetary transfers) with total spending on pension benefits.

34. On average, around 75% of all private social expenditure takes the form of voluntary spending, with the remainder being mandated by law (Table I.3). Private social benefits are common in the case of occupational accidents and diseases (*e.g.*, Australia), sickness benefits (*e.g.,* Germany) and old-age pensions, in the form of either mandatory participation in employer based programmes (*e.g.,* the United Kingdom), or tax-supported individual pension plans (*e.g.,* the United States), In line with recording practice in the national accounts pensions paid to former civil servants through autonomous funds (*e.g.,* Australia (partially), Canada, Denmark, the Netherlands, Sweden and the United Kingdom) are also recorded as private social spending.

35. Until recently there was no public health insurance system with extensive coverage for workers in the United States. Hence, private health spending is important in the United States: employer-provided health benefits to their workers, dependents and retirees were estimated to be USD 760 billion in 2007 or 5.5% of GDP (these expenditures do not include payments by individuals for health services). In 2007, total health expenditure was highest in the United States at 15.7% of GDP, France (11%) and Belgium (10.8%), compared to 8.6% of GDP on average across the OECD (OECD, 2010*a*). Relatively high health expenditure in the United States leads to total social spending in the United States being close to the OECD average (Table I.3).

36. Non-health private social cash transfers to the working-age population include mandatory employer-provided incapacity-related cash transfers – sickness, disability and occupational injury benefits – as recorded for Australia, Austria, Denmark, Finland, France, Germany, Iceland, Korea, Luxembourg, the Netherlands, Norway, Portugal, Sweden, Switzerland, the United Kingdom and the United States (in some states). Other examples of private social benefits include: supplementary unemployment compensation in the United States, employer-provided childcare support in the Netherlands and employer payments during parental leave periods in many countries, but information on such employer-provided leave payments (and or top-ups) is not available on a cross-national basis.

Table I.3: Composition of private social spending

Mandatory and voluntary private social expenditure by broad spending category, 2007

	Mandatory private					Voluntary private					Total private	Share of private in total (public+private) social spending
	Total	Old age	Incapacity	Health	Other	Total	Old age	Incapacity	Health	Other		%
Australia	0.5	0.5	-	-	-	3.3	2.6	-	0.7	0.0	3.8	19.1
Austria	0.8	-	0.8	-	-	1.0	0.5	-	0.5	-	1.8	6.5
Belgium	0.0	0.0	0.0	-	0.0	4.7	2.8	0.6	0.5	0.9	4.7	15.3
Canada	-	-	-	-	-	5.3	4.1	-	1.3	0.0	5.3	23.9
Chile	1.2	0.9	0.1	0.0	0.2	a	a	a	a	a	1.2	10.2
Czech Republic	0.2	0.2	0.0	-	0.0	0.2	0.1	0.1	0.0	0.0	0.4	2.0
Denmark	0.2	-	0.2	-	-	2.3	2.2	-	0.2	0.0	2.6	9.0
Estonia	a	a	a	a	a	0.0	a	a	0.0	0.0	0.0	0.1
Finland	-	-	-	-	-	1.1	0.2	0.6	0.2	0.1	1.1	4.1
France	0.3	0.1	0.1	-	0.1	2.6	0.1	0.5	1.4	0.6	2.9	9.3
Germany	1.1	-	1.0	-	0.0	1.8	0.8	-	1.0	0.0	2.9	10.2
Greece	-	-	-	-	-	1.5	0.4	0.5	-	0.6	1.5	6.7
Hungary	-	-	-	-	-	0.2	-	0.0	0.2	0.0	0.2	0.8
Iceland	1.6	-	1.5	-	0.0	3.6	2.5	0.6	0.0	0.5	5.1	26.1
Israel	a	a	a	a	a	0.5	a	a	0.5	0.5	0.5	2.9
Ireland	-	-	-	-	-	1.5	0.9	-	0.6	0.0	1.5	8.5
Italy	1.6	1.1	0.3	-	0.1	0.6	0.2	0.0	0.1	0.3	2.1	7.9
Japan	0.6	0.4	0.2	-	0.0	3.1	2.9	-	0.2	0.0	3.6	16.3
Korea	0.6	0.4	0.1	-	0.1	2.0	0.0	0.0	0.3	1.8	2.6	25.8
Luxembourg	0.3	-	0.3	-	-	0.7	0.3	0.1	0.1	0.2	0.9	4.3
Mexico	-	-	-	-	-	0.2	-	-	0.2	-	0.2	2.9
Netherlands	0.6	0.0	0.6	-	0.0	6.3	4.1	0.5	0.6	1.2	6.9	25.6
New Zealand	-	-	-	-	-	0.4	-	-	0.4	-	0.4	2.3
Norway	1.2	-	1.2	-	-	0.8	0.6	0.2	-	0.0	2.0	8.8
Poland	-	-	-	-	-	0.0	-	-	0.0	-	0.0	0.2
Portugal	0.4	-	0.4	-	-	1.5	0.5	0.1	0.4	0.5	1.9	7.7
Slovak Republic	0.1	0.1	0.0	-	0.0	0.8	0.5	0.1	-	0.3	1.0	6.0
Slovenia	a	a	a	a	a	1.0	0.0	0.0	1.0	0.0	1.0	4.8
Spain	-	-	-	-	-	0.5	-	-	0.5	-	0.5	2.2
Sweden	0.4	-	0.4	-	-	2.5	2.1	0.3	0.0	0.1	2.9	9.5
Switzerland	7.2	5.3	1.1	-	0.8	1.1	0.0	0.0	1.0	0.0	8.3	30.8
Turkey	-	-	-	-	-	-	-	-	-	-	-	-
United Kingdom	0.8	0.6	0.0	-	0.2	5.0	3.9	0.4	0.1	0.6	5.8	22.0
United States	0.3	-	0.2	0.1	-	10.2	4.3	0.3	5.5	0.0	10.5	39.3
OECD	**0.6**	**0.3**	**0.3**	**0.0**	**0.0**	**1.9**	**1.1**	**0.1**	**0.5**	**0.2**	**2.5**	**10.9**

Note: - Zero.

Source: OECD Social Expenditure database, www.oecd.org/els/social/expenditure.

I.6 Net (after tax) social expenditure

37. The detailed social expenditure programme data discussed above is indispensable for in-depth monitoring of welfare policy trends and changes therein, but they do not take account of tax systems' effect on public and private spending on social protection. And as the overall effect can be considerable and vary across countries, it significantly affects cross-national comparisons of social expenditure.

38. Broadly speaking, tax systems affect levels of social expenditure in three ways:

1. **Direct taxation of benefit income**: Governments levy income tax and social security contributions on cash transfers to beneficiaries, in which case redistribution of resources is lower than suggested by gross spending indicators.

2. **Indirect taxation of consumption by benefit recipients**: Benefit income is provided to finance consumption of goods and services. Indirect taxes reduce the consumption which can be financed out of a given level of benefit income.

3. **Tax breaks for social purposes**: Governments also make use of the tax system to directly pursue social policy goals. Fiscal measures with social effects are those which can be seen as replacing cash benefits (*e.g.,* child tax allowances) or stimulating the provision of private benefits (*e.g.,* tax relief towards the provision of private health plans). These tax breaks for social purposes (TBSPs) can be directly awarded to households, but also include tax relief for employers and private funds that ultimately benefit households (*e.g.,* favourable tax treatment of employer-benefits provided to households, favourable tax treatment of private funds).

39. The adjustments for direct and indirect taxation of benefits do not affect service spending, even though such services,(*e.g.,* pharmaceutical products), can be subject to indirect taxation. Data on spending on social services that are subject to indirect taxation and at what rate is not available on a comprehensive basis.

I.6.1. The value of direct taxation of transfer income in aggregate terms

40. In some OECD countries benefits are taxed in the same way as earnings while in other countries most benefits are taxed at a reduced rate. In yet other countries, almost all benefits are paid net of direct taxation. For example, gross payments to an unemployed worker with a partner and 2 children in Sweden would be higher than in Austria, but net income for such a family in Sweden is slightly lower than in Austria. In aggregated spending terms, net *(after tax)* public spending on unemployment benefits is about 70% of the level suggested by gross indicators in Sweden.

41. Taxation can also varies by benefit type: unemployment assistance, social assistance, housing benefits and family benefits are frequently not taxed in countries. By contrast, public and private retirement and disability pension payments are generally taxed, but frequently at reduced rates, while continued wage payments in case of absence due to sickness are taxed as earnings (see Part II below).

42. There are large differences in the level of direct taxes and social security contributions paid by recipients of social benefits across countries. Chart I.8 Panel A shows that in 2007, direct tax and social security contributions paid by benefit-recipients amounted to around 27% of gross public spending on cash transfers in Denmark and Sweden. On average, just over 9% of public transfer income is clawed back through the tax system in OECD countries. Private benefit income is generally taxed at a higher rate than public transfer income (on average around 11%): private benefit income is taxed at more than 20% in Finland, Germany, the Netherlands, Norway and Sweden, and at almost 35% in Denmark.

43. Direct taxation of benefit income in the Czech Republic, Korea, Mexico, the Slovak Republic and Turkey is negligible, and the value of direct taxation of public benefit income is also below 1% of GDP at factor cost in Australia, Canada, Iceland, Ireland, Japan, the United Kingdom and the United States.

44. Chart I.8 Panel B shows that direct tax paid by benefit recipients in Denmark and Sweden amounted to about 3.4% of GDP in 2007. Direct tax paid by public benefit recipients exceeds 2.0% of

GDP in Austria, Italy and Finland. It is around OECD average at 1.1% GDP in Belgium, France, New Zealand, Spain, Germany and Luxembourg, while this is less than 0.5% of GDP in Australia, Canada (without fully accounting for direct taxes across Provinces), Ireland, Japan and the United Kingdom. Tax paid by public benefit recipients is negligible in the Czech Republic and Korea, and benefits are tax-free in Mexico and in the Slovak Republic. As private transfer spending is considerably smaller than public transfer spending, the amount of tax paid over private benefit income is relatively small, being at its highest in the Netherlands at just over 1.3% of GDP.

I.6.2. The importance of indirect taxation of consumption out of benefit income

45. Social benefits are given in order to finance consumption of goods and services such as housing, food, clothing and so on. Governments tax the consumption of different goods and the amounts involved are substantial. For example, in Finland value-added tax receipts were worth EUR 15.0 billion in 2007; in the same year in France, duties on the consumption of electricity and heating (gas) amounted to about EUR 2.6 billion, while those on water consumption were EUR 1.7 billion (OECD, 2010*b*).

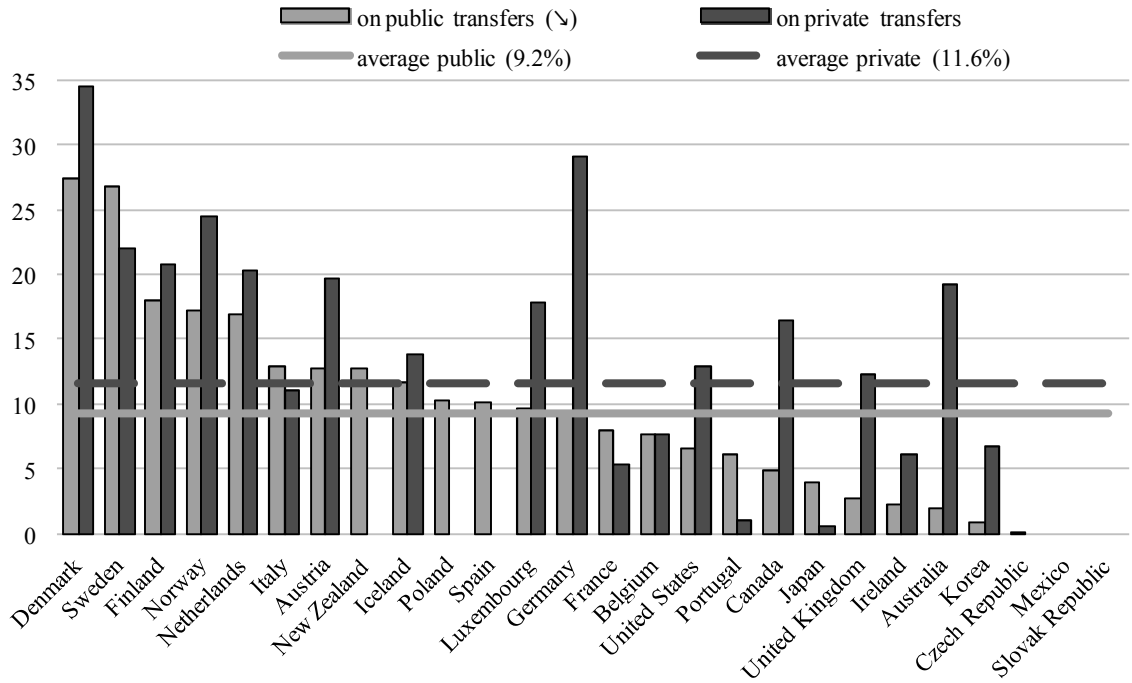
46. Consumption taxes reduce the real value of consumption which can be financed out of a given level of benefits, and (as with direct taxation of benefit income) establish another flow back in tax receipts to the government. Similarly to differences in direct taxation of benefit income, cross-country differences in indirect taxation affect comparisons of welfare state spending. In countries where indirect taxation is relatively limited (*i.e.,* in non-European OECD countries), gross spending levels can also be relatively low to generate the same net income level for benefit recipients in countries with high indirect tax rates. In some countries, policy explicitly recognises the impact of indirect taxation on the financial position of low-income households (many of whom receive transfer income). For example, when the Goods and Services Tax was introduced in Australia in July 2000 at a rate of 10% (with food being exempt), a compensation package for social protection benefit recipients was introduced at the same time. Similarly, Canada has a Goods and Services Tax rebate to support low-income households.

47. To some extent the relatively low social spending-to-GDP ratios in the United States and in other non-European OECD countries are related to the low indirect tax levels that prevail in these countries. Accounting for this feature improves the quality of cross-country comparisons of social spending, and estimates on its importance are derived from the *OECD National Accounts* (OECD, 2010*c*) and the *OECD Revenue Statistics* (OECD, 2010*b*, and Table II.4 in Part II, below).

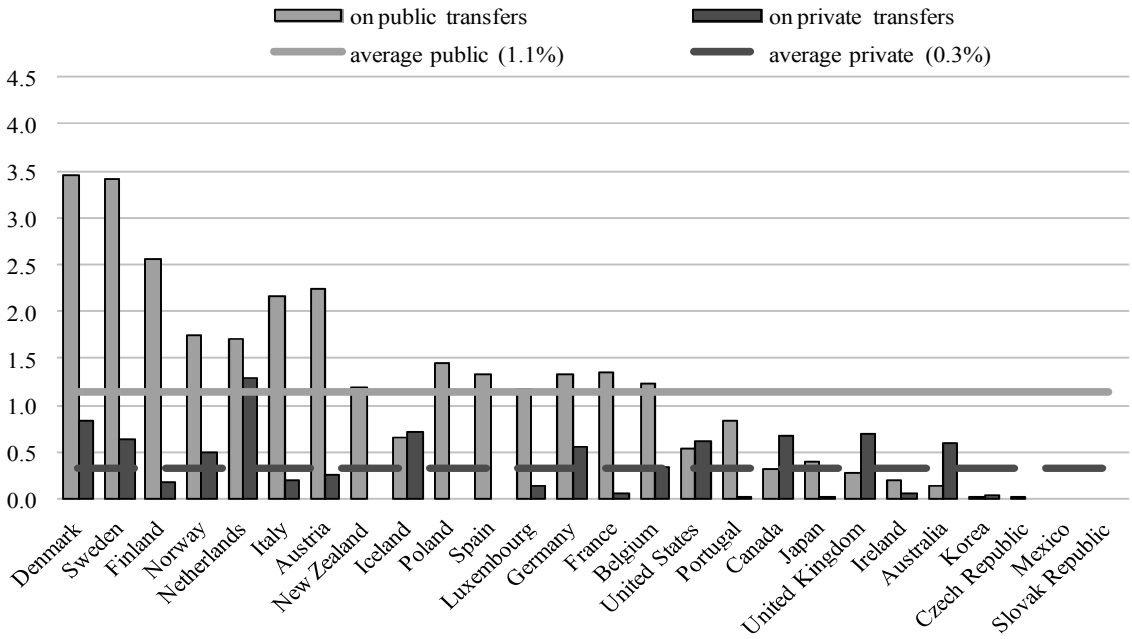
48. On the basis of the indirect tax base used for this study (see Section II.4.2 in Part II below), in 2007, indirect taxes were lowest in the United States (3.9%), Mexico (6.0%) and Japan (6.1%) and were around 9% in Australia and Canada (Chart I.9 Panel A). Indirect taxes ranged from 11-14% in Germany, Korea, Italy and Spain and ranged from 15-22% in most other European countries. Indirect taxation levied on consumption of benefit income was about 1.6% of GDP on average across the OECD, and was highest in Austria, Denmark and Luxembourg at over 2.5% of GDP. It was lowest in Korea, Mexico and the United States (Chart I.9 Panel B). This implies that net transfers from government to households, particularly in European countries are rather less than gross expenditure figures suggest. Since low indirect tax rates generally prevail in low social spending countries, this also leads to a reduction of variation in net spending levels across countries.

Chart I.8: A large tax burden on benefit income in Denmark and Sweden

A. Direct taxes paid by recipients of public/private benefits,
in percentage of gross public/private social spending in cash, in 2007



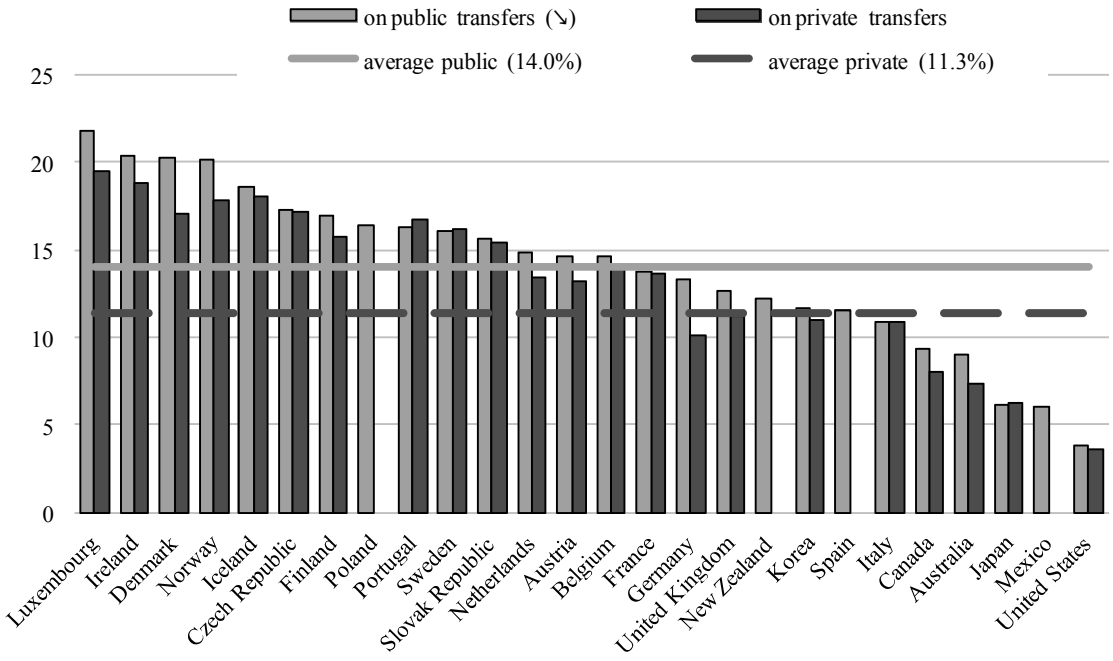
B. Direct taxes paid by recipients of public/private benefits, in percentage of GDP, in 2007



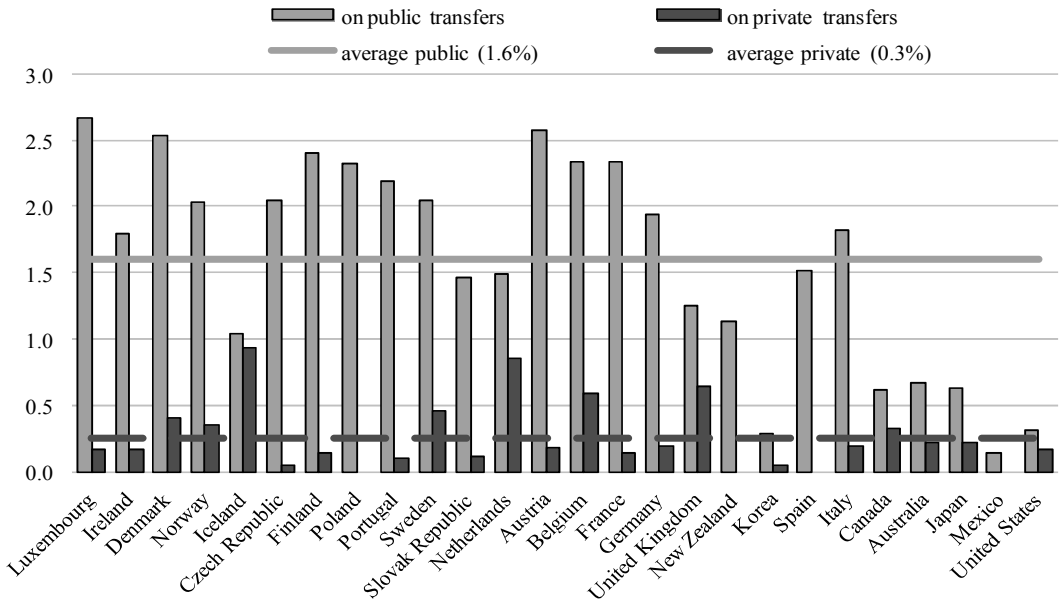
Source: See Annex I.2.

Chart I.9: Indirect taxation is least important in Non-European OECD countries

A. Indirect taxes paid by recipients of public/private benefits in per cent of gross public/private social spending in cash, 2007



B. Indirect taxes paid by recipients of public/private benefits, in percentage of GDP, in 2007



Source: See Annex I.2.

I.6.3. Tax breaks for social purposes

49. Many governments of OECD countries pursue social policy objectives through the tax system, sometimes by reducing taxation on particular sources of income, which is already reflected in the variation of direct taxation of benefit income as discussed above. By contrast, Tax Breaks for Social Purposes (TBSPs) are defined as:

> "those reductions, exemptions, deductions or postponements of taxes, which: *a)* perform the same policy function as transfer payments which, if they existed, would be classified as social expenditures; or *b)* are aimed at stimulating private provision of benefits".

50. Tax breaks that are similar to cash benefits can be substantial and often concern support for families.[3] For example, value of support to children in France through the 'quotient familial' was around EUR 11.5 billion in 2007 (Annex I.2). Sometimes, fiscal support and cash transfers (*i.e.,* non-wasteable tax credits[4]) for families are an integral part of the same social programme, with cash payments recorded in the *OECD Social Expenditure database*[5] and fiscal support in the *OECD Revenue Statistics*. For example, in Germany in 2007 tax relief for children amounted to EUR 36.6 billion (Annex I.2), of which EUR 20.9 billion was off-set against tax liabilities (and thus recorded as a TBSP) and EUR 15.7 billion paid out in transfer income, and thus recorded as a cash transfer. Similarly, for the United Kingdom GBP 4.7 billion spent under the WTC/CTC programme was recorded as a TBSP in 2007, while GBP 15.4 billion is recorded as gross transfer spending. In 2007, the cost of the Earned Income Tax Credit in the United States amounted to USD 43.3 billion, of which USD 5.0 billion in the form of tax credits that mirror cash benefit, while USD 38.3 billion concerned tax credits exceeding tax liabilities of recipients.

51. Governments sometimes also use the tax system to stimulate the take-up of private social insurance coverage by individuals and/or employment-related plans. These tax breaks can be categorised in two broad groups. First, there are 'Tax breaks towards *current* private social benefits', *i.e.,* favourable tax treatment aimed at stimulating the provision of private social benefits in the current year such as voluntary private unemployment coverage or private health insurance. This type of tax break is important in Germany (where about 18% of the population is covered by private health insurance) and particularly in the United States, where the exclusion of employer contributions for medical insurance premiums and medical care amounted to USD 133.8 billion in 2007, equivalent to 1.0% of GDP (Chart I.10). Tax breaks towards *current* private social benefits also include favourable treatment of contributions to and income of NGOs. Again this form of fiscal support is most prevalent in the United States where deductibility of contributions to charities amounted to USD 38.2 billion in 2007, or 0.3% of GDP (Annex I.2).

52. The second group of tax breaks towards private benefits is arguably the most important. However, there is no comparable data set available on the value of tax breaks for pensions, as underlying calculations are complex and methods are not standardized across countries. Therefore, the data that is

---

3 Governments thus make ample use of tax systems to support families with children, and accounting for relevant fiscal support thus allows to consider public support on family benefits in a comprehensive manner, *i.e.,* accounting for cash transfers, spending on services (*e.g.,* childcare) and fiscal support (OECD Family database– Indicator PF1.1, www.oecd.org/els/social/family/database).

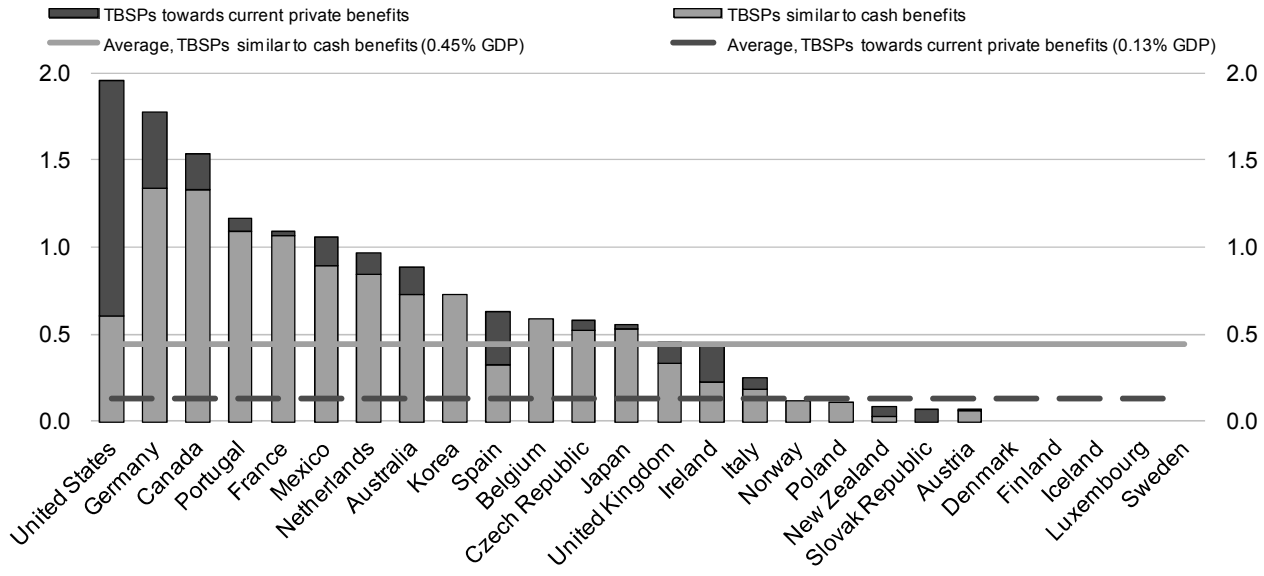
4 In case of a 'wasteable' (or 'non-refundable') tax credit, entitlements only accrue to the extent that they are off-set against tax liabilities, while 'non-wasteable' or 'refundable' tax credits involve cash transfers to people (*e.g.,* low-income workers) whose tax liabilities are not large enough to make (full) use of a particular entitlement (tax credit). Non-wasteable tax credits thus reinforce the re-distributive nature of a tax/benefit system.

5. Despite its name the Canada Child Tax Benefit is delivered and recorded as a cash payment in SOCX as child payments by the fiscal authorities in Austria are recorded as a cash transfer, not as fiscal support.

available on the cost to public budgets of tax reliefs to private pension plans is only presented as a *memorandum item*. Available information for 2001, 2003, 2005 and 2007 (Table I.4 and Annex I.2) shows that the value of favourable tax treatment of private pension arrangements was in excess of 1% of GDP in Australia, Canada, Ireland, the Netherlands and the United States (estimates for previous years suggest this type of support is also important in the United Kingdom). These are also the countries where private pension benefits are most important.[6]

Chart I.10: A high value of TBSPs in the United States, while they are virtually non-existent in Scandinavian countries

Tax breaks with a social purpose in percentage of GDP, 2007



Source: See Annex I.2.

I.6.4. The overall effect of tax systems on social spending

53. Table I.4 pulls together information on the importance of different social expenditure and tax items in each country (the OECD SOCX Manual in Part II describes the framework in detail). Gross public social expenditure indicators (Table I.4, line 1) lead us to believe that public social expenditure in Nordic countries (30% of GDP at factor costs) and Europe in general (26%) is much higher than in non-European OECD countries (17%).

54. In general, governments claw back more money through direct and indirect taxation of public transfer income than the value of the tax advantages awarded for social purposes:

6. It is difficult to be precise on the extent to which tax advantages are instrumental in stimulating private coverage. Tax breaks certainly affect individual behaviour and provide governments with a tool to influence take-up of particular plans, but may not lead to much additional saving on a national basis. For example, in the late 1980s individual retirement accounts were introduced in the United States. Favourable tax treatment certainly increased the coverage of this programme, but as in 1990, 82% of all programme contributions were 'rollover contributions' from other employment-based pension plans, the effect on overall pension savings was limited (Adema and Einerhand, 1998).

- **Direct taxes and social security contributions.** There is considerable variation across countries in taxation of social transfers: Direct taxation of public benefit income is negligible and/or below 1% of GDP in about one third of OECD countries, in sharp contrast to Denmark and Sweden where the claw-back on public social transfers through direct taxation is around 4% of GDP at factor cost.[7] The value of direct taxation of mandatory private incapacity-related benefits (often taxed as wages) is most significant in Germany, Iceland, and Norway at 0.3% of GDP or more. Compared to practice in the other countries, the value of direct tax levied over private social benefits is highest in the Netherlands at 1.3% of GDP.

- **Indirect taxes.** The value of benefit income clawed back through taxes on consumption is much larger in European countries and in Denmark in particular, than in Australia, Canada, and in particular, Japan, Korea, Mexico and the United States, where indirect tax rates on consumption out of benefit income is significantly lower.

- **Tax breaks for social purposes** (excluding pensions). These are generally least important in countries with relatively high direct tax levies, including Denmark, Finland, Iceland, Luxembourg, and Sweden, and their value is also limited in Austria (where support for families through the tax system is paid out in cash), New Zealand, Norway, Poland, the Slovak Republic and Turkey. Tax breaks similar to cash benefits are worth over 1.0% of GDP in Canada, France, Germany and Portugal. Tax breaks towards current private spending arrangements (health insurance) are largest in the United States at around 1.4% of GDP at factor cost.

55. Thus, *net public social expenditure* is usually less than gross spending indicators suggest: average gross public spending amounts to 22.4% of GDP at factor cost for the countries for which data is available, and net public social spending averages 19.9%. In Austria, Finland, Italy, Luxembourg, Norway and Poland, net spending is around 4% or more below gross spending levels, the adjustments for taxation imply that net public social spending as a proportion of GDP at factor costs in Sweden and Denmark is 6 to 7 percentage points of GDP below gross spending levels. In Australia and Japan, gross and public net spending levels are virtually the same while in Mexico and the United States gross public spending actually *underestimates* public social effort by more than 1 percentage point of GDP (Table I.4, lines 1 and 6).

56. Table I.4 also reveals that low gross public spending countries (around 20% of GDP or less) impose limited direct taxation on benefit income (Australia, Canada, the Czech Republic, Iceland, Ireland, Japan, Korea, Mexico, the Slovak Republic, Turkey and the United States), but that the opposite does not always hold true. Countries that claw back less than 2% of GDP in direct taxation include the United Kingdom (with gross spending around the OECD average) and, particularly, France and Germany (countries with gross spending levels well above the average). Indeed, because France and Germany are high gross public spending countries with a relatively limited tax burden on benefit income compared to most other European countries, they have the highest level of net government social effort.

57. Accounting for the impact of the tax system on social benefits also increases the importance of social services (including health care) vis-à-vis cash transfers. The 'service to cash spending ratio' increases from on average 90% (gross public social expenditure) to just over 108% when net public social expenditure is considered. When fiscal measures are accounted for, spending on social services (including health) exceeds spending on transfers in Australia, Canada, Denmark, Finland, Iceland, Korea, Mexico, the Netherlands, New Zealand, Norway, Sweden and the United Kingdom.

---

[7] Net social spending totals are corrected for indirect taxation, and therefore it is most appropriate to relate these indicators to GDP at factor costs which also does not include the value of indirect taxation (see Part II below).

58. In general, gross and net spending trends move in the same direction with changes in net spending levels generally being the smaller of the two (Annex I.2). However, gross and net spending trends diverge on one occasion, in Denmark from 1993 to 1995: while gross public spending increased from 32.3% of GDP in 1993 to 33.3% in 1995, net spending decreased from 28.4% of GDPfc to 24.5% over the same period. The divergence in trends reflects reforms which made old-age pensions and social assistance benefits taxable, whilst raising the gross payment rates of these benefits in order to compensate recipients. As a result, gross spending increased, while in real terms changes were small.

I.6.5. Social spending from the perspective of households

59. To get a picture of the amount of resources devoted to meeting social needs in a country, both *net public* and *net private* social benefits should be considered, although it should be borne in mind that the quality of data on the impact of tax systems and private social spending is not as high as the quality of information on budgetary allocations. Table I.4 line 13 shows that *net total social expenditure* is highest in France (one third of GDP at factor cost), followed closely by Belgium, Germany and Sweden. Net total expenditure is lowest in Mexico, Turkey and Korea at around 9, 11, and 12% of GDP at factor costs, and below 21% in the Slovak Republic, Ireland, Poland, New Zealand, the Czech Republic, Luxembourg, Iceland and Norway. Recipients of social benefits in more than one-third of countries all claim about one quarter of the economy's domestic production (with a margin of variation of 2.5 percentage points of GDP above and below 25% of GDP).

60. Overall, the results lead to the following general conclusions:

- Accounting for private social benefits and the impact of the tax system on social expenditure has an equalising effect on levels of social expenditure to GDP ratios across the countries considered.

- Except for Australia, Canada, Japan, Korea, Mexico, Turkey and the United States, public social spending is significantly below the levels suggested by gross expenditure data. This is because most countries have significant taxes on social benefits.

- Accounting for both the tax system and the role of private social benefits reveals that social spending levels are similar in countries often thought to have very different gross public social expenditure levels. For example, total net social spending in Austria, Canada, Denmark, Finland, Italy, Japan, the Netherlands, Portugal, the United Kingdom and the United States are within a few percentage points of each other.

61. Moving from gross public to net total social expenditure not only leads to greater similarity in spending levels across countries it also changes the ranking among countries. Denmark, Finland, Norway, Luxembourg, and Spain drop more than five places in the rankings (Chart I.11) and all these countries tax benefits and associated consumption above the OECD average (Table I.4). New Zealand and Spain drop 5 places as they tax benefits around the OECD average but have limited private social spending (Table I.4).

62. By contrast, Chart I.11 shows that Australia, Canada, Germany, Iceland, Japan, the Netherlands, the United Kingdom and the United States move up the rankings by 4 or more places. The reasons differ: Japan and Germany obtain higher ranks because of the limited taxation of benefits: in the other five countries, the role of private social (pension) spending drives up the ranking (Table I.4). As private social spending is so much larger in the United States compared with other countries its inclusion moves the United States to 5th place when comparing net total social spending across countries.

Table I.4: From gross public to net total social spending, 2007

Social expenditure indicators as a per cent of GDP at factor cost

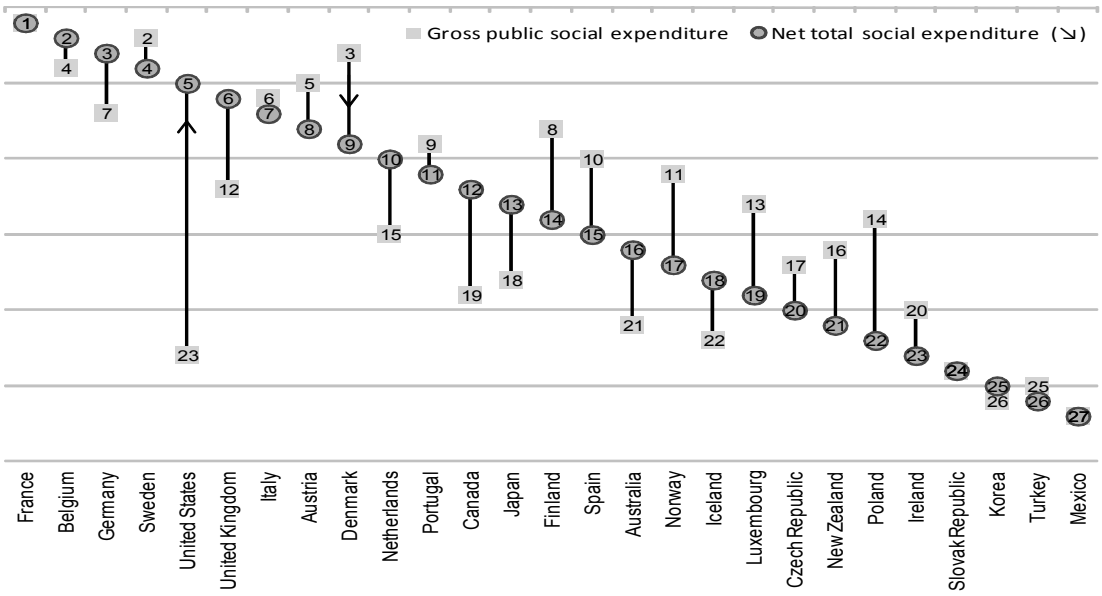
		Australia	Austria	Belgium	Canada	Czech Republic	Denmark	Finland	France	Germany	Iceland	Ireland	Italy	Japan	Korea	Luxembourg	Mexico	Netherlands	New Zealand	Norway	Poland	Portugal	Slovak Republic	Spain	Sweden	Turkey	United Kingdom	United States	OECD-27	CV
	1 Gross public social expenditure	**17.9**	**29.6**	**29.6**	**18.9**	**20.7**	**30.8**	**28.2**	**32.8**	**28.4**	**17.5**	**18.6**	**28.8**	**20.3**	**8.6**	**23.2**	**8.0**	**22.7**	**20.9**	**23.3**	**22.8**	**25.6**	**17.4**	**24.1**	**32.1**	**12.1**	**23.3**	**17.4**	**22.4**	**30%**
	Rank (country ranking, from highest spender to lowest)	***21***	***5***	***4***	***19***	***17***	***3***	***8***	***1***	***7***	***22***	***20***	***6***	***18***	***26***	***13***	***27***	***15***	***16***	***11***	***14***	***9***	***24***	***10***	***2***	***25***	***12***	***23***		
-	Direct taxes and social contributions	0.2	2.5	1.4	0.4	0.0	4.1	2.9	1.6	1.5	0.8	0.2	2.5	0.4	0.0	1.3	0.0	1.9	1.4	1.9	1.7	1.0	0.0	1.5	4.0	0.0	0.3	0.6	1.3	
	2 Net cash direct public social expenditure	17.7	27.1	28.3	18.5	20.7	26.7	25.3	31.2	26.9	16.8	18.4	26.3	19.9	8.5	21.9	8.0	20.8	19.6	21.4	21.1	24.6	17.4	22.6	28.1	12.1	23.0	16.8		
-	Indirect taxes (on cash benefits)	0.7	2.9	2.6	0.7	2.2	3.0	2.7	2.7	2.2	1.3	2.1	2.1	0.7	0.3	3.0	0.2	1.7	1.3	2.3	2.7	2.5	1.6	1.7	2.4	0.8	1.4	0.3	1.8	
	3 Net direct public social expenditure	17.0	24.2	25.6	17.8	18.4	23.7	22.6	28.5	24.7	15.5	16.3	24.2	19.2	8.2	18.9	7.8	19.1	18.3	19.1	18.5	22.1	15.7	20.9	25.7	11.3	21.6	16.5		
+	T1 TBSPs similar to cash benefits	0.8	0.1	0.7	1.5	0.6	0.0	0.0	1.2	1.5	0.0	0.3	0.2	0.6	0.8	0.0	1.0	1.0	0.0	0.1	0.1	1.3	0.0	0.4	0.0	0.0	0.4	0.7		
-	Indirect taxes	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.2	0.2	0.0	0.1	0.0	0.0	0.1	0.0	0.1	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0		
	4 Net TBSPs similar to cash benefits	0.7	0.1	0.6	1.3	0.5	0.0	0.0	1.1	1.3	0.0	0.2	0.2	0.5	0.7	0.0	0.9	0.8	0.0	0.1	0.1	1.0	0.0	0.3	0.0	0.0	0.3	0.6		
+	T2 TBSPs towards current private benefits	0.2	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.5	0.0	0.3	0.1	0.0	0.0	0.0	0.2	0.1	0.1	0.0	0.0	0.1	0.1	0.3	0.0	0.0	0.1	1.4		
	5 Net TBSPs (not including pensions)	0.9	0.1	0.6	1.6	0.5	0.0	0.0	1.1	1.8	0.0	0.5	0.3	0.6	0.7	0.0	1.1	0.9	0.1	0.1	0.1	1.1	0.1	0.7	0.0	0.0	0.5	2.1	0.6	
	6 Net current public social expenditure	17.9	24.2	26.2	19.4	19.0	23.7	22.6	29.6	26.5	15.5	16.8	24.4	19.7	8.9	18.9	8.9	20.0	18.4	19.2	18.6	23.2	15.8	21.6	25.7	11.3	22.0	18.6	19.9	25%
	Rank (country ranking, from highest spender to lowest)	*21*	*6*	*3*	*14*	*16*	*7*	*9*	*1*	*2*	*24*	*22*	*5*	*13*	*26*	*17*	*27*	*12*	*20*	*15*	*19*	*8*	*23*	*11*	*4*	*25*	*10*	*18*		
	7 Gross mandatory private soc. Exp.	0.5	0.9	0.0	0.0	0.3	0.3	0.0	0.4	1.2	1.9	0.0	1.8	0.6	0.7	0.3	0.0	0.7	0.0	1.4	0.0	0.5	0.2	0.0	0.5	0.0	0.9	0.3	0.5	
-	Direct taxes and social contributions	0.1	0.2	0.0	0.0	0.0	0.1	0.0	0.0	0.4	0.3	0.0	0.2	0.0	0.0	0.1	0.0	0.2	0.0	0.4	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0		
-	Indirect taxes	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.3	0.0	0.2	0.0	0.1	0.1	0.0	0.1	0.0	0.2	0.0	0.1	0.0	0.0	0.1	0.0	0.1	0.0		
	8 Net current mand. private soc. exp.	0.4	0.6	0.0	0.0	0.2	0.1	0.0	0.3	0.7	1.3	0.0	1.4	0.5	0.6	0.2	0.0	0.4	0.0	0.8	0.0	0.4	0.2	0.0	0.3	0.0	0.7	0.3	0.3	
	9 Net publicly mandated soc. exp. [6+8] [a]	**18.3**	**24.8**	**26.2**	**19.4**	**19.2**	**23.9**	**22.6**	**29.9**	**27.2**	**16.8**	**16.8**	**25.8**	**20.3**	**9.5**	**19.1**	**8.9**	**20.4**	**18.4**	**20.0**	**18.6**	**23.6**	**16.0**	**21.6**	**25.9**	**11.3**	**22.7**	**18.9**	**20.2**	**25%**
	10 Gross voluntary private soc. exp.	3.7	1.1	5.3	5.9	0.2	2.8	1.2	3.0	2.0	4.3	1.7	0.7	3.4	2.3	0.7	0.2	7.1	0.5	0.9	0.0	1.5	0.9	0.6	2.9	0.0	5.7	10.9	2.6	
-	Direct taxes and social contributions	0.6	0.1	0.4	0.7	0.0	0.9	0.2	0.0	0.2	0.6	0.1	0.0	0.0	0.0	0.1	0.0	1.3	0.0	0.2	0.0	0.0	0.0	0.0	0.6	0.0	0.7	0.6		
-	Indirect taxes	0.2	0.1	0.7	0.4	0.0	0.4	0.2	0.1	0.1	0.8	0.2	0.0	0.2	0.0	0.1	0.0	0.9	0.0	0.2	0.0	0.0	0.1	0.0	0.5	0.0	0.6	0.2		
	11 Net current voluntary private soc. exp.	2.9	0.9	4.3	4.8	0.2	1.4	0.8	2.8	1.7	2.9	1.5	0.6	3.2	2.3	0.5	0.2	5.0	0.5	0.5	0.0	1.5	0.8	0.6	1.8	0.0	4.4	10.1	2.1	
	12 Net current private soc. exp. [8+11]	3.3	1.5	4.3	4.8	0.4	1.6	0.8	3.1	2.4	4.2	1.5	2.0	3.7	2.9	0.7	0.2	5.4	0.5	1.3	0.0	1.9	1.0	0.6	2.1	0.0	5.0	10.4		
	13 Net total social expenditure [6+12-T2] [b]	**21.0**	**25.8**	**30.5**	**24.0**	**19.3**	**25.3**	**23.4**	**32.7**	**28.4**	**19.7**	**18.0**	**26.4**	**23.4**	**11.8**	**19.6**	**9.0**	**25.3**	**18.8**	**20.5**	**18.6**	**25.0**	**16.7**	**21.8**	**27.8**	**11.3**	**26.9**	**27.5**	**22.2**	**26%**
	Rank (country ranking, from highest spender to lowest)	***16***	***8***	***2***	***12***	***20***	***9***	***14***	***1***	***3***	***18***	***23***	***7***	***13***	***25***	***19***	***27***	***10***	***21***	***17***	***22***	***11***	***24***	***15***	***4***	***26***	***6***	***5***		
	Memorandum item																													
	TBSPs towards pensions [c]	3.0	0.1	0.2	2.2	0.1	..	0.1	0.0	0.9	1.2	1.4	0.0	0.8	..	0.6	0.2	2.1	..	0.6	..	0.1	0.2	0.3	0.0	..	..	0.9	..	
	Average indirect tax rate	9.0	16.4	15.1	9.6	17.1	26.0	19.9	14.4	14.2	21.0	20.0	12.3	6.3	11.4	23.7	6.0	16.8	13.6	23.5	17.9	16.9	15.4	12.5	20.7	11.6	12.8	4.1	15.1	

Notes: a) Numbers in square brackets refer to line numbers in the second column; "." cell with no information. b) In order to avoid double counting, the value of TBSPs towards "current" private social benefits has been ignored for the calculation of net total social expenditure. c) Because of conceptual issues and gaps in data availability, tax breaks towards old-age pensions are shown in the table as a memorandum item.

Source: see Annex I.2.

Chart I.11: Using net rather than gross indicators changes the ranking among countries in international comparison of social spending

Rank of countries in terms of gross public and net total social spending-to-GDP ratios, 2007



Source: see Annex I.2.

REFERENCES

Adema, W. and M. Einerhand (1998), "The Growing Role of Private Social Benefits", *Labour Market and Social Policy Occasional Papers*, No. 32, OECD, Paris (*www.oecd.org/els/workingpapers*).

Adema, W. and M. Ladaique (2009) 'How Expensive is the Welfare State? Gross and Net Indicators in the OECD Social Expenditure Database (SOCX)', *OECD Social, Employment and Migration Working Papers* no. 92, OECD, Paris (*www.oecd.org/els/workingpapers*).

EUROSTAT (2008), *ESSPROS Manual - The European System of integrated Social PROtection Statistics (ESSPROS),* Luxembourg (*http://epp.eurostat.ec.europa.eu/portal/page/portal/social_protection/publications*).

OECD (2010*a*), *Value for Money in Health Spending*, Health Policy Studies, OECD, Paris.

OECD (2010*b*), *OECD Revenue Statistics*, 1965–2009, OECD, Paris (*www.oecd.org/ctp/revenuestats*).

OECD (2010*c*), *National Accounts of OECD Countries*: Detailed tables, Volume II, OECD, Paris.

OECD (2011*a*), *Economic Outlook 89A,* OECD, Paris (*www.oecd.org/oecdEconomicOutlook*).

OECD (2011*b*), *Pensions at a Glance*, OECD, Paris (*www.oecd.org/els/social/pensions/PAG*).

OECD (2011*c*), *Employment Outlook*, OECD, Paris (*www.oecd.org/employment/outlook*).

OECD (2011*d*), Economic Crisis and Beyond: Social Policies for the Recovery, Documentation for the 2011 OECD Ministerial Meeting on Social Policy. (*www.oecd.org/social/ministerial*)

OECD Social Expenditure database – SOCX (*www.oecd.org/els/social/expenditure*)

OECD Family database (*www.oecd.org/els/social/family/database*)

ANNEX I.1: ESTIMATING PUBLIC SOCIAL EXPENDITURE 2008-2012 – SOURCES AND METHODS

Detailed SOCX data is not available for the period after 2007. However, the public social expenditure series as in SOCX was extended to 2008, 2009 and 2010 using available information on national aggregates in the *OECD Economic Outlook* and the European Union's Annual macro-economic database (AMECO), or country responses to an OECD questionnaire on social policy experiences during the economic crisis. Based on projections in the *OECD Economic Outlook* and AMECO, public social spending aggregates were estimated for 2011 and 2012.

Two series were extended from 2007 until 2012 public social expenditure in cash (social transfers) and public social expenditure on services, including health.

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

- Social transfers, cash spending : for the years 2008-2012, trends in social security benefits paid by general government (SSPG) as in the database underlying OECD (2011*a*) *Economic Outlook* 89A database) were applied to public social expenditure in cash as in 2007. For 2008. 2009 and 2010, (2009 for New Zealand, Switzerland, and Turkey), it concerns spending data as reported by countries; for 2011 and 2012 the estimated SSPG series as in OECD (2011*a*) was used.

- Services spending : for the years 2008 – 2012, 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 2007. 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 2008, 2009 and 2010, it concerns spending data as reported by countries; for 2011 and 2012 the estimated UCIG0 series as reported in AMECO was used.

- Public expenditure on Active Labour Market Programmes (ALMPs): For the years 2008 and 2009 data were taken from the LMP database as reported in OECD (2011*c*), *Employment Outlook*. From 2010 to 2012 trends in UC1GO series on social transfers in kind (see above) were applied to extend the series on public spending on ALMPs to 2010, 2011 and 2012.

Data on GDP were taken from *OECD Economic Outlook* database 89A as released May 2011 (www.oecd.org/oecdEconomicOutlook)

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 countries for which either SSPG data (social security benefits paid by general government) or short term economic forecasts from AMECO were not available, results were used from OECD (2011*b*)

and country responses to the OECD-ELS questionnaire on the crisis and early recovery (This questionnaire contributed to documentation on for the OECD Ministerial Meeting on Social Policy, 2-3 May 2011, session 1: Economic Crisis and Beyond: Social Policies for the Recovery (OECD, 2011*d*).

Table AI.1.1 summarises the methodology applied to estimate spending aggregates for public expenditure on cash benefits social services (including health) and ALMPs. Please note that (x) denotes the standard procedure as define above.

Estimates were further refined to obtain extend the series public social spending for the 2008-2012 period for the following four broad social policy areas: Pensions (SOCX categories old Age cash and Survivors); Income support to the working-age population (spending on the following SOCX categories: Incapacity benefits, Family cash benefits, Unemployment and other social policy areas categories; Health; and, other social services (spending on services other than health; includes spending on ALMPs).

Where possible the following method was followed to extend the series as in SOCX:

- Pensions: use the trend in the long-term projections for public pension spending, per cent of GDP as in OECD (2011b), *Pensions at a Glance: Retirement-Income Systems in OECD and G20 Countries* (www.oecd.org/els/social/pensions/PAG)

- Income support to the working age: Trends in spending as in the social security benefits paid by general government (SSPG) series (OECD *Economic Outlook*).

- Health: Trend in Health Care expenditures projections (AWG, European Commission Ageing Working Group reference scenario) from the 2009 Ageing Report: Economic and budgetary projections for the EU-27 Member States (2008-2060) EU Ageing report 2009 (http://ec.europa.eu/economy_finance/publications/publication14992_en.pdf). The so-called "AWG reference scenario" was used as "central scenario" when calculating the overall budgetary impact of ageing. It is a combination of a number of factors affecting health care spending and, as such, it is considered by the Ageing Working Group as a plausible scenario for assessing potential future needs for public spending on health care. It incorporates the demographic impact of the changing population structure, moderately positive developments of health status and the strengthened impact of the national income incorporating a number of demand and supply factors pushing expenditure up.

- Other Services: These trends were obtained by deducting projected values on spending on Pensions, Health and Income support to the working-age population from the projected overall public social expenditure trend for 2008-2012.

Table AI.1.2 summarizes the methodology applied for the estimation of public social spending by broad social policy area per country. These estimates are always consistent with series on total public social spending on cash benefits and social services as referred to in Table AI1.1 Please note (x) denotes the procedure as defined in the four bullet points above.

Table A.I.1.1: **Estimation method for public social spending on cash benefits, services and ALMPs, 2008-2012**

	Cash	Services	Active Labour Market Programmes
Australia	x	2005-2008 annual average growth rate from 2009 to 2012.	2005-2008 annual average growth rate for 2010-2012.
Austria	x	x	x
Belgium	x	x	x
Canada	x	Data for 2008-2009 were taken from the country response to the OECD questionnaire on the crisis and early recovery + 2004-2007 annual average growth rate for 2010-2012.	2004-2007 annual average growth rate for 2010-2012.
Chile	Data for 2008-2010 were taken from the country response to the OECD questionnaire on the crisis and early recovery and Central Bank social expenditure data.	Data for 2008-2010 were taken from the country response to the OECD questionnaire on the crisis and early recovery and Central Bank social expenditure data.	Data were taken from the trend in the OECD Labour Market programmes Database.
Czech Republic	x	x	x
Denmark	x	x	x
Estonia	Data for 2008-2010 were taken from the country response to the OECD questionnaire on the crisis and early recovery. For 2011 and 2012, a constant average growth rate has been considered. Unemployment cash benefits have been estimated based on the trend in country response to the questionnaire on the crisis and early recovery till 2012.	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	x	Data for 2008-2011 were taken from the country response to the OECD questionnaire on the crisis and early recovery + 2004-2007 annual average growth rate for 2012.	x
Italy	x	x	x
Japan	2008 data were taken from IPSS	2008 data were taken from IPSS	2008 data were taken from the OECD Labour Market programmes Database.
Korea	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2012	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2012	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2012
Luxembourg	x	x	x
Mexico	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2011	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2011	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2011
Netherlands	x	x	x
New Zealand	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2012	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2012	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2012
Norway	x	x	Data were taken from the trend in Social transfers in kind from Ameco
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	Data were taken from the trend in Social transfers in kind from Ameco
Turkey	Not available		
United Kingdom	x	x	x
United States	Data were taken from the previsions of the Office of management and budget.	Data were taken from the previsions 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 (2011*b*), *Employment Outlook)* and trends in the UCIG0 series on service spending in the AMECO database.

Table A.I.1.2: **Estimation method for public social spending by broad social policy area, 2008-2012**

	Pension	Income support to the working age	Health	Other services
Australia	x	x	Trend in Social transfers in kind from Ameco for 2008 and 2005-2008 annual average growth rate from 2009 to 2012.	x
Austria	x	x	x	x
Belgium	x	x	x	x
Canada	x	x	Data for 2008-2009 were taken from the country response to the OECD questionnaire on the crisis and early recovery + 2004-2007 annual average growth rate for 2010-2012.	x
Chile	Data for 2008-2010 were taken from the country response to the OECD questionnaire on the crisis and early recovery and from Central Bank social expenditure data.	Data for 2008-2010 were taken from the country response to the OECD questionnaire on the crisis and early recovery and from Central Bank social expenditure data.	Data for 2008-2010 were taken from the country response to the OECD questionnaire on the crisis and early recovery and from Central Bank social expenditure data.	x
Czech Republic	x	x	x	x
Denmark	x	x	x	x
Estonia	x	Data for 2008-2010 were taken from the country response to the OECD questionnaire on the crisis and early recovery + 2004-2007 annual average growth rate for 2011-2012 except for unemployment where trends based on the country response to the questionnaire on thr crisis and early recovery has been used till 2012.	x	x
Finland	x	x	x	x
France	x	x	x	x
Germany	x	x	x	x
Greece	x	x	x	x
Hungary	x	x	x	x
Iceland	Social security benefits paid by general government SSPG (from OECD Economic Outlook 89A database)	x	Trend in Social transfers in kind from Ameco	x
Ireland	x	x	x	x
Israel	Social security benefits paid by general government SSPG (from OECD Economic Outlook 89A database)	x	OECD Health data for 2008 + 2004-2007 annual average growth rate for 2009-2012.	x
Italy	x	x	x	x
Japan	Not available			
Korea	x	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2012	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2012	x
Luxembourg	x	x	x	x
Mexico	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2011	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2011	OECD Health data for 2008+Data taken from the country response to the OECD questionnaire on the crisis and early recovery for 2009-2011	x
Netherlands	x	x	x	x
New Zealand	x	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008-2012.	Data were taken from the country response to the OECD questionnaire on the crisis and early recovery for 2008 + 2004-2007 annual average growth rate for 2009-2012.	
Norway	x	x	x	x
Poland	x	x	x	x
Portugal	x	x	x	x
Slovak Republic	x	x	x	x
Slovenia	x	x	x	x
Spain	x	x	x	x
Sweden	x	x	x	x
Switzerland	x	x	Trend in Social transfers in kind from Ameco	x
Turkey	Not available			
United Kingdom	x	x	x	x
United States	Data were taken from the previsions of the Office of management and budget.	Data were taken from the previsions of the Office of management and budget.	Data were taken from the previsions of the Office of management and budget.	x

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.

Table A.I.1.3: Public social expenditures as % GDP, 1980 – 2012, estimated for 2008 to 2012

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	10.3	10.1	11.1	11.6	12.0	12.1	12.0	12.1	11.5	11.6	13.1	14.3	15.2	15.5	15.3	16.2	16.2	16.0	16.7	16.5	17.3	16.8	17.0	17.2	17.1	16.5	16.1	16.0	*16.5*	*18.0*	*16.6*	*16.4*	*16.1*
Austria	22.4	m	m	m	m	23.7	m	m	m	m	23.8	24.1	24.8	26.2	27.0	26.6	26.7	26.8	26.6	27.0	26.7	27.0	27.3	27.9	27.7	27.4	27.0	26.4	*26.7*	*29.1*	*28.9*	*28.3*	*28.1*
Belgium	23.5	25.1	25.7	26.0	25.2	26.0	25.9	25.6	25.5	24.6	24.9	25.7	25.8	26.9	26.3	26.3	26.8	25.7	26.0	25.9	25.4	25.8	26.2	26.3	26.5	26.4	26.4	26.3	*27.4*	*29.7*	*29.4*	*28.9*	*28.6*
Canada	13.7	14.1	16.5	16.7	16.5	17.0	16.9	16.6	16.4	16.7	18.1	20.3	21.0	20.9	19.9	18.9	18.1	17.4	17.7	16.7	16.5	17.0	17.1	17.2	17.1	17.0	16.9	16.9	*17.7*	*19.6*	*19.3*	*19.3*	*19.3*
Chile	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	11.4	12.2	11.9	12.2	13.1	13.2	13.4	13.4	12.8	11.7	11.2	10.5	10.6	*10.6*	*12.5*	*11.6*	*m*	*m*
Czech Republic	m	m	m	m	m	m	m	m	m	m	16.0	17.3	17.6	18.1	18.1	18.2	18.0	18.8	19.0	19.5	19.8	19.8	20.6	20.7	19.7	19.5	19.1	18.8	*18.7*	*20.3*	*20.4*	*20.6*	*20.4*
Denmark	24.8	24.8	24.8	25.0	23.8	23.2	23.1	23.8	25.1	25.3	25.1	25.9	26.4	28.1	29.4	28.9	28.2	27.2	26.5	26.4	25.7	26.1	26.6	27.9	27.7	27.2	26.6	26.0	*26.6*	*30.2*	*30.1*	*29.9*	*29.5*
Estonia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	14.1	13.2	13.0	13.1	13.5	13.2	12.8	13.0	*15.6*	*19.7*	*19.7*	*18.3*	*17.3*
Finland	18.1	18.5	19.5	20.5	21.5	22.6	23.0	23.6	23.0	22.7	24.3	29.4	33.4	33.4	32.8	30.9	30.8	28.6	26.4	25.8	24.3	24.3	25.0	25.9	26.0	26.1	25.9	24.9	*25.7*	*29.6*	*29.1*	*28.4*	*28.0*
France	20.8	21.8	22.3	22.6	22.8	26.0	25.8	25.9	25.7	24.8	24.9	25.5	26.3	27.8	27.8	28.5	28.8	28.6	28.8	28.8	27.7	27.7	28.4	28.9	29.0	29.0	28.6	28.4	*28.6*	*30.7*	*31.0*	*30.4*	*29.9*
Germany	22.1	22.8	22.8	22.5	22.2	22.5	22.5	23.0	23.0	21.9	21.7	23.7	25.6	26.3	26.3	26.8	27.4	26.7	26.6	26.6	26.6	26.7	27.4	27.7	27.1	27.2	26.1	25.2	*25.2*	*27.6*	*27.3*	*26.4*	*25.8*
Greece	10.2	12.3	14.5	15.1	15.4	16.0	15.8	15.8	14.6	15.5	16.5	15.9	16.1	17.0	17.0	17.3	17.9	17.9	18.6	19.2	19.2	20.6	20.1	19.8	19.9	21.0	21.3	21.3	*22.7*	*24.6*	*23.2*	*23.4*	*23.1*
Hungary	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	21.2	20.3	20.1	21.3	22.4	21.6	22.6	22.9	22.9	*23.5*	*24.4*	*23.5*	*23.1*	*22.1*
Iceland	m	m	m	m	m	m	m	m	m	m	13.7	14.2	14.7	15.1	14.9	15.2	14.9	14.6	14.8	15.4	15.2	15.3	16.8	17.7	17.4	16.3	15.9	14.6	*15.1*	*17.7*	*15.8*	*14.8*	*14.0*
Ireland	16.7	16.7	17.4	17.5	17.0	21.3	21.5	20.7	19.4	17.8	14.9	15.7	16.4	16.4	16.1	15.7	14.8	14.0	13.0	14.1	13.3	14.3	15.2	15.6	16.0	15.8	15.8	16.3	*18.8*	*22.5*	*22.8*	*21.4*	*19.8*
Israel	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	16.7	17.2	17.5	17.3	17.3	17.1	18.5	18.8	18.3	17.1	16.5	15.9	15.5	*15.8*	*16.2*	*16.3*	*16.1*	*15.7*
Italy	18.0	19.4	19.9	20.9	20.5	20.8	20.8	21.0	21.0	21.2	19.9	20.3	20.9	21.1	20.8	19.9	22.0	22.7	22.9	23.3	23.3	23.5	24.0	24.4	24.7	25.0	25.1	24.9	*25.6*	*27.5*	*27.5*	*27.0*	*26.4*
Japan	10.4	10.8	11.2	11.5	11.3	11.2	11.6	11.7	11.4	11.1	11.3	11.5	12.1	12.8	13.4	14.3	14.5	14.7	15.5	16.1	16.5	17.4	17.8	18.1	18.2	18.6	18.4	18.7	*20.0*	*m*	*m*	*m*	*m*
Korea	m	m	m	m	m	m	m	m	m	m	2.8	2.7	3.0	3.0	3.0	3.2	3.4	3.7	5.1	6.1	4.8	5.2	5.1	5.4	6.0	6.4	7.4	7.6	*8.1*	*9.0*	*9.0*	*9.4*	*9.7*
Luxembourg	20.6	22.1	21.4	21.6	20.3	20.2	19.5	20.4	19.6	18.9	19.1	19.4	19.8	20.1	19.9	20.8	20.9	21.2	20.9	20.4	19.8	20.7	22.0	23.3	23.9	23.0	21.8	20.6	*21.2*	*24.4*	*23.5*	*23.4*	*23.6*
Mexico	m	m	m	m	m	1.7	1.7	1.7	1.9	2.5	3.3	3.7	4.0	4.3	4.7	4.3	4.1	4.1	4.6	5.3	5.3	6.0	6.3	6.7	6.6	6.8	7.0	7.2	*8.4*	*8.8*	*8.2*	*8.5*	*m*
Netherlands	24.8	25.5	27.0	27.4	26.0	25.3	24.7	24.7	24.3	24.0	25.6	25.5	26.0	26.1	24.7	23.8	22.6	21.8	21.4	20.5	19.8	19.7	20.5	21.2	21.1	20.7	20.3	20.1	*20.2*	*22.5*	*22.6*	*22.2*	*21.5*
New Zealand	17.0	17.2	18.1	17.8	17.2	17.7	17.6	18.4	19.8	21.1	21.5	21.9	21.8	20.0	19.2	18.7	18.6	19.6	20.1	19.4	19.1	18.4	18.5	18.0	17.7	18.1	19.0	18.4	*20.1*	*21.4*	*21.8*	*22.1*	*21.8*
Norway	16.9	m	m	m	m	17.8	m	m	20.9	21.9	22.3	23.3	24.2	24.1	23.9	23.3	22.5	22.0	23.6	23.6	21.3	22.2	23.7	24.6	23.3	21.7	20.4	20.8	*20.6*	*24.0*	*24.0*	*22.7*	*22.4*
Poland	m	m	m	m	m	m	m	m	m	m	14.9	21.2	24.9	24.4	23.2	22.6	22.8	22.2	21.4	21.6	20.5	21.9	22.3	22.3	21.4	21.0	20.8	19.8	*19.9*	*21.4*	*21.8*	*21.4*	*21.1*
Portugal	9.9	10.7	10.0	10.1	10.0	10.1	10.7	11.0	11.1	10.7	12.5	13.4	14.1	15.5	15.7	16.5	17.1	16.9	17.3	17.7	18.9	19.2	20.5	22.2	22.4	22.9	22.9	22.5	*23.0*	*25.9*	*26.1*	*25.3*	*25.4*
Slovak Republic	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	18.8	18.4	18.0	18.1	18.6	17.9	17.6	17.7	17.0	16.5	16.3	16.0	15.7	*15.8*	*18.5*	*18.2*	*17.6*	*17.0*
Slovenia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	22.4	22.8	22.9	22.9	22.9	23.0	23.1	22.6	22.2	21.9	21.5	20.3	*20.9*	*23.6*	*23.9*	*24.0*	*23.7*
Spain	15.5	16.7	16.7	17.4	17.2	17.8	17.5	17.4	17.9	18.1	19.9	20.7	21.8	23.1	22.0	21.4	21.3	20.7	20.6	20.4	20.4	20.1	20.4	21.0	21.2	21.4	21.4	21.6	*23.1*	*26.3*	*26.7*	*25.9*	*25.3*
Sweden	27.2	28.0	27.9	28.2	27.4	29.5	29.5	29.6	30.0	29.3	30.2	31.8	34.7	35.7	34.4	32.0	31.6	30.4	30.2	29.7	28.4	28.7	29.4	30.1	29.5	29.1	28.4	27.3	*27.3*	*29.6*	*28.2*	*27.2*	*26.5*
Switzerland	13.8	13.5	14.3	14.7	14.8	14.7	14.8	15.0	15.0	14.7	13.5	14.5	16.0	17.4	17.3	17.5	18.0	18.6	18.7	18.5	17.8	18.3	19.1	20.2	20.2	20.2	19.2	18.5	*18.1*	*19.6*	*19.6*	*19.1*	*18.5*
Turkey	3.2	3.3	3.6	3.9	3.4	3.1	3.3	3.4	4.0	4.7	5.7	6.1	6.3	6.2	5.9	5.6	7.2	8.0	8.3	9.8	9.8	9.8	9.8	9.8	9.9	9.9	10.0	10.5	*m*	*m*	*m*	*m*	*m*
United Kingdom	16.5	18.0	18.5	19.3	19.3	19.4	19.5	18.8	17.5	16.9	16.7	18.2	19.9	20.5	20.1	19.9	19.6	18.7	18.9	18.6	18.6	19.3	19.4	19.8	20.5	20.6	20.4	20.5	*21.5*	*24.3*	*24.4*	*23.7*	*22.9*
United States	13.2	13.5	13.9	14.1	13.1	13.1	13.2	13.1	13.1	13.1	13.5	14.4	15.1	15.4	15.3	15.4	15.2	14.8	14.8	14.5	14.5	15.3	15.9	16.0	15.9	15.8	16.0	16.2	*16.8*	*19.5*	*20.4*	*20.3*	*19.5*
OECD	**15.7**	**16.3**	**16.8**	**17.1**	**16.8**	**17.4**	**17.4**	**17.5**	**17.4**	**17.3**	**17.7**	**18.6**	**19.5**	**20.0**	**19.7**	**19.5**	**19.6**	**19.3**	**19.3**	**19.3**	**19.0**	**19.3**	**19.7**	**20.1**	**19.9**	**19.8**	**19.5**	**19.3**	***20.2***	***22.5***	***22.2***	***22.1***	***22.1***

Note: Social spending aggregates based on detailed data for 1980-2007; aggregate spending estimates for 2008-2012.

Table A.I.1.4a: Public social expenditures on pension as % GDP, 1980 – 2012, estimated for 2008 to 2012

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	3.5	3.5	3.6	3.6	3.5	3.3	3.3	3.2	2.8	2.8	3.0	3.1	3.1	3.3	3.1	3.6	3.6	3.5	3.4	3.2	3.8	3.3	3.3	3.4	3.5	3.3	3.3	3.4	*3.4*	*3.4*	*3.4*	*3.4*	*3.4*
Austria	10.4	m	m	m	m	11.4	m	m	m	m	11.4	11.5	11.5	12.1	12.3	12.3	12.4	12.4	12.3	12.4	12.3	12.5	12.6	12.8	12.7	12.5	12.4	12.3	*12.2*	*12.2*	*12.2*	*12.2*	*12.2*
Belgium	8.9	9.4	9.5	9.7	9.4	9.3	9.4	9.3	9.5	9.2	9.1	9.4	9.6	9.8	9.6	9.4	9.5	9.3	9.2	9.1	8.9	9.0	9.0	9.1	9.0	9.0	8.9	8.9	*8.9*	*9.0*	*9.1*	*9.2*	*9.3*
Canada	3.0	3.1	3.4	3.5	3.6	3.7	3.9	4.0	3.9	4.0	4.2	4.6	4.7	4.8	4.7	4.7	4.7	4.7	4.6	4.4	4.3	4.4	4.4	4.3	4.2	4.2	4.2	4.2	*4.3*	*4.4*	*4.6*	*4.6*	*4.7*
Chile	m	m	m	m	m	m	m	9.9	8.7	8.3	8.3	8.2	7.8	7.8	7.6	6.9	7.4	7.1	7.1	7.6	7.5	7.5	7.4	7.0	6.4	5.9	5.4	5.2	*5.1*	*5.4*	*5.2*	*m*	*m*
Czech Republic	m	m	m	m	m	m	m	m	m	m	6.1	6.6	6.7	6.3	6.0	6.3	6.5	7.3	7.3	7.4	7.5	7.4	7.6	7.5	7.1	7.3	7.2	7.4	*7.2*	*7.0*	*6.8*	*6.7*	*6.7*
Denmark	4.8	4.8	4.7	4.7	4.6	4.7	4.5	4.6	4.8	5.1	5.1	5.2	5.2	5.3	6.3	6.2	6.1	5.8	5.7	5.6	5.3	5.3	5.3	5.4	5.3	5.4	5.5	5.5	*5.6*	*5.7*	*5.7*	*5.8*	*5.9*
Estonia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	6.0	5.5	5.5	5.4	5.5	5.3	5.3	5.2	*5.5*	*5.7*	*6.0*	*5.9*	*5.9*
Finland	5.5	5.7	5.9	6.4	7.2	7.4	7.3	7.6	7.2	7.0	7.3	8.5	9.5	9.4	9.1	8.8	9.0	8.4	7.9	7.9	7.7	7.8	8.1	8.4	8.3	8.4	8.5	8.3	*8.5*	*8.6*	*8.8*	*9.0*	*9.2*
France	9.4	9.7	9.9	10.1	10.3	10.5	10.4	10.4	10.5	10.0	10.6	10.9	11.2	11.8	11.9	12.0	12.2	12.2	12.0	12.1	11.8	11.8	11.9	12.1	12.2	12.3	12.4	12.5	*12.6*	*12.8*	*13.0*	*13.0*	*13.0*
Germany	10.4	10.4	10.5	10.5	10.4	10.3	10.1	10.3	10.2	9.9	9.7	9.5	9.8	10.1	10.3	10.7	10.9	11.0	11.1	11.2	11.2	11.3	11.5	11.7	11.6	11.5	11.1	10.7	*10.6*	*10.5*	*10.5*	*10.5*	*10.4*
Greece	5.4	5.9	7.5	7.6	8.2	8.6	8.7	9.0	8.8	9.2	9.9	9.3	9.2	9.5	9.4	9.6	10.0	10.1	10.8	11.0	10.7	11.5	11.2	11.0	11.1	11.7	11.8	11.9	*11.9*	*11.8*	*11.8*	*11.9*	*12.0*
Hungary	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	7.7	7.4	7.5	8.0	8.0	8.0	8.6	8.7	9.1	*9.2*	*9.4*	*9.5*	*9.4*	*9.3*
Iceland	m	m	m	m	m	m	m	m	m	m	2.2	2.3	2.4	2.5	2.4	2.4	2.3	2.3	2.2	2.2	2.2	2.1	2.1	2.3	2.1	2.0	1.8	1.9	*2.0*	*2.7*	*2.6*	*2.4*	*2.3*
Ireland	5.2	5.4	5.8	5.9	5.7	5.6	5.6	5.5	5.3	4.9	3.9	4.0	4.0	3.9	3.8	3.5	3.2	2.9	2.7	3.2	3.1	3.2	3.3	3.3	3.4	3.4	3.4	3.6	*3.6*	*3.6*	*3.7*	*3.7*	*3.7*
Israel	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	4.7	4.8	5.0	5.0	4.9	4.9	5.3	5.4	5.5	5.4	5.1	4.9	4.8	*4.9*	*5.1*	*5.1*	*5.1*	*5.0*
Italy	8.9	9.8	10.2	10.9	10.8	11.1	11.4	11.4	11.4	11.6	10.1	10.4	11.0	11.4	11.6	11.3	13.3	13.8	13.7	13.9	13.6	13.4	13.6	13.8	13.8	14.0	13.9	14.1	*14.1*	*14.1*	*14.1*	*14.1*	*14.1*
Japan	3.9	4.2	4.5	4.6	4.7	4.8	5.0	5.1	5.0	4.9	4.9	4.9	5.2	5.5	5.8	6.1	6.3	6.5	6.9	7.2	7.4	7.7	8.1	8.3	8.5	8.7	8.7	8.8	*9.3*	*m*	*m*	*m*	*m*
Korea	m	m	m	m	m	m	m	m	m	m	0.7	0.8	0.9	1.0	1.1	1.2	1.1	1.2	1.9	2.5	1.4	1.2	1.1	1.3	1.4	1.5	1.6	1.7	*1.9*	*2.1*	*2.4*	*2.5*	*2.6*
Luxembourg	9.1	9.5	9.2	9.1	8.6	8.5	8.2	8.4	8.1	7.9	8.2	8.6	8.6	8.6	8.6	8.8	8.7	8.9	8.6	7.9	7.5	6.9	7.2	7.4	7.3	7.2	6.8	6.5	*6.5*	*6.5*	*6.5*	*6.5*	*6.6*
Mexico	m	m	m	m	m	0.2	0.2	0.3	0.3	0.5	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.7	0.8	0.9	0.9	0.9	1.0	1.1	1.1	1.2	1.2	1.4	*1.8*	*1.6*	*1.7*	*1.4*	*m*
Netherlands	6.4	6.3	6.5	6.4	6.1	6.2	6.1	6.2	6.1	6.0	6.7	6.6	6.6	6.5	5.9	5.8	5.7	5.5	5.4	5.2	5.0	4.9	5.0	5.1	5.0	5.0	4.8	4.7	*4.7*	*4.7*	*4.6*	*4.7*	*4.8*
New Zealand	7.1	7.1	7.9	7.4	7.2	7.6	6.9	6.7	6.7	7.0	7.4	7.8	7.1	6.5	6.0	5.7	5.5	5.4	5.3	5.1	5.0	4.8	4.6	4.5	4.3	4.3	4.3	4.3	*4.5*	*4.8*	*5.0*	*5.1*	*5.1*
Norway	4.5	m	m	m	m	4.7	m	m	5.5	5.6	5.6	5.7	5.7	5.7	5.6	5.5	5.3	5.1	5.5	5.4	4.8	4.9	5.2	5.3	5.1	4.8	4.6	4.7	*4.8*	*4.9*	*5.1*	*5.2*	5.3
Poland	m	m	m	m	m	m	m	m	m	m	5.1	7.9	9.4	9.7	9.6	9.4	9.4	9.7	9.2	9.4	10.5	11.5	11.7	11.9	11.7	11.4	11.5	10.6	*10.4*	*10.2*	*9.9*	*9.7*	*9.5*
Portugal	3.7	4.0	3.8	4.3	4.1	4.1	4.3	4.5	4.4	4.4	4.9	5.3	5.8	6.4	6.5	7.2	7.4	7.3	7.4	7.7	7.9	8.3	8.8	9.3	9.9	10.3	10.6	10.8	*10.9*	*11.1*	*11.2*	*11.3*	*11.3*
Slovak Republic	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	6.3	6.3	6.3	6.4	6.4	6.3	6.4	6.4	6.2	6.2	6.2	6.0	5.8	*5.8*	*5.7*	*5.7*	*5.6*	*5.6*
Slovenia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	10.5	10.5	10.6	10.5	10.6	10.8	11.0	10.3	10.2	9.9	10.0	9.6	*9.7*	*9.8*	*9.8*	*9.9*	*10.0*
Spain	6.2	6.8	6.9	7.2	7.4	7.5	7.5	7.4	7.3	7.4	7.9	8.1	8.4	8.9	8.9	9.0	9.2	9.1	8.8	8.6	8.6	8.3	8.3	8.2	8.1	8.1	8.0	8.0	*8.2*	*8.4*	*8.5*	*8.6*	*8.6*
Sweden	7.1	7.7	7.7	7.8	7.5	7.6	7.7	7.6	7.7	7.7	7.7	8.0	8.6	8.7	8.5	8.2	8.2	7.9	7.7	7.5	7.2	7.2	7.2	7.8	7.7	7.6	7.3	7.2	*7.2*	*7.2*	*7.3*	*7.2*	*7.2*
Switzerland	5.9	5.6	6.1	6.0	6.3	6.1	6.1	6.1	6.1	5.8	5.6	5.9	6.2	6.5	6.5	6.7	6.7	6.8	6.8	6.8	6.6	6.8	6.8	6.9	6.8	6.8	6.5	6.4	*6.4*	*6.4*	*6.3*	*6.4*	*6.4*
Turkey	1.2	1.2	1.4	1.5	1.4	1.3	1.3	1.3	1.5	1.8	2.4	2.4	2.6	2.7	2.7	2.7	3.2	3.9	3.9	4.7	m	m	m	m	m	5.9	5.8	6.1	*m*	*m*	*m*	*m*	*m*
United Kingdom	5.5	5.8	5.9	5.8	5.7	5.6	5.5	5.3	4.9	4.7	4.8	5.2	5.5	5.6	5.4	5.4	5.4	5.3	5.2	5.3	5.3	5.5	5.4	5.4	5.5	5.6	5.3	5.4	*5.4*	*5.4*	*5.4*	*5.5*	*5.5*
United States	6.2	6.4	6.8	6.7	6.4	6.2	6.2	6.1	6.1	6.0	6.1	6.3	6.3	6.3	6.3	6.3	6.2	6.1	6.0	5.9	5.9	5.9	6.1	6.1	6.0	5.9	5.9	6.0	*6.1*	*6.8*	*6.9*	*6.7*	*6.7*

Note: Social spending aggregates based on detailed data for 1980-2007; aggregate spending estimates for 2008-2012.

Table A.I.1.4b: Public social expenditures on income support to the working-age population as % GDP, 1980 – 2012, estimated for 2008 to 2012

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	2.5	2.5	3.2	3.5	3.4	3.3	3.2	3.0	2.9	3.1	4.0	4.6	5.1	5.4	5.2	5.3	5.5	5.4	5.3	5.1	5.3	5.2	4.9	5.2	4.8	4.5	4.2	4.0	*4.3*	*4.8*	*4.1*	*4.0*	*3.8*
Austria	6.0	m	m	m	m	6.2	m	m	m	m	5.7	5.8	6.2	6.7	7.0	6.8	6.7	6.2	6.0	6.0	6.1	6.0	6.2	6.4	6.2	6.0	5.7	5.3	*5.3*	*5.8*	*5.8*	*5.8*	*5.8*
Belgium	9.1	9.9	10.0	10.2	9.8	9.6	9.3	8.9	8.1	7.7	7.9	8.2	8.0	8.3	8.0	8.0	8.0	7.8	7.3	7.1	6.7	6.8	7.0	7.3	7.2	7.2	7.1	7.2	*7.4*	*8.1*	*8.0*	*7.8*	*7.7*
Canada	2.7	2.8	3.9	3.8	3.6	3.5	3.5	3.3	3.2	3.2	3.6	4.5	4.4	4.5	4.0	3.6	3.4	3.1	3.0	2.8	2.7	2.9	2.9	2.9	2.8	2.7	2.6	2.5	*2.6*	*2.8*	*2.8*	*2.8*	*2.7*
Chile	m	m	m	m	m	m	m	1.6	1.4	1.2	1.3	1.3	1.2	1.2	1.2	1.2	1.3	1.2	1.3	1.3	1.3	1.3	1.3	1.2	1.1	1.0	0.9	0.9	*0.9*	*1.2*	*1.0*	*m*	*m*
Czech Republic	m	m	m	m	m	m	m	m	m	m	4.8	5.1	5.0	4.4	4.5	4.6	4.5	4.5	4.2	4.4	4.6	4.5	4.7	4.8	4.4	4.1	4.1	4.4	*4.4*	*4.7*	*4.7*	*4.8*	*4.7*
Denmark	9.7	9.4	9.4	10.0	9.3	8.8	8.3	8.6	9.4	9.5	9.1	9.5	9.7	10.5	10.6	10.1	9.6	9.1	8.5	8.0	7.8	8.0	8.2	8.8	8.8	8.2	7.4	7.0	*7.0*	*7.9*	*8.0*	*8.1*	*8.1*
Estonia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	3.3	3.3	3.2	3.1	3.5	3.3	3.1	3.1	*3.9*	*5.4*	*5.7*	*5.2*	*4.9*
Finland	4.9	4.9	5.7	5.8	6.0	6.5	6.7	6.9	6.7	6.5	7.0	9.1	11.6	12.6	12.7	11.4	10.7	9.7	8.5	8.0	7.3	7.0	7.1	7.2	7.1	6.8	6.5	6.0	*6.1*	*7.2*	*7.2*	*7.0*	*6.9*
France	4.5	4.8	4.9	4.9	4.7	7.0	6.7	6.5	6.2	5.9	5.0	5.1	5.1	5.3	5.2	5.1	5.2	5.2	5.1	5.1	4.8	4.8	5.1	5.3	5.3	5.1	4.8	4.6	*4.6*	*5.0*	*5.1*	*5.0*	*4.9*
Germany	4.4	4.7	4.7	4.6	4.3	4.2	4.1	4.2	4.2	4.0	3.8	4.7	4.7	5.2	5.1	4.9	4.9	4.8	4.6	4.5	4.4	4.5	4.6	4.8	4.8	4.8	4.3	4.0	*3.9*	*4.3*	*4.1*	*4.0*	*3.9*
Greece	1.5	1.9	2.2	2.3	2.2	2.4	2.4	2.4	2.2	2.3	2.0	2.0	1.8	1.8	2.0	2.0	1.9	1.9	2.0	1.9	1.9	1.9	1.9	2.0	2.0	2.0	1.9	2.0	*2.2*	*2.4*	*2.3*	*2.4*	*2.4*
Hungary	m	m	m	m	m	m	m	m	m	m	m	0.0	2.2	2.1	1.2	0.9	0.7	0.6	0.6	5.3	5.0	4.8	4.9	5.2	5.0	5.1	5.3	5.3	*5.5*	*5.7*	*5.4*	*5.5*	*5.1*
Iceland	m	m	m	m	m	m	m	m	m	m	3.2	3.3	3.5	3.8	3.7	3.9	3.7	3.5	3.1	3.0	3.0	3.0	3.5	4.1	4.1	3.7	3.4	3.7	*3.9*	*5.2*	*5.0*	*4.7*	*4.4*
Ireland	3.5	3.6	4.1	4.1	4.1	7.5	7.7	7.4	6.7	6.1	4.8	5.2	5.5	5.5	5.2	5.2	4.8	4.2	3.8	4.3	3.9	4.1	4.7	4.9	5.0	4.9	5.0	5.3	*6.3*	*7.8*	*8.1*	*7.5*	*6.9*
Israel	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	4.6	4.8	5.0	5.1	5.2	5.2	5.7	5.6	5.2	4.5	4.3	4.2	4.0	*4.1*	*4.3*	*4.3*	*4.3*	*4.2*
Italy	3.3	4.0	4.0	4.2	4.1	4.0	3.9	3.7	3.6	3.7	3.1	2.9	3.1	3.2	3.1	2.8	2.8	2.8	2.6	2.6	2.5	2.4	2.6	2.7	2.8	2.7	2.8	2.8	*2.9*	*3.1*	*3.1*	*3.1*	*3.0*
Japan	1.5	1.6	1.6	1.6	1.5	1.4	1.4	1.4	1.3	1.2	1.1	1.1	1.2	1.3	1.4	1.5	1.4	1.5	1.6	1.6	1.6	1.7	1.7	1.6	1.5	1.5	1.6	1.6	*1.7*	*m*	*m*	*m*	*m*
Korea	m	m	m	m	m	m	m	m	m	m	0.4	0.4	0.5	0.4	0.4	0.4	0.4	0.5	0.6	0.7	0.6	0.8	0.8	0.9	0.9	1.0	1.1	0.8	*1.3*	*1.6*	*1.4*	*1.4*	*1.4*
Luxembourg	6.1	6.4	6.2	6.4	6.2	6.2	5.9	6.0	5.6	5.4	5.0	5.2	5.2	5.5	5.5	5.8	5.8	5.9	6.0	5.9	5.7	6.5	6.8	7.2	7.0	6.6	6.2	5.7	*6.0*	*6.9*	*6.6*	*6.5*	*6.5*
Mexico	m	m	m	m	m	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.2	0.5	0.5	0.4	0.3	0.4	0.4	0.4	1.0	1.0	1.0	1.0	1.0	1.0	0.9	*1.1*	*1.2*	*1.2*	*1.2*	*m*
Netherlands	11.4	11.9	13.0	13.4	12.8	11.5	11.0	10.7	10.5	10.0	10.8	10.7	10.7	10.7	9.6	9.2	8.6	7.8	7.1	6.6	6.2	6.1	6.2	6.5	6.5	6.0	5.7	5.3	*5.4*	*6.0*	*6.1*	*6.0*	*5.9*
New Zealand	4.1	3.9	4.1	4.4	4.3	4.7	5.3	5.8	6.5	7.4	7.3	6.9	7.1	6.6	6.1	5.9	6.0	6.8	6.8	6.5	6.2	5.9	5.8	5.6	5.2	5.2	5.6	5.1	*5.7*	*5.9*	*5.8*	*5.7*	*5.3*
Norway	5.0	0.0	0.0	0.0	0.0	5.7	0.4	0.4	6.8	7.4	7.5	7.8	8.2	8.0	7.7	7.4	7.1	6.8	7.0	7.0	6.4	6.6	7.1	7.5	6.7	6.0	5.5	5.4	*5.2*	*6.0*	*6.1*	*5.8*	*5.7*
Poland	m	m	m	m	m	m	m	m	m	m	4.8	7.9	9.7	9.0	8.6	8.1	7.9	7.3	6.9	6.9	5.3	5.4	5.3	5.0	4.5	4.3	3.9	3.5	*3.5*	*3.7*	*3.7*	*3.7*	*3.6*
Portugal	2.9	3.1	3.2	3.1	3.1	2.9	3.0	3.1	3.0	2.9	3.2	3.5	3.7	4.1	4.2	3.8	3.8	3.8	3.8	3.6	3.7	3.6	3.8	4.1	4.2	4.2	4.2	4.0	*4.2*	*4.7*	*4.7*	*4.8*	*4.8*
Slovak Republic	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	5.5	5.3	5.3	5.6	5.9	5.4	4.9	4.8	4.3	3.7	3.6	3.7	3.5	*3.5*	*4.2*	*4.2*	*4.1*	*4.0*
Slovenia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	5.0	5.3	5.2	5.3	5.1	4.9	4.7	4.7	4.6	4.7	4.4	3.9	*4.0*	*4.5*	*4.6*	*4.7*	*4.6*
Spain	4.8	5.2	5.0	5.0	4.9	5.4	5.0	4.9	4.8	4.7	5.6	6.3	6.8	7.6	6.7	5.9	5.5	5.1	4.8	4.6	4.6	4.6	4.8	4.9	5.0	5.1	5.0	5.1	*5.4*	*6.3*	*6.6*	*6.6*	*6.4*
Sweden	6.8	7.0	7.0	7.1	6.8	7.3	7.5	7.7	8.3	8.0	8.4	9.1	9.6	9.9	9.3	8.5	7.8	7.4	7.3	7.1	6.9	6.9	7.0	7.2	7.0	6.7	6.3	5.6	*5.5*	*6.1*	*5.7*	*5.5*	*5.3*
Switzerland	3.8	3.7	3.9	4.2	4.1	4.0	4.0	4.0	4.0	3.8	2.8	3.2	3.9	4.7	4.6	4.5	4.7	4.9	4.8	4.5	4.2	4.1	4.5	5.0	5.0	5.0	4.7	4.3	*4.2*	*4.6*	*4.8*	*4.7*	*4.5*
Turkey	1.1	1.0	1.0	1.1	1.0	0.9	1.0	1.1	1.2	1.4	1.6	1.8	1.7	1.5	1.2	1.0	1.8	1.7	1.6	1.9	m	m	0.0	0.0	0.0	0.2	0.1	0.1	*m*	*m*	*m*	*m*	*m*
United Kingdom	4.5	5.2	5.7	5.9	6.1	6.1	6.1	5.7	5.3	5.0	4.2	4.8	5.4	5.7	5.4	5.3	5.1	4.7	4.4	4.3	4.3	4.6	4.3	4.5	4.6	4.5	4.5	4.5	*4.8*	*5.5*	*5.5*	*5.4*	*5.3*
United States	2.3	2.3	2.2	2.4	1.9	1.8	1.8	1.7	1.7	1.6	1.7	2.0	2.2	2.2	2.1	2.0	2.0	1.8	1.8	1.7	1.7	2.1	2.2	2.1	2.0	1.9	1.9	2.0	*2.1*	*2.8*	*3.1*	*2.9*	*2.6*

Note: Social spending aggregates based on detailed data for 1980-2007; aggregate spending estimates for 2008-2012.

Table A.I.1.4c: Public social expenditures on Health as % GDP, 1980 – 2012, estimated for 2008 to 2012

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	3.8	3.7	3.7	3.9	4.4	4.5	4.6	4.4	4.3	4.3	4.4	4.6	4.6	4.6	4.7	4.7	4.8	5.0	5.1	5.3	5.4	5.4	5.6	5.5	5.7	5.6	5.6	5.7	*5.7*	*6.1*	*6.1*	*6.1*	*6.2*
Austria	5.1	5.0	4.9	4.8	4.8	4.9	5.1	5.2	5.2	5.2	5.4	5.4	5.7	6.0	6.1	5.9	5.9	6.4	6.5	6.7	6.6	6.6	6.6	6.7	6.8	6.9	6.7	6.8	*6.8*	*6.9*	*6.9*	*6.9*	*7.0*
Belgium	5.2	5.5	5.9	5.8	5.7	5.7	5.7	6.0	6.5	6.4	6.4	6.7	6.9	7.0	6.8	6.5	6.7	6.3	6.4	6.5	6.6	6.7	6.7	7.1	7.5	7.4	7.2	7.3	*7.4*	*7.4*	*7.4*	*7.5*	*7.5*
Canada	5.1	5.4	6.0	6.1	6.0	6.1	6.1	6.1	6.1	6.3	6.6	7.1	7.2	7.0	6.7	6.4	6.2	6.1	6.3	6.1	6.2	6.5	6.6	6.8	6.8	6.8	6.9	7.0	*7.7*	*8.5*	*8.4*	*8.5*	*8.7*
Chile	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	2.6	2.7	2.8	3.1	3.3	3.4	3.6	3.7	3.7	3.5	3.5	3.4	3.7	*3.8*	*4.5*	*4.3*	*m*	*m*
Czech Republic	m	m	m	m	m	m	m	m	m	m	4.6	4.8	4.9	6.4	6.5	6.4	6.1	6.0	6.0	5.9	5.9	6.0	6.4	6.7	6.4	6.3	6.0	5.8	*5.8*	*5.9*	*5.9*	*6.0*	*6.1*
Denmark	5.5	5.6	5.6	5.3	5.1	5.1	4.8	5.0	5.1	5.0	4.7	4.7	4.7	5.0	4.8	4.6	4.6	4.6	5.0	5.2	5.1	5.3	5.5	6.0	6.1	6.1	6.2	6.5	*6.5*	*6.6*	*6.6*	*6.7*	*6.7*
Estonia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	4.1	3.8	3.7	3.8	3.9	3.9	3.7	4.0	*4.0*	*4.1*	*4.1*	*4.1*	*4.2*
Finland	5.0	5.2	5.3	5.3	5.3	5.6	5.7	5.8	5.7	5.7	6.3	7.2	7.2	6.3	5.8	5.7	5.8	5.5	5.3	5.3	5.1	5.3	5.6	5.9	6.0	6.2	6.3	6.1	*6.1*	*6.2*	*6.2*	*6.3*	*6.3*
France	5.6	5.9	5.9	6.0	6.1	6.3	6.4	6.6	6.6	6.5	6.2	6.3	6.5	6.9	6.8	7.4	7.4	7.3	7.2	7.2	7.1	7.2	7.4	7.7	7.7	7.7	7.6	7.5	*7.5*	*7.5*	*7.6*	*7.6*	*7.7*
Germany	6.6	6.8	6.7	6.6	6.7	6.8	6.7	6.8	6.9	6.3	6.3	6.9	7.8	7.7	7.9	8.2	8.4	8.1	8.1	8.1	8.1	8.1	8.3	8.4	8.0	8.1	7.9	7.8	*7.9*	*8.0*	*8.1*	*8.1*	*8.2*
Greece	3.3	4.5	4.7	4.9	4.8	4.5	4.3	4.0	3.2	3.6	3.5	3.4	3.8	4.3	4.3	4.5	4.5	4.5	4.4	4.6	4.7	5.3	5.3	5.3	5.1	5.8	6.0	5.9	*5.9*	*5.9*	*6.0*	*6.0*	*6.1*
Hungary	m	m	m	m	m	m	m	m	m	m	m	6.3	6.7	6.6	7.1	6.1	5.7	5.5	5.3	5.2	5.0	4.9	5.3	6.1	5.8	6.0	5.9	5.2	*5.2*	*5.2*	*5.2*	*5.3*	*5.3*
Iceland	m	m	m	m	m	m	m	m	m	m	5.8	6.0	5.9	5.9	5.8	5.9	5.7	5.6	6.1	6.8	6.5	6.4	6.8	6.6	6.2	5.8	5.6	5.7	*5.9*	*6.3*	*5.2*	*5.0*	*4.7*
Ireland	6.8	6.5	6.2	6.1	5.8	5.7	5.6	5.2	4.8	4.5	4.4	4.7	5.0	5.0	5.0	4.8	4.7	4.7	4.6	4.6	4.6	5.1	5.4	5.6	5.9	5.8	5.7	5.8	*5.8*	*5.9*	*5.9*	*5.9*	*5.9*
Israel	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	5.1	5.3	5.2	5.0	4.8	4.7	4.9	5.0	4.9	4.7	4.6	4.4	4.3	*4.4*	*4.3*	*4.2*	*4.1*	*4.0*
Italy	5.5	5.3	5.4	5.4	5.3	5.3	5.2	5.6	5.7	5.7	6.1	6.3	6.2	5.9	5.6	5.1	5.2	5.4	5.4	5.5	5.8	6.1	6.2	6.2	6.6	6.8	6.9	6.6	*6.6*	*6.6*	*6.6*	*6.7*	*6.7*
Japan	4.5	4.6	4.7	4.9	4.7	4.6	4.7	4.8	4.7	4.6	4.5	4.6	4.8	5.1	5.3	5.7	5.8	5.7	5.9	6.1	5.9	6.2	6.1	6.1	6.1	6.3	6.2	6.3	*6.7*	*m*	*m*	*m*	*m*
Korea	m	m	m	m	m	m	m	m	m	m	1.5	1.4	1.4	1.4	1.4	1.4	1.6	1.7	2.0	2.1	2.2	2.8	2.6	2.7	2.8	3.0	3.3	3.5	*3.6*	*3.8*	*3.8*	*4.1*	*4.3*
Luxembourg	4.8	5.0	4.9	4.6	4.5	4.6	4.5	5.1	4.9	4.8	5.0	4.8	5.0	5.1	4.9	5.1	5.2	5.2	5.2	5.2	5.2	5.6	6.1	6.8	7.3	6.9	6.6	6.4	*6.4*	*6.4*	*6.5*	*6.5*	*6.6*
Mexico	m	m	m	m	m	0.9	0.8	0.8	1.0	1.3	1.8	2.1	2.2	2.3	2.4	2.2	1.9	2.1	2.3	2.4	2.4	2.4	2.5	2.6	2.7	2.6	2.6	2.6	*2.8*	*3.2*	*2.4*	*3.1*	*m*
Netherlands	5.1	5.2	5.5	5.4	5.2	5.2	5.1	5.2	5.1	5.3	5.4	5.6	6.1	6.2	6.1	5.9	5.4	5.4	5.2	5.1	5.0	5.2	5.5	5.8	5.8	5.9	5.9	6.0	*6.0*	*6.0*	*6.1*	*6.1*	*6.2*
New Zealand	5.1	5.5	5.2	5.1	4.8	4.4	4.4	5.0	5.4	5.5	5.6	6.0	5.8	5.4	5.5	5.5	5.4	5.6	5.9	5.9	6.0	5.9	6.3	6.2	6.4	6.7	7.1	7.1	*7.8*	*8.5*	*8.8*	*9.2*	*9.4*
Norway	4.9	m	m	m	m	4.47	m	m	3.7	3.5	4.3	4.6	4.6	4.4	4.3	4.3	4.4	4.7	5.3	5.5	4.9	5.3	6.2	6.3	6.1	5.8	5.5	5.7	*5.7*	*5.8*	*5.8*	*5.8*	*5.8*
Poland	m	m	m	m	m	m	m	m	m	m	4.4	4.5	4.6	4.3	4.0	4.0	4.3	4.0	3.9	4.1	3.9	4.2	4.5	4.4	4.3	4.3	4.3	4.6	*4.6*	*4.6*	*4.7*	*4.7*	*4.8*
Portugal	3.3	3.5	3.1	2.7	2.7	3.0	3.2	3.1	3.3	3.0	3.7	3.9	3.8	4.2	4.3	4.7	5.1	5.1	5.2	5.4	6.2	6.1	6.3	6.9	7.0	7.1	6.9	6.6	*6.7*	*6.7*	*6.7*	*6.8*	*6.8*
Slovak Republic	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	5.7	5.5	5.3	5.2	5.2	4.9	4.9	5.0	5.1	5.3	5.2	5.0	5.2	*5.2*	*5.3*	*5.4*	*5.4*	*5.5*
Slovenia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	5.9	5.9	5.9	5.9	6.1	6.3	6.3	6.2	6.1	6.1	6.0	5.6	*5.7*	*5.7*	*5.8*	*5.8*	*5.9*
Spain	4.2	4.3	4.4	4.8	4.5	4.3	4.2	4.3	4.7	4.8	5.1	5.2	5.5	5.7	5.5	5.4	5.4	5.3	5.3	5.3	5.2	5.2	5.2	5.7	5.8	5.8	6.0	6.1	*6.1*	*6.1*	*6.2*	*6.2*	*6.2*
Sweden	8.3	8.3	8.4	8.3	8.1	7.7	7.4	7.4	7.3	7.3	7.4	7.1	7.1	6.7	6.3	6.2	6.4	6.2	6.3	6.3	6.3	6.6	6.8	6.9	6.7	6.7	6.6	6.6	*6.6*	*6.6*	*6.7*	*6.7*	*6.7*
Switzerland	3.6	3.7	3.7	4.0	3.8	3.9	4.0	4.1	4.1	4.3	3.9	4.3	4.5	4.6	4.6	4.6	4.9	4.9	4.9	5.0	5.0	5.4	5.7	5.9	5.9	6.0	5.7	5.6	*5.5*	*5.8*	*5.6*	*5.4*	*5.2*
Turkey	0.7	1.0	1.1	1.1	0.9	0.8	0.8	0.8	1.2	1.4	1.6	1.8	1.9	1.8	1.9	1.8	2.0	2.2	2.6	2.9	3.0	3.2	3.3	3.4	3.6	3.7	4.0	4.1	*m*	*m*	*m*	*m*	*m*
United Kingdom	4.9	5.1	4.9	5.1	5.0	4.9	4.8	4.8	4.7	4.7	4.9	5.2	5.7	5.7	5.7	5.6	5.6	5.3	5.3	5.5	5.5	5.7	6.0	6.1	6.5	6.7	6.8	6.8	*6.9*	*6.9*	*6.9*	*7.0*	*7.0*
United States	3.7	3.9	4.1	4.2	4.1	4.1	4.3	4.4	4.4	4.6	4.8	5.3	5.6	5.9	6.1	6.2	6.2	6.1	5.9	5.8	5.9	6.3	6.6	6.8	6.9	7.0	7.1	7.2	*7.5*	*8.6*	*8.9*	*9.2*	*8.7*

Note: Social spending aggregates based on detailed data for 1980-2007; aggregate spending estimates for 2008-2012.

Table A.I.1.4.d: Public social expenditures on other services as % GDP, 1980 – 2012, estimated for 2008 to 2012

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	0.5	0.4	0.6	0.7	0.7	1.0	0.9	1.5	1.5	1.5	1.6	1.9	2.3	2.3	2.4	2.5	2.3	2.2	2.9	2.8	2.9	2.8	3.1	3.2	3.2	3.1	2.9	2.9	*3.2*	*3.7*	*3.0*	*2.9*	*2.7*
Austria	0.9	m	m	m	m	1.2	m	m	m	m	1.3	1.4	1.4	1.4	1.6	1.5	1.7	1.8	1.7	1.9	1.8	1.8	1.8	1.9	2.0	2.0	2.1	2.1	*2.3*	*4.2*	*4.0*	*3.4*	*3.1*
Belgium	0.3	0.3	0.3	0.3	0.3	1.4	1.5	1.5	1.4	1.4	1.4	1.3	1.3	1.8	1.9	2.4	2.6	2.2	3.1	3.1	3.3	3.4	3.4	2.8	2.8	2.8	3.1	3.0	*3.7*	*5.2*	*4.9*	*4.4*	*4.0*
Canada	2.8	2.8	3.2	3.3	3.2	3.7	3.4	3.3	3.2	3.3	3.7	4.2	4.6	4.7	4.5	4.2	3.8	3.5	3.8	3.4	3.4	3.3	3.2	3.2	3.3	3.3	3.3	3.2	*3.2*	*3.8*	*3.6*	*3.4*	*3.2*
Chile	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	0.7	0.8	0.7	0.7	0.9	0.9	1.0	1.1	0.9	0.8	0.8	0.7	0.9	*0.9*	*1.4*	*1.2*	*m*	*m*
Czech Republic	m	m	m	m	m	m	m	m	m	m	0.5	0.7	1.0	1.0	1.0	0.9	0.9	1.0	1.6	1.7	1.9	1.8	1.9	1.8	1.8	1.8	1.7	1.2	*1.4*	*2.8*	*3.0*	*3.1*	*3.0*
Denmark	4.8	5.0	5.1	4.9	4.7	4.8	5.5	5.6	5.7	5.7	6.3	6.5	6.7	7.3	7.7	8.0	7.9	7.7	7.3	7.6	7.4	7.5	7.7	7.7	7.6	7.5	7.4	7.0	*7.5*	*10.0*	*9.7*	*9.3*	*8.8*
Estonia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	0.7	0.6	0.6	0.7	0.7	0.7	0.7	0.7	*2.2*	*4.6*	*3.9*	*3.0*	*2.4*
Finland	2.7	2.7	2.6	3.1	3.1	3.2	3.2	3.3	3.4	3.4	3.7	4.6	5.2	5.2	5.2	5.0	5.3	4.9	4.6	4.6	4.2	4.2	4.3	4.5	4.6	4.6	4.7	4.6	*4.9*	*7.5*	*6.9*	*6.1*	*5.5*
France	1.3	1.4	1.6	1.6	1.7	2.3	2.4	2.5	2.4	2.3	3.1	3.2	3.4	3.9	3.9	4.0	4.0	4.0	4.5	4.5	4.0	3.9	3.9	3.9	3.9	3.8	3.8	3.8	*3.8*	*5.3*	*5.4*	*4.8*	*4.4*
Germany	0.7	0.8	0.8	0.8	0.8	1.3	1.5	1.7	1.7	1.6	1.9	2.7	3.2	3.2	3.0	3.0	3.1	2.8	2.8	2.9	2.8	2.8	2.9	2.9	2.8	2.9	2.8	2.7	*2.7*	*4.8*	*4.6*	*3.8*	*3.2*
Greece	0.1	0.1	0.1	0.2	0.2	0.4	0.4	0.4	0.3	0.3	1.1	1.1	1.2	1.3	1.2	1.3	1.4	1.5	1.5	1.7	1.8	1.9	1.7	1.5	1.6	1.5	1.6	1.6	*2.8*	*4.5*	*3.1*	*3.0*	*2.5*
Hungary	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	3.0	2.9	2.9	3.1	3.1	2.8	3.0	3.0	3.2	*3.5*	*4.1*	*3.3*	*3.0*	*2.3*
Iceland	m	m	m	m	m	m	m	m	m	m	2.5	2.6	2.8	2.9	3.0	3.1	3.1	3.2	3.4	3.4	3.6	3.8	4.3	4.7	5.0	4.9	5.0	3.2	*3.3*	*3.5*	*3.0*	*2.8*	*2.6*
Ireland	1.3	1.3	1.3	1.5	1.4	2.6	2.6	2.6	2.5	2.2	1.9	1.8	2.0	2.0	2.2	2.2	2.1	2.1	1.9	1.9	1.7	1.8	1.8	1.8	1.7	1.7	1.6	1.6	*3.1*	*5.2*	*5.2*	*4.2*	*3.3*
Israel	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	2.2	2.3	2.4	2.4	2.4	2.4	2.6	2.7	2.6	2.5	2.4	2.4	2.3	*2.4*	*2.5*	*2.5*	*2.5*	*2.5*
Italy	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.6	0.7	0.6	0.6	0.6	0.6	0.7	0.7	1.2	1.3	1.4	1.5	1.5	1.7	1.5	1.5	1.5	1.4	*2.1*	*3.7*	*3.7*	*3.2*	*2.6*
Japan	0.5	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.7	0.8	0.8	0.9	1.0	1.0	1.0	1.0	1.1	1.2	1.6	1.8	1.9	2.0	2.1	2.1	2.0	2.0	*2.3*	*m*	*m*	*m*	*m*
Korea	m	m	m	m	m	m	m	m	m	m	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.6	0.8	0.6	0.5	0.5	0.5	1.0	0.9	1.4	1.5	*1.3*	*1.5*	*1.3*	*1.4*	*1.4*
Luxembourg	0.6	1.2	1.1	1.5	1.0	0.9	0.8	0.8	0.9	0.9	1.0	0.9	1.0	0.9	1.0	1.0	1.1	1.1	1.1	1.4	1.4	1.7	1.8	2.0	2.2	2.3	2.2	2.1	*2.3*	*4.6*	*4.0*	*3.9*	*3.9*
Mexico	m	m	m	m	m	0.6	0.6	0.5	0.6	0.7	0.9	1.0	1.1	1.2	1.2	1.0	1.1	1.0	1.1	1.5	1.6	1.6	1.8	2.0	1.8	1.9	2.2	2.3	*2.7*	*2.8*	*2.9*	*2.8*	*m*
Netherlands	1.9	2.0	2.1	2.2	1.9	2.5	2.6	2.7	2.6	2.7	2.6	2.6	2.6	2.7	3.1	2.9	2.8	3.1	3.8	3.5	3.6	3.5	3.8	3.8	3.9	3.8	3.9	4.1	*4.1*	*5.8*	*5.8*	*5.3*	*4.6*
New Zealand	0.7	0.7	0.8	0.9	0.9	1.1	1.0	1.0	1.2	1.2	1.2	1.2	1.7	1.5	1.6	1.6	1.7	1.8	2.0	2.0	2.0	1.9	1.8	1.8	1.8	1.9	1.9	1.9	*2.1*	*2.3*	*2.1*	*2.1*	*1.9*
Norway	2.4	m	m	m	m	2.9	m	m	4.9	5.4	4.9	5.2	5.7	5.9	6.2	6.1	5.8	5.4	5.7	5.7	5.2	5.5	5.2	5.4	5.4	5.0	4.8	5.0	*4.9*	*7.2*	*7.1*	*5.9*	*5.5*
Poland	m	m	m	m	m	m	m	m	m	m	0.5	0.9	1.1	1.4	1.1	1.1	1.3	1.2	1.4	1.2	0.8	0.8	0.8	1.0	0.9	1.0	1.0	1.1	*1.4*	*3.0*	*3.5*	*3.3*	*3.2*
Portugal	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3	0.3	0.4	0.7	0.7	0.8	0.8	0.7	0.7	0.7	0.7	1.0	1.0	1.1	1.2	1.7	1.9	1.3	1.3	1.2	1.1	*1.3*	*3.4*	*3.4*	*2.4*	*2.5*
Slovak Republic	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	1.2	1.2	1.2	0.9	1.2	1.2	1.3	1.4	1.3	1.3	1.3	1.3	1.1	*1.3*	*3.2*	*3.0*	*2.4*	*1.9*
Slovenia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.3	1.2	1.3	1.2	1.1	*1.5*	*3.7*	*3.7*	*3.6*	*3.2*
Spain	0.3	0.4	0.4	0.4	0.4	0.5	0.8	0.8	1.0	1.1	1.2	1.1	1.1	1.0	0.9	1.1	1.2	1.2	1.7	2.0	2.1	2.0	2.1	2.1	2.2	2.3	2.4	2.4	*3.3*	*5.4*	*5.3*	*4.6*	*4.1*
Sweden	5.0	5.0	4.8	5.0	4.9	6.8	6.9	6.8	6.8	6.3	6.7	7.6	9.3	10.3	10.2	9.1	9.2	8.8	9.0	8.8	8.1	8.1	8.3	8.2	8.1	8.2	8.3	8.0	*8.0*	*9.7*	*8.6*	*7.8*	*7.3*
Switzerland	0.5	0.5	0.5	0.6	0.5	0.7	0.7	0.7	0.8	0.8	1.1	1.2	1.4	1.6	1.7	1.7	1.8	2.1	2.2	2.1	2.0	2.1	2.2	2.4	2.5	2.5	2.3	2.2	*2.0*	*2.8*	*3.0*	*2.7*	*2.3*
Turkey	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	*m*	*m*	*m*	*m*	*m*
United Kingdom	1.7	1.8	2.0	2.5	2.5	2.9	3.0	3.0	2.6	2.6	2.9	2.9	3.3	3.6	3.6	3.6	3.6	3.5	4.0	3.4	3.4	3.5	3.6	3.8	3.9	3.8	3.7	3.8	*4.5*	*6.5*	*6.5*	*5.8*	*5.1*
United States	0.9	0.9	0.8	0.8	0.7	1.0	0.9	0.9	0.8	0.8	0.8	0.9	0.9	1.0	0.9	0.9	0.8	0.8	1.1	1.0	1.0	1.0	1.1	1.0	1.0	1.0	1.0	1.0	*1.1*	*1.3*	*1.5*	*1.5*	*1.5*

Note: Social spending aggregates based on detailed data for 1980-2007; aggregate spending estimates for 2008-2012.

Table A.I.1.5: Public social expenditures as % of Trend GDP, 1980 – 2012, estimated for 2008 to 2012

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Australia	11.1	11.1	11.3	11.9	12.4	12.8	12.6	13.1	12.4	12.4	13.3	14.0	15.2	15.6	15.6	16.6	16.5	16.4	17.3	17.3	17.9	17.3	17.5	18.0	17.8	17.3	16.9	16.9	*16.8*	*18.0*	*16.5*	*16.2*	*16.2*
Austria	22.8	m	m	m	m	23.2	m	m	m	m	24.4	24.7	25.1	25.9	26.6	26.3	26.5	26.5	26.7	27.5	27.4	27.1	27.0	27.2	27.2	27.1	27.1	27.0	*27.4*	*28.3*	*28.1*	*27.8*	*27.7*
Belgium	23.9	24.9	25.2	25.0	24.4	25.2	25.1	25.0	25.4	24.8	25.3	25.9	25.9	26.2	26.0	26.0	26.3	25.7	25.8	26.0	25.8	25.9	26.0	25.9	26.6	26.4	26.5	26.6	*27.4*	*28.5*	*28.4*	*28.3*	*28.2*
Canada	14.1	14.2	15.8	16.1	16.4	17.3	17.4	17.3	17.3	17.5	18.3	19.7	20.2	20.4	19.7	18.8	17.8	17.3	17.9	17.3	17.0	17.3	17.5	17.5	17.4	17.4	17.3	17.2	*17.3*	*18.4*	*18.4*	*18.5*	*18.7*
Chile	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	*m*	*m*	*m*	*m*	*m*
Czech Republic	m	m	m	m	m	m	m	m	m	m	m	m	m	m	17.8	18.5	18.7	19.0	18.8	19.1	19.7	19.6	20.2	20.3	19.3	19.5	19.4	19.4	*19.3*	*19.8*	*20.0*	*20.1*	*20.0*
Denmark	24.5	23.9	24.3	24.6	23.9	23.8	24.1	24.3	25.0	25.0	24.7	25.4	25.9	27.1	29.3	28.9	28.2	27.4	26.6	26.6	26.2	26.4	26.6	27.5	27.6	27.3	27.1	26.6	*26.5*	*28.2*	*28.4*	*28.5*	*28.3*
Estonia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	14.1	13.1	12.9	13.1	13.7	13.8	14.3	15.1	*16.7*	*17.9*	*18.2*	*17.6*	*16.9*
Finland	18.4	18.4	19.4	20.3	21.3	22.5	23.0	23.9	23.8	24.1	25.4	28.4	30.8	30.5	30.8	29.5	29.7	28.4	26.4	25.9	24.8	24.4	24.7	25.3	25.7	25.8	26.0	25.7	*25.9*	*27.0*	*26.9*	*26.9*	*26.9*
France	21.1	21.7	22.2	22.2	22.3	25.3	25.3	25.5	25.8	25.3	25.4	25.8	26.5	27.4	27.5	28.3	28.4	28.3	28.8	29.1	28.2	28.0	28.3	28.7	29.0	28.9	28.7	28.6	*28.4*	*29.4*	*29.7*	*29.4*	*29.0*
Germany	m	m	m	m	m	m	m	m	m	m	m	24.2	26.0	25.9	26.2	26.7	27.1	26.5	26.4	26.6	26.8	26.9	27.2	27.1	26.6	26.7	26.2	25.6	*25.5*	*26.3*	*26.6*	*26.3*	*25.9*
Greece	10.5	12.3	14.1	14.4	14.9	15.8	15.6	15.1	14.5	15.7	16.5	16.1	16.1	16.4	16.5	16.9	17.4	17.6	18.3	18.8	18.9	20.2	19.7	19.7	19.8	20.6	21.2	21.6	*22.7*	*23.7*	*21.2*	*20.6*	*20.3*
Hungary	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	21.0	20.4	20.1	21.4	22.5	22.1	23.1	23.5	23.2	*23.6*	*22.6*	*21.9*	*21.9*	*21.3*
Iceland	m	m	m	m	m	m	m	m	m	m	13.9	14.2	14.0	14.3	14.5	14.5	14.6	14.5	15.0	15.6	15.5	15.5	16.5	17.2	17.5	17.1	16.4	15.3	*15.3*	*16.9*	*14.6*	*14.0*	*13.4*
Ireland	17.1	17.2	17.6	17.1	16.7	21.1	20.5	20.0	19.0	17.8	15.5	15.8	16.1	15.7	15.4	15.3	14.5	14.2	13.1	14.5	13.9	14.7	15.6	16.0	16.3	16.2	16.3	17.1	*18.5*	*20.3*	*20.5*	*19.2*	*18.2*
Israel	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	17.3	18.0	18.7	18.3	17.6	16.7	16.2	16.0	15.8	*16.1*	*16.0*	*16.1*	*16.1*	*15.8*
Italy	18.4	19.5	19.5	20.2	19.8	20.3	20.5	20.9	21.3	21.6	20.2	20.4	20.7	20.4	20.4	19.7	21.7	22.5	22.7	23.0	23.4	23.8	24.0	24.2	24.7	25.0	25.5	25.4	*25.7*	*26.2*	*26.5*	*26.3*	*26.0*
Japan	10.6	11.0	11.2	11.5	11.3	11.3	11.6	11.7	11.7	11.6	11.9	12.0	12.3	12.8	13.4	14.3	14.8	14.8	15.1	15.7	16.3	17.0	17.3	17.7	18.0	18.6	18.7	19.1	*19.8*	*m*	*m*	*m*	*m*
Korea	m	m	m	m	m	m	m	m	m	m	2.9	2.8	3.0	3.0	3.1	3.3	3.5	3.8	4.7	6.0	4.8	5.2	5.2	5.4	6.0	6.5	7.5	7.7	*8.1*	*8.7*	*8.9*	*9.3*	*9.7*
Luxembourg	20.8	21.6	20.5	20.6	19.7	19.3	19.4	20.0	19.7	19.7	19.8	20.7	20.4	20.6	20.2	20.3	19.8	20.3	20.4	20.5	20.5	21.1	22.4	23.1	23.8	23.2	22.2	21.6	*21.6*	*23.0*	*22.2*	*22.3*	*22.6*
Mexico	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	*m*	*m*	*m*	*m*	*m*
Netherlands	25.2	25.5	26.2	26.7	25.8	25.2	24.7	24.4	24.1	24.1	26.0	25.8	26.0	25.7	24.3	23.6	22.5	22.0	21.7	21.0	20.3	20.0	20.3	20.7	20.8	20.4	20.4	20.5	*20.6*	*21.8*	*22.0*	*21.9*	*21.3*
New Zealand	18.0	18.3	19.0	18.7	18.3	18.4	18.9	19.3	19.9	21.2	21.0	21.0	21.0	20.0	19.7	19.2	19.0	19.8	19.8	19.6	19.3	18.7	19.0	18.7	18.3	18.8	19.3	18.9	*19.9*	*20.7*	*21.1*	*21.4*	*21.7*
Norway	20.5	m	m	m	m	22.8	m	m	23.0	24.4	25.4	26.8	27.7	27.9	27.8	27.2	27.5	27.3	27.7	28.3	28.6	29.0	29.4	30.1	29.9	29.3	28.3	28.0	*28.8*	*30.1*	*30.3*	*30.3*	*29.8*
Poland	m	m	m	m	m	m	m	m	m	m	m	m	m	m		21.9	22.4	22.3	21.5	22.0	20.9	21.8	21.7	21.8	21.3	20.7	20.7	19.9	*20.2*	*21.2*	*21.7*	*21.5*	*21.4*
Portugal	10.2	10.8	10.0	9.8	9.2	9.3	10.1	10.7	11.3	11.2	13.2	14.2	14.6	15.3	15.2	16.2	16.9	16.9	17.5	18.0	19.4	19.6	20.7	21.9	22.1	22.5	22.6	22.5	*22.8*	*24.7*	*25.2*	*23.8*	*23.3*
Slovak Republic	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	18.6	18.7	18.6	18.8	18.7	17.5	17.2	17.3	16.6	16.0	16.0	16.0	16.4	*16.8*	*17.9*	*17.7*	*17.1*	*16.6*
Slovenia	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	23.1	23.0	22.8	22.9	22.2	22.0	22.0	22.2	21.7	*22.5*	*23.2*	*23.2*	*23.4*	*23.3*
Spain	15.1	15.9	15.8	16.5	16.3	17.0	16.9	17.2	18.1	18.5	20.5	21.2	21.8	22.3	21.3	20.7	20.6	20.2	20.4	20.5	20.8	20.5	20.5	21.0	21.1	21.4	21.4	21.6	*22.7*	*24.5*	*24.7*	*24.0*	*23.5*
Sweden	27.2	27.5	27.4	27.7	27.5	29.8	30.0	30.5	31.1	30.5	31.0	31.7	33.8	33.7	33.1	31.5	30.8	29.8	30.1	29.8	28.9	28.7	29.3	30.0	29.9	29.6	29.5	28.5	*27.5*	*27.7*	*27.2*	*26.9*	*26.4*
Switzerland	m	13.7	14.0	14.3	14.7	14.8	14.9	14.9	15.1	15.1	14.1	14.7	16.0	17.2	17.2	17.2	17.7	18.5	18.8	18.5	18.1	18.5	19.0	19.7	19.8	19.9	19.3	18.9	*18.4*	*19.1*	*19.3*	*18.9*	*18.5*
Turkey	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	m	*m*	m	*m*	*m*	*m*
United Kingdom	16.7	17.7	18.2	19.2	19.3	19.6	20.0	19.7	18.7	17.9	17.3	18.1	19.5	20.2	20.2	20.2	19.9	19.0	19.2	18.9	19.0	19.7	19.7	20.2	20.9	21.1	21.1	21.2	*21.6*	*23.0*	*23.3*	*22.7*	*22.1*
United States	12.7	12.8	12.8	13.1	12.7	12.8	12.9	12.9	12.9	13.0	13.2	13.9	14.5	14.8	14.9	14.9	14.8	14.5	14.6	14.4	14.5	15.1	15.5	15.6	15.7	15.7	15.9	16.1	*16.5*	*18.5*	*19.6*	*19.6*	*19.0*

Note: Social spending aggregates based on detailed data for 1980-2007; aggregate spending estimates
Source: OECD Social Expenditure Database (SOCX, www.oecd.org/els/social/expenditure), OECD Economic Outlook 89A.

ANNEX I.2: ADDITIONAL NET SOCIAL EXPENDITURE INDICATORS:

A.I.2.1: Individual country data : 2001, 2003, 2005 and 2007

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure

AUSTRALIA

A. Average Itemised Tax Rates (AITR %)

		2001	2003	2005	2007
1	Old-age cash benefits				
1a	- public pensions				
	Age Pension	0.38	0.03	0.84	0.12
	Wife's Pension	0.38	1.25	0.14	0.07
	Widow's B Pension	0.26	0.77	0.67	*0.67*
1b	- early retirement benefits				
1c	- private pensions				
	Superannuation pension	16.83	15.07	13.58	13.30
	Superannuation Lump Sums	2.66	10.45	9.50	20.80
2	Survivors' benefits				
2a	- public pensions				
	Veteran's Service Pensions	0.68	0.00	0.54	0.21
3	Incapacity-related benefits				
3c	- Sickness payments				
	Sickness Allowance	0.45	0.09	0.05	0.00
4	Family cash benefits				
4a	- Family benefits				
	Parenting Allowance	1.03	1.49	1.44	0.24
	Partner Allowance	0.17	1.02	0.61	0.14
	Carer's Payment	0.00	0.19	0.31	0.00
4c	- Sole parent benefits				
	Sole Parent	0.64	0.92	1.43	0.72
6	Unemployment				
6b	- unemployment assistance benefit				
	Unemployment Benefits	1.10	0.81	1.11	0.33
9	Wage income	23.59	24.63	23.78	22.48

The AITRs for wage income, superannuation pensions and superannuation lump sums were calculated using a sample file of Australian tax returns in 2001. All other AITRs were calculated using the STINMOD model, a static microsimulation model developed by the National Center for Social and Economic Modelling (NATSEM).

The AITRs were obtained by calculating the amount of tax paid in aggregate with and without the income streams. The difference between the taxes paid was then divided by the value of the income stream to reveal the value of the AITR.

Sources: STINMOD distributional model. Revenue Group of The Treasury, Australian Government.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of Australian dollars

		2001	2003	2005	2007
(1)	Private final consumption expenditure	444 473	504 948	565 338	655 287
(2)	Private consumption plus Government consumption minus Government wages	509 009	581 609	658 600	772 490
(3)	General consumption taxes plus excise duties (5110+5121)	48 674	57 029	62 895	69 843
	5110 General taxes	28 180	35 123	40 086	45 486
	5121 Excises	20 494	21 906	22 809	24 357
(4)	Taxes on production sale transfer (5100)	60 438	69 922	75 994	85 023
(5)	Taxes on Goods and Services (5000)	65 843	76 331	82 880	92 872
	Implicit average indirect tax rate on consumption out of benefit income:				
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**9.6%**	**9.8%**	**9.5%**	**9.0%**
(7)	using a broad concept of the indirect tax base (5)/(2)	12.9%	13.1%	12.6%	12.0%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	14.8%	15.1%	14.7%	14.2%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

AUSTRALIA

C. Tax breaks for social purposes (in millions of Australian dollars)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	**1 929**	**2 138**	**7 951**	**8 614**
Tax offsets for taxpayers with dependants	16	15	20	-
Tax offset for housekeeper who cares for a prescribed dependant	360	370	390	-
Tax offset for low income earners	460	400	670	-
Exemption for Medicare level for residents with a taxable income below a threshold	340	380	374	446
Medical expenses tax offset	150	220	305	385
Exemption of rent subsidy payments under the Commonwealth/State mortgage and rent relief schemes	13	13	3	3
30% tax offset for expenditure on private health insurance	590	740	900	1 020
Exemption of the Baby Bonus	-	-	140	165
Senior Australian Tax Offset	-	-	606	410
Tax offset for child care	-	-	0	365
Tax offset for dependant spouse, child-housekeeper and housekeeper who cares for prescribed dependent	-	-	-	319
Tax offsets for taxpayers supporting a parent, parent-in-law, or invalid relative	-	-	20	40
Mature Age Worker Tax Offset	-	-	425	455
Exemption of certain income support benefits, pensions or allowances	-	-	820	1 000
Exemption of certain war-related payments and pensions	-	-	290	250
Exemption of Child Care Benefit	-	-	410	445
Exemption of Family Tax Benefit,Parts A and B, including expense equivalent	-	-	1 880	2 480
Exemption of the first child tax offset (Baby Bonus)	-	-	31	17
Exemption of Utilities Allowance and Seniors' Concession Allowance	-	-	14	38
Exemption of payments made under the First Home Owners Grant Scheme	-	-	285	325
Income averaging for authors, inventors, performing artists, production associates and sportspersons	-	-	7	10
Exemption of post-judgment injury awards in personal injury compensation cases	-	-	2	2
Child Care Services (GST - Goods and Services Tax)	-	-	360	440
Tax breaks to stimulate private social protection (not including pensions)	**580**	**770**	**1 092**	**1 780**
Partial rebate for certain non-profit, non-government bodies	40	20	19	45
Deduction for gifts to approved donees	300	540	730	810
Capped exemption for public benevolent institutions (excluding public hospitals)	240	210	250	710
Deduction for contributions with an associated minor benefit	-	-	3	5
Deduction for donations to prescribed private funds	-	-	90	210
Memorandum Items				
Tax breaks for pensions	**10 575**	**14 255**	**20 285**	**31 690**
Concessional taxation of funded superannuation	9 215	13 400	17 930	26 600
Concessional taxation of unfunded superannuation lump sums	-	140	150	380
Concessional treatment of non-superannuation termination benefits	990	320	310	1 200
Capped taxation rates for lump sum payments for unused recreation and long service leave	210	190	150	115
Taxation of five per cent of unused longservice leave accumulated by 15 August 1978	135	85	85	75
Capital gains tax exemption on the sale of a small business at retirement	25	120	180	410
Superannuation - capital gains tax discount for funds	..	..	1 090	890
Superannuation - deduction and concessional taxation of certain personal contributions	..	..	410	1 550
Superannuation - measures for low-income earners	..	..	90	550
Superannuation - spouse contribution offset	..	..	15	10
Superannuation - tax on funded lump sums relating to post-June 1983 service	..	..	-160	-180
Small business capital gains tax exemption for assets held for more than 15 years	..	..	35	90

Source: Australian Government (2009, 2007,2005, 2003), Tax Expenditure Statement, The Treasury, Canberra.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

AUSTRIA

A. Average Itemised Tax Rates (AITR %)

	2001	2003	2007	2007
Old-age cash benefits (1 +3)	17.7%			
- public pensions		17.0%	16.6%	15.9%
- private pensions		13.0%	16.6%	15.9%
Incapacity-related benefits				
- Disability pensions	17.7%	17.0%	16.6%	15.9%
- Occupational Injury benefits	0.0%	0.0%	0.0%	0.0%
- Sickness payments	30.0%	30.0%	29.3%	22.0%

Source: Ministry of Finance (Bundesministerium fur Finanzen), Wage Tax Statistics (2001, 2003, 2005, 2007).

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of euros

		2001	2003	2005	2007
(1)	Private final consumption expenditure	117 223	122 481	133 767	143 812
(2)	Private consumption plus Government consumption minus Government wages	136 387	143 029	156 019	168 524
(3)	General consumption taxes plus excise duties (5110+5121)	22 917	24 052	25 935	27 634
	5110 General taxes	17 301	17 944	19 466	20 988
	5121 Excises	5 616	6 108	6 469	6 646
(4)	Taxes on production sale transfer (5100)	24 814	26 043	27 863	29 716
(5)	Taxes on Goods and Services (5000)	26 438	27 813	29 615	31 574
	Implicit average indirect tax rate on consumption out of benefit income:				
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**16.8%**	**16.8%**	**16.6%**	**16.4%**
(7)	using a broad concept of the indirect tax base (5)/(2)	19.4%	19.4%	19.0%	18.7%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	22.6%	22.7%	22.1%	22.0%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of euros)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	**42.0**	**82.0**	**152.0**	**152.0**
Appliances for the disabled (Befreiung für Versehrten- und Invalidenfahrzeuge) § 2 Abs.1 Z 5, 12	2.0	2.0	2.0	2.0
Special tax relief (Außergewöhnliche Belastungen) § 34, 35	40.0	40.0	40.0	40.0
Tax credits for one-parent families		40.0	110.0	110.0
Tax breaks to stimulate private social protection (not including pensions)	**20.0**	**20.0**	**20.0**	**20.0**
Contributions to health, accident and pension insurance (Versicherungsbeiträge) § 18 Abs. 1 Z 2	20.0	20.0	20.0	20.0
Memorandum Items				
Tax breaks for pensions	**130.0**	**130.0**	**195.0**	**205.0**
- Deduction of contributions to private pension insurances or funds as "special expenses"	130.0	130.0	150.0	150.0
- Premium (payable tax credit) for contributions to pension funds			45.0	55.0

Source: Budget Accounts, Forderungsbericht (2001, 2003, 2005, 2007), Ministry of Finance, Austria.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

BELGIUM

A. Amount of direct tax paid on benefit income (in millions of euros)

	2001	2003	2005	2007
A.Taxes paid on transfer income (A1 minus A2 , then adding local tax rate *)	4 093.5	4 370.1	4 079.4	4 058.1
Pensions: PIT	5 060.1	5 457.8	5 972.0	3 451.1
Sickness: PIT	449.0	495.7	485.0	178.0
Early retirement: PIT	2.1	0.8		
Unemployment benefits: PIT	525.2	581.1	536.0	149.4
Total PIT (A1)	6 036.4	6 535.4	6 993.0	3 778.5
- Pensions: tax credit	1 722.1	1 923.9	2 525.0	-
- Sickness: tax credit	177.2	213.3	304.0	-
- Early retirement: tax credit	1.2	0.3	-	-
- Unemployment benefits: tax credit	214.5	301.5	323.0	-
- Others	98.4	26.4	32.0	-
Total tax credits (A2)	2 213.4	2 465.4	3 184.0	
Local tax rate	7.1%	7.4%	7.1%	7.4%
B. Social security contributions	885.1	999.3	1 109.4	1 182.0
Total (A + B)	4 978.6	5 369.4	5 188.8	5 240.1

* Local tax rate is applied to income tax, which overestimates local tax amount as local taxes are only paid when the amount of the credit does not exhaust income tax.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of euros

		2001	2003	2005	2007
(1)	Private final consumption expenditure	138 912	144 383	155 751	170 965
(2)	Private consumption plus Government consumption minus Government wages	164 980	173 729	188 353	206 442
(3)	General consumption taxes plus excise duties (5110+5121)	23 692	25 284	28 981	31 191
	5110 General taxes	18 060	19 039	21 854	23 931
	5121 Excises	5 632	6 245	7 126	7 259
(4)	Taxes on production sale transfer (5100)	26 052	27 952	31 772	34 506
(5)	Taxes on Goods and Services (5000)	28 374	30 165	34 152	36 957
	Implicit average indirect tax rate on consumption out of benefit income:				
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**14.4%**	**14.6%**	**15.4%**	**15.1%**
(7)	using a broad concept of the indirect tax base (5)/(2)	17.2%	17.4%	18.1%	17.9%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	20.4%	20.9%	21.9%	21.6%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in million of Euros)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	**1 355.8**	**1 521.0**	**1 827.0**	**1 968.1**
Tax credit for children	1 275.6	1 443.8	1 722.9	1 861.4
Compl. Sickness contr.	0.0	0.0	0.0	0.0
Allowance "ALE"	16.9	17.3	12.1	13.1
Allowance Childcare expenses	63.3	59.9	92.1	93.6
Tax breaks to stimulate private social protection (not including pensions)	**0.0**	**0.0**	**0.0**	**0.0**
Memorandum Items				
Tax breaks for pensions	**363.3**	**382.1**	**518.5**	**475.5**
Pension savings (3rd pillar)	262.8	287.7	409.7	387.9
Pension savings (2d pillar)	100.5	94.4	108.8	87.6

Source: Ministry of Finance, Belgium, from IPP (Impôt des Personnes Physiques).

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

CANADA

A. Average Itemised Tax Rates (AITR %)

	2001	2003	2005	2007
1 Old-age Cash Benefits	15.02%	14.28%	14.61%	13.78%
1a - Public Pensions (OAS)	6.06%	5.76%	5.89%	5.91%
1b - Private Pensions	18.49%	17.54%	17.70%	16.47%
2 Canadian Pension Plan (Retirement)	9.46%	8.70%	8.78%	8.72%
3 Canadian Pension Plan (Disability)	2.57%	1.86%	1.94%	1.74%
4 Employment Insurance	9.05%	8.35%	6.54%	6.01%
4a - Regular Employment Insurance	..	8.63%	7.07%	6.21%
4b - Parental Leave Payments	..	..	..	..
4c - Active Labour Market Programs	..	0.37%	1.41%	-0.58%
5 Worker's Compensation	2.41%	2.48%	1.41%	1.46%
6 Guaranteed Income Supplement	0.52%	0.54%	1.01%	1.17%
7 Social Assistance	0.02%	0.12%	0.14%	-0.21%
8 Wage Income	22.20%	22.13%	21.48%	21.12%

The sample used for the microdataset simulation was a stratified sample of approximately 450 000 records, weighted to represent all taxfilers in Canada. The sample is provided by the Canada Revenue Agency.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of Canadian dollars

		2001	2003	2005	2007
(1)	Private final consumption expenditure	608 549	670 618	760 701	851 603
(2)	Private consumption plus Government consumption minus Government wages	693 669	763 841	866 787	969 399
(3)	General consumption taxes plus excise duties (5110+5121)	77 609	85 489	92 865	93 475
	5110 General taxes	58 093	62 604	69 902	70 385
	5121 Excises	19 516	22 885	22 963	23 090
(4)	Taxes on production sale transfer (5100)	92 940	102 262	111 536	113 753
(5)	Taxes on Goods and Services (5000)	98 466	108 132	118 599	121 925
	Implicit average indirect tax rate on consumption out of benefit income:				
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**11.2%**	**11.2%**	**10.7%**	**9.6%**
(7)	using a broad concept of the indirect tax base (5)/(2)	14.2%	14.2%	13.7%	12.6%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	16.2%	16.1%	15.6%	14.3%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

CANADA

C. Tax breaks for social purposes (in millions of Canadian dollars)

		2001	2003	2005	2007
	Tax breaks similar to cash benefits (total without 5 and 8 below)	**11 189**	**12 741**	**13 914**	**20 519**
1	Disability Tax Credit	464	512	561	685
2	Provincial Tax Reduction	339	409	530	615
3	Infirm dependant credit				
	Caregiver credit	85	107	117	126
4	Attendant Care expense	0.3	0.8	1.7	3.2
5	Canadian Child Tax Benefit/National Child Benefit (amount not included in total TBSP, as already accounted in SOCX	7 640	8 185	9 145	9 633
6	Medical expense supplement for earners	55	68	92	111
7	Deductibility of charitable donations from corporate income tax	260	290	345	465
8	Age amount (amount not included in total TBSP, as already taken into account when calculating AITRs)	1 916	2 036	2 010	2 496
9	Medical expense tax credit	920	1 116	1 476	1 349
10	Child care expense deduction	1 112	1 002	1 207	1 372
11	Adoption Expense Deduction	-	-	4	4
12	Amount for an eligible dependant	824	873	880	984
13	Non-taxation of employer paid premiums	4 444	5 474	5 989	5 751
14	Portion of refundable tax credits that offsets tax liability	2 686	2 890	2 712	2 314
15	Non-taxation of employee-paid EI premiums	-	-	-	2 801
16	Employment credit	-	-	-	1 838
17	Universal child care benefit (amount not included in total TBSP)	-	-	-	2 714
18	Children's fitness tax credit	-	-	-	87
19	Working income tax benefit	-	-	-	602
20	Child tax credit	-	-	-	1 411
21	Investment tax credit for child care spaces	-	-	-	2
	Tax breaks to stimulate private social protection (not including pensions)	**7 646**	**9 309**	**13 116**	**13 427**
	Non-Taxation of employer-paid CPP premiums	4 445	5 474	5 989	5 751
	Non-Taxation of employer-paid EI premiums	-		2 735	2 600
	Non-taxation of employer paid health and dental benefits	1 710	2 010	2 135	2 490
	Charitable donations credit	1 491	1 825	2 257	2 537
	Non-taxation of donations of publicly-listed securities	-	-	-	50
	Memorandum item				
	Tax breaks for pensions (1+2+3)	**5 611**	**14 628**	**24 144**	**30 985**
	Revenue foregone method:				
1	Pension Income Deduction	626	653	679	1 315
2	Registered retirement savings plans (RRSPs)				
	Deduction for contributions	6 225	6 000	6 760	7 585
	Non-taxation of investment income	1 280	4 080	7 160	9 090
	Taxation of withdrawals	-3 465	-3 670	-4 155	-4 600
	Net tax expenditure	4 040	6 410	9 765	12 075
3	Registered pension plans (RPPs)				
	Deduction for contributions	4 575	6 615	8 415	9 450
	Non-taxation of investment income	2 785	7 530	12 465	14 875
	Taxation of withdrawals	-6 415	-6 580	-7 180	-6 730
	Net tax expenditure	945	7 565	13 700	17 595
	Supplementary information:				
	Present value of tax assistance for retirement savings plans *	5 670	6 820	8 340	9 395

* The present-value estimates reflect the lifetime cost of a given year's contributions. This definition is different from that used for the cash-flow estimates, and thus the two sets of estimates are not directly comparable.

Data supplied by Finance Canada, from Department of Finance Canada (2009, 2004, 2002), Tax Expenditures and Evaluations, Ottawa.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

CZECH REPUBLIC

A. Amount of direct tax paid on benefit income (in millions of Czech koruny)

	2001	2003	2005	2007
Total tax paid on transfer income				
old-age pensions	1.0	3.0	14.6	11.0

Source: Ministry of Finance, Tax Policy Unit; Czech Social Security Administation.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of Czech koruny

		2001	2003	2005	2007
(1)	Private final consumption expenditure	1 220 316	1 332 470	1 464 486	1 686 837
(2)	Private consumption plus Government consumption minus Government wages	1 544 042	1 721 471	1 885 005	2 136 460
(3)	General consumption taxes plus excise duties (5110+5121)	226 686	251 925	325 652	365 780
	5110 General taxes	149 893	164 250	215 118	232 288
	5121 Excises	76 793	87 675	110 534	133 492
(4)	Taxes on production sale transfer (5100)	236 864	262 453	325 861	365 998
(5)	Taxes on Goods and Services (5000)	255 029	285 108	350 949	393 042
	Implicit average indirect tax rate on consumption out of benefit income:				
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**14.7%**	**14.6%**	**17.3%**	**17.1%**
(7)	using a broad concept of the indirect tax base (5)/(2)	16.5%	16.6%	18.6%	18.4%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	20.9%	21.4%	24.0%	23.3%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

CZECH REPUBLIC

C. Tax breaks for social purposes (in millions of Czech koruny)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	**11 084**	**11 731**	**14 688**	**18 532**
1. Tax breaks similar to cash benefits				
1.1 Tax exemptions (Personal Income Tax):				
* non-monetary benefits covered from the fund for cultural and social needs or profit after tax provided by an employer to his employee in form of recreational, health care, educational facilities, etc.	528	648	*795.3*	*976.0*
1.2 Allowances from the tax base (Personal Income Tax; social insurance contributions are deductible from the tax base):				
* per each dependent child living with the taxpayer in one household	10 000	10 500	13 484	16 683
* per each handicapped dependent child requiring an escort	188	197		
* per handicapped spouse requiring an escort living with taxpayer in one household unless the spouse's own income exceeds low income limit	8	8	9	2
* per handicapped taxpayer requiring an escort	60	63	66	34
* gifts donated to municipalities or to legal entities for financing science, education, culture, schools, police, youth welfare, animal protection, environment, humanitarian projects etc.	300	315	334	837
Tax breaks to stimulate private social protection (not including pensions)	**4 073**	**1 485**	**1 701**	**1 966**
2.1 Corporate Income Tax				
* tax credits for disabled employees	3 973	1 352	1 564	1 801
2.2 Personal Income Tax				
* tax credits for disabled employee	100	133	137	165
Memorandum item				
Tax breaks for pensions	**1 105**	**1 679**	**3 390**	**3 724**
1. Deduction of contributions to private pensions - income tax exemptions and allowances from the tax base				
* exemption of contributions of employers on behalf of their employees on pension insurance with state contribution from personal income tax up to a ceiling of 5 per cent of employer's gross wage	380	540	779	850
* deduction of contributions of employers on behalf of their employees on pension insurance with state contribution from employer's tax base up to a ceiling of 3 per cent of gross wage of the employee	465	759	694	612
* contributions of employees on their pension insurance with state contribution	260	380	644	814
* deduction on behalf on pension insurance with state contribution from personal income tax up to a ceiling	-	-	1 273	1 448
2. Non-taxation of investment of private pension funds				
* there is income tax of 15 % from the returns of private pension funds - standard tax rate is 28 %	-	-	-	-
* reduced 15 % withholding tax on benefits/returns paid by the pension funds to the contributors	..	..	..	-
* reduced 15 % withholding tax on benefits/returns paid by the life insurance to the contributors	..	..	..	-

Sources: Tax Statistics, Czech Ministry of Finance; and the Association of Pension Funds of the Czech Republic.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

DENMARK

A. Average Itemised Tax Rates - AITR %

	2001		2003		2005		2007
	Tax and Social security		Tax and Social security		Tax and Social security		Tax and Social secu
1 Social pension							
- state old age pension	27.68	(98%)	27.20	(98%)	27.25	(98%)	27.13
- disability pension	26.92	(75%)	26.22	(75%)	26.38	(77%)	27.16
- anticipated old age pension	23.78	(84%)	23.69	(84%)	26.57	(90%)	23.37
2 Supplementary pensions (ATP)	30.68		29.79		29.83		29.56
3 Civil servants pension	34.77		34.00		33.66		33.81
4 Early retirement pensions (Delpension)	32.30		31.48		30.19		30.00
5 Sickness benefit	36.36		36.49		36.75		35.16
6 Parental leave	28.85		28.56		28.69		29.47
7 Unemployment benefits	32.78		32.66		32.58		30.80
8 Early retirement benefits	29.38		28.16		28.09		30.29
9 Occupational accidents - except:	36.07		32.05		36.29		32.70
Occupational accidents and decease (10.3.1.3.1)					35.34	(22%)	35.09
War victims, accidents, sailors (10.3.1.5.5)						(60%)	32.70
Handicapped children and adults (10.3.1.5.4)						(47%)	39.85
10 Survivors	10.00		10.00		10.00		10.00
11 Childbirth benefit (barsel)	39.71		37.21		37.59		35.44
12 Items under active labour market policy							
- Measures by regional labour market councils	26.89		26.42		26.02		25.37
- Employment measures for disabled	31.30		30.72		30.87		30.21
13 Other, war victims	35.30	(90%)	33.95	(90%)	33.50	(84%)	33.46
14 Other, wage earn. Guar. Fond.	44.10		39.31		35.40		37.48
15 Cash payments to refugees (10.9.1.2.1)					5.70		3.18
16 Low income	26.73		26.04		25.80		24.97
17 Transfers taxed as wages	43.54		42.07		41.21		39.85

In parentheses: proportion of spending subject to taxation if not 100%.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions Danish kroner

		2001	2003	2005	2007
(1)	Private final consumption expenditure	631 687	666 942	745 139	821 664
(2)	Private consumption plus Government consumption minus Government wages	742 089	785 707	880 249	976 555
(3)	General consumption taxes plus excise duties (5110+5121)	195 178	203 394	230 549	254 214
	5110 General taxes	127 938	134 442	154 698	175 426
	5121 Excises	67 240	68 952	75 851	78 788
(4)	Taxes on production sale transfer (5100)	199 772	208 841	237 655	260 896
(5)	Taxes on Goods and Services (5000)	211 685	220 960	251 007	275 763
	Implicit average indirect tax rate on consumption out of benefit income:				
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**26.3%**	**25.9%**	**26.2%**	**26.0%**
(7)	using a broad concept of the indirect tax base (5)/(2)	28.5%	28.1%	28.5%	28.2%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	33.5%	33.1%	33.7%	33.6%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of Danish kroner)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	182	189	201	
Supplement for older people "Engangsbelob" (67+)	135	140	147	..
Capital tax reduction for older people (67+)	0	0		
Housing for older people "Plejehjem"	47	49	54	..
Tax breaks to stimulate private social protection (not including pensions)	0	0	0	0
Memorandum item				
Tax breaks for pensions	0	0	0	0

Source: Ministry of Finance, Denmark.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

FINLAND

A. Average Itemised Tax Rates (%)

		2001	2003	2005	2007
1	Old-age cash benefits				
1a	- public pensions	19.7	19.4	19.9	20.0
1c	- private pensions	28.6	28.9	28.7	28.4
2	Survivors' benefits				
2a	- public pensions	19.1	19.8	19.9	18.6
3	Incapacity-related benefits				
3a	- Disability pensions	17.5	17.6	16.5	15.5
3b	- Occupational Injury benefits	26.2	23.5	24.3	23.0
3c	- Sickness payments	26.8	24.4	24.5	22.4
4	Family cash benefits				
4a	- Family benefits	16.7	17.0	17.2	15.5
4b	- Maternity and parental leave payments	21.7	21.5	21.6	19.7
5	Active labour market policies				
5a	- benefits while on training	19.4	19.9	20.0	18.5
6	Unemployment				
6a	- unemployment insurance benefit	20.5	20.5	20.5	18.9
6b	- unemployment assistance benefit	18.6	18.1	18.2	17.8

The micro-simulation model used in the Ministry of Finance is based on a representative sample of some 25 000 individual taxpayers. The model is used for the planning of national tax policies and for estimating the effect of tax policy alterations on tax revenues and on the income tax liabilities of taxpayers at different income levels. The information is in principle collected for the Income Distribution Survey from Statistics Finland. The sample covers about 0,5% of the total taxpayer population, but the model has been made representative for the total taxpayer population. The dataset is updated annually.

Source : Ministry of Finance.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of euros

		2001	2003	2005	2007
(1)	Private final consumption expenditure	68 877	75 156	81 095	90 708
(2)	Private consumption plus Government consumption minus Government wages	79 559	87 317	94 800	106 090
(3)	General consumption taxes plus excise duties (5110+5121)	16 789	18 657	19 623	21 070
	5110 General taxes	11 118	12 455	13 658	15 054
	5121 Excises	5 671	6 202	5 965	6 016
(4)	Taxes on production sale transfer (5100)	18 004	20 011	21 098	22 605
(5)	Taxes on Goods and Services (5000)	18 462	20 509	21 663	23 242
	Implicit average indirect tax rate on consumption out of benefit income:				
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**21.1%**	**21.4%**	**20.7%**	**19.9%**
(7)	using a broad concept of the indirect tax base (5)/(2)	23.2%	23.5%	22.9%	21.9%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	26.8%	27.3%	26.7%	25.6%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of euros)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	**0**	**0**	**0**	**0**
Tax breaks to stimulate private social protection (not including pensions)	**0**	**0**	**0**	**0**
Cash donations to Charities				
Memorandum Items				
Tax breaks for pension	**170**	**205**	**220**	**125**
- Deduction of contributions to private pensions	170	205	220	125

Source: Ministry of Finance, Finland.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

FRANCE

A. Amount of direct tax paid on benefit income (in millions of euros)

		2001	2003	2005	2007
	Total (income tax + social security contributions)	21 192.2	22 247.8	25 385	26 549
1-2-3a	Old-age, survivors' benefits, disability pensions	15 160	16 292	19 026	19 812
3b	Occupational Injury benefits	130	154	156	210
3c	Sickness payments	1 352	1 365	1 675	1 896
4a-4c	Family and sole parent cash benefits	660	684	738	888
4b	Maternity and parental leave payments	220	283	282	304
5	Active labour market policies	1 570	1 417	973	1 096
6	Unemployment	2 040	1 987	2 469	2 275
7	Housing	60	66	66	68

Sources: See Table C below.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of euros

		2001	2003	2005	2007
(1)	Private final consumption expenditure	838 227	900 035	981 500	1 074 170
(2)	Private consumption plus Government consumption minus Government wages	980 235	1 062 806	1 161 901	1 268 834
(3)	General consumption taxes plus excise duties (5110+5121)	149 446	158 770	173 531	183 323
	5110 General taxes	109 397	115 770	130 226	139 884
	5121 Excises	40 050	43 000	43 306	43 438
(4)	Taxes on production sale transfer (5100)	161 496	171 585	187 777	197 714
(5)	Taxes on Goods and Services (5000)	165 803	175 788	192 326	203 104
	Implicit average indirect tax rate on consumption out of benefit income:				
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**15.2%**	**14.9%**	**14.9%**	**14.4%**
(7)	using a broad concept of the indirect tax base (5)/(2)	16.9%	16.5%	16.6%	16.0%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	19.8%	19.5%	19.6%	18.9%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

FRANCE

C. Tax breaks for social purposes (in millions of euros)

	2001	2003	2005	2007
Tax breaks Similar to cash benefits	**14 750**	**16 280**	**18 404**	**20 153**
Vieillesse				
Foncier bâti : Dégrèvement partiel	50	138	55	82
Vieillesse - invalidité				
Foncier bâti : exonération totale	290	300	339	506
Vieillesse - invalidité-survie				
Taxe d'habitation : exonération totale	1 220	1 250	1 345	1 327
Impôt sur le revenu: Réduction sur les primes des rentes survie et contrats d'épargne handicap				8
Impôt sur le revenu: Réduction pour dépenses d'accueil dans un établissement pour personnes âgées dépendantes (long séjour)				15
Impôt sur le revenu: Déduction pour cotisations épargne retraite				360
Famille-invalidité				
Impôt sur le revenu : quotient familial	9 700	9 866	10 987	11 528
Taxe d'habitation : abattement pour charge de famille	1 070	1 130	1 300	1 283
Taxe d'habitation : effet du quotient familial sur les dégrèvements partiels	100	100	120	118
Famille				
Impôt sur le revenu : déduction des pensions pour enfants majeurs étudiants	280	290	333	265
Impôt sur le revenu : réduction d'impôt pour enfants scolarisés	400	399	372	216
Impôt sur le revenu : réduction d'impôt pour frais de garde d'enfants de moins de 7 ans	190	200	131	199
Autres domaines de politique sociale				
Prime pour l'Emploi	1 250	2 322	3 127	3 948
Taxe d'habitation : dégrèvement total pour les titulaires du RMI	200	285	295	291
Logement				
Impôt sur le revenu: crédit d'impôt sur les dépenses d'équipement de l'habitation principale en faveur de l'aide aux personnes				5
Tax breaks to stimulate private social protection (not including pensions)	**300**	**320**	**382**	**443**
Logement				
Impôt sur le revenu : déductions pour la location à des ménages modestes	-	-	-	-
Impôt sur les bénéfices : exonération des offices HLM et OPAC	260	270	300	310
Autres domaines de politique sociale				
Impôt sur le revenu : réduction pour dons aux personnes en difficulté	40	50	82	133

Sources: Amounts supplied by DREES/INSEE, based on estimates from ACOSS (Agence Centrale des Organismes de Sécurité Sociale) and Drees (comptes de la protection sociale).
Income tax and tax breaks for social purposes: Direction Générale des Impôts, INES model (Insee-Drees).

Table Annex LA.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

GERMANY

A. Amount of direct tax paid on benefit income (in millions of euros)

	2001	2003	2005	2007
Direct taxes and social contributions paid on public cash benefits	**26 445.6**	**26 856.1**	**30 911.6**	**32 519.3**
Social contributions paid by recipients of benefits (unemployment , disability, etc.)	16 308.0	17 141.0	18 728.0	19 946.0
Income tax on pensions	5 134.0	4 748.8	6 900.0	8 050.0
Social security contributions	1 009.9	928.1	1 322.7	1 442.9
Soc. Sec. Cont. on pensions for farmers	255.7	227.2	266.4	273.5
Soc Sec Cont on "versorgungswerke"	146.7	155.9	263.1	290.6
Supplementary Pensions in Civil Service	607.4	545.0	793.2	878.8
Progressionsvorbehalt	1 600.0	1 670.0	1 895.0	2 070.0
Tax and social contributions on family wage supplements (public employers)	2 393.7	2 368.3	2 065.9	1 010.4
Direct taxes and social contributions paid on mandatory private cash benefits	**9 445.6**	**9 271.5**	**8 595.2**	**9 195.7**
Continued wage payments in case of sickness (Entgeltfortzahlung)	8 919.4	8 746.2	8 176.5	8 785.0
Continued Wage Payments: Maternity and parental leave	526.2	525.3	418.7	410.7
Direct taxes and social contributions paid on voluntary private cash benefits	**2 562.7**	**3 192.7**	**3 856.0**	**4 262.1**
Tax over BAV (company pension)	1 189.5	1 305.5	1 775.0	1 935.0
Soc. Sec. cont over BAV (company pension)	1 092.8	1 492.0	1 713.2	2 033.2
Tax and soc.sec. cont over other payments	280.4	395.2	367.8	293.9

Source: Bundesministerium für Arbeit und Sozialordnung; Calculated while using the nettolohnquote as in the national accounts.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of euros

	2001	2003	2005	2007
(1) Private final consumption expenditure	1 258 570	1 284 600	1 325 440	1 378 940
(2) Private consumption plus Government consumption minus Government wages	1 492 580	1 532 210	1 576 100	1 645 440
(3) General consumption taxes plus excise duties (5110+5121)	200 521	206 353	205 306	234 198
5110 General taxes	138 935	137 568	140 121	170 387
5121 Excises	61 586	68 785	65 185	63 811
(4) Taxes on production sale transfer (5100)	210 991	218 371	217 622	247 858
(5) Taxes on Goods and Services (5000)	219 602	225 951	226 554	257 019
Implicit average indirect tax rate on consumption out of benefit income:				
(6) using general consumption taxes plus excise duties (3)/(2)	**13.4%**	**13.5%**	**13.0%**	**14.2%**
(7) using a broad concept of the indirect tax base (5)/(2)	14.7%	14.7%	14.4%	15.6%
(8) using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	17.4%	17.6%	17.1%	18.6%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

Table Annex LA.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

GERMANY

C. Tax breaks for social purposes (in millions of euros)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	33 327.0	36 473.0	33 108.0	32 483.0
Special expenses for owner-occupied homes	1 733.0	430.0	30.0	-
Child component in conjunction with sec.10 e EStG (sec. 34 f EStG)	460.0	65.0	30.0	-
Owner-occupied Homes Premium Law, total	8 050.0	10 536.0	10 247.0	7 722.0
Employee savings premiums for productive investment (sec. 19 a EStG)	41.0	41.0	36.0	80.0
Deduction of occupational training expenses	79.0	85.0	315.0	350.0
Motor vehicle tax exemption for physically disabled persons	135.0	130.0	140.0	146.0
Household allowance	1 100.0	1 000.0	580.0	410.0
Deduction for extraordinary financial burdens	465.0	475.0	650.0	730.0
Deduction for extraordinary financial burdens in special instances	1 094.0	659.0	655.0	610.0
Lump sum allowances for the physically disabled and others	798.0	810.0	805.0	865.0
Lump sum care allowance	72.0	72.0	60.0	60.0
Childcare expenses (Kinderbetreuungskosten)	-	170.0	160.0	620.0
Family benefits (child tax credit)	19 300.0	22 000.0	19 400.0	20 890.0
For information: Family benefits (Familienlastenausgleich: tax credit + cash benefits)	*(32 020.7)*	*(36 080)*	*(36 500)*	*(36 600)*
Tax breaks to stimulate private social protection (not including pensions)	9 480.0	9 485.0	9 480.0	10 580.0
Exclusion of contributions to health and accident insurance	8 400.0	8 400.0	8 400.0	9 300.0
Donations to (approved) NGOs and political parties	1 080.0	1 085.0	1 080.0	1 280.0
Memorandum Item				
Tax breaks to pensions	17 520.0	18 280.0	19 585.0	20 270.0
- Deduction of contributions to public pensions	14 300.0	15 100.0	16 500.0	17 400.0
- Deduction of private life insurances	2 300.0	2 200.0	2 100.0	2 000.0
- Lump sump taxation of contributions to occupational pension plans	920.0	980.0	985.0	870.0

a) Donation to political parties are not in the social domain. However, the value of these donations cannot be separately identified, but is considered smaller that the donations to NGOs, and therefore this item is included in the list here.

Source : Bundesministerium fur Arbeit und Sozialordnung, Bundesministerium für Finanzen, Germany.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

ICELAND

A. Amount of direct tax paid on benefit income (in millions of Islandic krónur)

	2001	2003	2005	2007 *
Total tax paid (including soc. sec. cont.) on public transfer income	**4 671**	**6 075**	**6 767**	**8 504**
of which:				
- Income tax	4 671	6 075	6 767	*8 504*
Total tax paid (including soc. sec. cont.) on private transfer income	**4 457**	**5 942**	**7 407**	**9 308**
of which:				
- Income tax	4 457	5 942	7 407	*9 308*

Source: Ministry of Finance, Economic Department.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of Islandic krónur

		2001	2003	2005	2007
(1)	Private final consumption expenditure	434 009	481 541	609 359	751 598
(2)	Private consumption plus Government consumption minus Government wages	502 517	563 781	701 591	874 843
(3)	General consumption taxes plus excise duties (5110+5121)	93 859	109 914	152 236	183 485
	5110 General taxes	72 415	81 881	113 897	137 593
	5121 Excises	21 444	28 034	38 339	45 891
(4)	Taxes on production sale transfer (5100)	98 596	114 572	157 941	191 957
(5)	Taxes on Goods and Services (5000)	110 247	127 106	175 198	214 988
Implicit average indirect tax rate on consumption out of benefit income:					
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**18.7%**	**19.5%**	**21.7%**	**21.0%**
(7)	using a broad concept of the indirect tax base (5)/(2)	21.9%	22.5%	25.0%	24.6%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	25.4%	26.4%	28.8%	28.6%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of Islandic krónur)

	2001	2003	2005	2007 *
Tax breaks similar to cash benefits	0	0	0	0
Tax breaks to stimulate private social protection (not including pensions)	0	0	0	0
Memorendum item				
Tax breaks for pension	6 888	8 619	10 596	*13 315*

* 2007 figures are estimates based on the 2007/2005 growth rate in public cash social spending, +25.67% .

Source: Ministry of Finance of Iceland, Economic Department.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

IRELAND

A. Amount of direct tax paid on benefit income (in millions of euros)

	2001	2003	2005	2007
Total tax paid (including soc. sec. cont.) on transfer income	**299.4**	**331.6**	**371.3**	**470.6**
Social Security Pension	267.6	291.4	326.7	408.4
Social Security Disability Benefit	20.6	23.2	27.8	33.8
Social security Unemployment Benefit	11.2	17.0	16.8	28.4

Source: Ireland Revenue, Income Tax Returns for 2003, 2004, 2006 (SAS).

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of euros)

	2001	2003	2005	2007
(1) Private final consumption expenditure	55 675	65 249	74 632	88 882
(2) Private consumption plus Government consumption minus Government wages	62 760	73 627	83 419	100 215
(3) General consumption taxes plus excise duties (5110+5121)	11 675	14 193	17 473	20 085
5110 General taxes	7 546	9 524	12 134	14 156
5121 Excises	4 129	4 669	5 339	5 930
(4) Taxes on production sale transfer (5100)	11 830	14 337	17 618	20 211
(5) Taxes on Goods and Services (5000)	12 389	15 032	18 435	21 185
Implicit average indirect tax rate on consumption out of benefit income:				
(6) using general consumption taxes plus excise duties (3)/(2)	**18.6%**	**19.3%**	**20.9%**	**20.0%**
(7) using a broad concept of the indirect tax base (5)/(2)	19.7%	20.4%	22.1%	21.1%
(8) using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	22.3%	23.0%	24.7%	23.8%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of euros)

	2001	2003 *	2005 *	2007 *
Tax breaks similar to cash benefits	**196.6**	**319.3**	**395.6**	**420.4**
Exemption of statutory redundancy payments	8.7	25.1	76.9	-
Widowed person's allowance (data do not cover non-tax payers)	82.6	122.3	125.7	155.2
Additional allowance to widowed person in year of bereavement	4.2	6.1	4.9	4.5
Additional bereavement allowance to widowed parent	3.9	5.6	4.0	4.9
Additional personal allowance for one parent family	91.5	137.8	150.8	186.1
Additional allowance for incapacitated child	2.7	4.4	5.0	16.0
Dependent relative allowance	0.8	1.1	1.1	1.4
Person taking care of incapacitated taxpayer	0.4	0.6	1.3	2.8
Donations to approved bodies	1.8	16.3	25.9	49.5
Tax breaks to stimulate private social protection (not including pensions)	**205.5**	**226.6**	**330.3**	**430.8**
Relief in respect of medical insurance premiums	168	161.7	218.2	260.5
Health expenses relief	36	63.2	109.6	167.2
Contributions under permanent health benefit schemes after deduction of tax on benefits received	1.5	1.7	2.5	3.1
Exemption of income of charities, colleges, hospitals, schools, friendly societies, etc.				
Memorendum item				
Tax breaks to pensions	**2 009.5**	**2 708.9**	**2 240.0**	**2 299.2**
Employee's Contributions to Approved Superannuation Schemes:	388.7	563.3	540.0	543.3
Employer's Contributions to Approved Superannuation Schemes **	497.7	623.1	120.0	120.0
Exemption of Net Income of Approved Superannuation Funds	938.4	1 271.6	1 200.0	1 200.0
Retirement Annuity Premiums (Individual private pensions)	184.7	250.9	380.0	435.9

* TBSPs are for 2002 instead of 2003, 2004 instead of 2005, and 2006 intstead of 2007.
** Newly available 2006 aggregate data on contributions to pension schemes by employers and employees arising from a P35 initiative introduced on foot of provisions that were included in Finance Act 2004 with a view to improving data quality have allowed estimates of the cost of tax for private pension provision for 2006 to be made. Further work is ongoing to provide similar estimates for 2005. As similar data sources would not be available for previous years, it is not possible to provide costings on a similar basis for those years.

Source: Office of the Revenue Commissioners, Statistical Reports.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

ITALY

A. Amount of direct tax paid on benefit income (in millions of euros)

	2001	2003	2005	2007
1 Old-age cash benefits				
1a - public pensions (mandatory)	17 777.2	19 868.2	23 540.6	27 458.8
1b - early retirement benefits				
1c - private pensions (non mandatory)	501.8	536.6	585.4	648.9
2 Survivors' benefits				
2a - public pensions (mandatory)	4 342.6	4 644.8	5 360.7	5 939.4
2b - private pensions (non mandatory)	142.1	151.7	167.4	182.5
3 Incapacity-related benefits				
3b-1 - Occupational Injury benefits (mandatory)	2 347.3	2 276.3	2 258.0	2 196.4
3b-2 - Occupational Injury benefits (non mandatory)	16.7	15.5	15.8	16.4
Total	25 127.7	27 493.1	31 927.9	36 442.4

Source: Official administrative information from National Institute for Social Security (INPS).

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of euros

	2001	2003	2005	2007
(1) Private final consumption expenditure	737 680	789 026	843 978	907 546
(2) Private consumption plus Government consumption minus Government wages	842 890	907 219	978 254	1 047 738
(3) General consumption taxes plus excise duties (5110+5121)	109 277	111 784	117 712	128 527
5110 General taxes	78 056	79 099	85 317	95 623
5121 Excises	31 221	32 685	32 395	32 904
(4) Taxes on production sale transfer (5100)	125 750	128 966	138 938	152 930
(5) Taxes on Goods and Services (5000)	140 445	143 469	154 153	169 311
Implicit average indirect tax rate on consumption out of benefit income:				
(6) using general consumption taxes plus excise duties (3)/(2)	**13.0%**	**12.3%**	**12.0%**	**12.3%**
(7) using a broad concept of the indirect tax base (5)/(2)	16.7%	15.8%	15.8%	16.2%
(8) using a broad concept of the indirect tax base and ignoring government consumpion (5	19.0%	18.2%	18.3%	18.7%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of euros)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	**1 730.0**	**2 064.3**	**2 400.3**	**2 766.5**
Tax credits:				
Healthcare expenses	1 493.3	1 803.3	2 092.8	2 416.6
Healthcare expenses for disabled (1)	7.1			
Other expenses for disabled (vehicles, dogs, …)	17.8			
Education expenses	188.5	221.6	249.6	282.5
Tax deductions:				
Medical expenses for disabled (2)	23.3	39.4	57.9	67.4
Tax breaks to stimulate private social protection (not including pensions)	**1 691.9**	**1 458.2**	**1 236.0**	**1 064.4**
Tax credits:				
Donations to ONLUS	24.9	36.4	38.7	38.7
Contributions to mutual assistance associations	4.8			
Contributions to health and accident insurance	1 662.2	1 421.8	1 197.3	1 025.6
Memorendum item				
Tax breaks to pensions	**106.6**	**190.6**	**260.5**	**276.2**
- Deduction of contributions to private pensions	102.9	178.4	244.9	256.5
- Non-taxation of investment of private pension funds (3)	3.7	12.2	15.6	19.7

1) For years 2003, 2005 and 2007 healthcare expenses include healthcare expenses for disabled

2) The estimate is based on the amount of the relevant deductions as recorded in all individual tax returns, distributed in 30 income class. The revenue foregone is calculated applying to the deductions in each income class the corresponding P.I.T. average implicit tax rate.

3) The tax break in years 2001, 2003, 2005 and 2007 are the reduction of tax rate by 1.5%. The estimate is based on administrative data for the tax revenue from income of pension funds. The tax revenue without the tax break is estimated by applying the ordinary tax rate of 12.5% to the 2001, 2003, 2005 and 2007 taxable income. The revenue foregone is then calculated as the difference between this estimated tax revenue and the actual tax revenue.

Source: Official administrative information from National Institute for Social Security (INPS).

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

JAPAN

A. Amount of direct tax paid on benefit income (in millions of yen)

	2001	2003	2005	2007
Income tax rate of 0.01% + Health insurance contribution of 2.72% + Long term care insurance contribution of 1.82% in 2005				
- public old pensions	1 097 156.9	1 167 918	1 994 849	2 082 382
- mandatory private old age pensions	83 106.0	77 246	89 074	91 302
- voluntary private old age pensions	392 625.3	343 467	305 574	354 772

Source: Ministry of Finance of Japan and estimates from National Institute of Population and Social Security Research.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of yen

	2001	2003	2005	2007
(1) Private final consumption expenditure	284 216 600	281 791 000	285 935 600	292 523 200
(2) Private consumption plus Government consumption minus Government wages	338 483 700	337 985 900	345 042 500	353 089 300
(3) General consumption taxes plus excise duties (5110+5121)	21 985 200	21 792 400	22 705 400	22 214 700
5110 General taxes	12 241 600	12 106 400	13 134 600	12 841 100
5121 Excises	9 743 600	9 686 000	9 570 800	9 373 600
(4) Taxes on production sale transfer (5100)	22 990 800	22 731 900	23 722 200	23 240 700
(5) Taxes on Goods and Services (5000)	26 053 000	25 792 300	26 786 000	26 255 800
Implicit average indirect tax rate on consumption out of benefit income:				
(6) using general consumption taxes plus excise duties (3)/(2)	**6.5%**	**6.4%**	**6.6%**	**6.3%**
(7) using a broad concept of the indirect tax base (5)/(2)	7.7%	7.6%	7.8%	7.4%
(8) using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	9.2%	9.2%	9.4%	9.0%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of yen)

	2001	2003	2005	2007
TBSPs similar to cash benefits	**2 800 000**	**2 720 000**	**2 600 000**	**2 700 000**
Deduction for dependent family other than spouses (General taxation)	2 100 000	2 370 000	2 400 000	2 600 000
Deduction for handicapped, survivors and working students (General taxation)	700 000	140 000	100 000	100 000
Deduction for the elderly *	..	210 000	100 000	-
Deduction for medical expenses	..	..	..	..
Deduction for retirement income	..	..	..	..
Tax breaks to stimulate private social protection (not including pensions)	**110 000**	**132 000**	**129 000**	**136 000**
Special treatment of fees for medical care under the social insurance system	28 000	25 000	25 000	31 000
Enterprise tax exemption of medical care under the social insurance system	82 000	107 000	104 000	105 000
Tax exemption for social welfare juridical persons	..	..	..	..
Memorendum item				
Tax breaks to pensions	**3 620 000**	**3 040 000**	**3 190 000**	**3 640 000**
- Deduction of contributions to private pensions (e.g occupational pension plans, individual retirement accounts, RRSPs, Superannuation, etc)	-	2 580 000	2 890 000	3 330 000
- Non-taxation of investment of private pension funds	-	460 000	300 000	310 000

* The amount of the "Deduction for the elderly" is not available in 2001.

Source: Information supplied by the Ministry of Finance of Japan.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

KOREA

A. Amount of direct tax paid on benefit income (in millions wons)

	2001	2002	2003	2004	2005	2006	2007
Public social expenditure							
Social contributions	**34 842**	49 669	**51 109**	115 549	**131 947**	161 743	**210 991**
Mandatory private social expenditure	**208 942**	189 391	**216 186**	258 537	**260 528**	287 248	**322 893**
Voluntary private social expenditure	-	-	-	-	-	-	-

Source: See table C below.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of wons

		2001	2003	2005	2007
(1)	Private final consumption expenditure	364 251 400	420 098 600	465 430 500	530 264 100
(2)	Private consumption plus Government consumption minus Government wages	404 232 000	468 019 300	522 951 200	602 100 500
(3)	General consumption taxes plus excise duties (5110+5121)	48 448 000	57 438 000	61 006 000	68 822 000
	5110 General taxes	25 835 000	33 447 000	36 118 000	40 942 000
	5121 Excises	22 613 000	23 991 000	24 888 000	27 880 000
(4)	Taxes on production sale transfer (5100)	57 430 000	66 354 000	69 069 000	78 414 000
(5)	Taxes on Goods and Services (5000)	59 377 000	68 197 000	71 041 000	80 861 000
Implicit average indirect tax rate on consumption out of benefit income:					
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**12.0%**	**12.3%**	**11.7%**	**11.4%**
(7)	using a broad concept of the indirect tax base (5)/(2)	14.7%	14.6%	13.6%	13.4%
(8)	using a broad concept of the indirect tax base and ignoring government consumption (5)/(1)	16.3%	16.2%	15.3%	15.2%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of wons)

	2001	2002	2003	2004	2005	2006	2007
Tax breaks similar to cash benefits	2 024 445	3 990 206	4 709 134	4 839 672	5 658 833	6 106 589	7 120 604
Tax abatement for non-profit corporation	20 793	24 949	30 480	32 708	44 377	56721.534	104 645
for social welfare support institution	186 937	197 893	202 616	217 781	179 389	196207.78	213 679
for imported goods for the disabled	7 744	14 369	26 292	31 825	8 190	8405.504	9 049
for the cars used by the disabled	178 192	72 769	65 743	33 059	37 776	67754	54 731
Income deduction (tax credit)	1 630 780	3 680 226	4 384 003	4 524 300	5 389 100	5777500	6 738 500
Tax breaks to stimulate private social protection (not including pensions)	0	0	0	0	0	0	0

Gho, K.H, Chang Y.S and J.W, Kang (2009), Estimation of Social Expenditure in Korea on the Basis of the OECD Guidelines: 1995 - 2007 (in Korean only), Korean Institute for Health and Social Affairs (KIHASA), Korea.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

Luxembourg

A. Average Itemised Tax Rates (AITR %)

		ESSPROS scheme(s)	ESSPROS category (1)	2003	2004	2005	2006	2007
1	Old-age cash benefits							
1a	- public pensions (2)	3: Pension scheme	1131111	8.3%	8.7%	9.4%	9.7%	10.5%
1b	- early retirement benefits (public)	3: Pension scheme	1131112	8.0%	8.6%	9.4%	9.8%	10.5%
1c1	- private pensions (3)	17+18+19+20: Special Pension scheme	1131111	17.3%	17.6%	18.6%	19.5%	20.3%
1c2	- early retirement benefits (private)	17+18+19+20: Special Pension scheme	1131112	18.3%	18.7%	19.6%	19.7%	20.6%
2	Old-age cash benefits (survivor)							
2a	- public pensions (2)	3: Pension scheme	1141111	5.7%	5.9%	6.5%	6.9%	7.5%
2b	- private pensions (3)	17+18+19+20: Special Pension scheme	1141111	10.6%	11.3%	12.1%	12.2%	13.2%
3	Incapacity-related benefits							
3a1	- Disability pensions (public)	3: Pension scheme	1121111	5.7%	6.0%	6.5%	6.7%	7.2%
3a2	- Disability pensions (private)	17+18+19+20: Special Pension scheme	1121111	13.2%	13.4%	13.7%	12.5%	13.6%
3b	- Occupational Injury benefits	4: Occupational injury	1121111	0.0%	0.0%	0.0%	0.0%	0.0%
3c	- Sickness payments (4)	4: Occupational injury + 2: Health care and paid sick leave	1111111	16.7%	16.9%	17.3%	17.5%	18.3%
4	Family cash benefits							
4a	- Family benefits	1: Family allowances	1151113 + 1151121 + 1151123	0.0%	0.0%	0.0%	0.0%	0.0%
4b	- Maternity and parental leave payments	1: Family allowances + 2: Health care and paid sick leave	1151112 + 1151114 + 1151111	14.4%	14.6%	14.8%	15.1%	15.9%
4c	- Sole parent benefits							
6	Unemployment							
6a	- unemployment insurance benefit	5: Employment measures	1161111 + 1161113 + 1161115	16.6%	16.5%	16.8%	16.7%	17.4%
8	Other contingencies							
8a	- Low Income benefits	10: national solidarity	1151114 + 1182111	6.2%	6.3%	6.3%	5.9%	6.5%
9	Wage income (5)			22.7%	23.1%	23.7%	24.1%	25.0%
10	Wage income + transferts			19.8%	20.2%	20.8%	21.2%	22.2%

1) Correspondance of EUROSTAT ESSPROS scheme and category.
2) Public transfer income concerns all cash benefits paid by general government (different levels of government and social security institutions). Other social benefits, e.g. occupational pension payments, are considered private.
3) All pension income (old-age cash benefits) paid by the state or a social security fund.
4) If sickness benefits paid through social insurance funds (please indicate whether or not his covers maternity and parental benefits in your data-set).
5) This category is included for reference purposes, but can be used to estimate tax paid by recipients of continued wage payments in case of absence because of illness.

Source: Microsimulation de l'Inspection générale de la sécurité sociale (IGSS) du Luxembourg (www.mss.public.lu).

B. Taux indirect implicite moyen d'imposition sur la consommation
Impôts indirects payés sur la consommation des prestations en espèces, en millions de la monnaies nationale

		2003	2005	2007
(1)	Dépense privée de consommation finale des ménages	9 731	10 749	11 826
(2)	Consommation des ménages et des administrations publiques moins les salaires des administrations publiques	11 898	13 372	14 733
(3)	Impôts sur la consommation plus droits d'accise (5110+5121)	2 628	3 204	3 484
	5110 Impôts généraux	1 464	1 863	2 090
	5121 Accises	1 164	1 342	1 394
(4)	Impôts sur production, vente, transfert (5100)	2 682	3 262	3 546
(5)	Impôts sur les biens et services (5000)	2 713	3 295	3 614
	Taux indirect implicite moyen d'imposition sur la consommation :			
(6)	**par les impôts sur la consommation et les droits d'accise (3)/(2)**	**22.1%**	**24.0%**	**23.7%**
(7)	par un concept plus large de base d'imposition (5)/(2)	22.8%	24.6%	24.5%
(8)	par un concept plus large de base d'imposition et en ignorant la consommation des administrations publiques (5)/(1)	27.9%	30.7%	30.6%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Avantages fiscaux à finalité sociale (en millions d'euros)

Aucun.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

MEXICO

A. Amount of direct tax paid on benefit income (in millions of pesos)

Almost all the income of individuals from social programs is exempt, as stated in article 109 of the Income Tax Law of 2003-2005 (article 177 in 2001), and there are no revenue statistics of the portion of such income that is considered taxable income.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of pesos)

	2001	2003	2005	2007
(1) Private final consumption expenditure	4 306 162	5 042 755	6 141 604	7 316 008
(2) Private consumption plus Government consumption minus Government wages	4 395 172	5 247 724	6 353 356	7 575 007
(3) General consumption taxes plus excise duties (5110+5121)	323 706	376 888	373 718	456 021
5110 General taxes	208 408	254 433	318 432	409 013
5121 Excises	115 298	122 455	55 286	47 008
(4) Taxes on production sale transfer (5100)	550 184	675 640	928 981	1 042 372
(5) Taxes on Goods and Services (5000)	561 704	689 054	944 881	1 063 583
Implicit average indirect tax rate on consumption out of benefit income:				
(6) using general consumption taxes plus excise duties (3)/(2)	**7.4%**	**7.2%**	**5.9%**	**6.0%**
(7) using a broad concept of the indirect tax base (5)/(2)	12.8%	13.1%	14.9%	14.0%
(8) using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	13.0%	13.7%	15.4%	14.5%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of pesos)

	2001 *	2003	2005	2007
Tax breaks Similar to cash benefits	**66 590.0**	**50 320.0**	**77 533.2**	**99 893.2**
- Fiscal subsidy (Art. 80-A of ITL 2001, Art. 114,178 of 2005 ITL) (wastable tax credit eliminating the existing inequity in the employees´ income tax by reducing the tax burden of those workers that receive a minor proportion of exempt fringe benefits, consequently reducing the difference with those who earn the same level of income and obtain a significant percentage of exempt fringe benefits)	52 910.0	34 108.0	58 938.4	77 069.2
- Social prevision services (section VI Art.77 of ITL 2001, Art.109 of 2005 ITL) ** (includes income received as subsidies for disabilities, educational scholarships for workers or their children, day care, cultural and sports activities, and other, similar social benefits that are given across the board, in accordance with laws or labor contracts)	13 680.0	16 212.0	18 594.8	22 824.0
Tax breaks to stimulate private social protection (not including pensions)	**12 167.0**	**15 250.0**	**10 694.2**	**17 935.1**
- Income from saving funds (section VIII Art.77 of ITL 2001, Art.109 of 2005 ITL)	12 010.0	14 989.0	7 549.8	8 770.0
- Reimbursement of medical, dental and funeral expenses (section IV Art.77 of ITL 2001, Art.109 of 2005 ITL)	157.0	261.0	81.5	100.9
- Donations to (approved) institutions (Art.31 and 176 section III of ITL 2005)	-	-	3 062.9	9 064.2
Memorendum item				
Tax breaks to pensions	**5 151.2**	**6 926.7**	**9 164.2**	**21 638.0**
- Retirement and pensions (Art. 109 section III of 2005 ITL) **	464.0	2 082.0	2 420.0	8 946.6
- Deduction of employers contributions to retirement and pension funds (voluntary contributions) (Art.29 section VII of 2005 ITL)	4 687.2	4 844.7	6 744.2	12 691.4

* TBSPs are for 2002 as 2001 figures are not available.
** 2004 figure (17 995.5 for Social prevision services, and 2 342 for Retirement and pensions) asjusted with 2005 inflation.

Source: Tax Expenditures Budget 2002-2009 (Presupuesto de Gastos Fiscales 2002-2009)

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

NETHERLANDS

A. Average Itemised Tax Rates (AITR %)

		2001	2003	2005	2007 *
1	Old-age cash benefits	14.6	-	-	-
1a	- public pensions	7.1	13.8	13.8	9.2
1b	- early retirement benefits	27.9	32.3	32.9	26.8
1c	- private pensions	16.8	21.5	22.1	17.0
2	Survivors' benefits	25.3			
2a	- public pensions	23.5	24.1	24.3	25.5
2b	- private pensions	29.5	24.1	24.3	*25.5*
3	Incapacity-related benefits				
3a	- Disability pensions	20.4	27.1	27.6	*27.6*
6	Unemployment				
6a	- unemployment insurance benefit	21.6	25.5	25.8	24.2
6b	- unemployment assistance benefit	14.6	16.5	16.5	16.2
8	Other contingencies				
8a	- Low Income benefits	14.0	16.5	16.5	16.2
9	Wage income	25.5	32.5	33.4	27.0

* 2007 tax rates in italics are Secretariat estimes.
The micro-simulation model used is based on annual tax data from a representative sample of taxpayers (220 000 individuals, of whom 150 000 have income, or 1.5% of the taxpaying population). These tax data mainly comprise information from income and wage tax returns and assessments. It normally takes three years before sufficient tax data are available and the simulation model is adjusted, and before reliable up-to-date estimates can be made for current and future years.

Source: Ministry of Finance, The Netherlands.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of euros

		2001	2003	2005	2007
(1)	Private final consumption expenditure	224 244	238 103	250 343	264 099
(2)	Private consumption plus Government consumption minus Government wages	282 809	306 856	322 485	355 618
(3)	General consumption taxes plus excise duties (5110+5121)	46 952	49 440	55 371	59 857
	5110 General taxes	32 509	34 754	38 566	42 216
	5121 Excises	14 443	14 686	16 805	17 641
(4)	Taxes on production sale transfer (5100)	48 060	50 844	56 892	60 742
(5)	Taxes on Goods and Services (5000)	52 754	55 918	62 714	63 603
	Implicit average indirect tax rate on consumption out of benefit income:				
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**16.6%**	**16.1%**	**17.2%**	**16.8%**
(7)	using a broad concept of the indirect tax base (5)/(2)	18.7%	18.2%	19.4%	17.9%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	23.5%	23.5%	25.1%	24.1%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of euros)

	2001	2003	2005	2007 *
Tax breaks similar to cash benefits	**1 440.0**	**2 444.0**	**3 855.0**	**4 834.0**
Child credits	155.0	*352.0*	621	727
Combination credit (combination of work and care for children)	263.0	*409.0*	754	955
Single parent credits	472.0	*506.0*	618	687
Deduction for medical, disability, chronically ill or handicapped expenses, child adoption	364.0	944.0	1712	2300
Deduction for support expenses for children	106.0	136.0	150	165
Deduction for child care contributions	62.0	97.0	..	..
Exemption for certain sign-on premiums	18.0	0.0	..	..
Tax breaks to stimulate private social protection (not including pensions)	**1 920.0**	**1 648.0**	**680.0**	***680.0***
Reduced wage tax for low wage employees	890.0	620.0	186	186
Reduced wage tax for long-term unemployed	207.0	130.0	39	*39*
Reduced wage tax for child care	92.0	162.0	-	-
Reduced wage tax for paid parental leave	18.0	42.0	51	*51*
Deduction of charitable and other donations	214.0	231.0	246	313
Reduced succession duty for donations to institutions with a public interest	117.0	150.0	158	*158*
Temporary additional tax credit for home help	52.0	41.0	-	-
Tax deduction towards employment/training of workforce	330.0	272.0	..	..
Reduced wage tax for schooling (non profit)	59.0	72.0	..	..
Deduction for schooling (employer)	271.0	200.0	..	..
Memorandum item				
Tax breaks for pensions	..	..	..	**10 400.0**
- Non-taxation of investment of private pension funds				4 000.0

* 2007 data in italics are Secretariat estimes.

Source: Ministry of Finance, and Ministry of Social Affairs and Employment, The Netherlands.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

NEW ZEALAND

A. Average Itemised Tax Rates (AITR %)

	2001	2003	2005	2007
Transitional Retirement Benefit	15.9	16.0	-	-
War Veterans' allowances	16.8	17.0	17.1	17.4
Widows Benefit	16.3	16.0	16.1	16.4
Invalids Benefit	16.3	16.3	16.4	16.6
Sickness benefit	16.3	15.3	15.4	15.7
Earners account (ACC)	7.4	7.0	6.4	6.3
Motor vehicle account (ACC)	7.4	7.0	6.4	6.3
Non earners account (ACC)	7.4	7.0	6.4	6.3
Medical misadventure account (ACC)	7.4	7.0	6.4	6.3
Occupational injury: residual claims account (ACC) (formerly Employers account)	7.4	7.0	6.4	6.3
Occupational injury: self-employed account (ACC)	7.4	7.0	6.4	6.3
Occupational injury: employers account (ACC)	7.4	7.0	6.4	6.3
Domestic Purposes Benefit for lone parents	17.3	17.0	17.1	17.3
Training Benefit	15.8	-	-	-
Unemployment Benefit and Emergency Unemployment Benefit	16.5	15.3	15.4	15.6
Independent Youth Benefit	15.5	15.0	15.0	15.0

Source: New Zealand Treasury.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of New Zealand dollars

	2001	2003	2005	2007
(1) Private final consumption expenditure	73 401	83 905	95 498	105 515
(2) Private consumption plus Government consumption minus Government wages	84 426	95 970	109 684	122 381
(3) General consumption taxes plus excise duties (5110+5121)	12 924	15 120	16 438	16 676
5110 General taxes	10 645	12 775	14 133	15 046
5121 Excises	2 279	2 345	2 305	1 630
(4) Taxes on production sale transfer (5100)	13 831	16 135	17 822	18 835
(5) Taxes on Goods and Services (5000)	14 799	17 259	19 054	20 301
Implicit average indirect tax rate on consumption out of benefit income:				
(6) using general consumption taxes plus excise duties (3)/(2)	**15.3%**	**15.8%**	**15.0%**	**13.6%**
(7) using a broad concept of the indirect tax base (5)/(2)	17.5%	18.0%	17.4%	16.6%
(8) using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	20.2%	20.6%	20.0%	19.2%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of New Zealand dollars)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	**23.5**	**19.7**	**20.3**	**47.0**
Child rebate	6.6	6.0	6.0	26.0
Child Care	16.9	13.7	14.3	14.0
Redundancy rebate	-	-	-	7.0
Tax breaks to stimulate private social protection (not including pensions)	**77.4**	**89.9**	**98.6**	**113.0**
Charitable Donations	77.4	89.9	98.6	113.0

Source: New Zealand Treasury.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

NORWAY

A. Average Itemised Tax Rates (AITR %)

		2001	2003	2005	2007 *
1	Old-age cash benefits	18.3	17.8	17.6	18.3
1a	- public pensions	16.5	16.0	15.7	16.6
1b	- early retirement benefits	22.4	22.5	21.1	21.1
1c	- private pensions	22.1	21.3	21.3	21.9
2	Survivors' benefits	19.4	18.9	18.1	18.7
2a	- public pensions	19.4	18.9	18.1	18.7
3	Incapacity-related benefits	16.3	15.7	15.6	15.4
3a	- Disability pensions	15.8	15.3	15.3	15.0
3c	- Sickness payments	25.4	25.0	26.0	26.1
4	Family cash benefits	0.2	0.2	0.3	0.3
4c	- Sole parent benefits	1.6	0.9	1.2	1.7
5	Active labour market policies	17.2	19.8	19.9	19.4
5a	- benefits while on training	17.2	19.8	19.9	19.4
6	Unemployment	20.4	20.8	20.1	19.9
6a	- unemployment insurance benefit	20.4	20.8	20.1	19.9

Source: Ministry of Finance.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions Norwegian kroner

		2001	2003	2005	2007
(1)	Private final consumption expenditure	667 564	738 928	826 215	940 067
(2)	Private consumption plus Government consumption minus Government wages	784 784	876 527	971 650	######
(3)	General consumption taxes plus excise duties (5110+5121)	183 542	187 491	216 528	260 555
	5110 General taxes	129 182	130 794	153 820	189 401
	5121 Excises	54 360	56 697	62 708	71 154
(4)	Taxes on production sale transfer (5100)	189 880	192 538	220 835	265 620
(5)	Taxes on Goods and Services (5000)	204 261	205 930	235 040	281 797
Implicit average indirect tax rate on consumption out of benefit income:					
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**23.4%**	**21.4%**	**22.3%**	**23.5%**
(7)	using a broad concept of the indirect tax base (5)/(2)	26.0%	23.5%	24.2%	25.4%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5	30.6%	27.9%	28.4%	30.0%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of Norwegian kroner)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	**0**	**2 290**	**2 575**	**2 575**
Childcare expense deduction	-	1 410	1 525	1 525
Healthcare expense deduction	-	330	275	275
Additional personal allowance for one-parent families	-	550	775	775
Tax breaks to stimulate private social protection (not including pensions)	**0**	**0**	**0**	**0**
Memorandum item				
Tax breaks for pensions	**11 500**	**11 795**	**11 795**	**11 795**
Occupational pension schemes	11 500	11 500	11 500	11 500
Individual pension schemes	-	295	295	295

* 2007 TPBSPs are estimed as in 2005.

Source: Ministry of Finance, Norway.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

POLAND

A. Average Itemised Tax Rates (AITR %)

	2005	2007
Total tax paid on transfer income (effective tax rate + effective rate of contribution)		
old-age and disability pensions	13.53% * = 5.90% (tax) + 7.63% (SSC)	14.28% * = 6.65% (tax) + 7.63% (SSC)
unemployment benefits	13.53% * = 5.90% (tax) + 7.63% (SSC)	14.28% * = 6.65% (tax) + 7.63% (SSC)
sickness benefits	16.83% ** (= 9.40% (tax) + 7.43% (SSC))	16.33% ** (= 8.90% (tax) + 7.43% (SSC)
wage income	16.83% = 9.40% (tax) + 7.43% (SSC)	16.33% =8,90%(tax)+7,43%(SSC)

* Rate can be lower.
** On 40% of benefits only.

Source: Ministry of Finance, Poland.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of Polish Zloty

		2005	2007
(1)	Private final consumption expenditure	623 360	711 872
(2)	Private consumption plus Government consumption minus Government wages	702 330	809 734
(3)	General consumption taxes plus excise duties (5110+5121)	115 540	145 209
	5110 General taxes	74 311	96 152
	5121 Excises	41 229	49 057
(4)	Taxes on production sale transfer (5100)	117 349	148 366
(5)	Taxes on Goods and Services (5000)	124 967	156 400
	Implicit average indirect tax rate on consumption out of benefit income:		
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**16.5%**	**17.9%**
(7)	using a broad concept of the indirect tax base (5)/(2)	17.8%	19.3%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	20.0%	22.0%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of Polish Zloty)

	2005	2007
Tax breaks similar to cash benefits	**853**	**1 224**
- Value of revenue foregone because of including children in the tax unit (in case of lonly parent)	398	403
- Donations to (approved) NGOs	71	298
- Donations	47	78
- Expences for rehabilitation purposes	337	445
- Children allowance	-	5 432
Tax breaks to stimulate private social protection (not including pensions)	**0**	**0**
Memorandum item		
Tax breaks for pensions	**1 963**	**..**
- Non-taxation of investment of private pension funds	1 963	..

Source: Ministry of Finance, Poland.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

PORTUGAL

A. Amount of direct tax paid on benefit income (in millions of euros)

	2003	2005	2007
Total income tax paid on public and private transfer income	866.1	1 138.2	1 404.0

Source: estimate by the Ministry of Finance based on Personal Income Tax Returns data.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of euros

		2003	2005	2007
(1)	Private final consumption expenditure	90 799	99 846	110 635
(2)	Private consumption plus Government consumption minus Government wages	99 504	110 384	119 920
(3)	General consumption taxes plus excise duties (5110+5121)	16 657	*18 823*	*20 274*
	5110 General taxes	11 092	*13 006*	*14 339*
	5121 Excises	5 565	*5 816*	*5 935*
(4)	Taxes on production sale transfer (5100)	17 919	*20 212*	*21 862*
(5)	Taxes on Goods and Services (5000)	18 294	*20 564*	*22 284*
	Implicit average indirect tax rate on consumption out of benefit income:			
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**16.7%**	**17.1%**	**16.9%**
(7)	using a broad concept of the indirect tax base (5)/(2)	18.4%	18.6%	18.6%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	20.1%	20.6%	20.1%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of euros)

	2003	2005	2007
Tax breaks similar to cash benefits	**1 438.2**	**1 377.7**	**1 841.1**
- Health care tax credits	434.9	517.0	610.0
- Housing tax credits	395.6	445.0	503.0
- Tax credits for education expenses and for payments to homes for the elderly on behalf of taxpayers, their relatives in the ascending line and other close relatives whose incomes do not exceed the minimum wage;	224.6	6.0	277.0
- Child tax credits	253.2	265.0	279.0
- Tax credit for supporting relatives in the ascending line whose income does not exceed the minimum pension	2.6	4.0	2.0
- Tax benefits for disabled people	127.3	140.7	170.1
Tax breaks to stimulate private social protection (not including pensions)	**88.0**	**111.0**	**121.0**
- Tax credits for contributions to personal accident and life insurance	55.1	67.0	71.0
- Tax credits for contributions to health insurance	18.5	28.0	33.0
- Donations to (approved) NGOs, churches, museums, libraries, schools, research institutes and associations, and other bodies (including government bodies)	14.4	16.0	17.0
Memorandum item			
Tax breaks for pensions	**158.0**	**94.1**	**112.6**
- Tax credits for individual retirement accounts (PPR)	158.0	94.1	112.6
- Non-taxation of investment of private pension funds	..	..	..

.. 2001 figures are not available.

Source: Portuguese Ministry of Finance, 2006, 2008 and 2009 State Budget Report ; and Portuguese Ministry of Finance, Personal Income Tax Returns data.

Table Annex LA.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

SLOVAK REPUBLIC

A. Average Itemised Tax Rates / Amount of direct tax paid on benefit income (in millions of euro)

Cash benefits paid by general government in the Slovak Republic are not subject to income tax nor to social security contributions.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of euro

	2001	2003	2005	2007
(1) Private final consumption expenditure	649	765	938	1 144
(2) Private consumption plus Government consumption minus Government wages	781	921	1 119	1 358
(3) General consumption taxes plus excise duties (5110+5121)	112	143	189	210
5110 General taxes	81	101	129	138
5121 Excises	31	42	60	72
(4) Taxes on production sale transfer (5100)	118	150	192	215
(5) Taxes on Goods and Services (5000)	126	161	206	231
Implicit average indirect tax rate on consumption out of benefit income:				
(6) using general consumption taxes plus excise duties (3)/(2)	**14.3%**	**15.5%**	**16.9%**	**15.4%**
(7) using a broad concept of the indirect tax base (5)/(2)	16.1%	17.5%	18.4%	17.0%
(8) using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	19.4%	21.1%	21.9%	20.2%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of euro)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	**109.7**	**210.8**	**0.0**	**0.0**
Child tax allowance*	100.9	200.5	-	-
Tax allowance for partially disabled people*	2.4	4.1	-	-
Tax allowance for disabled people*	6.4	6.2	-	-
* Child tax allowance and tax allowances for disabled people were deductible from tax base. Cancelled in 2004.				
Child tax credit (non wastable)	-	-	x	x
Tax breaks to stimulate private social protection (not including pensions)	**22.6**	**54.4**	**30.9**	**42.1**
Assignments to non-profit sector for selected purposes*:				
- assignments given by individuals	-	3.2	10.4	12.8
- assignments given by legal entities - social and health purposes	-	-	20.5	29.3
* Each taxpayer can assign 2% from his tax liability (1% in 2003), limits for assignments: taxpayer - individual - minimum 20 SKK, taxpayer - legal entity - minimum 250 SKK				
Donations to municipatlities and legal entities for selected purposes**:				
- donations given by individuals	10.0	10.9	-	-
- donations given by legal entities - social and health purposes	8.6	37.6	-	-
** Tax deductibility limits for donations: taxpayer - individual - minimum 500 SKK and the value of donation can not exceed 10% of tax base, taxpayer - legal entity - minimum 2000 SKK and the value of donation can not exceed 2 % of tax base. Cancelled in 2004.				
Reduction of tax for employers hiring disabled people***:				
- taxpayers who filed tax return for personal income tax purposes	0.4	..	-	-
- taxpayers who filed tax return for corporate income tax purposes	3.6	2.7	-	-
*** Reduction of tax (tax relief) for employers hiring disabled people: 10 000 SKK/employee or 24 000 SKK/employee per year according to the level of disability. Cancelled in 2004.				
Memorendum item				
Tax breaks for pensions				
- Deduction of contributions to private pensions (e.g occupational pension plans, individual retirement accounts, RRSPs, Superannuation, etc) ****	31.2	13.4	76.2	94.2
**** In 2005 a mandatory fully funded pillar (privately managed) of the pension system has been introduced. Part of social security contributions (9 percentage points) is accumulated in private pension funds and these amounts are non-taxable. As all mandatory social security contributions are non taxable there are not considered as tax breaks.				

Source: Data provided by Ministry of Labour, Social Affairs and Family of the Slovak Republic - aggregate data from filed tax returns (personal income tax and corporate income tax) in 2001, 2003 and by Ministry of Finance of the Slovak Republic in 2005 and 2007.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

SPAIN

A. Amount of direct tax paid on benefit income (in millions of euros)

	2001	2003 *	2005	2007
Total tax paid (including social security contribution) on public transfer income	**7 127**	**7 805**	**9 088**	**11 785**
of which:				
- Income tax *	6 424	7 433	8 808	10 666
- Social security contributions **	703	372	280	1 119
Total tax paid (including social security contribution) on private transfer income	**1 321**	**1 646**	**1 739**	**2 115**
of which:				
- Income tax *	1 321	1 646	1 739	2 115
Total tax paid (including social security contribution) on transfer income	**8 448**	**9 451**	**10 827**	**13 900**

* 2003 estimates based on 2002 PIT statistics. Data are based on income class data based on data-set of individual taxpayers. The estimation method is based on calculations made on personal income tax payments multiplied by fractions of net taxable income sources (as percentage of the total tax base) at the level of income classes/tax brackets.

** SSC paid by unemployed workers perceiving unemployment benefits.

Sources: Tax Expenditures Budget, Ministry of Finance and Ministry of Labor and Immigration, Spain.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of euros

	2001	2003	2005	2007
(1) Private final consumption expenditure	402 294	451 208	525 124	604 022
(2) Private consumption plus Government consumption minus Government wages	449 756	508 436	597 853	689 661
(3) General consumption taxes plus excise duties (5110+5121)	55 908	65 019	77 250	86 147
5110 General taxes	39 226	45 897	56 396	63 400
5121 Excises	16 682	19 122	20 854	22 748
(4) Taxes on production sale transfer (5100)	60 664	70 315	83 408	92 785
(5) Taxes on Goods and Services (5000)	66 239	76 059	89 964	99 653
Implicit average indirect tax rate on consumption out of benefit income:				
(6) using general consumption taxes plus excise duties (3)/(2)	**12.4%**	**12.8%**	**12.9%**	**12.5%**
(7) using a broad concept of the indirect tax base (5)/(2)	14.7%	15.0%	15.0%	14.4%
(8) using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	16.5%	16.9%	17.1%	16.5%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of euros)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	**238**	**1 064**	**1 416**	**3 373**
PIT exemption of Invalidity, Terrorism and HIV Pensions	238	289	329	419
Child Care Benefit exemption	-	61	154	198
Child Tax Credit	-	583	739	2 046
Unemployment Lump-Sum Payment & Cease Job Compensation	-	132	161	174
Labour extension & Labour mobility	-	-	33	52
Disability of active workers	-	-	-	245
Personal Allowance for one-parent families	-	-	-	240
Tax breaks to stimulate private social protection (not including pensions)	**0**	**2 185**	**2 806**	**3 237**
Reduction of SSC for employers hiring disadvantaged groups (long-term unemployed, disabled (**)	-	2 185	2 806	3 237
Memorandum item				
Tax breaks for pensions	**1 208**	**1 862**	**2 408**	**2 420**

Sources: Tax Expenditures Budget, Ministry of Finance, Spain.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

SWEDEN

A. Average Itemised Tax Rates (AITR %)

	2001	2003	2005	2007
1. Old-age cash benefits				
a - public pensions	25.0	28.6	28.8	28.1
b - early retirement pensions	29.0	28.6	28.8	28.1
c - private pensions	32.1	28.6	28.8	28.1
2. Survivors benefits				
a - public pensions	22.3	28.3	28.5	27.1
b - private pensions				
3. Incapacity-related benefits				
a - disability pensions	24.8	27.7	28.1	26.7
b - occupational injury benefits	32.4	30.8	30.6	27.5
c - sickness payments	34.1	30.8	30.6	27.5
4. Family cash benefits				
a - family benefits	*12.9*	12.9	13.6	12.8
b - maternity and parental leave payments	33.8	30.8	30.6	27.5
c - sole parent benefits				
5. Active labor market policies				
a - benefits while in training	29.6	0.0	0.0	0.0
6. Unemployment				
a - unemployment insurance benefit	29.8	28.7	28.0	25.1

Source: Statistics Sweden - Social Protection Expenditure and Receipts in Sweden and Europe 2002-2007 http://www.scb.se/NR0201-EN

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of Swedish kronor

	2001	2003	2005	2007
(1) Private final consumption expenditure	1 145 837	1 241 140	1 336 052	1 460 162
(2) Private consumption plus Government consumption minus Government wages	1 397 867	1 526 984	1 629 743	1 791 632
(3) General consumption taxes plus excise duties (5110+5121)	280 075	306 868	333 060	371 028
5110 General taxes	206 544	226 380	250 470	286 211
5121 Excises	73 531	80 488	82 590	84 818
(4) Taxes on production sale transfer (5100)	288 473	315 650	342 350	380 990
(5) Taxes on Goods and Services (5000)	296 136	323 978	353 370	394 073
Implicit average indirect tax rate on consumption out of benefit income:				
(6) using general consumption taxes plus excise duties (3)/(2)	**20.0%**	**20.1%**	**20.4%**	**20.7%**
(7) using a broad concept of the indirect tax base (5)/(2)	21.2%	21.2%	21.7%	22.0%
(8) using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	25.8%	26.1%	26.4%	27.0%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of Swedish kronor)

Information on TBSPs that were not accounted in the direct tax calculations is not available.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

TURKEY

A. Amount of direct tax paid on benefit income (in millions of of New Turkish liras (TRY))

Social benefits are not subject to taxation (according to the Article 25 of the Law Number 193 (which is PIT Law).

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of pesos)

		2005	2007
(1)	Private final consumption expenditure	465 402	601 239
(2)	Private consumption plus Government consumption minus Government wages	541 900	709 055
(3)	General consumption taxes plus excise duties (5110+5121)	67 685	82 396
	5110 General taxes	34 357	43 285
	5121 Excises	33 328	39 111
(4)	Taxes on production sale transfer (5100)	74 561	92 605
(5)	Taxes on Goods and Services (5000)	77 605	96 766
	Implicit average indirect tax rate on consumption out of benefit income:		
(6)	**using general consumption taxes plus excise duties (3)/(2)**	**12.5%**	**11.6%**
(7)	using a broad concept of the indirect tax base (5)/(2)	0.0%	0.0%
(8)	using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	0.0%	0.0%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

C. Tax breaks for social purposes (in millions of pesos)

	2005	2007
Tax breaks Similar to cash benefits	**0.0**	**0.0**
Tax breaks to stimulate private social protection (not including pensions)	**0.0**	**0.0**
Memorendum item		
Tax breaks to pensions	**0.0**	**0.0**

Source: Ministry of Finance.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

UNITED KINGDOM

A. Average Itemised Tax Rates (AITR %)

	2001	2003	2005	2007
1 Old-age cash benefits				
1a - public pensions	3.00	3.26	4.15	4.45
1c - private pensions	7.00	6.97	14.08	13.48
2 Survivors' benefits				
2a - public pensions	8.00	9.69	10.23	10.04
- Widows Pension	9.00	9.69	10.23	10.04
- War Widows Pension	0.00	0.00	0.00	0.00
3 Incapacity-related benefits				
3a - Disability pensions	0.00	0.00	0.00	0.00
3b - Occupational Injury benefits	0.00	0.00	0.00	0.00
3c - Sickness payments	10.00	10.00	13.38	14.93
- Statutory sick pay	14.00	15.25	14.74	12.89
- Inacapacity Benefit: Short-term	0.00	0.00	0.00	0.00
- Inacapacity Benefit: Long-term	2.00	2.82	13.28	15.04
3d - Disability Allowances	0.00	0.00	0.00	0.00
4 Family cash benefits				
4a - Family benefits	0.00	0.00	0.00	0.00
4b - Maternity and parental leave payments	11.00	14.54	17.59	14.48
- Maternity Allowance	0.00	0.00	0.00	0.00
- Statutory Maternity Allowance	12.00	14.54	17.59	14.48
4c - Sole parent benefits	0.00	0.00	0.00	0.00
4d - Child Benefit	0.00	0.00	0.00	0.00
5 Active labour market policies				
5a - benefits while on training	0.00	0.00	0.00	0.00
6 Unemployment				
6b - unemployment assistance benefit	1.00	0.82	0.12	0.06
7 Housing				
7a - rent subsidies	0.00	0.00	0.00	0.00
9 Wage income	18.0	18.99	25.07	25.69

Source: IGOTM Tax Benefit Model based on the (2001-02, 2003-04, 2005-06 and 2007-08) Family Resource Survey.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions of pounds sterling

	2001	2003	2005	2007
(1) Private final consumption expenditure	672 889	742 276	814 964	892 990
(2) Private consumption plus Government consumption minus Government wages	764 548	853 617	941 450	1 034 132
(3) General consumption taxes plus excise duties (5110+5121)	103 648	115 389	122 675	132 656
5110 General taxes	67 051	77 308	83 434	92 043
5121 Excises	36 597	38 081	39 241	40 613
(4) Taxes on production sale transfer (5100)	110 769	122 847	130 316	141 358
(5) Taxes on Goods and Services (5000)	115 324	128 013	135 552	147 324
Implicit average indirect tax rate on consumption out of benefit income:				
(6) using general consumption taxes plus excise duties (3)/(2)	**13.6%**	**13.5%**	**13.0%**	**12.8%**
(7) using a broad concept of the indirect tax base (5)/(2)	15.1%	15.0%	14.4%	14.2%
(8) using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	17.1%	17.2%	16.6%	16.5%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

UNITED KINGDOM

C. Tax breaks for social purposes (in millions of pounds sterling)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	**793.0**	**4 010.0**	**4 400.0**	**4 700.0**
Family				
Working families'Tax Credit (negative tax)	758.0	-	-	
tax	758.0			
cash	4 742.0			
total	5 500.0			
Working Tax Credit (negative tax)		1 200.0	1 000.0	1 000.0
tax		1 200.0	1 000.0	1 000.0
cash		*3 500.0*	*3 700.0*	*3 700.0*
total		*4 700.0*	*4 800.0*	*4 700.0*
Child Tax Credit (negative tax)		2 800.0	3 400.0	3 700.0
tax		2 800.0	3 400.0	3 700.0
cash		*6 000.0*	*9 200.0*	*11 700.0*
total		*8 800.0*	*12 600.0*	*15 400.0*
Other Income Maintenance				
Exemption of the first 30 000 pounds of severance payments	..	..	..	..
Additional personal allowance for one parent families	..	..	..	..
Charitable donations under the payroll giving scheme	25.0	..	..	..
Outplacement counselling for redundant employees	10.0	10.0	..	..
Tax breaks to stimulate private social protection (not including pensions)	**1 200.0**	**1 260.0**	**1 560.0**	**1 680.0**
Health				
Insurance premiums and medical care (abolished in 1999)	0.0	0.0	0.0	0.0
Other				
Income of charities	860.0	920.0	1 100.0	1 300.0
Exemption to charities on death	340.0	340.0	460.0	380.0
Memorandum item				
Tax breaks for pensions	**9 400.0**	**11 700.0**	**15 400.0**	**..**
Total reliefs	17 000.0	20 100.0	25 000.0	
Deduction of contributions to private pensions by employees and self-employed	5 550.0	5 800.0	6 600.0	
Deduction of contributions to private pensions by employers	7 400.0	10 200.0	13 600.0	
Non-taxation of investment of private pension funds	3 700.0	3 800.0	4 500.0	
Relief on lump sum payments from unfunded schemes	350.0	300.0	300.0	
- taxation of current pensions in payment	7 600.0	8 400.0	9 600.0	

Sources: Estimates based on administrative data and information compiled from a variety of sources by the Office for National Statistics, for HM Revenue and Customs.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

UNITED STATES

A. Average Itemised Tax Rates (AITR %)

	2001	2003	2005	2007
Social Security Benefits	4.0	3.6	3.8	4.6
Unemployment compensation	7.7	5.7	5.6	6.0
Pension and IRA distributions	14.5	11.7	12.4	12.9

Source: US Department of Treasury.

The AITRs for wage income, superannuation pensions and superannuation lump sums were calculated using a sample file of
The AITRs were obtained by calculating the amount of tax paid in aggregate with and without the income streams. The difference
Sources: STINMOD distributional model. Revenue Group of The Treasury, Australian Government.

B. Average implicit indirect tax rates of consumption out of benefit income
Indirect taxes paid out of consumption of cash transfers, in millions US dollars

	2001	2003	2005	2007
(1) Private final consumption expenditure	#########	7 804 000	8 819 000	9 826 400
(2) Private consumption plus Government consumption minus Government wages	#########	8 406 800	9 526 400	10 638 800
(3) General consumption taxes plus excise duties (5110+5121)	#########	355 799	404 802	437 366
5110 General taxes	#########	236 046	273 898	300 061
5121 Excises	#########	119 753	130 904	137 305
(4) Taxes on production sale transfer (5100)	#########	437 365	498 282	534 202
(5) Taxes on Goods and Services (5000)	#########	515 606	599 547	644 821
Implicit average indirect tax rate on consumption out of benefit income:				
(6) using general consumption taxes plus excise duties (3)/(2)	**4.4%**	**4.2%**	**4.2%**	**4.1%**
(7) using a broad concept of the indirect tax base (5)/(2)	6.2%	6.1%	6.3%	6.1%
(8) using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	6.6%	6.6%	6.8%	6.6%

Source: OECD on-line National Accounts database (http://stats.oecd.org/Index.aspx?DataSetCode=SNA_TABLE1) for lines 1 and 2; and OECD Revenue Statistics database (http://stats.oecd.org/Index.aspx?DataSetCode=REV) for lines 3, 4, and 5.

Table Annex I.A.2.1
Detailed information on the impact of the tax system on social expenditure *(cont.)*

UNITED STATES

C. Tax breaks for social purposes (in millions of US dollars)

	2001	2003	2005	2007
Tax breaks similar to cash benefits	**78 658**	**84 304**	**91 916**	**83 830**
Deductibility of medical expenses	4 990	6 240	6 110	4 470
Medical savings accounts	20	-30	1 050	760
Additional deduction for the blind	41	40	40	30
Earned income credit	4 940	5 089	4 925	4 990
Credit for child and dependent care expenses & exclusion for employer provided child care	3 182	3 310	3 680	3 950
Exclusion. of certain foster care payments	500	430	440	420
Adoption assistance (adoption credit and exclusion)	130	220	360	370
Assistance for adopted foster children	190	250	310	350
Child credit (from 1998 onwards)	29 312	37 970	41 790	30 910
Personal allowance for dependants (largely for children)	35 353	30 785	33 211	37 580
Tax breaks to stimulate private social protection (not including pensions)	**116 470**	**141 320**	**159 610**	**186 490**
Exclusion. of employer contributions for medical insurance premiums and medical care	82 800	101 920	118 420	133 790
Self-employed medical insurance premiums	1 520	2 550	3 790	4 260
Exclusion. of interest on State and local debt for private non-profit health facilities (excl. interest hospital construction bonds)	-	-	-	-
Deductibility of charitable contributions (health)	270	3 390	3 350	4 310
Special Blue Cross/Blue Shield deduction	140	350	710	620
Tax credit for orphan drug research	50	160	210	260
Credit for disabled access expenditures	50	50	30	30
Deductibility of charitable contributions, other than education or health	30 150	30 020	29 670	38 200
Empowerment zones, enterprise communities, renewal communities	380	1 070	1 120	1 450
New markets tax credit	10	190	430	810
Exclusion of hospital construction bonds	1 100	1 620	1 880	2 760
Memorandum item				
Tax breaks for pension *	**110 990**	**138 000**	**101 880**	**114 320**
Net exclusion of pension contributions:				
Employer plans	42 070	59 480	50 630	47 060
401(K) plans	44 080	51 560	37 440	46 000
Individual retirement accounts	18 680	20 060	3 100	9 500
Low and moderate income savers credit	-	880	1 310	760
Keogh plans	6 160	6 020	9 400	11 000
Small business retirment credit				

* Estimates for later years reflect a change in the baseline. Lower tax rates on dividends and capital gains on corporate equity are not considered tax preferences.

Sources: Office of Management and Budget, Analytical Perspectives, Budget of the United States Government and US Department of Treasury.

A.I.2.2. Net Social Expenditure Indicators Related to GDP at Market Prices and National Income, 2007

As the construction of net social spending indicators involves adjusting for indirect taxation of consumption out of benefit income, net social expenditure is related to GDP at factor cost, as GDP at factor costs does not include the value of indirect taxation and government subsidies to private enterprises and public corporations. However, in order to facilitate comparison with gross social spending indicators which are usually related to GDP at market prices for international comparisons, Table A.I.2.2a presents these indicators. As domestic product includes income that accrues to foreigners, it may be argued that national income is another appropriate measure. As net transfers to foreigners should be measured (foreign aid is often net of tax) and capital stock depreciation arguably should not be used to finance tax payments, Table A.I.2.2b relates the net spending indicators to net disposable national income at factor prices.

Table A.I.2.2a: From gross public to total net social spending, 2007

Social expenditure, in percentage of GDP at market prices, 2007

		Australia	Austria	Belgium	Canada	Czech Republic	Denmark	Finland	France	Germany	Iceland	Ireland	Italy	Japan	Korea	Luxembourg	Mexico	Netherlands	New Zealand	Norway	Poland	Portugal	Slovak Republic	Spain	Sweden	Turkey	United Kingdom	United States	OECD-27	CV
	1 **Gross public social expenditure**	16.0	26.4	26.3	16.9	18.8	26.0	24.9	28.4	25.2	14.6	16.3	24.9	18.7	7.6	20.6	7.2	20.1	18.4	20.8	19.8	22.2	15.7	21.6	27.3	10.5	20.5	16.2	19.7	29%
-	Direct taxes and social contributions	0.1	2.2	1.2	0.3	0.0	3.4	2.6	1.3	1.3	0.6	0.2	2.2	0.4	0.0	1.2	0.0	1.7	1.2	1.7	1.5	0.8	0.0	1.3	3.4	0.0	0.3	0.5	1.1	
	2 Net cash direct public social expenditure	15.9	24.2	25.1	16.5	18.8	22.6	22.4	27.1	23.8	13.9	16.1	22.7	18.3	7.5	19.5	7.2	18.4	17.2	19.1	18.3	21.4	15.7	20.3	23.9	10.5	20.3	15.7		
-	Indirect taxes (on cash benefits)	0.7	2.6	2.3	0.6	2.0	2.5	2.4	2.3	1.9	1.0	1.8	1.8	0.6	0.3	2.7	0.1	1.5	1.1	2.0	2.3	2.2	1.5	1.5	2.0	0.7	1.3	0.3	1.6	
	3 Net direct public social expenditure	15.2	21.6	22.8	15.9	16.8	20.1	20.0	24.7	21.9	12.9	14.3	20.9	17.7	7.3	16.8	7.1	16.9	16.1	17.0	16.0	19.2	14.2	18.7	21.8	9.7	19.0	15.4		
+ T1	TBSPs similar to cash benefits	0.7	0.1	0.6	1.3	0.5	0.0	0.0	1.1	1.3	0.0	0.2	0.2	0.5	0.7	0.0	0.9	0.8	0.0	0.1	0.1	1.1	0.0	0.3	0.0	0.0	0.3	0.6		
-	Indirect taxes	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0		
	4 Net TBSPs similar to cash benefits	0.7	0.0	0.5	1.2	0.4	0.0	0.0	0.9	1.1	0.0	0.2	0.2	0.5	0.6	0.0	0.8	0.7	0.0	0.1	0.1	0.9	0.0	0.3	0.0	0.0	0.3	0.6		
+ T2	TBSPs towards current private benefits	0.2	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.4	0.0	0.2	0.1	0.0	0.0	0.0	0.2	0.1	0.1	0.0	0.0	0.1	0.1	0.3	0.0	0.0	0.1	1.3		
	5 Net TBSPs (not including pensions)	0.8	0.1	0.5	1.4	0.5	0.0	0.0	0.9	1.6	0.0	0.4	0.2	0.5	0.6	0.0	1.0	0.8	0.1	0.1	0.1	1.0	0.1	0.6	0.0	0.0	0.4	1.9	0.5	
	6 Net current public social expenditure	16.0	21.7	23.3	17.3	17.2	20.1	20.0	25.6	23.5	12.9	14.7	21.1	18.2	7.9	16.8	8.1	17.7	16.1	17.1	16.1	20.2	14.3	19.3	21.8	9.7	19.4	17.3	17.5	25%
	7 Gross mandatory private soc. Exp.	0.5	0.8	0.0	0.0	0.2	0.2	0.0	0.3	1.1	1.6	0.0	1.6	0.6	0.6	0.3	0.0	0.6	0.0	1.2	0.0	0.4	0.1	0.0	0.4	0.0	0.8	0.3	0.4	
-	Direct taxes and social contributions	0.1	0.2	0.0	0.0	0.0	0.1	0.0	0.0	0.4	0.2	0.0	0.2	0.0	0.0	0.1	0.0	0.2	0.0	0.3	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.0		
-	Indirect taxes	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.3	0.0	0.2	0.0	0.1	0.1	0.0	0.1	0.0	0.2	0.0	0.1	0.0	0.0	0.1	0.0	0.1	0.0		
	8 Net current mand. private soc. exp.	0.3	0.5	0.0	0.0	0.2	0.1	0.0	0.3	0.6	1.1	0.0	1.2	0.5	0.5	0.2	0.0	0.4	0.0	0.7	0.0	0.3	0.1	0.0	0.2	0.0	0.6	0.3	0.3	
	9 **Net publicly mandated soc. exp. [6+8]** [a]	16.4	22.2	23.3	17.3	17.4	20.2	20.0	25.9	24.1	14.0	14.7	22.3	18.7	8.4	17.0	8.1	18.1	16.1	17.8	16.1	20.5	14.4	19.3	22.1	9.7	20.0	17.6	17.8	25%
	10 Gross voluntary private soc. exp.	3.3	1.0	4.7	5.3	0.2	2.3	1.1	2.6	1.8	3.6	1.5	0.6	3.1	2.0	0.7	0.2	6.3	0.4	0.8	0.0	1.3	0.8	0.5	2.5	0.0	5.0	10.2	2.3	
-	Direct taxes and social contributions	0.5	0.1	0.3	0.7	0.0	0.7	0.2	0.0	0.2	0.5	0.1	0.0	0.0	0.0	0.1	0.0	1.1	0.0	0.2	0.0	0.0	0.0	0.0	0.5	0.0	0.6	0.6		
-	Indirect taxes	0.2	0.1	0.6	0.3	0.0	0.4	0.1	0.1	0.1	0.6	0.2	0.0	0.2	0.0	0.1	0.0	0.8	0.0	0.1	0.0	0.0	0.1	0.0	0.4	0.0	0.6	0.2		
	11 Net current voluntary private soc. exp.	2.6	0.8	3.8	4.3	0.1	1.2	0.7	2.4	1.5	2.4	1.3	0.5	2.9	2.0	0.5	0.2	4.4	0.4	0.5	0.0	1.3	0.7	0.5	1.6	0.0	3.8	9.4	1.9	
	12 Net current private soc. exp. [8+11]	3.0	1.4	3.8	4.3	0.3	1.3	0.7	2.7	2.1	3.5	1.3	1.7	3.4	2.5	0.6	0.2	4.8	0.4	1.2	0.0	1.6	0.9	0.5	1.8	0.0	4.4	9.7		
	13 **Net total social expenditure [6+12-T2]** [b]	18.8	23.0	27.1	21.4	17.5	21.4	20.7	28.3	25.1	16.4	15.8	22.8	21.6	10.4	17.4	8.1	22.3	16.5	18.3	16.1	21.7	15.1	19.5	23.6	9.7	23.7	25.6	19.6	26%
Memorandum item																														
	TBSPs towards pensions [c]	2.7	0.1	0.1	2.0	0.1	..	0.1	0.0	0.8	1.0	1.2	0.0	0.7	..	0.5	0.2	1.8	..	0.5	..	0.1	0.2	0.2	0.0	..	..	0.8	..	
	Average indirect tax rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

a) Numbers in square brackets refer to line numbers in the second column; "..." cell with no information.
b) In order to avoid double counting, the value of TBSPs towards "current" private social benefits has been ignored for the calculation of net total social expenditure.
c) Because of conceptual issues and gaps in data availability, tax breaks towards old-age pensions are shown in the table as a memorandum item.

Table A.I.2.2b: From gross public to total net social spending, 2007

Social expenditure, in percentage of NNI, 2007

		Australia	Austria	Belgium	Canada	Czech Republic	Denmark	Finland	France	Germany	Iceland	Ireland	Italy	Japan	Korea	Luxembourg	Mexico	Netherlands	New Zealand	Norway	Poland	Portugal	Slovak Republic	Spain	Sweden	United Kingdom	United States	OECD-26	CV
	1 **Gross public social expenditure**	19.9	31.6	31.0	19.6	24.8	30.6	29.4	32.3	28.9	17.9	21.1	29.7	23.0	8.7	29.6	8.0	23.0	23.4	24.0	23.5	27.8	19.5	26.3	30.4	22.7	18.2	24.0	27%
-	Direct taxes and social contributions	0.2	2.7	1.5	0.4	0.0	4.1	3.0	1.5	1.5	0.8	0.3	2.6	0.5	0.0	1.7	0.0	2.0	1.5	2.0	1.7	1.0	0.0	1.6	3.8	0.3	0.6	1.4	
	2 Net cash direct public social expenditure	19.8	28.9	29.6	19.3	24.8	26.6	26.4	30.8	27.4	17.1	20.8	27.1	22.5	8.7	27.9	8.0	21.0	21.9	22.0	21.7	26.7	19.5	24.7	26.6	22.4	17.6		
-	Indirect taxes (on cash benefits)	0.8	3.1	2.8	0.7	2.7	3.0	2.8	2.7	2.2	1.3	2.3	2.2	0.8	0.3	3.8	0.2	1.7	1.4	2.3	2.8	2.7	1.8	1.9	2.3	1.4	0.3	1.9	
	3 Net direct public social expenditure	18.9	25.8	26.8	18.5	22.1	23.6	23.6	28.1	25.1	15.8	18.5	24.9	21.8	8.3	24.1	7.9	19.3	20.4	19.6	19.0	24.0	17.7	22.9	24.3	21.0	17.3		
+ T1	TBSPs similar to cash benefits	0.9	0.1	0.7	1.5	0.7	0.0	0.0	1.2	1.5	0.0	0.3	0.2	0.6	0.8	0.0	1.0	1.0	0.0	0.1	0.1	1.4	0.0	0.4	0.0	0.4	0.7		
-	Indirect taxes	0.1	0.0	0.1	0.1	0.1	0.0	0.0	0.2	0.2	0.0	0.1	0.0	0.0	0.1	0.0	0.1	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0		
	4 Net TBSPs similar to cash benefits	0.8	0.1	0.6	1.4	0.6	0.0	0.0	1.0	1.3	0.0	0.2	0.2	0.6	0.7	0.0	0.9	0.8	0.0	0.1	0.1	1.1	0.0	0.3	0.0	0.3	0.7		
+ T2	TBSPs towards current private benefits	0.2	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.5	0.0	0.3	0.1	0.0	0.0	0.0	0.2	0.1	0.1	0.0	0.0	0.1	0.1	0.4	0.0	0.1	1.5		
	5 Net TBSPs (not including pensions)	1.0	0.1	0.6	1.6	0.6	0.0	0.0	1.1	1.8	0.0	0.5	0.3	0.6	0.7	0.0	1.1	0.9	0.1	0.1	0.1	1.2	0.1	0.7	0.0	0.5	2.2	0.6	
	6 Net current public social expenditure	19.9	25.9	27.4	20.2	22.8	23.6	23.6	29.2	27.0	15.8	19.0	25.2	22.4	9.1	24.1	9.0	20.3	20.5	19.7	19.1	25.2	17.8	23.6	24.3	21.4	19.4	21.4	23%
	7 Gross mandatory private soc. Exp.	0.6	1.0	0.0	0.0	0.3	0.3	0.0	0.4	1.2	1.9	0.0	1.9	0.7	0.7	0.4	0.0	0.7	0.0	1.4	0.0	0.5	0.2	0.0	0.4	0.9	0.3	0.5	
-	Direct taxes and social contributions	0.1	0.2	0.0	0.0	0.0	0.1	0.0	0.0	0.4	0.3	0.0	0.2	0.0	0.0	0.1	0.0	0.2	0.0	0.4	0.0	0.0	0.0	0.0	0.1	0.1	0.0		
-	Indirect taxes	0.0	0.1	0.0	0.0	0.1	0.0	0.0	0.1	0.1	0.3	0.0	0.2	0.0	0.1	0.1	0.0	0.1	0.0	0.2	0.0	0.1	0.0	0.0	0.1	0.1	0.0		
	8 Net current mand. private soc. exp.	0.4	0.7	0.0	0.0	0.3	0.1	0.0	0.3	0.7	1.3	0.0	1.5	0.6	0.6	0.2	0.0	0.4	0.0	0.8	0.0	0.4	0.2	0.0	0.2	0.7	0.3	0.4	
	9 **Net publicly mandated soc. exp. [6+8]** [a]	20.4	26.5	27.4	20.2	23.0	23.7	23.6	29.5	27.7	17.1	19.0	26.7	23.0	9.7	24.3	9.0	20.7	20.5	20.5	19.1	25.6	18.0	23.6	24.5	22.1	19.7	21.7	22%
	10 Gross voluntary private soc. exp.	4.1	1.2	5.6	6.2	0.2	2.7	1.3	2.9	2.1	4.4	2.0	0.7	3.8	2.4	0.9	0.2	7.2	0.6	0.9	0.0	1.6	1.1	0.6	2.8	5.5	11.4	2.8	
-	Direct taxes and social contributions	0.6	0.1	0.4	0.8	0.0	0.9	0.2	0.0	0.2	0.6	0.1	0.0	0.0	0.0	0.1	0.0	1.3	0.0	0.2	0.0	0.0	0.0	0.0	0.6	0.7	0.7		
-	Indirect taxes	0.2	0.1	0.7	0.4	0.0	0.4	0.2	0.1	0.1	0.8	0.2	0.0	0.2	0.0	0.2	0.0	0.9	0.0	0.2	0.0	0.0	0.1	0.0	0.4	0.6	0.2		
	11 Net current voluntary private soc. exp.	3.2	1.0	4.5	5.0	0.2	1.4	0.9	2.8	1.7	3.0	1.7	0.6	3.6	2.4	0.7	0.2	5.0	0.6	0.5	0.0	1.6	0.9	0.6	1.7	4.2	10.6	2.3	
	12 Net current private soc. exp. [8+11]	3.7	1.6	4.5	5.0	0.4	1.6	0.9	3.1	2.4	4.3	1.7	2.1	4.2	2.9	0.9	0.2	5.5	0.6	1.3	0.0	2.0	1.1	0.6	2.0	4.9	10.9		
	13 **Net total social expenditure [6+12-T2]** [b]	23.4	27.5	31.9	25.0	23.1	25.2	24.4	32.3	28.9	20.1	20.4	27.2	26.6	12.0	25.0	9.1	25.6	21.0	21.1	19.1	27.1	18.8	23.8	26.3	26.2	28.8	23.8	22%
	Memorandum item																												
	TBSPs towards pensions [c]	3.3	0.1	0.2	2.3	0.1	..	0.1	0.0	1.0	1.2	1.6	0.0	0.9	..	0.8	0.2	2.1	..	0.6	..	0.1	0.2	0.3	0.0	..	0.9	..	
	Average indirect tax rate	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	

a) Numbers in square brackets refer to line numbers in the second column; "..." cell with no information.
b) In order to avoid double counting, the value of TBSPs towards "current" private social benefits has been ignored for the calculation of net total social expenditure.
c) Because of conceptual issues and gaps in data availability, tax breaks towards old-age pensions are shown in the table as a memorandum item.

A.I.2.3. Trends in Gross and Net Social Expenditure

Chart A.I2.3: Gross and net social expenditure trends

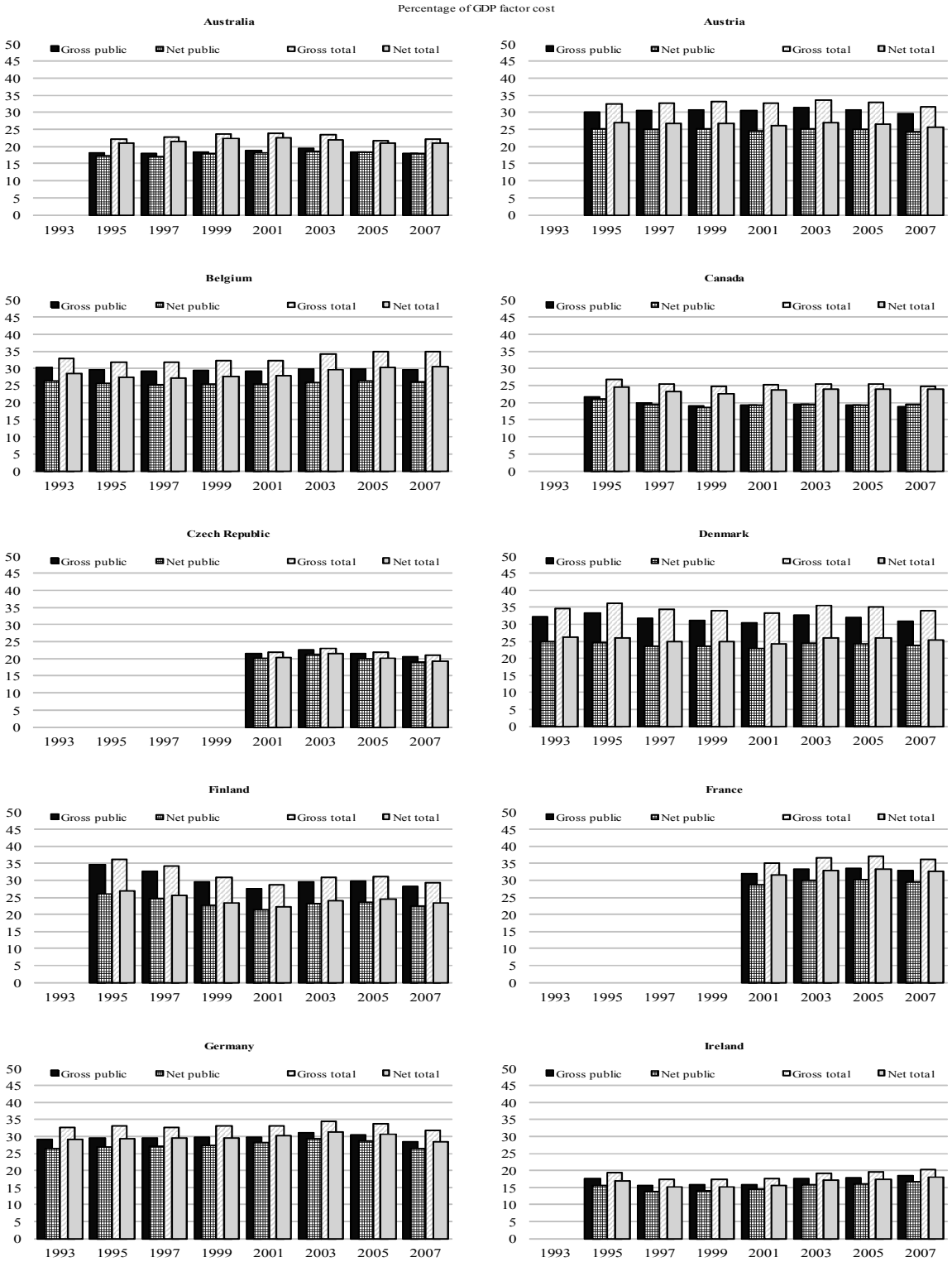


Chart A.I.2.3. Gross and net social expenditure trends *(continued)*

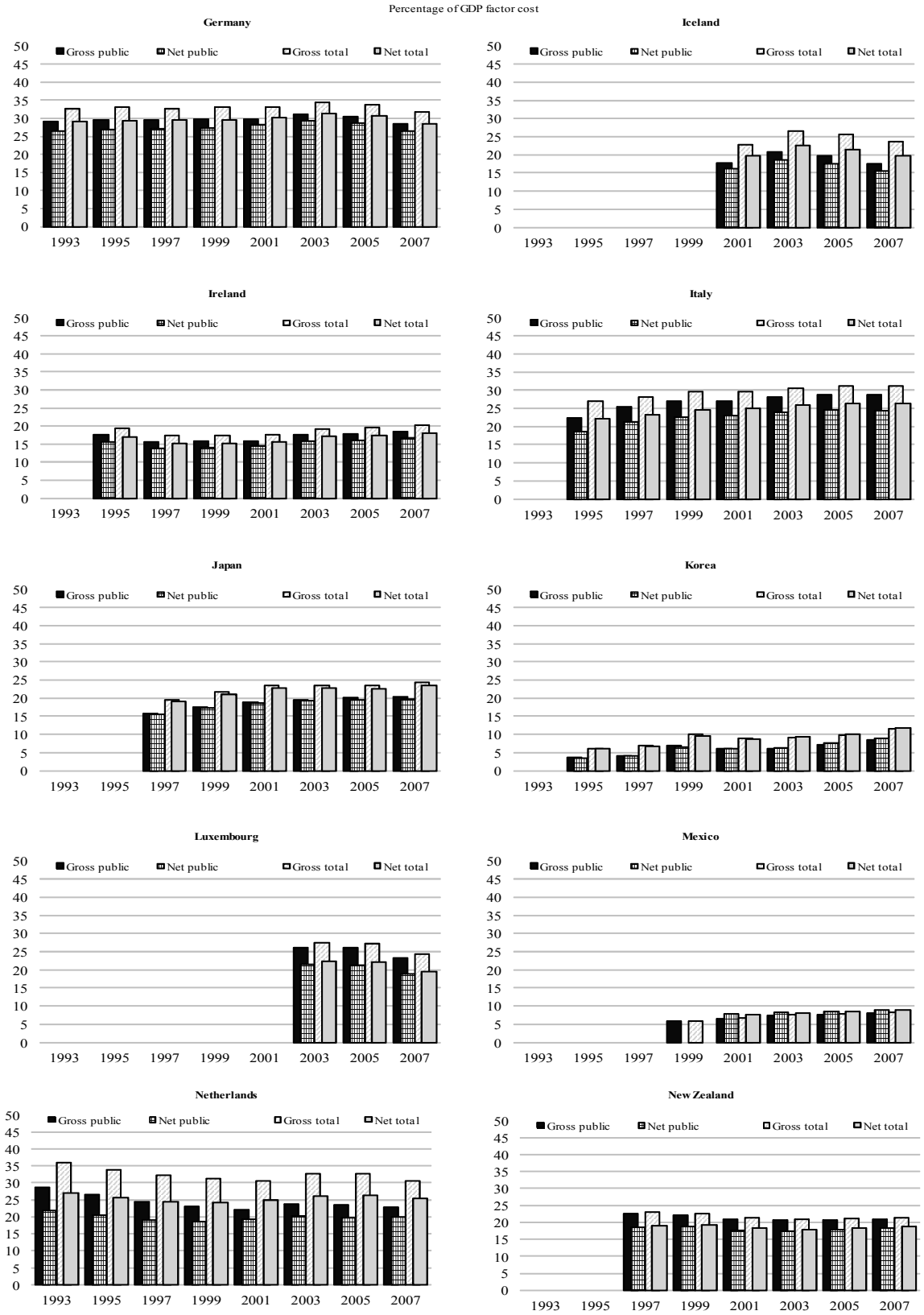
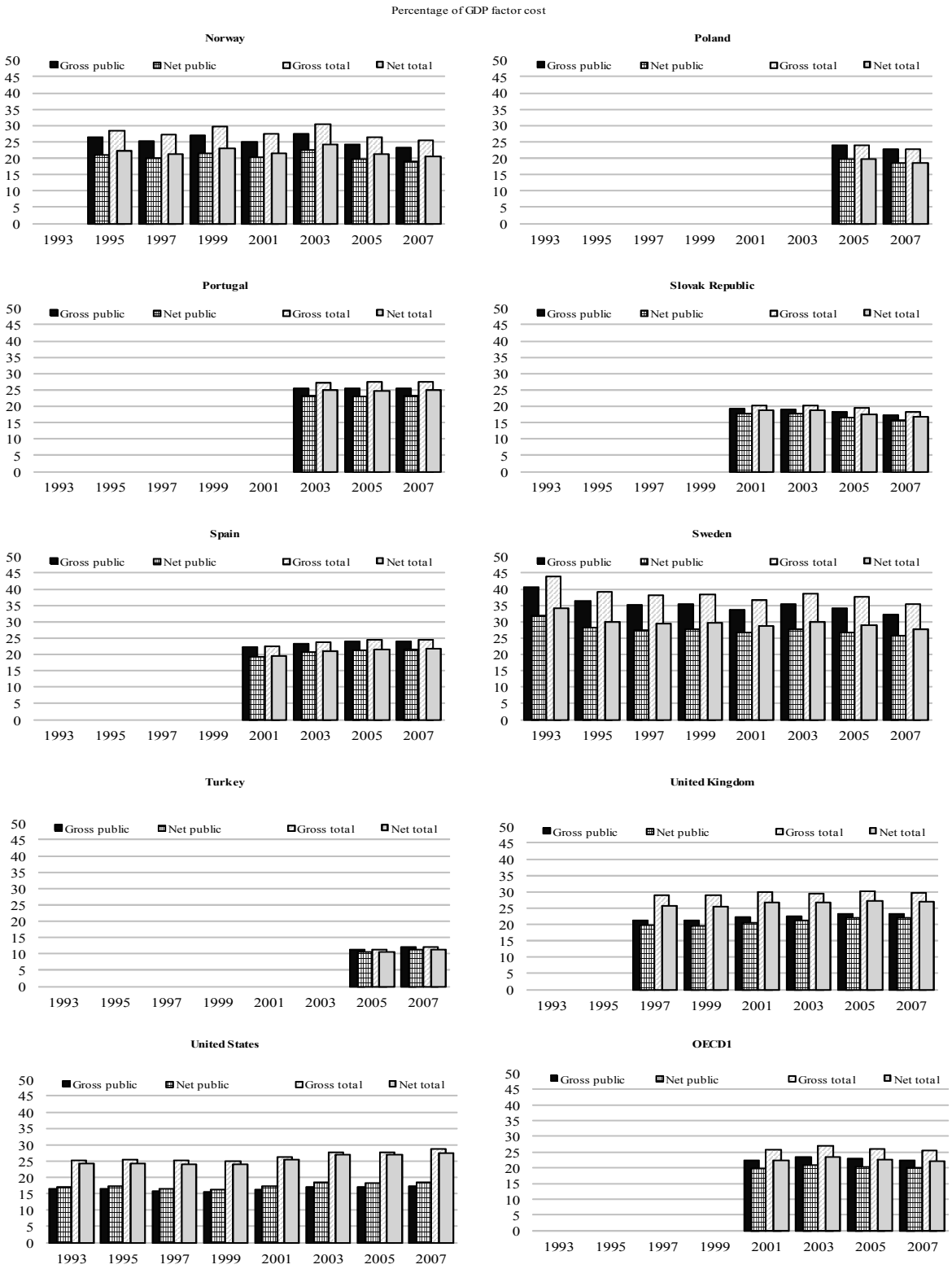


Chart A.I2.3. Gross and net social expenditure trends *(continued)*



1. 2001: OECD23, 2003: OECD24, 2005 and 2007: OECD27

Source: See Table I.4. and Annex I.2.

PART II: THE SOCX MANUAL

II.1. Introduction

63. The *OECD Social Expenditure database* was developed in the 1990s to facilitate social policy analysis (OECD, 1996).[8] In principle the System of National Accounts (SNA) provides a comprehensive accounting framework for social expenditure and its financing (SNA, 1993). In practice, however, the aggregate nature of data included in 'social transfers' (cash and in kind) in the SNA proved inadequate for analysis of public social policy programmes and trends[9]: in the context of its work-programme on public spending the Secretariat tried unsuccessfully to establish on a comprehensive basis what spending items were included in the (sub-)aggregate spending amounts recorded as government outlays by function in the National Accounts (Varley, 1986, and Oxley *et al.*, 1990). As a result, when the *OECD Social Expenditure database* (SOCX) was set up in the early 1990s, it was designed to be transparent through the recording of spending items at a detailed level: the 'social expenditure programme' for all 34 OECD countries in national currency. For example, SOCX includes information for 50 separate social programmes for Canada, 65 for both the Netherlands and the US, and 300 for France. The detailed nature of expenditure data in SOCX constitutes an important form of quality control as the high level of transparency associated with detailed recording limits the scope for inappropriate recording (including double counting) of spending items in SOCX.

64. The detailed information on social expenditure items included in SOCX permits a variety of types of analysis of the effects of social policy to be undertaken. The detail in SOCX allows for in-depth study of national and cross-national social protection policy, as for example in the *OECD Economic Surveys* of individual member countries, and also allows for a grouping of expenditures to match the analytical needs of users, as for example: using different definitions of active social policy; an assessment of spending on all incapacity-related support programmes; an evaluation of expenditures targeted primarily at different age groups, etc. Both OECD analysts and external researchers make extensive use of information on trends and changes in the composition of social spending as in SOCX, for example: Caminada and Goudszwaard (2005); Castles (2004, 2008); Castles and Obringer (2007); Darby and Melitz (2007); Pearson and Martin (2005); Siegel (2005); Townsend (2007); Whiteford and Adema (2007); Kirkegaard (2009); Fishback (2010); Adema and Whiteford (2010); and, OECD (2011*a*) .

---

8 Prior to the 2010 release of SOCX the OECD produced six updated volumes of the database since the initial release; OECD (1999; 2000a; and 2001) via CD-ROM, while OECD (2004, 2007*a and 2009*) were released through the OECD Internet.

9 For the regular data collection for the National Accounts, countries only report two items that are directly related to public social expenditure: 1) social transfers in cash (D62); and 2) social transfers in kind (D63). Data recorded for the Classification of Function of Government (COFOG) typically record four public social expenditure items (spending by general government, central government, local government and social security funds, see OECD, 2010*a*), although national sources may provide more detail. For example, Statistics Canada reports about 20 items on public social transfers in Canada (*www.statcan.ca*).

65. SOCX also presents the aggregated public and private social expenditure grouped along nine social policy areas, and to facilitate international comparisons this information is related to gross domestic product, gross national income, total government expenditure, and in purchasing power parities per head. SOCX does not contain information on the financing of social programmes on a comprehensive basis.

66. The OECD has developed different and more comprehensive measures of the resources devoted to social policies in OECD countries; indicators on net (after tax) total (public and private) social expenditure. This work started in the mid-1990s with initial estimates on net public social expenditure for six countries (Adema *et al.*, 1996), but over the years the methodological framework and available data have been extended to cover 27 OECD countries: Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Sweden, Spain, Turkey, the United Kingdom and the United States (detailed information per country is presented in Annex I.2). This work is undertaken in close collaboration with the OECD Centre for Tax Policy and Administration, and these indicators are treated as an integral part of SOCX, and will be updated as the rest of the database, *i.e.,* every two years. The next collection round is scheduled to start in 2011, with results to be released in 2012.

67. The *OECD Social Expenditure database* (SOCX) has been designed to be compatible with the System of National Accounts and *inter alia* the System of Health Accounts (OECD, 2000*b* and SNA, 1993). It is also broadly compatible with Eurostat's European System of Social Protection Statistics – ESSPROS, and the ILO Social Security Inquiry – SSI (Box II.1; Eurostat, 2008, and ILO, 2005). Information on social expenditure and recipiency of social support that is collected by the Asian Development Bank as part of its Social Protection Index initiative is also broadly compatible with the other databases (ADB, 2006 and 2008).

Box II.1: The relationship between OECD, Eurostat and ILO social accounting systems

Compared to SOCX, the scope of Eurostat's European System of Social Protection Statistics – ESSPROS (via *http://epp.eurostat.ec.europa.eu/portal/page/portal/social_protection/data*) and the ILO's Social Security Inquiry – SSI (via *www.ilo.org/dyn/ilossi/ssimain.home*), is wider as these systems also include information on financing of social expenditure. From a statistical perspective it may be desirable that the *OECD Social Expenditure database* is extended to include information on the financing of social programmes that is consistent with the *OECD Revenue Statistics* (OECD, 2010*a*), but the resources that would be required for such an exercise are likely to far exceed the gains that could be made in terms of strengthening policy analysis.

In terms of social domain, the OECD has arguably the largest scope as it has developed a methodology, which facilitates the comprehensive accounting of fiscal measures that affect social protection (see below). In terms of gross spending items, the SSI has a relatively large scope as it includes spending supporting basic education, as for example spending on school-books (SOCX reports public spending on education as a memorandum item, see Annex I.4). The scope of ESSPROS is narrower than that of SOCX and the SSI as it focuses on support that can be 'allocated' to individuals and, consequently, it does not include *all* spending on public health expenditures or labour market programmes. The ILO and the OECD both record spending on Active Labour Market Policies, with the OECD-definitions being the least restrictive as they include government subsidies towards the cost of employment of previously unemployed persons.

Functional categorisations in ESSPROS (Eurostat, 2008) and the Social Security Inquiry (ILO, 2005) are also slightly different from each other. ESSPROS groups items in 7 functions; the SSI identifies 11 functions; and SOCX has 9 social policy areas at present.

II.2. Defining the social domain

68. To facilitate cross-country comparisons of social expenditure, the first step is to demarcate what spending is 'social' and what is not. The OECD defines social expenditures as:

> "The provision by public and private 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."

69. Since only benefits provided by institutions are included in the social expenditure definition, transfers between households – albeit of a social nature, are not in the social domain.[10]

70. Social benefits include cash benefits (*e.g.,* pensions, income support during maternity leave and social assistance payments), social services (*e.g.,* childcare, care for the elderly and disabled) and tax breaks with a social purpose (*e.g.,* tax expenditures towards families with children, or favourable tax treatment of contributions to private health plans).

71. There are two main criteria which have to be simultaneously satisfied for an expenditure item to be classified as social. First, the benefits have to be intended to address one or more social purposes. Second, programmes regulating the provision of benefits have to involve either a) inter-personal redistribution, or b) compulsory participation.

II.2.1. Towards a social purpose

72. The *OECD Social Expenditure Database* groups benefits with a social purpose in nine *policy areas* (see also section II.3.1 for more detail):

- *Old-age* – pensions (see Box II.2), early retirement pensions, home-help and residential services for the elderly;
- *Survivors* – pensions and funeral payments;
- *Incapacity-related benefits* – care services, disability benefits, benefits accruing from occupational injury and accident legislation, employee sickness payments;
- *Health* – spending on in- and out-patient care, medical goods, prevention;
- *Family* – child allowances and credits, childcare support, income support during leave, sole parent payments;
- *Active labour market policies* – employment services, training, employment incentives, integration of the disabled, direct job creation, and start-up incentives;
- *Unemployment* – unemployment compensation, early retirement for labour market reasons;
- *Housing* – housing allowances and rent subsidies; and,
- *Other social policy areas* – non-categorical cash benefits to low-income households, other social services; *i.e.,* support programmes such as food subsidies, which are prevalent in some non-OECD countries.

---

[10] Social spending does not include remuneration for work, as it does not cover market transactions, *i.e.,* payments in return for the simultaneous provision of services of equivalent value. Employer costs such as allowances towards transport, holiday pay, etc. are part of remuneration in this sense.

Box II.2: Earnings and deferred wages; the treatment of pensions and severance payments in SOCX

The definition of social spending explicitly rules out remuneration for work, and therefore items as holiday pay, costs incurred for transport to work and bonuses are not covered in the database. The exclusion of remuneration for current work effort from the social spending remit is uncontested, but what about "remuneration for past work or deferred wages"? In fact, a substantial part (*i.e.,* that part financed by employer contributions) of the pension payments by public and private pension funds can be argued to concern deferred wages. If social expenditure were not to include any such items then almost all pension payments would be excluded from SOCX, and other relevant databases as operated by, for example, Eurostat and the ILO. Instead, by convention, pensions (in general payments of people above retirement age), are considered to be part of social expenditure, also when co-financed by past employer contributions.

If pensions are considered to be social expenditure then the question arises which other similar payments should also be included in the database. General saving plans are often used for retirement, but it is unclear to what extent this is the case. Similarly, life insurance saving instruments across the OECD are also used for the same reason, but, again, there is insufficient detail in the available data to establish which particular programme or savings vehicle is geared towards retirement. Hence, such data are not included in SOCX.

Severance payments can also be used for retirement, and if pensions are included in SOCX, it would be consistent to also include severance payments if they are made towards retirement. However, severance payments are not exclusively made for retirement purposes. Severance payments are made when an employment relationship between employer and employee ceases to exist, and that can also be because an employee quits voluntarily or is dismissed.

In its balance of methodological choices, SOCX treats severance payments on retirement as retirement allowances similar to pensions, while severance payments to people below the normal retirement age are considered as separation payments and treated as remuneration. There is one exception: the OECD Labour Market Policy database and SOCX include "redundancy compensation", when such payments are made by public funds to workers "who have been dismissed through no fault of their own by an enterprise that is ceasing or cutting down its activities". This covers a small and specific group of all "severance payments", which are included under unemployment compensation.

In theory, SOCX should include that part of spending of the severance pay which is given to people who reach retirement, and exclude the rest. However, such a level of detail is generally not available, and choices on whether or not to include severance payments had to be made on a case-by-case basis.

By and large this issue is most relevant to the following three countries:

i) Spending on severance payments is worth about 1% of GDP in total in Italy and can be split in payments to (former) public and private employees. For public sector workers, available data confirm that the vast majority of payment is paid on retirement of the employee (INPDAP, 2008). While there are no statistics on the age of the severance payments to private sector employees, "…a significant majority of the aggregate amount of benefit is paid out to people who are retiring…". Eurostat therefore continues to classify the Italian severance payments in its Old Age function.

ii) New evidence from Japan suggests that voluntary private severance payments amounted to 2.9 % of GDP in 2007 (relevant statistics on severance payments/retirement income are published in the Tax Statistics published by the National Tax Office in Japan). The Japanese authorities assume that the majority of recipients of severance pay receive these payments on retirement, even though the statistics do not allow for an exact identification of that percentage.

iii) In Korea, total severance payments amount to 2.0% of GDP. The majority of severance payments are being made when workers are laid off or quit voluntarily before compulsory retirement age. Korean policy aims to convert severance payments into a corporate pension saving, leading to the so-called "Retirement Pension Benefits". However, while the government provides tax incentives to stimulate conversion, it is not mandatory, and the proportion of enterprises involved is around 15% (Ministry of Labor, 2009). Only a minority of all employer-paid severance payments (around 10 to 30% at maximum) concerned workers who retired, and therefore SOCX includes 20% (equivalent to 0.4% of GDP) of all spending on severance payments under mandatory private old-age expenditure. When in future more detailed information on severance payments made on retirement and the amount of Retirement Pension Benefits becomes available, such spending will be included in SOCX.

In sum, as most spending on severance payments in Italy and Japan seems to be made on retirement they are included in SOCX. For Korea, it is the other way round as only a minority of spending on severance pay goes to people reaching retirement. The error of including all severance payments under old age spending would be larger than when no such spending was recorded for Korea at all. To further reduce the margin of error SOCX includes 20% of all spending on severance payments until more comprehensive information on the issue becomes available.

73. The borderline of the social domain is not always immediately clear because policy objectives differ across countries. Tackling child poverty is an important policy objective in all OECD countries, and support for children (either through cash transfers, services or through the tax system) is considered as social. However, favourable fiscal treatment of marital status is not considered as social support in the *OECD Social Expenditure database*, as there is no OECD-wide agreement on whether such support reflects the pursuit of social policy objectives (across countries there are also different views on the basic economic unit, which is the appropriate basis for taxation).

74. In practice, data issues also play a role in determining whether certain items are considered social or not. For example, when saving programmes are earmarked towards income support in retirement (or towards contingencies covered by other social policy areas), they are considered to be 'social'.

75. Rent subsidies are considered social, as is residential support for the elderly, disabled and other population groups (as recorded under Old-age, Incapacity-related benefits, etc.). Mortgage relief for low-income households has some similarities with such programmes. However, it is unclear up to what level of income, or what level of property value, such support should be considered social. Relevant thresholds differ across countries, while, in any case, comprehensive cross-national data are not available. For these reasons, mortgage relief and capital subsidies towards construction of housing are not considered here.

76. For this issue of SOCX public expenditure on childcare and early educational services has been taken from national statistics, Eurostat and the annual (OECD/Eurostat) data collection on (pre-primary) education (OECD, 2010*b*). In order to get a better comparison of childcare support, indicators have been adjusted for cross-national differences in the compulsory age of entry into primary school. For example, in some (Nordic) countries children enter primary school at age 7, while attending pre-primary schooling the year beforehand. In order to improve the comparison, expenditure on these 6-year-olds was excluded (sometimes using estimates derived on basis of available data on spending on education and the number of 6-year-olds). Similarly, for countries where children enter school at age 5 (and which are not included in the childcare and pre-school data) pre-school expenditure data for Australia, New Zealand and the United Kingdom was adjusted by adding up the expenditure corresponding to 5-year-old children enrolled in primary school.

77. Nevertheless, there remain weaknesses in spending data, not least because local governments often play a key role in financing childcare services. This does not lead to recording issues in Nordic countries, but in other (often federal) countries, it is much more difficult to get a good view of public support for childcare across a country. This is because local governments may use different funding streams to finance childcare services, *e.g.,* non-earmarked general block-grants, as in Canada, or because information on spending by local governments on childcare is not reported to national authorities, *e.g.,* Switzerland. These issues are not restricted to federal countries. In the Netherlands, municipalities can provide childcare support for (groups) of their inhabitants, and they may finance this out of the general block-grant to municipalities. They can also use the central government funding stream to municipalities to support labour market integration for income support recipients, to finance, for example, childcare support for social assistance clients.

II.2.2. Inter-personal redistribution or compulsion

78. Expenditure programmes are considered 'social' if participation is compulsory, and if entitlements involve inter-personal redistribution of resources among programme participants; in other words, if entitlements are not the result of direct market transactions by individuals given their individual risk profiles. The provision of social services (by public authorities and/or non-government organisations) and social insurance and social assistance programmes practically always involves redistribution across households. Such programmes are either financed through general taxation or social security contributions,

which lead to the redistribution of resources across the population or within population groups (*e.g.,* all members of an unemployment insurance fund).

79. Inter-personal redistribution in private programmes is often introduced by government regulation or fiscal intervention. Governments may force individuals and/or employers to take up protection provisions regardless of their risk-profiles or the prevailing market prices. For example, through risk-sharing (*e.g.,* through forcing insurance companies to have one price for both sick and healthy people) public policy can subsidise sick people, and thus ensure redistribution between households. Public fiscal intervention to stimulate private take-up on a collective or individual basis also means that the take-up decision is not fully determined by the individual risk-profile or prevalent market prices (the same holds for social benefits derived from collective agreements or taken out by employers on a collective basis). There is a high degree of similarity between legally-stipulated private schemes and tax-advantaged plans.

80. Social benefits are also defined to include some (public and private) pension programmes that in theory do not necessarily involve redistribution of resources across households as, for example, the compulsory government managed individual savings scheme in Singapore (Ramesh, 2005). This is because just as with the provision of tax relief, compulsion reflects a policy judgement that coverage of these plans is desirable; hence, these programmes are considered social.

II.2.3. Public, private social and exclusively private expenditure

81. The distinction between public and private social protection is made on the basis of whoever controls the relevant financial flows; public institutions or private bodies. Public social expenditure: social spending with financial flows controlled by General Government (different levels of government and social security funds), as social insurance and social assistance payments. For example, sickness benefits financed by compulsory employer and employee contributions (receipts) to social insurance funds are by convention considered public. In line with SNA93[11], SOCX records pensions paid to former civil servants through autonomous funds as a private spending item (Australia (partially[12]), Canada, Denmark, the Netherlands, Sweden and the United Kingdom). All social benefits <u>not</u> provided by general government are considered 'private'.

82. Within the group of private social benefits, additional two broader categories can be distinguished:

- Mandatory private social expenditure: social support stipulated by legislation but operated through the private sector, *e.g.,* direct sickness payments by employers to their absent employees as legislated by public authorities, or benefits accruing from mandatory contributions to private insurance funds.

---

11 SNA (1993), para 8.63 states: "… Social insurance schemes organized by government units for their own employees, as opposed to the working population at large, are classified as private funded schemes or unfunded schemes as appropriate and are not classified as social security schemes. …" In practical terms, for pension payments to former civil servants to be classified as private, these payments have to go through autonomous private funds (*e.g.,* separate pension and/or insurance companies), for which the government does not make up the deficit on a regular basis (*e.g.,* in practice benefit schemes which are defined contributions plans). Non-autonomous pension schemes (including pension benefits paid directly from the government budget) remain institutionally in the government sector.

12 The Australian pension arrangements for former civil servants constitute a hybrid of public and private components. The relevant pension payment is a defined benefit scheme which is guaranteed by the government and thus classified as public. In contrast, the lump-sum payment which many civil servants take on retirement is based on their compulsory contributions and interest rates; relevant spending has been grouped under mandatory private social expenditure for Australia.

- Voluntary private social expenditure: benefits accruing from privately operated programmes that involve the redistribution of resources across households and include benefits provided by NGOs, and benefit accruing from tax advantaged individual plans and collective (often employment-related) support arrangements, such as for example, pensions, childcare support, and, in the United States, employment-related health plans.[13]

83. SOCX includes data on the size of private social spending across the OECD, but this data is nevertheless deemed of lesser quality than information on budgetary allocations for social support.

84. Take-up of individual insurance, even with a social purpose, is a matter for those concerned, and premiums are based on the individual preferences and the individual risk profile. For example, if someone takes out private pension insurance which is actuarially fair, then there is no *ex ante* redistribution across households. The insurance company sets the price so that the individual can expect to receive compensation payments in return for exactly what it costs him or her. Such spending is not considered social, but 'exclusively private'. Table II.1 summarizes which expenditures are social and which are not. Box II.3 provides further detail on issues with the categorisation of benefits with a social purpose.

Table II.1: Categorisation of benefits with a social purpose [1, 2]

	Public		**Private**	
	Mandatory	*Voluntary*	*Mandatory*	*Voluntary*
Redistribution	Means-tested benefits, social insurance benefits	Voluntary participation in public insurance programmes. Self-employed 'opting in' to obtain insurance coverage.	Employer-provided sickness benefits, benefits accruing from mandatory contributions, to, for example, pension or disability insurance.	Tax-advantaged benefits, *e.g.,* individual retirement accounts, occupational pensions, employer-provided health plans
No redistribution	Benefits from government managed individual saving schemes		Non tax-advantaged actuarially fair pension benefits	*Exclusively private*: Benefits accruing from insurance plans bought at market prices given individual preferences.

(1) By definition transfers between individuals, even when of a social nature, are not considered to be within the social domain.

(2) The shaded cells reflect benefits that are NOT classified as social.

85. Life insurance savings plans are considered outside the social domain as comprehensive information on that part of life insurance payments which is earmarked for social purposes is not available; in fact, there is no comprehensive information on life insurance benefits. Although the practice of reinsurance makes it difficult to get a precise view on the importance of life-insurance arrangements, available information on life insurance premiums suggests that life insurance arrangements play an important role (OECD, 2010*c*). To a considerable extent, life insurance policies are taken up to cover mortgage arrangements, which are not considered to serve a social purpose, but private life-insurance benefits with a social element, such as payments towards death, disability, medical interventions and retirement, can be important and are included where these are separately identifiable (see below).

[13] It might be argued that only the value of the fiscal intervention towards the private pension benefit should be considered social. However, relevant fiscal measures redistribute resources up to the level where tax-advantages no longer apply, and thus all benefits accruing from such contributions should be included.

Box II.3: Identifying and categorising benefits with a social purpose

The *OECD Social Expenditure database* groups social benefits by the nature of provision into public, mandatory private and voluntary private social expenditure across nine different social policy areas. All other (insurance) arrangements with a social purpose, which are based on individual risk-profiles and obtained at prevailing market prices, are outside the social domain. Examples of such arrangements that do not involve redistribution or compulsory participation are individual pension plans and individual health insurance packages.

In theory, information on the purpose of social expenditure programmes, their redistributive nature, their legal basis and control of financial flows, provides clear benchmarks for identifying public, mandatory private, voluntary private and exclusively private programmes. Sometimes classification is straightforward. For example, income support during parental leave paid by a public insurance fund is 'public'; legally required continued wage payments by employers to fathers on paternity leave are 'mandatory private', while parental leave payments made by employers on their own initiative (or because they signed up to a collective labour agreement) are voluntary private. It is more difficult when payments involve a mixture of these forms, and in the absence of good data classification, decisions have to be made.

In particular, regarding private pension funds it can be very difficult to make an unambiguous categorisation between mandatory private benefits, voluntary private benefits, and benefits that are not considered part of the social domain. Classification problems are exacerbated by the fact that contributions that underlie pension payments are made over various years and the nature of the contributions can shift over time.

Consider the case where benefit payment in year t, B(t), is related to contributions in previous years, C(t - n), and the rate of return on investment income, I(t-n):

$$B(t) = F [\Sigma (C(t-n), I(t-n))]$$

The total amount of contributions (C) paid to a particular arrangement over the years can be the sum of different types of contributions: mandatory contributions (Cm); (Cv); and, exclusively private contributions (Ce). In any particular year:

$$C = Cm + Cv + Ce.$$

Thus, benefit payments in a given year can be related to four types of contributions made over previous years and the relative importance of the different types of contributions can shift from year to year.

Often, data on benefit payments only record aggregate payments (Bx) and do not separately identify payments due to different types of contributions (Cm, Cv, Ce). For example, data on pensions paid by Superannuation plans in Australia or private pension plans in Switzerland do not separately identify payments derived from mandatory private, voluntary private or exclusively private pension contributions. All Superannuation pension payments (not the lump-sum payments) to former private sector workers are grouped under voluntary private social benefits, as the pension payments that derive from mandatory contributions are currently relatively small. However, with recently increased mandatory contributions rates, pension payments deriving from mandatory contributions in Australia are expected to increase with the maturing of Superannuation plans.

Individual pension plans, for example, individual retirement accounts in the United States, are only in the (voluntary private) social domain in as much the underlying contributions were tax advantaged (in New Zealand, where favourable tax treatment concerns payments and not contributions, only the pension payments subject to tax-advantages would be included). Ideally, we would not include those private benefits that derive from non-fiscally advantaged contributions, but data, which allow for such a distinction is not always available. The decision on whether or not to include individual pension programmes is made on a case-by-case basis. For example, available tax data for the United States facilitates the identification of pensions and individual retirement disbursements, which are part of the social domain as defined above, and are therefore included in the private pension expenditure data in SOCX.

86. There are significant differences across countries in the extent to which social policy goals are pursued through the tax system or in the role of private provision within national social protection systems (as seen above). These differences point to substantial variance in the re-distributional nature of social systems. Some private social programmes may generate a more limited redistribution of resources than public ones, and tax advantages towards private pension and health plans are more likely than not to benefit the relatively well-to-do. Private employment-related social benefits mostly re-allocate income between the (formerly) employed population, and the same holds largely true for fiscally-advantaged individuals or group retirement plans. Cross-national differences in redistribution are not just related to individual programme design, but also to the overall level of social spending. Income redistribution in a high public spending country such as Denmark tends to be larger than in, for example, the United States, where private social spending plays a much more substantial role (OECD, 2008, and Whiteford and Adema, 2007).

II.3. Social expenditure programme data in SOCX

II.3.1 Categorisation of programmes across policy areas

87. The *OECD Social Expenditure Database* groups benefits with a social purpose in nine *policy areas* - Old-age, Survivors, Incapacity-related benefits, Health, Family, Active labour market policies, Unemployment, Housing, and Other social policy areas. Table II.2 Panel A shows the structure of SOCX database for public and mandatory private programmes. Table II.2 Panel B shows the simplified structure of SOCX database for voluntary private expenditure as the quality of information is not as high as on budgetary allocations, and spending detail by programme is not available on a comprehensive basis.

Table II.2: Structure of SOCX database for public and mandatory private programmes

Panel A: Programmes by social policy area (1-9) and type of expenditure (cash / in kind)

1. OLD AGE
    - Cash benefits
        - Pension
        - Early retirement pension
        - Other cash benefits
    - Benefits in kind
        - Residential care / Home-help services
        - Other benefits in kind
2. SURVIVORS
    - Cash benefits
        - Pension
        - Other cash benefits
    - Benefits in kind
        - Funeral expenses
        - Other benefits in kind
3. INCAPACITY-RELATED BENEFITS
    - Cash benefits
        - Disability pensions
        - Pensions (occupational injury and disease)
        - Paid sick leave (occupational injury and disease)
        - Paid sick leave (other sickness daily allowances)
        - Other cash benefits
    - Benefits in kind
        - Residential care / Home-help services
        - Rehabilitation services
        - Other benefits in kind
4. HEALTH
    - Benefits in kind
5. FAMILY
    - Cash benefits
        - Family allowances
        - Maternity and parental leave
        - Other cash benefits
    - Benefits in kind
        - Day care / Home-help services
        - Other benefits in kind
6. ACTIVE LABOUR MARKET PROGRAMMES
        - Employment service and administration
        - Labour market training
        - Youth measures
        - Subsided employment
        - Employment measures for disabled
7. UNEMPLOYMENT
    - Cash benefits
        - Unemployment compensation / severance pay
        - Early retirement for labour market reasons
    - Benefits in kind
8. HOUSING
    - Benefits in kind
        - Housing assistance
        - Other benefits in kind
9. OTHER SOCIAL POLICY AREAS
    - Cash benefits
        - Income maintenance
        - Other cash benefits
    - Benefits in kind
        - Social assistance
        - Other benefits in kind

Panel B: Categorisation of voluntary private expenditure

1. OLD AGE
    - Pensions to former private sector workers
    - Pensions to former civil servants
3. INCAPACITY-RELATED BENEFITS
4. HEALTH
9. OTHER SOCIAL POLICY AREAS

88. The nine policy areas are defined as follows; including examples of programmes (see Annex II.2 for details on codes of programmes):

- 1. Old-age – comprises all cash expenditures (including lump-sum payments) on old-age pensions. Old-age cash benefits provide an income for people 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. Old-age includes supplements for dependants paid to old-age pensioners with dependants under old-age cash benefits. Old-age also includes social expenditure on services for the elderly people, 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 (for example, the cost of operating homes for the elderly). In order to remain consistent with the SNA93, SOCX now records pensions paid to former civil servants through autonomous funds as private spending items. Examples of programmes include:

– "250.10.1.1.1.1 Basic scheme: CNAV" is the French public basic pension scheme from "Régime général"

– "208.10.1.2.1.2 Assistance in carrying daily tasks for the elderly" is the Danish programme from municipalities that offers services to the elderly

– "392.20.1.1.1.1 Employees' pension funds" is the Japanese mandatory private occupational pension scheme

– "826.30.1.1.1.4 Public sector occupational pension" is the programme recording pension benefits to former civil servants in the United Kingdom.

- 2. Survivors – 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 under survivors. Allowances and supplements for dependent children of the recipient of a survivors' benefit are also recorded here. Examples of programmes include:

– "124.10.2.1.1.2 CPP and QPP: surviving spouse's pension" is the Canadian Pension Plan and Quebec Pension Plan programmes paying benefits to surviving spouses

– "348.10.2.2.1.1 Funeral expenses (means-tested)" is the Hungarian means-tested programme giving public support for funerals.

- 3. Incapacity-related benefits – disability cash benefits comprised of 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 the result of an accident or illness during the victim's lifetime. Spending on Occupational injury and disease records all cash payments such as paid sick leave, special allowances and disability related payments such as pensions, if they are related to prescribe occupational injuries and diseases. Sickness cash benefits related to loss of earning because of the temporary inability to work due to illness are also recorded. This excludes paid leave related to sickness or injury of a dependent child which is recorded under family cash benefits. All expenditure regarding the public provision of health care is recorded under health. Social expenditure on services for the disabled people encompasses services such as day care and rehabilitation services, home-help services and other benefits in kind. Examples of programmes include:

- "756.10.3.1.1.1 Disability pension: invalidity insurance (non means-tested)" is the Swiss public non-means tested disability insurance pension
- "442.10.3.1.4.4 Paid sick leave" is the public programme in Luxembourg reimbursing 100% of wage (up to a ceiling) for sick blue collar employees from the first day of sickness up to three months and sick white collar employees from the third month up to the 12th month of sickness
- "578.20.3.1.4.1 Sickness and waiting period benefit" is an estimation of mandatory benefits paid by employers in Norway during the first two weeks of sickness
- "752.30.3.0.0.0 Incapacity-related benefits" include Swedish voluntary private contractual disability pensions.

- 4. Health – social expenditure data in the health policy area is taken from the OECD *Health Data* (OECD, 2010*d*). All public expenditure on health is included (not total health expenditure): current expenditure on health (personal and collective services and investment). 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. Voluntary private social health expenditure are estimates on the benefits to recipients that derive from private health plans which contain an element of redistribution (such private health insurance plans are often employment-based and/or tax-advantaged).

  In this and the previous versions of SOCX, efforts have been made to limited double counting of spending on long-term care as reported by health and social policy authorities. In particular, recent improvements in the System of Health Accounts have brought greater transparency and better recording in this area (OECD, 2010*d*, 2000*b* and *www.oecd.org/health/sha*). For more information see Annex II.1.2.

- 5. Family – includes expenditure which supports families (*i.e.,* excluding one-person households). This expenditure is often related to the costs associated with raising children or with the support of other dependants. Expenditure related to maternity and parental leave is grouped under the family cash benefits sub-category (*OECD Family database* - Indicator PF1.1 and PF3.1 - www.oecd.org/els/social/family/database). Examples of programmes include:

- "56.10.5.1.1.1 Family allowance: National office for employees' family allowances" is the Belgian public programme giving child benefits to families
- "246.10.5.1.2.2 Maternity and parent's allowance" is the social security programme of income maintenance in the event of childbirth in Finland
- "203.10.5.2.1.6 Child care (pre-primary education)" is public spending in the Czech Republic towards formal day-care and pre-school services for children not yet 6 years of age. To get a good comparison of support for early care and education services (be it in (family) day-care, pre-school or, in some countries, school settings) account has been taken of cross-national differences in the compulsory age of entry into primary school. For example, in some (Nordic) countries children enter primary school at age 7, while 6-year-olds attend pre-primary school the year before. In order to improve the comparison, expenditure on these 6-year-olds was excluded (sometimes using estimates derived on basis of available data on spending on education and the number of 6-year-olds). Similarly, for countries where children enter school at age 5 (and which were not already included in the childcare and pre-

school data) pre-school expenditure data for Australia, New Zealand and the United Kingdom was adjusted by adding up the expenditure on 5-year-olds enrolled in primary school (see also, the *OECD Family database* – Indicator PF3.1 - *www.oecd.org/els/social/family/database*).

- 6. Active labour market programmes – 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 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 categorization of expenditure on ALMP, see Annex II.1.3. Examples of programmes include:

– "484.10.6.0.1.1 National employment service (SNE) (Servicio nacional de empleo)" in Mexico

– "40.10.6.0.2.5 Support for training in institutions" in Austria

– "620.10.6.0.3.1 Employment-training rotation program" in Portugal

– "300.10.6.0.4.17 Programme for the subsidised employment of special social groups" in Greece

– "554.10.6.0.5.9 Vocational activities/community participation" in New Zealand

- 7. Unemployment – includes all cash expenditure to people compensating for unemployment. This includes redundancy payments to people who have been dismissed through no fault of their own by an enterprise that is ceasing or cutting down its activities 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. Examples of programmes include:

– "36.10.7.1.1.2 Newstart allowance" for Australian unemployed entitled to an out-of-work unemployment benefit

– "380.10.7.1.2.1 Early retirement for labour market reasons" from National Social Security Institute in Italy.

- 8. Housing – spending items recorded under this heading include rent subsidies and other benefits to the individual to help with housing costs. This includes direct public subsidies to tenants (in some countries, *e.g.,* Norway, homeowners living in their house) 'earmarked' for support with the cost of housing. Because the benefits included here concern earmarked cash payments, by convention they are classified as in-kind benefits (SNA, 1993 – see D.6331). SOCX also reports direct in-kind housing provisions to the elderly and disabled and shelter for those in immediate need in other sections (1.2.1, 3.2.1, and 9.2.2, respectively).

  Other forms of housing support such as mortgage relief, capital subsidies towards construction and implicit subsidies towards accommodation costs housing can be of a social nature, particularly when such accommodation directly benefits low-income households. However, there is no cross-national agreement on a methodology on coverage and measurement of such support, so that at present, such housing support is not included in SOCX. Nevertheless, such support can be considerable.

For example, in the Netherlands, the budgetary costs of favourable tax treatment of interest payments and other mortgage costs amounted to almost EUR 12 billion in 2006. Accounting for reduced taxation of private equity in housing (EUR 7.5 billion), income and acquisition tax (EUR 5 billion) as well as municipal rates (EUR 2.25 billion), the net budgetary subsidy to private home ownership in the Netherlands was estimated to be around 2.3% of GDP in 2006 (Koning *et al.*, 2006). SOCX also does not include (capital-) subsidies towards the construction of housing support, for example in the United States, in 2003 credit for low-income investment was worth USD 6.2 billion or 0.06% of GDP (OMB, 2009). SOCX also does not include the value of implicit subsidies towards the cost of housing. For example, in France, almost 5 million households in public social housing pay a lower rent than households in accommodation with similar characteristics in the private rental sector (Ministère de l'Écologie, du Développement et de l'Aménagement durables de la France, 2007). The value of implicit subsidies per household (*i.e.,* the difference between the low rent effectively paid and the rent paid on the market for a dwelling with similar characteristics) is likely to be considerable. However, estimates on the total value of implicit housing subsidies are not available.

- 9. Other social policy areas – includes social expenditure (both in cash and in kind) for those people 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 immigrants/refugees and indigenous people are separately recorded in this category. Finally, any social expenditure which is not attributable to other categories is included in the sub-category other.

– "276.10.9.1.1.1 Income support (Social assistance)" in Germany

– "840.10.9.1.1.1 Earned income tax credit: refundable part (EITC)" in the United States.

II.3.2. Accounting conventions and practices

Reference, fiscal and tax years

89. 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, Japan, New Zealand, the United Kingdom and the United States, where the data reported pertain to a financial year which differs from the calendar year. Adopting the same convention as for national accounts, year "n" is taken to mean the year in which a financial year begins, whether it starts on 1 January, 1 April, 1 July or 1 October. In cases where the financial year for social expenditure does not coincide with the calendar year, the relevant periods have been taken on a *prorata temporis* basis when using GDP (available for calendar years) and the GDP deflator, see below. For all other countries, GDP data refer to the calendar year.

- In Canada, Japan and the United Kingdom, the financial year (n) runs from 1 April (n) to 31 March (n+1) for social expenditure, requiring an adjustment for GDP ("n")=0.75* GDP(n) + 0.25*GDP(n+1).

- In the United States, the financial year (n) runs from 1 October (n-1) to 30 September (n) for social expenditure, requiring an adjustment for GDP ("n")=0.25*GDP(n-1) + 0.75GDP(n).

- In Australia and New Zealand, the reference years for social expenditure, although defined as July to June and not by calendar year, correspond to the calculation period for GDP.

Consequently no special adjustments are required. All the data refer to fiscal years beginning on the 1st July of the year indicated.

SOCX does not include administrative costs

90. SOCX generally excludes administration costs, *i.e.,* the costs incurred with the provision of benefits, as these expenditures do not go directly to the beneficiary. Administration costs cover expenditure on the general overheads of a social expenditure programme: registration of beneficiaries, administration of benefits, collection of contributions, controls, inspection, evaluation and reinsurance.

91. However, regarding the provision of services such as under Active Labour Market Programmes (ALMP), childcare services and public expenditure on health, the administration costs are included in the totals. It should be noted that these data sources include the OECD Education database, the OECD Labour Market Policy database and OECD *Health Data*, which have their own concepts and definitions. The inclusion of the administrative costs as well as wages for medical staff, employment service staff and childcare workers in the expenditures is justified as they are an integral part of the service being provided to beneficiaries, such as job-seeker reception and counselling, care and education of children, and/or patient reception and hospital services.

SOCX includes capital transfers and records transactions on an accrual basis

92. In line with SNA93, capital investment (*i.e.,* construction costs) are included on an accruals basis, that is if construction costs for a long term-care institution (or hospital) cost USD 1 million (interests included), built over four years, annual reimbursements of USD 250 000 would be included each year as investment spending.

SOCX generally excludes loans

93. "The conventional definition of social protection stipulates that the intervention does not involve a simultaneous reciprocal arrangement. This should be conceived as excluding from the scope of social protection any intervention where the recipient is obliged to provide simultaneously something of equivalent value in exchange. For instance, interest-bearing loans granted to households are not social protection because the borrower commits himself to paying interest and to refund the capital sum. Still, if the loan is interest-free or granted at an interest rate well below the current market rate for social protection reasons, the amount of interest waived qualifies as a social benefit" (Eurostat, 2008).

II.3.3. Data sources

94. The nature of SOCX data-processing is not straightforward as data do not derive from one all-encompassing questionnaire, but are taken from different sources in different formats:

- For *all OECD* countries data on public expenditure on health and public expenditure on active labour market policies (ALMPs) are taken from the *OECD Health Data* and the *OECD database on Labour Market Programmes*, respectively (OECD, 2010*d*, and 2011*b*, Statistical Annex). Data on education of 3, 4 and 5 year olds (ISCED 0) as in the *OECD Education database* feeds into the series on social spending on early care and education services. Data on unemployment compensation (cash transfers) are taken from the LMP database for OECD countries that do not belong to the EU and from ESSPROS for EU countries.

- For 10 non-European OECD countries, data delivered through the services of the delegates to the Working party on Social Policy of the Employment, Labour and Social Affairs committee responding to the SOCX Questionnaire.

- For 24 European countries (EU-21, Iceland, Norway and Switzerland), data on social expenditure is provided by EUROSTAT as based on the information in their ESSPROS database (EUROSTAT, 2010).

95. This is not an ideal way to collect data, not least because it limits interaction with data producers in European OECD countries. However, there has been little choice in the matter. From the start, OECD member states that also belong to the EU have insisted on providing data to the OECD via EUROSTAT in order to avoid having to deal with multiple social spending questionnaires. This is understandable, but does mean that a) information is only received from EUROSTAT once it has 'validated' the data for individual countries and b) data received in ESSPROS format has to be made compatible with information for non-European OECD countries. Furthermore, as ESSPROS data do not include all public spending on health and/or spending on active labour market policies, all individual country files are inevitably built from different sources.[14]

96. To achieve comparability of spending data for all OECD countries involves going through the EUROSTAT data submission to identify and siphon-out voluntary private social expenditure items to ensure compatibility with the public (and mandatory private) spending data for all OECD countries, and more generally ensure consistency of the spending data that are taken from different sources. Annex II.1 includes more detail on data sources.

97. Other reference series used in SOCX are from OECD (2011*e*):

- Gross Domestic Product (GDP)
- Deflator for GDP
- Gross Domestic Product at 2000 prices (GDPV)
- Gross National Income (GNI)
- Net National Income (NNI)
- Total General Government expenditure (GOV)
- Purchase Power Parities (PPP)
- Exchange rate (EXC)
- Population (POP)

[14] The 'core system of ESSPROS' focuses on support that can be 'allocated' to individuals and, consequently, it does not include *all* spending on public health expenditures or active labour market programmes. For example, ESSPROS does not include spending on investment in medical facilities, preventive health initiatives as anti-smoking campaigns, and health education and training more generally.

II.4. Net (after tax) social expenditure

98. Gross social spending data as for example presented in public budgets, do not account for how tax systems affect public and private spending on social protection. And as this effect can be considerable and varies across countries, it affects cross-national comparisons of social expenditure.

99. General tax revenue is used to finance public social spending, and sometimes revenue streams (*i.e.,* social security contributions) are earmarked for that purpose (OECD, 2010*a*). However, tax systems also affect levels of social expenditure, and broadly speaking they do so in three ways[15]:

1. **Direct taxation of benefit income**: Governments levy income tax and social security contributions on cash transfers to beneficiaries, in which case redistribution of resources is lower than suggested by gross spending indicators.

2. **Indirect taxation of consumption by benefit recipients**: Benefit income is provided to finance consumption of goods and services. Indirect taxes reduce the consumption which can be financed out of a given level of benefit income.

3. **Tax breaks for social purposes**: Governments also make use of the tax system to directly pursue social policy goals. Fiscal measures with social effects are those which can be seen as replacing cash benefits (*e.g.,* child tax allowances) or stimulating the provision of private benefits (*e.g.,* tax relief towards the provision of private health plans). These tax breaks for social purposes (TBSPs) can be directly awarded to households, but also include tax relief for employers and private funds that ultimately benefit households (*e.g.,* favourable tax treatment of employer-benefits provided to households, favourable tax treatment of private funds).

100. The adjustments for direct and indirect taxation of benefits do not affect service spending, even though such services, *e.g.,* pharmaceutical products, can be subject to indirect taxation. Data on spending on social services that are subject to indirect taxation and at what rate is not available on a comprehensive basis.

II.4.1. Direct taxation of cash benefits

101. In some OECD countries benefits are taxed in the same way as earnings, while in other countries most benefits are taxed at a reduced rate. Yet in other countries, almost all benefits are paid net of direct taxation. Treatment of unemployment insurance benefits varies considerably across countries (Table II.3). For example, in Austria the recipient of an unemployment benefit who previously had earnings equivalent to average earnings and who lived in a couple-family with two young children received the equivalent of EUR 15 812 in 2007, on which he or she did get a tax credit of EUR 669. By contrast, a similar person in Sweden received annual income support of EUR 19 112 but paid EUR 5 147 in income taxes and social-security contributions so that net benefit income was EUR 13 966**.** Thus, net income for such a family in Sweden is lower than in Austria, although gross income was much higher. In aggregate spending terms, this means that countries that tax transfer incomes rather heavily divert a significant part of transferred income to flow back into the coffers of the Treasury. As a result, net *(after tax)* public spending on unemployment benefits is about 75% of the level suggested by gross indicators in Sweden.

[15] These fiscal adjustments measure 'first round effects' concerning the net value of benefits. Hence, direct taxation of the earnings of those who provide services (*e.g.,* staff in hospitals or childcare centres) is not included in the calculations.

102. Moreover there are considerable differences between how different types of benefits are being taxed (Table II.3). In general, unemployment assistance, social assistance and housing benefits and family benefits are generally not taxed. In contrast, public and private retirement and disability pension payments are generally taxed, but frequently at reduced rates (OECD, 2011*c*), while continued wage payments in case of absence due to sickness are taxed as earnings (OECD, 2011*d*).

Table II.3: Tax treatment of benefits differs across countries

Tax and social security treatment of benefits in 2007

	Pension transfers (old-age, disability)	Child benefits	Unemployment	Housing	Social assistance
Australia	T(reduced)	N	T(n)S(n)	N	--
Austria	TS(reduced)	N	*	N	N
Belgium	T(reduced)S(reduced)	N	T(n)	--	N
Canada	T(reduced)	--	T	--	N
Czech Republic	T(reduced)	N	N	N	N
Denmark	T	N	TS(reduced)	N	TS(reduced)
Finland	T(reduced)S(reduced)	N	TS(reduced)	N	N
France	TS(reduced)	N	TS(reduced)	N	N
Germany	T(reduced)S(reduced)	tc	*	N	--
Greece	TS(reduced)	N	N	N	--
Hungary	T	N	TS(reduced)	N	N
Iceland	T	N	TS	N	TS
Ireland	TS(reduced)	N	T(n)	N	N
Italy	T(reduced)	N	TS(reduced)	--	--
Japan	TS(reduced)	N	N	--	N
Korea	T(reduced)	--	N	--	N
Luxembourg	TS(reduced)	N	TS(reduced)	TS	TS
Mexico	T(n)	N	--	--	--
Netherlands	TS(reduced)	N	TS	N	*
New Zealand	T	N	--	N	--
Norway	T(reduced)S(reduced)	N	TS	N	N
Poland	TS(reduced)	N	T	N	N
Portugal	T	N	N	--	N
Slovak Republic	T(reduced)	N	N	--	N
Spain	T(reduced)	N	TS(reduced)	--	T(n)
Sweden	T	N	TS	N	N
Switzerland	T	T	TS(reduced)	--	N
Turkey	N	--	N	--	--
United Kingdom	T	N	T(n)S(n)	N	N
United States	T(reduced)	N	T	N	N

.*Notes*: T: Taxes are payable, S: Social security contributions (SSC) are payable, N: Neither taxes nor SSC are levied, T(n) or S(n): (Long-term) recipients will not pay the taxes or SSC as the credits, allowances or zero rate bands exceed the benefit level.

--. No specific scheme or no information available, "(reduced)": A reduced rate is payable for beneficiaries, *.:Benefit is a proportion of after tax income (and thus not taxable), tc: Non-wastable tax credit.

Source: Sources: OECD Tax-Benefit models database (www.oecd.org/els/social/workincentives); OECD (2011c), Pensions at a Glance.

II.4.1.1. Methods and sources; administrative records, microsimulation and microdata

103. Broadly speaking, there are two ways to adjust gross spending items (*e.g.,* spending on unemployment compensation or old-age cash benefits) for the impact of direct taxation. Sometimes, national sources provide concrete information on the value of tax paid on a particular (set of) benefit(s). Such information is the most reliable source, and is based on data from tax offices and/or social insurance funds for social security contributions. However, such information is rare, and is restricted to information on payments of social security contributions by benefit recipients in Germany and Spain. In some other countries (Austria, Czech Republic, France, Italy, Ireland and Portugal), the adjustment for direct taxation on cash benefits has been calculated on basis of estimates of tax paid by benefit recipients (over some items) based on administrative sources, including tax statistics (see Annex I.2). For Belgium the amounts of tax and social security contributions paid on benefit income are based on the national tax statistics and national accounts, respectively.

104. For other countries the magnitude of direct tax paid by benefit recipients was determined while using estimates supplied by national sources on 'average itemised tax rates' (AITR): *e.g.,* the average tax rate (including social security contributions) on a particular spending item, *e.g.,* public pension benefit, unemployment compensation or parental leave payments. These AITRs were estimated on the basis of a variety of national sources including: administrative data on the basis of tax records (France, Iceland, Japan and the United States). Otherwise 'microsimulation-models' and micro data sets were used to generate itemised tax rates. Such information underlies the estimates of direct taxation of benefits in Australia, Canada, Denmark, Finland, Korea, the Netherlands, New Zealand, Norway, Sweden and the Uinted Kingdom. Subsequently, these AITRs were applied to gross social spending items as recorded in the database.

105. Countries where almost all benefit income is taxable and that use microsimulation models and microdata sets to estimate AITRs generally report such information at the greatest level of detail and have the greatest number of AITRs for different transfer items, *e.g.,* Denmark reports AITRs for 21 different transfer items and Sweden for 10. Countries that have only a few taxable benefits, and (therefore) base their estimated AITR on administrative information (as related to the level of detail on the income tax form) report only a few different tax rates.

Estimating Average Itemised Tax Rates through 'Microsimulation'

106. The concept of AITRs has been developed to facilitate identification of different tax levies on different social benefits. The AITR can be defined as the total taxes paid by those receiving a given benefit, divided by the total income (from all sources) of those receiving that benefit. Formally, the relevant calculations are:

$$AITR_i = \Sigma_{tu=1,n} TI_i / \Sigma_{tu=1,n} I_i$$

where: I is the amount of taxable income-type "i", and TI is the amount of tax paid on that particular amount of income, "i" is the type or category of income, "tu" is a tax unit with income-type "i", and "n" is the number of tax units in the sample with income of type "i". The broad income categories "i" include old-age cash benefits, unemployment compensation, wage income, etc. (see table Q3).

107. Microsimulation-models and micro-data sets contain detailed information on both the incomes received by households and their taxation. Microsimulation techniques generate reliable estimates, but estimation procedures require assumptions on the way income is allocated. Here it is assumed that if a benefit is non-taxable, as are many child payments, then the relevant AITR is a priori considered to be equal to zero. If transfer income is the only income received, the average tax rate (including social security contributions) on this income can be used to calculate net transfer income. However, the calculation of

direct taxation of benefit income is more complicated when different types of income are involved; people who receive either different benefits during a year, or whose annual income is a combination of earnings with, say, unemployment benefits, or a combination of transfers from different pension plans. In this situation it is necessary to allocate taxes paid to the various income-components, and it is assumed that the tax due is divided over the different income components according to the weight of each type of income. Hence, if benefits provide 75% of annual income and earnings 25%, 75% of total income tax is assumed to be paid on benefit income (For some aspects of taxation (*e.g.,* deductible expenses related to work), there is a direct link between the income component and taxation. In these cases it is preferable to allocate such deductions only to the relevant income component).

108. Furthermore, benefit income can be subject to a progressive tax schedule (possibly applied to the total of several income sources). In order to avoid an ordering of different parts of income and arbitrary decisions on what part of household income should be taxed at the higher or the lower rate, the average itemised tax rate should be calculated on the basis of the tax rates that households face over a particular income (or group of incomes). Allocating income tax paid according to the relative weight of the different income components (see above) and grossing up for the households in the sample, AITRs can be calculated (Box II.4).

Box II.4: An example of calculating Average Itemised Tax rates

It is straightforward to calculate average itemised tax rates (AITRs) on benefit income if households have only one source of income. For example, if a retiree receives a public pension payment worth 100 units per annum at a 'standard' tax rate of 10%, net annual transfer income is 90 units. If, in addition, all households in receipt of public retirement income had no income from other sources, the AITR on public pension income would be 10%. If among the retirees some were to receive non-taxable child supplements, this income would be disregarded for the calculation of the tax rate on his/her household income, while the AITR on child supplements would be nil.

Often pensioners receive income from different sources. Consider the case of a retiree who receives a public pension worth 50 units and a private pension worth 100 units. In the absence of progressivity in the tax system, the household tax rate would remain 10%, and net transfer income would be 135 units. However, a substantial increase of income may well lead to parts of incomes being taxed at a higher rate (see household 4 in Table Box 4.1), so that the 'average' tax rate increases. In this case 100 units of transfer income are taxed at 10% and 50 units are taxed at a rate of 15%. Total income tax is worth 17.5 units, which is allocated over public and private pension income components according to their relative weight in total household income (Table Box 4.1). Thus, the methodology does not imply an ordering of different parts of income, whereby different income sources are taxed differently according to an arbitrary decision on which part of income should be taxed at higher or lower tax rates. Differences in AITRs are associated with income groupings wherein benefit recipients typically find themselves.

Table Box II.4: Calculating AITRs on two types of income

Household	Public pension	Private pension	Total household income	Income tax rate	Tax paid	Allocation of tax over pension income components	
						Public	Private
1	50	25	75	10%	7.5	5.0	2.5
2	75	50	125	15%	13.8	8.3	5.5
3	100	0	100	10%	10.0	10.0	0.0
4	50	100	150	15%	17.5	5.8	11.7
5	50	250	300	15%	40.0	6.7	33.3
Total	**325**	**425**	**750**		**88.8**	**35.8**	**53**
AITR public pension income = tax paid over public pension/total public pension income						11.1%	
AITR private pension income = tax paid over private pension/total private pension income							12.5%

Assumed: standard tax rate is 10% when income is less than 100 Units, and 15% of income over and above the 100 unit threshold.

109. As already noted, if benefit income of a particular type is non-taxable, then the relevant AITR is *a priori* equal to zero. However, it is possible that income derived from non-taxable benefits affects direct taxation of taxable benefit income in an indirect manner, as it is considered in the income-test of other benefit programmes, so receipt of non-taxable benefits may reduce the amount of other income transfers households may receive. In Canada, three social programmes (guaranteed income supplement, (provincial) social assistance, and workers compensation) affect the calculation of taxation of benefits in this manner. These three benefit payments are non-taxable, but relevant income is considered in the income-test for other benefits, and thus reduces payments under other benefit programmes to these recipients. In order to take this indirect effect into account, the Canadian authorities removed these three programmes as sources of income from their simulations to calculate an average (marginal) tax rate. This rate was applied to each of these three social transfers to determine the implicit tax paid, which was then divided by the amount of transfer spending for the three items to find the AITRs (see Annex I.2).

II.4.2. Indirect taxation of consumption out of benefit income

110. Consumption taxes reduce the real value of consumption which can be financed out of a given level of benefits, and (as with direct taxation of benefit income) establish another flow back in tax receipts to the government.[16] Similarly to differences in direct taxation of benefit income, cross-country differences in indirect taxation affect comparisons of welfare state spending. In countries where indirect taxation is relatively limited (*i.e.,* in non-European OECD countries), gross spending levels can also be relatively low to generate the same net income level for benefit recipients in countries with high indirect tax rates. For example, in order to provide benefit recipients with a net income of 100 units, a country like the United States with an average indirect tax rate of close to 5% needs to pay a gross benefit of about 106 units. In Denmark, where the average indirect tax rate is about 25%, a gross payment would have to be around 133 units to have an equivalent net value. To some extent the relatively low social spending to GDP ratios in the United States and in other non-European OECD countries are related to the low indirect tax levels that prevail in these countries, and accounting for this feature improves the quality of cross-country comparisons of social spending.

111. In some countries, policy explicitly recognises the impact of indirect taxation on the financial position of low-income households (many of whom receive transfer income). For example, when the Goods and Services Tax was introduced in Australia in July 2000 at a rate of 10% (with food being exempt), a compensation package for social protection benefit recipients was introduced at the same time. Similarly, Canada has a Goods and Services Tax rebate to support low-income households.

II.4.2.1. Methods and sources: national accounts and revenue statistics

112. Detailed information on consumption by benefit recipients is not available. Alternatively, household expenditure surveys allow for the analysis of different spending patterns across different income groups, but such information is not readily available for all countries on a comprehensive basis. Moreover, the results of such surveys suggest that indirect tax payments are under-reported as estimates of aggregate tax receipts on the basis of such surveys is well below actual tax receipts, see for example, Gho *et al.,* (2010). Therefore, the approach followed here is to calculate an average implicit indirect tax rate based on aggregate data available for all countries as in the OECD *Revenue Statistics* and the OECD *National Accounts* (OECD, 2010*a*, and 2010*e*). This approach, while approximate, is clear and transparent.

---

[16] The chosen methodology might be criticised for implicitly assuming that benefit recipients do not save but consume all their benefit income. Savings are, presumably, consumed at some point, and in any case the marginal propensity to consume out of benefit income is likely close to 1, limiting the scope for error.

113. Table II.4 contains three possible measures of indirect taxes. The first, as presented in line 3, captures the amount of indirect tax receipts through general consumption taxes and excise duties charged on particular goods. Line 4 in Table II.4 includes these taxes as well as profits from fiscal monopolies, customs duties, taxes on services, and some other minor taxes. Line 5 adds additional taxes on the use of goods, such as licenses for motor vehicles and for the sale of alcohol. A case could be made for using any of these measures of indirect taxation, but the indirect tax concepts reflected in lines 4 and 5 of Table II.4 include more items of indirect taxation that are not paid by the household sector than reflected in line 3 (and even this relatively limited measure includes some taxes not paid by the household sector). The indirect tax measure in line 3 of Table II.4 includes the smallest margin of error, and is thus the most appropriate to use for calculating indirect taxes paid on consumption out of benefit income.

114. Private consumption as in the National Accounts is given in line 1 of Table II.4. However, the OECD *Revenue Statistics* includes tax revenue collected by government from itself. For example, if one part of government purchases some goods and services, it may be charged indirect tax (which constitutes a tax flow within the government sector). To reflect this, government consumption expenditure is added to private consumption expenditure while subtracting that part of government consumption which consists of compensation of employees (line 2, Table II.4). In this manner, a consistent approximation of the tax base of indirect taxes is found.

115. The average implicit indirect tax rate is then the ratio of revenue from general consumption taxes plus excise duties to a broad consumption tax base, *i.e.,* private consumption and government consumption minus government wages – line 6, in Table II.4. In 2007, the implicit average indirect tax rates were lowest in the United States (4.1%), Mexico (6.0%) and Japan (6.3%) and were around 10% in Australia and Canada. Indirect tax rates ranged from 12-14% in Germany, Korea, Italy and Spain and ranged from 15% to 23.7% in most European countries, and were at 26% in Denmark.

Table II.4: Average implicit indirect tax rates of consumption out of benefit income

Indirect taxes paid out of consumption of cash transfers, in millions of national currency, in 2007

	AUS	AUT	BEL	CAN	CZE	DNK	FIN	FRA	DEU	ISL	IRL	ITA	JPN	KOR	LUX	MEX	NLD	NZL	NOR	POL	PRT	SVK	ESP	SWE	TUR	GBR	USA	OECD-27
(1) Private final consumption expenditure	655 287	143 812	170 965	851 603	1 686 837	821 664	90 708	1 074 170	1 378 940	751 598	88 882	907 546	292 523 200	530 264 100	11 826	7 316 008	264 099	105 515	940 067	711 872	110 635	34 457	604 022	1 460 162	601 239	892 990	9 826 400	-
(2) Private consumption plus Government consumption minus Government wages	772 490	168 524	206 442	969 399	2 136 460	976 555	106 090	1 268 834	1 645 440	874 843	100 215	1 047 738	353 089 300	602 100 500	14 733	7 575 007	355 618	122 381	1 107 317	809 734	119 920	40 914	689 661	1 791 632	709 055	1 034 132	10 638 800	-
(3) General consumption taxes plus excise duties (5110+5121)[a]	69 843	27 634	31 191	93 475	365 780	254 214	21 070	183 323	234 198	183 485	20 085	128 527	22 214 700	68 822 000	3 484	456 021	59 857	16 676	260 555	145 209	20 274	6 318	86 147	371 028	82 396	132 656	437 366	-
5110 General taxes	45 486	20 988	23 931	70 385	232 288	175 426	15 054	139 884	170 387	137 593	14 156	95 623	12 841 100	40 942 000	2 090	409 013	42 216	15 046	189 401	96 152	14 339	4 147	63 400	286 211	43 285	92 043	300 061	-
5121 Excises	24 357	6 646	7 259	23 090	133 492	78 788	6 016	43 438	63 811	45 891	5 930	32 904	9 373 600	27 880 000	1 394	47 008	17 641	1 630	71 154	49 057	5 935	2 171	22 748	84 818	39 111	40 613	137 305	-
(4) Taxes on production sale transfer (5100)	85 023	29 716	34 506	113 753	365 998	260 896	22 605	197 714	247 858	191 957	20 211	152 930	23 240 700	78 414 000	3 546	1 042 372	60 742	18 835	265 620	148 366	21 862	6 471	92 785	380 990	92 605	141 358	534 202	-
(5) Taxes on Goods and Services (5000)	92 872	31 574	36 957	121 925	393 042	275 763	23 242	203 104	257 019	214 988	21 185	169 311	26 255 800	80 861 000	3 614	1 063 583	63 603	20 301	281 797	156 400	22 284	6 948	99 653	394 073	96 766	147 324	644 821	-
Implicit average indirect tax rate on consumption out of benefit income																												
(6) Using general consumption taxes plus excise duties (3)/(2)	**9.0%**	**16.4%**	**15.1%**	**9.6%**	**17.1%**	**26.0%**	**19.9%**	**14.4%**	**14.2%**	**21.0%**	**20.0%**	**12.3%**	**6.3%**	**11.4%**	**23.7%**	**6.0%**	**16.8%**	**13.6%**	**23.5%**	**17.9%**	**16.9%**	**15.4%**	**12.5%**	**20.7%**	**11.6%**	**12.8%**	**4.1%**	**15.1%**
(7) using a broad concept of the indirect tax base (5)/(2)	12.0%	18.7%	17.9%	12.6%	18.4%	28.2%	21.9%	16.0%	15.6%	24.6%	21.1%	16.2%	7.4%	13.4%	24.5%	14.041%	17.9%	16.6%	25.4%	19.3%	18.6%	17.0%	14.4%	22.0%	13.6%	14.2%	6.1%	**17.3%**
(8) using a broad concept of the indirect tax base and ignoring government consumpion (5)/(1)	14.2%	22.0%	21.6%	14.3%	23.3%	33.6%	25.6%	18.9%	18.6%	28.6%	23.8%	18.7%	9.0%	15.2%	30.6%	14.538%	24.1%	19.2%	30.0%	22.0%	20.1%	20.2%	16.5%	27.0%	16.1%	16.5%	6.6%	**20.4%**
Indirect taxes paid out of consumption of total cash transfers, in percentage of GDP	**0.9%**	**2.8%**	**2.9%**	**1.0%**	**2.1%**	**3.0%**	**2.5%**	**2.5%**	**2.1%**	**2.0%**	**2.0%**	**2.0%**	**0.8%**	**0.3%**	**2.8%**	**0.1%**	**2.3%**	**1.1%**	**2.4%**	**2.3%**	**2.3%**	**1.6%**	**1.5%**	**2.5%**	**0.7%**	**1.9%**	**0.5%**	**1.8%**

Notes: a) The 4-digit codes in the second column refer to the categorisation used in the OECD (2010b) Revenue Statistics.

Sources: OECD (2010*e*), National Accounts (www.oecd.org/statistics/national-accounts), and OECD (2010*b*), Revenue Statistics, OECD, Paris, (lines 3, 4, and 5).

II.4.3. Tax breaks for social purposes

116. Expenditures made through the tax system, or tax expenditures can take different forms: exemptions (income excluded from the tax base); allowances (amounts deducted from gross income); credits (amounts deducted from tax liability); rate reliefs (tax rate reduction for specific groups, *e.g.,* senior citizens); and tax deferrals. However, definitions of 'tax expenditures' vary across countries (OECD, 1996). In particular, there is no international agreement on what constitutes a 'benchmark' tax system – which can be used to identify tax expenditures. National benchmarks (the 'normal' structure of the tax system) against which tax expenditures are being measured vary considerably, which hampers the measurement of tax expenditures on a comparable basis across countries. However, that does not rule out a comparison of a sub-group of 'tax expenditures' – such as those related to social protection systems. This is because the approach followed here measures the amount clawed back in taxation over cash transfers and the value of direct support to benefit recipients provided through the tax system, for which reference to a 'benchmark' tax system is not required.

117. Many governments of OECD countries pursue social policy objectives through the tax system. Broadly speaking there are two groups of such measures. One is reduced taxation on particular sources of income or types of household. For example, some cash transfers could be taxed at a zero or reduced rate. This sort of tax relief is equivalent to a variation in direct taxation of benefit income and has already been accounted for in the section on direct taxation (see above). Thus, exemptions of benefits from taxation or reduced rates on benefit income are reflected in the calculations of direct taxation levied on benefit income (*e.g.,* a zero tax rate is applied to spending on child benefits) and are not recorded here again as a Tax Break with a Social Purpose (TBSP) in order to avoid double counting. A tax allowance for dependent children (which is different from non-taxation of child benefits) is recorded as a TBSP (see below).

118. The second group of tax measures with social effects concern Tax Breaks for Social Purposes (TBSPs) and are defined as:

> "those reductions, exemptions, deductions or postponements of taxes, which: *a)* perform the same policy function as transfer payments which, if they existed, would be classified as social expenditures; or *b)* are aimed at stimulating private provision of benefits".

119. TBSPs which can be seen as replacing cash benefits often involve tax credits towards dependent children. TBSPs that aim to stimulate the provision of private expenditures include tax relief for non-commercial non-government organisations, tax advantages towards private health insurance contributions, and favourable tax treatment of private pensions.

II.4.3.1. Methods and sources; the valuation of tax revenue forgone

120. Information on the value of tax breaks with a social purpose can often be found in so-called 'tax expenditure reports' as published by national authorities, for example, Australian Government (2009), Department of Finance Canada (2008), Government of Ireland (2008), and the OMB (2009) for the United States. Such reports generally present estimates on the revenue forgone through tax measures: *i.e.,* the amount by which tax revenue is reduced because of the presence of fiscal measures. Such reports generally cover favourable tax treatment by central/federal governments, but do not account (and neither does this report) for tax assistance by sub-national levels of government, as in for example, Canada, Japan and the

United States. Comprehensive information across countries is not (yet) available, but the value of sub-national TBSPs in Canada could be close to 0.6% of GDP.[17]

121. Tax expenditure reports in many countries do aggregate different measures to give an overall picture of the importance of tax expenditures. Strictly speaking this causes methodological problems, since tax expenditures and TBSPs are interdependent. For example, consider the combined existence of a tax allowance for sole parents and another separate tax relief towards the cost of childcare. The value of these two fiscal measures would normally be calculated (and presented) separately. However, if one of the two TBSPs were to be eliminated, then some taxpayers may end up in a higher marginal tax rate category, thereby increasing the value of the other TBSP (unless the claimant already received the maximum amount of relief). The value of both schemes considered jointly would be greater than the sum of the separate measures, since each is calculated assuming the other remains in force. Whereas individual revenue forgone estimates overstate the cost of TBSPs (they take no account of behavioural effects which can be expected to reduce (future) tax payments) the aggregate of such estimates understate the overall costs.

122. There are different ways of calculating the value of TBSPs (OECD, 1996). The already mentioned 'revenue forgone' method is an ex post measure of the amount by which tax revenue is reduced because of a particular measure. Table II.5 shows that depending on the measurement technique the estimated value of the tax break can vary significantly. Calculating the present value of favourable treatment of pension plans does not necessarily lead to estimates that are larger than the revenue forgone method that does not account for deferred pension earnings on current contributions or tax paid over benefits in future. While the present value of favourable tax treatment of individual retirement accounts is well below estimates based on the revenue foregone method, the opposite holds for the exclusion of pension contributions. This suggests that participants of individual retirement plans do have very favourable tax treatment on their contributions relative to their future tax payments on relevant income transfers. In fact, participants in individual retirement accounts can choose as to whether they wish to pay tax on current contributions or future payments: it appears that many choose the latter option.

Table II.5: Value of selected tax breaks for pensions, the United States, 2007

	Calculation Method	
	Revenue Forgone	Present value
	Value (in million US dollars)	
Exclusion of Pension contributions and earnings-employer plans	52 470	74 120
Exclusion of contributions and earnings for Individual Retirement Accounts	5 970	4 300
Exclusion of contributions and earnings for Keogh Plans	10 670	8 600

Note: The Administration has dropped the estimates of the outlay equivalents because they were often the same as the normal tax expenditure estimates, and the criteria for applying the concepts as to when they should differ were often judgmental and hard to apply with consistency across time and across tax expenditure items.

Source: US OMB (2009), Analytical Perspectives, Budget of the United States Government, fiscal year 2009

[17] In Canada a crude estimate of direct taxation of benefit income of both federal and provincial taxes assumes that provincial taxes were about 50% of federal taxes in the mid-2000s. Using the latter as a rule-of-thumb the real value of TBSPs similar to cash benefits may well have been around 2% of GDP at factor cost in 2007 rather than 1.3% of GDP – the value of Federal TBSPs. A small part of provincial tax reductions are recorded here, for social objectives (family size, presence of children, dependants, etc).

123. Social expenditure and TBSPs can both be calculated on a cash or on an accruals basis. The former approach estimates the effect on government cash flows, the latter on the tax liabilities accruing to government in a particular period. Except for TBSPs for pensions, there is likely to be little difference between estimates calculated on these two bases.[18] Favourable tax treatment of funded pension payments also has to account for the effect that tax treatment of current pension contributions may have on future tax payments. For example, a pension contribution in 2007 would cause a deferral of tax-payments on wages in 2007 and on pension earnings on this contribution (*e.g.,* interest, capital gains) in later years. However, in some future year the 2007 pension contribution and accrued earnings will be paid out and taxes will be due: these receipts are included in the present value estimate.

124. Tax breaks for pensions include tax exemptions for contributions to private pensions, and tax relief for investment income of capitalised pension funds. Because of the complexities of calculating the value of these tax reliefs that are given at various stages of what is a form of contractual savings, there is no comparable data set available on the value of tax breaks for pensions across countries. Therefore, a comprehensive analysis of Tax Breaks for Pensions is not yet possible, and estimates that are only available for a few countries are not included in the overview calculations in this report, but only presented as a *memorandum item* (see below).

II.4.3.2. Which tax breaks are included in the calculations and which are not?

125. In many OECD countries (*e.g.,* Germany and France) support for families with children is embedded in the tax unit. Although these measures may not establish a deviation from the national standard tax system (and thus do not establish a tax expenditure in the strict sense), such support clearly establishes financial and social support and should thus be included in the reported TBSPs. However, support for married couples is not considered as social in all OECD countries, and fiscal measures in this regard are not considered as a TBSP. The appropriate analogy is that the presence of dependent children leads to eligibility to cash benefits in social protection systems, whereas a marriage contract does not. Hence, tax advantages for married people, as exist in for example, Belgium, France, Germany and Japan, are not considered to serve a 'social purpose', and are therefore not included in the calculations (regardless of whether or not such measures are part of the basic tax structure). For example, value of support to children in France through the 'quotient familial' was reported to be around EUR 11.5 billion in 2007.[19]

126. Tax breaks for social purposes also encompass measures aimed at stimulating private pension take-up, *e.g.,* tax exemptions for contributions to private pensions. However, such tax breaks on occupational and individual pension programmes are difficult to deal with, because such programmes are aimed at yielding benefits in the future and taxation and tax reliefs can be given at various stages of pension saving. Tax treatment of funded pension plans needs to be considered in three different areas:

---

18 As most countries currently publish information on tax expenditures on a cash basis, that convention has been followed here. However, in line with recent changes to reporting to the *Revenue Statistics* it is expected that estimates on the value of TBSPs on an accrual basis will become available on a cross-national basis.

19 The French system of income taxation considers the household as the tax unit: favourable tax treatment of families is thus an integral part of the tax system. In this system a 'quotient familial' is applied to taxable household income, which allows incomes to be taxed at a lower rate on a progressive marginal rate schedule. The 'quotient familial' is obtained by dividing total taxable household income 'R' by a factor 'N' which is determined by household composition. This factor N is the sum of the different 'household parts': spouses count as one part each, while the first two children count as half a 'household part', from the third child onwards each child counts as one 'household part' (slightly different rules benefit sole parent families and families with handicapped dependants). For example, for a couple-family with two children it is 3, and for a couple-family with 3 children it is 4. Obviously, at a given income level the larger the family, the lower is the quotient familial (R/N).

- Contributions to programmes could be by employers or employees, out of taxed or untaxed income.

- The funds which invest pension contributions on behalf of those contributing could be taxed or untaxed.

- The payment of pension or annuity or lump sum benefits at the end of the contributions period could be taxed or untaxed.

Due to the complexity of calculations arising from these issues and the different methods that can be used across countries, there is no comparable data set available on the value of tax breaks for pensions. There is some data available on the cost to public budgets -- on a cash basis -- of the current tax system in the current financial year. These data abstract from the effects the current tax system may have on revenues in future years.

II.4.4. The net social expenditure framework: a concise overview

127. A cross-country comparison of social expenditure indicators requires that information on gross spending and the role of the tax system in the pursuit of social policy is integrated in a framework that derives net social expenditure indicators. Table II.6 presents a schematic overview of this framework (below, the numbers/letters in between brackets refer to the appropriate line in this Table).

- First of all, direct taxes clawed-back by the Exchequer and the imputed value of indirect taxation on goods consumed out of public benefits are subtracted from gross public social expenditure (1) to obtain Net direct public social expenditure (2). Subsequently, as the value of tax breaks for social purposes (excluding pensions) that are similar to cash benefits (T1) is used for consumption, the imputed value of the indirect taxation on these items is subtracted to obtain Net TBSPs similar to cash benefits (4). The value of TBSPs towards current private benefits (T2) is added to obtain net current public social expenditure (6). From the government perspective, net public social spending gives a better impression of budgetary efforts in the social field and the proportion of net social output reallocated to benefit recipients.

- In order to measure the social support that is provided under government control, mandatory private benefits should also be included, and account taken of the fact that these benefits are also subject to direct and indirect taxation. Net government-controlled social expenditure is captured under the heading of net publicly mandated social expenditure (9). Finally, the gross voluntary private benefits are also adjusted for direct and indirect taxation: net direct voluntary private social expenditure (11).

- Adding together these net public, mandatory private and voluntary benefits gives an indicator on net total social expenditure (13), which quantifies the proportion of an economy's domestic production at the disposal of recipients of social benefits. However, as noted above, the tax breaks towards current private social benefits (T3), are tantamount to financing private social benefits. Thus, while these TBSPs are clearly a public expenditure item, they finance private benefits and simply adding net public social expenditure to net private social expenditure would overestimate the amount of support received by households. Therefore, net total social expenditure (13) is the sum of net current public social expenditure (6) and net direct private social expenditure (12) minus TBSPs towards

current private social benefits (T2).[20] Net total social expenditure identifies that proportion of an economy's domestic production to which recipients of social benefits lay claim.

128. Finally, the net social spending indicators are related to GDP at factor cost rather than GDP at market prices – the most frequently used indicator on the size of an economy. The reason for this is that, since adjustment has been made to benefits for the value of indirect taxation, the denominator (GDP) has to be adjusted similarly. As GDP at factor cost does not include the value of indirect taxation and government subsidies to private enterprises and public corporations, it seems the most appropriate indicator for international comparisons. Nevertheless, to facilitate comparisons with gross spending to GDP quota, Annex I.2 includes the net spending indicators to GDP at market prices. This annex also relates net spending indicators to national (rather than domestic) income.

Table II.6: From gross to net social expenditure: a concise overview

+/-	Line #	Item
	1.	**Gross direct public social expenditure**
-		Direct taxes and social contributions paid out of public cash benefits
	2.	Net cash direct public social expenditure
-		Indirect taxes on private consumption financed by net cash transfers
	3.	Net direct public social expenditure
+	T1	Tax breaks for social purposes that mirror cash benefits
-		Indirect taxes on private consumption financed by tax breaks similar to cash benefits
	4	Net TBSPs similar to cash benefits
+	T2	Tax breaks for social purposes towards current private social benefits
	5	Net TBSPs (not including pensions)
	6.	**Net current public social expenditure [3+5]**
	7.	Gross mandatory private social expenditure
-		Direct taxes and social contributions paid out of mandatory private cash benefits
-		Indirect taxes on consumption purchased out of net mandatory private cash
	8.	Net direct mandatory private social expenditure
	9.	**Net publicly mandated social expenditure [6+8]**
	10.	Gross voluntary private social expenditure
-		Direct taxes and social contributions paid out of voluntary private cash benefits
-		Indirect taxes on consumption purchased out of net voluntary private cash benefits
	11.	Net direct voluntary private social expenditure
	12.	Net direct private social expenditure [8+11]
	13. [1]	**Net total social expenditure [6+12-T2]**

Tax adjustments in the shaded areas.

1. In order to avoid double counting, net total social expenditure is obtained by adding up net public and net private social expenditure while subtracting tax breaks towards current private benefits.

[20] Ideally, the value of tax breaks aimed at stimulating private benefit provision would be netted out against the direct and indirect taxes levied on the private benefits it generated. However, as noted above, it is not possible to determine to what extent these TBSPs actually affect take-up of private benefits, and therefore this calculation was not attempted.

REFERENCES

ADB (2006*), Social Protection Index – for Committed Poverty Reduction*, Asian Development Bank, Manila, the Philippines (*www.adb.org/Documents/Books/Social-Protection/default.asp*).

ADB (2008*), Social Protection Index – for Committed Poverty Reduction – Volume 2: Asia*, Asian Development Bank, Manila, the Philippines (*www.adb.org/Documents/Books/Social-Protection/Volume2*).

Adema, W. and M. Ladaique (2009) 'How Expensive is the Welfare State? Gross and Net Indicators in the OECD Social Expenditure Database (SOCX)', *OECD Social, Employment and Migration Working Papers* no. 92, OECD, Paris (*www.oecd.org/els/workingpapers*).

Adema, W. M. Einerhand, B. Eklind, J. Lotz and M. Pearson, (1996), "Net Public Social Expenditure", *Labour Market and Social Policy Occasional Papers*, No. 19, OECD, Paris (*www.oecd.org/els/workingpapers*).

Adema, W. and P. Whiteford (2010), 'Public and Private Social Expenditure', in: *The Oxford Handbook of the Welfare State*, Oxford University Press.

Australian Government (2009), *Tax Expenditure Statement 2007*, The Treasury, Canberra.

Caminada, C.L.J. and K.P. Goudswaard (2005), "Are Public and Private Social Expenditures Complementary?", *International Advances in Economic Research* Vol. 11(2), pp. 175-189.

Castles, F. (2004), *The Future of the Welfare State*, Oxford University Press.

Castles, F. (2008), What Welfare States Do: A Disaggregated Expenditure Approach, *Journal of Social Policy*, Vol. 38(1), pp. 45-62, Cambridge University Press.

Castles, F.G. and H. Obinger (2007), "Social Expenditure and the Politics of Redistribution" *Journal of European Social Policy*, August 2007, Vol. 17, pp. 206-222.

Darby, J. and J. Melitz (2007), Labour Market Adjustment, Social Spending and the Automatic Stabilizers in the OECD.

Department of Finance Canada (2008), Tax Expenditures and Evaluations, Ottawa.

European Commission (2009), Ageing Report: Economic and budgetary projections for the EU-27 Member States, 2008-2060 (*http://ec.europa.eu/economy_finance/publications/publication14992_en.pdf*).

EUROSTAT (2008), *ESSPROS Manual - The European System of integrated Social PROtection Statistics (ESSPROS),* Luxembourg (*http://epp.eurostat.ec.europa.eu/portal/page/portal/social_protection/publications*).

EUROSTAT (2010), *European Social Statistics, Social Protection, Expenditure and Receipts, Data 1999-2007*, Luxembourg.

Fishback, P.V. (2010), Social Welfare Expenditures in the United States and the Nordic Countries: 1900-2003, NBER Working Paper No. 15982 *www.nber.org/papers/w15982*.

Gho, K-H., Y-S. Chang and J-W Kang (2010), Estimation of Net Social Expenditure in Korea on the Basis of the OECD Guidelines: 1990-2007, OECD/Korea Policy Centre - Health and Social Policy Programme SOCX Technical Paper, Korea.

Government of Ireland (2008), Office of the Revenue Commissioners, Statistical Report 2008, Dublin.

Grubb, D. and A. Puymoyen (2008), "Long Time-Series for Public Expenditure on Labour Market Programmes", *Social, Employment and Migration Working Papers*, No. 73, OECD, Paris.

ILO (2005), *ILO Social Security Inquiry, First Inquiry 2005, Manual*, International Labour Office, Geneva (*www.ilo.org/public/english/protection/secsoc/downloads/stat/ssimane.pdf*).

INPDAP (2008), Trattamenti di Fine Servizio e di Fine Rapporto dello Stato e degli Enti Locali, Analisi statistico – finanziaria, Anno 2007.

Kirkegaard, J.K. (2009), 'Did Reagan Rule In Vain? A Closer Look at True Expenditure Levels in the United States and Europe', Policy Brief 09-1 from Peterson Institute for International Economics *http://www.iie.com/publications/interstitial.cfm?ResearchID=1096*.

Koning, M.A., R. Saitua Nistal and J. Ebregt (2006), "Woningmarkteffecten van aanpassing fiscale behandeling eigen woning", CPB Document, No. 128, Centraal Planbureau, the Netherlands.

Ministère de l'Écologie, du Développement et de l'Aménagement durables de la France (2007), Compte du logement 2005 et premiers résultats 2006 (*www.statistiques.equipement.gouv.fr/IMG/pdf/RAPPORT_leger_cle03512b.pdf*).

Ministry of Labor (2009), *Retirement Pension Benefits statistics,* Seoul, Korea.

OECD (1996), "Social Expenditure Statistics of OECD Member Countries – provisional version", *Labour Market and Social Policy Occasional Papers*, No. 17, OECD, Paris.

OECD (1999), *Social Expenditure Database 1980-1996,* OECD, Paris.

OECD (2000*a*), *Social Expenditure Database 1980-1997,* OECD, Paris.

OECD (2000*b*), *A System of Health Accounts*, Version 1.0, OECD, Paris.

OECD (2001), *Social Expenditure Database 1980-1998* – 3rd edition, OECD, Paris.

OECD (2004), *Social Expenditure Database 1980-2001.*

OECD (2007), *Social Expenditure Database 1980-2003*.

OECD (2008), *Growing Unequal? Income Distribution and Poverty in OECD Countries*, OECD, Paris (*www.oecd.org/els/social/inequality*).

OECD (2009), *Social Expenditure Database 1980-2005* (*www.oecd.org/els/social/expenditure*).

OECD (2010*a*), *OECD Revenue Statistics*, 1965–2009, OECD, Paris. (*www.oecd.org/ctp/revenuestats*)

OECD (2010*b*), *Education at a Glance*, OECD, Paris.

OECD (2010*c*), *Insurance Statistics Yearbook 1999-2008*: 2010 Edition, OECD, Paris.

OECD (2010*d*), *OECD Health Data*, OECD, Paris. (*www.oecd.org/health/healthdata*)

OECD (2010*e*), *National Accounts of OECD Countries*: Detailed tables, Volume II, OECD, Paris.

OECD (2011*a*), Economic Crisis and Beyond: Social Policies for the Recovery, Documentation for the 2011 OECD Ministerial Meeting on Social Policy. (*www.oecd.org/social/ministerial*)

OECD (2011*b*), *Employment Outlook*, OECD, Paris. (*www.oecd.org/employment/outlook*)

OECD (2011*c*), *Pensions at a Glance*, OECD, Paris. (*www.oecd.org/els/social/pensions/PAG*)

OECD (2011*d*), *OECD Taxing Wages*, OECD, Paris. (*www.oecd.org/ctp/taxingwages*)

OECD Social Expenditure database (SOCX, *www.oecd.org/els/social/expenditure*)

OECD Family database (*www.oecd.org/els/social/family/database*)

OECD Labour Force Statistics database (*www.oecd.org/employment*)

OECD Tax-Benefit models database (*www.oecd.org/els/social/workincentives*)

OECD Education database (*www.oecd.org/education/database*)

OMB (2009), Analytical Perspectives, Budget of the United States Government, Fiscal year 2009, Office of Management and Budget, Washington DC.

Oxley, H., *et al.* (1990), "The Public Sector- issues for the 1990s", *Economics Department Working Papers,* No. 90 (*www.oecd.org/eco/working_papers*).

Pearson, M. and J. Martin (2005), "Should We Extend the Role of Private Social Expenditure?", *Social, Employment and Migration Working Papers*, No. 23, OECD, Paris.

Ramesh, M. (2005), "Social Security through Compulsory Savings: The Case of Singapore", in: *A Glance at Social Policy Issues in Asia* – Proceedings of the International Symposium for the opening of the Joint OECD/Korea Regional Centre on Health and Social Policy, Seoul.

SNA (1993), System of National Accounts 1993, CEC-EUROSTAT, IMF, OECD, UN and the World Bank, Brussels/Luxembourg, New York, Paris, Washington, DC.

Townsend, P. (2007), "The Right to Social Security and National Development: Lessons from OECD Experience for Low-Income Countries", *Issues in Social Protection Discussion Paper* No. 18 (Available at SSRN: *http://ssrn.com/abstract=958252*).

Varley, R. (1986), "The Government Household Transfer database 1960-1984", *Economics Department Working Papers,* No.36 (*www.oecd.org/eco/working_papers*).

Whiteford, P. and W. Adema (2007), "What Works Best in Reducing Child Poverty: A Benefit or Work Strategy?", *Social, Employment and Migration Working Papers*, No. 51 OECD, Paris (*www.oecd.org/els/workingpapers*).

ANNEX II.1. DETAILED INFORMATION ON SOURCES OF TEH OECD SOCIAL EXPENDITURE DATABASE

AII.1.1. From ESSPROS to SOCX

For 24 European countries (EU-21, Iceland, Norway and Switzerland), data on social expenditure is provided by EUROSTAT as based on the information in their ESSPROS database (EUROSTAT, 2010). The definitions of social expenditure that are used by SOCX and ESSPROS are similar, but there are differences in coverage and categorization. Table A.II.1.1a presents an overview.

Table A.II.1.1a From ESSPROS to SOCX: a brief overview

ESSPROS		SOCX
1. Sickness/Health care cash	->	3. Incapacity
services		4. Health (OECD Health data) (! LTC overlap for NOR DNK ISL JPN SIW GER no LTC overlap for AUS FIN FRA HUN NLD & ESP)
2. Disability Economic integration of the handicapped	->	
3. Old age	->	1. Old age
4. Survivors	->	2. Survivors
5. Family/children	->	5. Family Child care (pre-primary education from OECD Education database)
6. Unemployment cash Vocational training allowance	->	7. Unemployment
services		
7. Housing	->	8. Housing
8. Social exclusion	->	9. Other social policy areas
		6. ALMPs (OECD LMP database)

Note: ESSPROS can also be downloaded from the EUROSTAT website via http://epp.eurostat.ec.europa.eu

Then click: > Statistics >> Social protection

All ESSPROS social protection benefits are included in SOCX, except those in:

- Sickness /Health care services, which are taken from OECD Health data
- Programmes for the economic integration of the handicapped, and vocational training allowance for the unemployed and unemployment services, which are taken from the OECD Labour Market Programmes database (Grubb and Puymoyen, 2008)

To regroup ESSPROS items into SOCX, the following adjustments have to be made:

(1) ESSPROS Social protection benefits
- (2) ESSPROS Economic integration of the disabled
- (3) ESSPROS Sickness benefits in kind
- (4) ESSPROS Vocational training allowance and unemployment benefits in kind
+ (5) Health services (OECD Health data)
+ (6) Child-care – pre-primary school (OECD Education database, for some countries)
+ (7) Active labour market programmes (OECD ALMP database)

=

(11) SOCX Public social expenditure
+ (8) SOCX Mandatory private social expenditure
including mandatory private ESSPROS schemes
+ (9) SOCX Voluntary private social expenditure
including:
voluntary private ESSPROS schemes, and
(10) Health private insurance (OECD Health data)

Example for Sweden for 2007:

Table A.II.1.1b Passage from Esspros to SOCX (public / mandatory-voluntary private)

Passage from Esspros to SOCX (public / mandatory-voluntary private)
SWEDEN, in millions of Swedish Kronas

		ESSPROSS / SOCX			Code	2007
	(1)	**ESSPROS**	**Social protection benefits**		**1100000**	**889 966**
-	(2)	- ESSPROS	Disability	Economic integration of the handicapped	1121114	1 492
-	(3)	- ESSPROS	Sickness	Benefits in kind	1111200	187 625
-	(4)	- ESSPROS	Unemployment	Cash - Vocational training allowance	1161114	5 834
				Benefits in kind	1161200	6 060
+	(5)	SOCX / Health	HEALTH Public benefits in kind		752.10.4.0.0.0	205 604
+	(6)	SOCX / EDU-EAG	FAMILY Services	Child day care (adjustment for 6yo)	752.10.5.2.1.2	-4 509
				Child care (pre-primary education)	752.10.5.2.1.3	18 675
+	(7)	SOCX/ ALMP	ACTIVE LABOUR MARKET PROGRAMMES		752.10.6.0.0.0	34 322
-	(8)	**= SOCX**	**MANDATORY PRIVATE SOCIAL EXPENDITURE**		**752.20.90.0.0.0**	**12 200**
		ESSPROS	SICKNESS	Paid sick leave: 13. Arbetsgivarens sjuklön (Employers' sick pay)	1111111.00	12 200
-	(9)	**= SOCX**	**VOLUNTARY PRIVATE SOCIAL EXPENDITURE**		**752.30.90.0.0.0**	**77 753**
		ESSPROS	(several functions)	14.Avtalspensioner (Contractual pensions)		77 309
+	(10)	SOCX / Health	HEALTH Voluntary private insurance, benefits in kind		752.30.4.2.0.0	444
=	(11)	**SOCX**	**PUBLIC SOCIAL EXPENDITURE**		**752.10.90.0.0.0**	**853 538**

Notes:

(1) "ESSPROS / Social protection benefits" are Total ESSPROS expenditures (1000000) less Administration costs (1200000) and other expenditure (1400000, property income and other).

(2) The ESSPROS data within "Disability / Economic integration of the handicapped" are not included in SOCX database to avoid double counting with SOCX "Active Labour Market Programmes / Measures for the disabled".

(3) The ESSPROS data within "Sickness / Benefits in kind" are not included in SOCX database to avoid double counting with SOCX "Health / Benefits in kind".

(4) The ESSPROS data within "Unemployment / Cash Vocational training allowance" "Unemployment / Benefits in kind" are not included in SOCX database to avoid any double counting with SOCX "Active Labour Market Programmes".

(5) SOCX Health benefits in kind are from "OECD Health Data (www.oecd.org/health/healthdata)".

(6) SOCX includes public spending on pre-primary education from OECD education database, unless such data are already included in "5.2.1. Day care services".

(7) SOCX Active Labour Market Programmes are from "OECD database on labour market programmes".

(8) Spending on some programmes recorded under the schemes below are categorised as Mandatory private in SOCX.

(9) Spending on some programmes recorded under the schemes below are categorised as Voluntary private in SOCX. (9) Includes SOCX Private insurance Health benefits in kind are from "OECD Health Data (www.oecd.org/health/healthdata)".

(10)

(11) = (1) - (2) - (3) - (4) + (5) + (6) + (7) - (8) - (9) + (10)

See country notes (attached to data) for other countries and years.

AII.1.2. OECD Health data

Data in SOCX on public expenditure on health are not taken from the SOCX-questionnaire (nor from ESSPROS for EU-countries), but for reasons of comprehensiveness are taken from OECD (2010*a*) Health Data 2010. However, including these data in SOCX raises the possibility of introducing inconsistencies vis-à-vis health-related spending items recorded elsewhere in SOCX. For some countries there is an issue with items recorded as spending on services for elderly and/or the disabled provided by institutions other than hospitals also being included under public expenditure on health.

From countries for which information is currently available, estimates suggest that for 10 countries there exist overlap of spending data recorded as services for elderly and/or the disabled and public expenditure on health. For Denmark, Iceland and Norway relevant spending exceeds 1 percentage point of GDP in value.

Table A.II.1.2.a shows the overlap figures, and Table A.II.1.2.b shows total public spending on health (including long-term-care overlap).

Table A.II.1.2.a Estimation of overlap between OECD Health spending and SOCX

In national currency, millions

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Austria	m	m	m	m	m	m	m	m	m	m	1 046	1 080	1 134	1 415
Denmark	9 079	10 345	11 928	12 728	13 128	14 283	14 907	15 710	16 576	17 197	18 731	19 126	19 433	19 620
Finland	x	x	x	x	105	121	117	119	122	125	151	162	156	159
France	m	m	m	m	m	m	m	m	m	m	2 260	2 500	2 791	3 103
Germany	a	a	a	a	a	a	a	a	a	a	a	a	a	a
Iceland	m	m	m	m	m	m	m	m	m	m	3 456	3 831	3 946	4 189
Japan	m	m	m	m	m	m	m	m	m	m	m	m	m	m
Norway	3 276	m	m	m	m	6 373	m	m	18 631	19 928	14 867	16 550	18 335	19 030
Sweden	m	m	m	m	m	m	m	m	m	m	m	m	m	10 525
Switzerland	m	m	m	m	m	m	m	m	m	m	1 247	1 383	1 670	1 808

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Austria	1 857	1 918	1 889	1 923	2 031	2 155	2 196	2 223	2 257	2 320	2 435	2 539	2 694	2 829
Denmark	20 672	21 822	23 181	24 138	21 395	21 641	22 274	23 357	24 784	25 787	27 240	28 203	30 047	29 049
Finland	150	135	131	133	128	127	133	141	142	147	153	164	166	177
France	3 408	10 078	10 799	11 050	11 368	11 700	12 356	12 974	14 702	15 598	16 903	18 354	20 015	21 759
Germany	a	1 268	2 195	2 326	2 555	2 824	2 951	2 991	3 116	3 135	3 189	3 314	3 385	3 484
Iceland	4 227	4 661	5 155	5 521	6 351	7 263	8 238	9 130	12 116	15 933	17 443	19 277	21 556	22 937
Japan	m	22 599	25 044	27 708	30 383	32 854	1 669 923	1 746 995	1 989 048	2 065 600	2 140 810	2 065 927	1 860 444	1 933 144
Norway	20 464	21 659	22 610	23 644	25 785	27 680	29 649	32 203	30 787	32 389	34 045	35 304	37 980	41 052
Sweden	10 768	11 866	12 871	13 248	14 105	14 835	15 702	16 819	18 148	19 170	19 454	20 141	21 045	22 360
Switzerland	1 908	1 996	2 076	2 181	2 306	2 351	2 450	2 652	2 793	3 019	3 146	3 264	3 348	3 460

Table A.II.1.2.b Total public spending on Health

At current prices in national currency, millions

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993
Australia	5 869	6 545	7 076	8 498	10 555	11 863	13 235	14 523	15 896	17 491	18 734	19 799	20 926	21 968
Austria	**3 921**	**4 067**	**4 268**	**4 456**	**4 698**	**5 061**	**5 558**	**5 836**	**6 117**	**6 557**	**8 338**	**8 971**	**9 867**	**10 958**
Belgium														
Canada	16 693	19 766	23 249	25 851	27 695	29 799	32 178	34 721	37 778	41 467	44 942	48 868	51 085	51 394
Chile														
Czech Republic	15 180					19 960				26 310	30 452	38 242	43 597	69 289
Denmark	**30 861**	**34 543**	**39 377**	**41 651**	**43 438**	**47 112**	**48 220**	**52 459**	**55 617**	**57 257**	**58 030**	**60 031**	**62 461**	**65 193**
Estonia														
Finland	1 654	1 937	2 231	2 504	2 789	3 198	3 512	3 878	4 264	4 831	5 592	6 099	5 940	5 258
France	**25 034**					**46 755**					**66 173**	**70 333**	**75 216**	**79 563**
Germany	**52 266**	**56 535**	**57 731**	**59 390**	**62 950**	**66 854**	**69 822**	**72 427**	**77 592**	**76 089**	**82 521**		**128 415**	**131 002**
Greece	224							994	980	1 323	1 554	1 864	2 408	3 027
Hungary												160 600	200 500	241 000
Iceland	**884**	**1 434**	**2 355**	**4 457**	**5 329**	**7 631**	**10 732**	**14 418**	**18 927**	**22 635**	**25 105**	**27 970**	**27 783**	**28 513**
Ireland	881	1 026	1 157	1 255	1 319	1 410	1 461	1 455	1 458	1 551	1 599	1 801	2 018	2 209
Israel														
Italy									33 082	35 884	42 975	48 252	49 634	49 363
Japan	**11 162 700**	**12 082 600**	**12 996 950**	**14 075 300**	**14 531 300**	**15 295 300**	**16 273 550**	**17 237 860**	**18 067 320**	**19 043 900**	**20 261 900**	**21 839 400**	**23 304 900**	**24 836 300**
Korea	314 964	405 045	527 637	683 505	830 166	969 444	1 032 827	1 200 012	1 607 190	2 120 751	2 937 842	3 200 742	3 788 613	4 259 813
Luxembourg	209	232	253	262	284	308	331	393	419	466	523	554	614	687
Mexico											14 424	21 645	27 077	31 431
Netherlands	8 394	9 037	9 742	9 994	10 127	10 393	10 466	10 807	11 058	12 224	13 094	14 501	16 313	17 223
New Zealand	1 216	1 580	1 695	1 852	1 953	2 072	2 519	3 169	3 681	3 997	4 183	4 436	4 475	4 488
Norway	**18 628**	**21 204**	**23 798**	**26 871**	**28 711**	**31 092**	**34 988**	**40 543**	**42 920**	**44 223**	**46 564**	**52 392**	**54 697**	**56 318**
Poland											2 710	4 019	5 821	7 308
Portugal	267	340	364	398	483	690	922	1 026	1 325	1 421	2 059	2 483	2 734	3 180
Slovak Republic														
Slovenia														
Spain	4 126	4 688	5 570	6 900	7 249	7 803	8 720	9 872	12 121	13 818	16 413	18 258	20 620	22 069
Sweden	**46 068**	**50 762**	**56 094**	**62 136**	**68 140**	**70 458**	**74 629**	**80 901**	**86 848**	**96 821**	**107 189**	**110 492**	**111 169**	**115 860**
Switzerland						**9 538**	**10 203**	**10 869**	**11 719**	**13 102**	**14 201**	**16 179**	**17 603**	**18 331**
Turkey	0				0	0	1	1	2	4	9	15	28	49
United Kingdom	11 633	13 374	14 081	15 928	16 781	17 889	19 164	21 190	23 202	25 424	28 039	31 511	35 730	37 955
United States	101 227	117 198	130 032	143 582	155 996	169 575	185 604	203 162	220 015	245 150	275 064	312 773	349 793	384 977

Source : www.oecd.org/health/healthdata
OECD Health Data 2010 - Version: June 2010

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Australia	23 324	25 264	27 033	29 533	31 539	35 209	38 049	40 847	44 963	47 381	52 733	56 430	61 459	67 865
Austria	**12 011**	**12 299**	**12 559**	**13 636**	**14 484**	**15 375**	**15 860**	**16 313**	**16 777**	**17 356**	**18 341**	**19 294**	**20 038**	**21 331**
Belgium		13 433	14 144							19 661	21 813	22 411	22 969	24 530
Canada	52 023	52 238	52 325	54 404	58 371	61 209	66 991	72 253	77 172	83 589	88 962	95 349	101 576	108 425
Chile		728 447	854 950	969 178	1 126 016	1 221 516	1 402 631	1 578 078	1 705 958	1 868 529	2 046 691	2 295 867	2 672 608	3 141 876
Czech Republic	81 126	93 310	102 399	108 934	119 651	123 453	129 430	141 157	157 899	172 159	180 276	188 647	194 632	203 515
Denmark	**67 757**	**68 364**	**72 378**	**75 489**	**79 410**	**84 508**	**88 147**	**94 546**	**99 744**	**109 342**	**116 045**	**122 794**	**131 777**	**139 225**
Estonia						3 803	3 933	4 166	4 547	5 245	5 880	6 740	7 700	9 805
Finland	5 124	5 440	5 736	5 940	6 180	6 477	6 789	7 416	8 090	8 608	9 146	9 756	10 369	10 981
France	**81 433**	**98 711**	**101 255**	**103 258**	**106 586**	**110 276**	**115 252**	**121 233**	**129 799**	**137 939**	**144 843**	**151 864**	**157 005**	**163 651**
Germany	**140 841**	**152 196**	**160 157**	**158 361**	**161 178**	**165 445**	**169 292**	**175 124**	**180 770**	**184 031**	**179 829**	**184 224**	**188 074**	**194 337**
Greece	3 458	4 003	4 457	4 855	5 159	5 807	6 444	7 832	8 264	9 208	9 509	11 212	12 616	13 212
Hungary	317 400	352 300	405 000	482 500	551 704	606 479	664 488	754 414	912 575	1 141 433	1 205 237	1 323 477	1 395 516	1 328 712
Iceland	**29 687**	**31 269**	**33 138**	**34 972**	**42 130**	**50 011**	**52 645**	**58 380**	**67 879**	**71 344**	**74 638**	**78 807**	**87 431**	**98 160**
Ireland	2 339	2 560	2 734	3 222	3 610	4 133	4 841	6 016	7 059	7 906	8 741	9 357	10 077	10 989
Israel		14 818	17 722	19 387	20 668	21 995	23 740	25 543	26 748	26 410	26 654	27 622	28 910	29 786
Italy	49 073	48 659	52 273	56 879	59 332	62 110	69 639	76 550	80 455	83 017	91 472	97 379	102 571	102 762
Japan	**25 957 100**	**28 190 468**	**29 414 100**	**29 354 152**	**29 718 844**	**30 439 404**	**31 435 615**	**32 314 548**	**31 896 184**	**32 299 437**	**32 754 617**	**33 860 946**	**33 309 886**	**34 254 816**
Korea	4 848 501	5 923 228	7 521 910	8 742 569	9 859 082	11 651 526	13 148 257	18 070 699	19 012 841	20 804 455	22 783 555	25 832 697	30 251 650	34 111 704
Luxembourg	710	777	829	849	912	1 040	1 149	1 263	1 472	1 751	2 010	2 100	2 237	
Mexico	37 065	43 697	53 634	74 742	94 912	122 868	142 155	155 610	169 392	192 961	231 048	243 800	265 886	296 166
Netherlands	17 611	18 059	17 376	18 450	18 744	19 589	20 981	23 333	25 773					
New Zealand	4 870	5 160	5 342	5 750	6 183	6 490	6 984	7 455	8 319	8 741	9 724	10 775	11 934	12 840
Norway	**58 381**	**62 602**	**68 055**	**76 436**	**86 715**	**95 530**	**102 896**	**113 025**	**125 239**	**133 577**	**140 578**	**147 784**	**156 465**	**170 646**
Poland	9 787	13 460	18 218	20 787	23 204	27 153	28 781	32 840	36 460	36 797	39 336	42 341	45 945	53 601
Portugal	3 477	4 137	4 741	5 169	5 700	6 362	7 846	8 156	8 800	9 851	10 356	10 880	11 041	
Slovak Republic				1 266	1 356	1 450	1 532	1 665	1 845	2 087	2 402	2 585	2 761	3 186
Slovenia		600	695	792	889	998	1 136	1 304	1 467	1 559	1 657	1 740	1 851	1 939
Spain	22 774	24 031	25 589	26 781	28 509	30 561	32 550	35 079	37 695	44 957	48 603	53 145	58 652	63 854
Sweden	**117 286**	**124 884**	**132 154**	**133 149**	**140 992**	**150 279**	**157 306**	**170 654**	**184 707**	**195 150**	**197 461**	**204 504**	**214 555**	**227 964**
Switzerland	**18 915**	**19 153**	**20 411**	**20 997**	**21 761**	**22 665**	**23 748**	**25 943**	**27 360**	**28 745**	**29 784**	**30 946**	**31 202**	**32 623**
Turkey	96	184	399	870	1 815	3 047	5 190	8 438	13 270	17 462	21 389	23 987	30 116	34 530
United Kingdom	40 054	42 003	44 377	44 248	47 211	51 817	54 534	59 352	65 168	71 055	78 468	84 770	91 848	96 713
United States	419 691	448 179	472 474	493 826	508 415	534 750	573 352	636 137	692 319	746 431	804 414	862 802	937 878	1 000 582

Source : www.oecd.org/health/healthdata
OECD Health Data 2010 - Version: June 2010

Finally, indicators on voluntary private social health expenditure are estimates on the benefits to recipients that derive from private health plans which contain an element of redistribution (such private health insurance plan are often employment-based and/or tax-advantaged). The estimates are based on OECD *Health Data* (see Private insurance, within Health expenditure by sources of funds). Available data on individual payments does not distinguish between individual co-payments and other out-of-pocket health expenditure. But the OECD Health Data are being refined to cover this distinction in future. By not including data on individual payments, it is thus implicitly assumed that none of the individual payments (including co-payments) are in any way subject to redistribution. This is a very strong assumption, which is unlikely to fully reflect reality, but it was judged more realistic than the alternative – to include all individual payments. The estimates on private social health benefits may thus somewhat underestimate the "true" social extent of health-care provisions.

AII.1.3. OECD Labour Market Programmes database

Data on public spending on ALMPs (social policy area (or branch) "6" in SOCX) are taken from the OECD database on Labour Market Programmes. This database has recently been restructured to identify seven "active" categories:

1. PES and administration
2. Training
3. Job rotation and job training
4. Employment incentives
5. Supported employment and rehabilitation
6. Direct Job Creation
7. Start-Up Incentives.

To ensure consistency with the historical series as in SOCX, data prior to 1998 (for Eurostat countries) and prior to 2001 (for non-Eurostat countries) have been regrouped in the "new" classification system (see Grubb and Puymoyen, 2008, for more detail):

See also Statistical annex of OECD(2011*b*) Employment Outlook via *www.oecd.org/els/employment/outlook*.

AII.1.4. OECD Education database

For reasons of comprehensiveness, SOCX collects for most countries spending figures from OECD Education database on Childcare and early education services (ISCED0) – see non-shaded background in Table A.II.1.4. All available data on public financial support for families with children participating in both formal day-care services (*i.e.,* crèches, day-care centres and family day-care for children under 3) and pre-school institutions (including kindergartens and day-care centres for children aged from 3 to 6) are included, from 1998 only in general, from which ISCED97 started.

To get a good comparison of childcare support, account has been taken of cross-national differences in the compulsory age of entry into primary school. For example, in some (Nordic) countries children enter primary school at age 7, while 6 year olds attend pre-primary school the year beforehand. In order to improve the comparison, expenditure on these 6 year olds was excluded (sometimes using estimates derived on basis of available data on spending on education and the number of 6 year olds). Similarly, for countries where children enter school at age 5 (and which were not already included in the childcare and pre-school data) pre-school expenditure data for Australia, New Zealand and the United Kingdom was adjusted by adding up the expenditure on 5 year olds enrolled in primary school – see adjustments in Table A.II.1.4.

Table A.II.1.4. Public spending on pre-primary education, millions national currency

	SOCX adjusted Child care (pre-primary education)										=	Child care (pre-primary education ISCED 0)										+		Adjustment								
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007			1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Australia	1 127.9	1 411.1	1 458.1	1 609.3	1 772.2	1 869.7	1 943.8	2 026.7	2 035.2	2 328.1		203.8	362.4	355.8	500.3	536.9	572.1	579.8	561.1	496.6	453.0	plus 4 & 5 y.c		924.1	1 048.7	1 102.3	1 109.0	1 235.3	1 297.6	1 364.0	1 465.6	1 538.6	1 875.1
Austria	..	..	..	..	..	..	..	..	..	..												less 6 y.o		-157.5	-146.9	-137.5	-132.3	-137.7	-140.0	-142.0	-153.7	-150.6	-159.3
Belgium	1 002.1	1 081.0	1 128.5	1 398.3	1 489.4	1 572.5	1 642.8	1 692.0	1 787.3	1 884.9		1 017.3	1 097.4	1 145.7	1 419.4	1 511.7	1 597.3	1 670.3	1 719.7	1 817.5	1 916.5	less 6 y.o		-15.2	-16.4	-17.2	-21.1	-22.2	-24.8	-27.5	-27.7	-30.2	-31.6
Canada	1 985.9	2 102.2	2 130.4	2 141.3	*2 152.3*	*2 163.3*	*2 174.4*	*2 185.6*	1 784.4	2 474.3		1 985.9	2 102.2	2 130.4	2 141.3	*2 152.3*	*2 163.3*	*2 174.4*	*2 185.6*	1 784.4	2 474.3												
Chile	m	77 445.7	85 771.1	112 397.9	120 984.2	133 182.0	148 857.1	186 300.7	220 157.6	378 440.9		108 474.3	118 591.8	129 695.5	169 188.8	179 794.9	194 658.8	216 280.0	265 186.6	316 995.8	399 103.4	less 6 y.o			-41 146.1	-43 924.4	-56 790.9	-58 810.7	-61 476.8	-67 422.9	-78 886.0	-96 838.1	-20 662.5
Czech Republic	6 554.1	7 118.4	7 276.9	7 463.8	8 396.2	8 695.5	9 273.6	10 295.7	11 036.3	11 640.8		8 235.1	8 997.4	9 224.0	9 307.3	10 354.0	10 605.1	11 296.4	12 472.4	13 293.1	13 979.0	less 6 y.o		-1 681.0	-1 879.0	-1 947.1	-1 843.5	-1 957.8	-1 909.6	-2 022.8	-2 176.7	-2 256.8	-2 338.2
Denmark	7 880.2	6 182.2	6 566.3	7 098.2	7 220.3	7 567.5	8 294.7	7 863.1	7 146.0	7 918.8		10 850.0	8 734.0	9 169.0	9 847.0	9 945.0	10 438.0	11 441.0	11 088.0	10 067.3	11 180.0	less 6 y.o		-2 969.8	-2 551.8	-2 602.7	-2 748.8	-2 724.7	-2 870.5	-3 146.3	-3 224.9	-2 921.2	-3 261.3
Estonia	m	m	*117.8*	*154.4*	*202.4*	*265.2*	*347.5*	455.4	526.3	655.9		m	m	*163*	*213*	*280*	*366*	480.0	629.0	732.0	924.0	less 6 y.o		m	*m*	*-44.9*	-58.9	-77.2	*-101.1*	*-132.5*	-173.6	-205.7	-268.1
Finland	286.2	253.2	282.5	258.3	267.8	281.1	300.0	317.9	331.9	359.6		459.5	408.2	450.7	454.6	479.9	498.9	525.6	545.3	567.2	604.0			-173.3	-155.0	-168.1	-196.3	-212.1	-217.9	-225.6	-227.4	-235.4	-244.4
France	8 417.1	8 690.6	8 977.6	9 211.9	9 550.2	10 531.5	11 244.4	11 015.2	11 372.6	12 143.2		8 452.8	8 726.0	9 015.8	9 251.4	9 587.9	10 571.3	11 293.1	11 077.4	11 439.0	12 213.6	less 6 y.o		-35.7	-35.4	-38.2	-39.4	-37.7	-39.8	-48.7	-62.2	-66.4	-70.4
Germany	5 724.6	5 111.3	5 050.6	5 556.3	7 104.8	6 410.1	6 634.3	6 856.0	7 501.8	8 017.4		6 960.6	6 966.0	6 731.4	7 284.0	8 368.6	7 623.0	7 886.7	8 127.3	8 577.3	9 157.3	less 6 y.o		-1 236.1	-1 854.7	-1 680.8	-1 727.7	-1 263.9	-1 212.8	-1 252.4	-1 271.3	-1 075.5	-1 139.9
Greece	..	..	..	..	..	..	..	..	..	..																							
Hungary	53 605.2	61 928.5	65 687.7	75 445.3	91 330.7	112 801.7	120 870.7	130 575.7	137 491.6	133 692.5		69 639.0	80 508.0	85 790.0	99 474.0	121 579.0	148 270.0	158 515.0	170 317.2	177 595.0	173 466.3	less 6 y.o		-16 033.8	-18 579.5	-20 102.3	-24 028.7	-30 248.3	-35 468.3	-37 644.3	-39 741.5	-40 103.4	-39 773.8
Iceland	2 512.9	2 788.4	3 213.7	3 988.8	4 044.0	4 183.9	4 387.8	5 201.6	7 220.0	8 776.7		2 512.9	2 788.4	3 213.7	3 988.8	4 044.0	4 183.9	4 387.8	5 201.6	7 220.0	8 776.7												
Ireland	1.9	2.2	2.4	2.8	3.4	3.8	4.3	4.7	5.0	5.4		1.9	2.2	2.4	2.8	3.4	3.8	4.3	4.7	5.0	5.4												
Israel	2 475.6	2 638.3	2 739.8	3 006.6	3 459.8	3 517.3	3 658.8	3 748.3	4 042.8	4 093.2		2 556.0	2 735.0	2 829.0	3 089.0	3 578.0	3 626.0	3 803.0	3 940.0	4 282.0	4 310.0	less 6 y.o		-80.4	-96.7	-89.2	-82.4	-118.2	-108.7	-144.2	-191.7	-239.2	-216.8
Italy	4 475.5	4 848.1	5 374.8	5 898.5	5 096.6	5 929.2	6 261.6	6 514.5	7 453.2	7 257.9		4 475.5	4 848.1	5 428.5	5 918.3	5 120.0	5 953.9	6 290.7	6 541.8	7 488.2	7 292.1	less 6 y.o		0.0	0.0	-53.7	-19.8	-23.4	-24.6	-29.1	-27.4	-35.0	-34.3
Japan	438 262.5	444 138.8	479 898.6	471 021.7	470 531.7	473 610.2	466 948.2	467 065.7	463 152.9	460 146.3		438 262.5	444 138.8	479 898.6	471 021.7	470 531.7	473 610.2	466 948.2	467 065.7	463 152.9	460 146.3												
Korea	185 161.5	168 563.2	205 915.0	376 579.1	357 257.7	400 929.7	469 899.3	572 682.3	851 133.8	1 031 018.7		191 641.0	168 635.3	205 990.0	376 686.5	357 368.5	401 018.2	476 178.1	575 806.0	858 529.3	1 043 751.0	less 6 y.o		-6 479.5	-72.1	-75.0	-107.5	-110.8	-88.5	-6 278.8	-3 123.7	-7 395.5	-12 732.3
Luxembourg	..	..	..	..	..	..	..	..	..	..																							
Mexico	12 257.6	19 963.2	25 813.5	27 078.8	32 706.3	45 867.1	40 867.2	47 826.6	55 407.3	57 133.6		12 368.9	20 078.4	25 967.5	27 216.3	32 855.7	46 085.6	41 038.1	48 170.9	55 685.9	57 878.9	less 6 y.o		-111.3	-115.2	-154.1	-137.5	-149.4	-218.4	-170.9	-344.3	-278.6	-745.3
Netherlands	1 269.6	1 330.8	1 468.7	1 668.6	1 858.7	2 047.9	2 070.5	2 177.9	2 191.5	2 189.3		1 269.6	1 330.8	1 468.7	1 668.6	1 858.7	2 047.9	2 070.5	2 177.9	2 191.5	2 189.3												
New Zealand	555.5	549.9	564.4	561.0	610.3	650.2	709.1	747.4	792.9	986.6		233.5	224.4	221.6	222.0	264.7	271.0	316.3	361.0	400.8	626.7	plus 5 y.o		322.0	325.5	342.8	339.0	345.6	379.2	392.7	386.4	392.1	360.0
Norway	6 434.2	9 562.1	10 601.8	*11 720.5*	12 736.7	4 561.0	5 108.8	5 575.6	6 502.9	6 576.6		6 466.0	9 597.0	10 652.0	*11 720.5*	12 789.0	4 580.1	5 128.6	5 595.0	6 526.3	6 597.3	less 6 y.o		-31.8	-34.9	-50.2	0.0	-52.3	-19.1	-19.8	-19.4	-23.4	-20.7
Poland	1 308.1	1 408.4	1 721.3	1 609.7	1 691.9	2 015.7	2 578.1	2 816.8	3 078.5	3 351.4		2 866.3	2 967.3	3 582.2	3 351.1	3 460.7	4 047.7	5 040.2	5 331.2	5 614.2	5 912.5	less 6 y.o		-1 558.2	-1 558.9	-1 860.8	-1 741.4	-1 768.8	-2 032.0	-2 462.1	-2 514.4	-2 535.7	-2 561.1
Portugal	230.9	310.2	344.3	397.2	437.6	545.8	561.0	588.5	593.6	604.1		235.0	315.5	349.9	406.3	446.0	552.7	566.7	594.7	601.0	610.4	less 6 y.o		-4.1	-5.3	-5.6	-9.1	-8.3	-7.0	-5.7	-6.2	-7.4	-6.3
Slovak Republic	m	118.5	109.2	124.1	143.3	164.3	149.3	161.4	169.1	189.7		m	4 210.4	3 901.8	4 434.8	5 092.2	5 844.4	5 326.9	5 764.3	6 060.8	6 819.9	less 6 y.o			-641.8	-611.4	-695.3	-776.5	-893.8	-828.6	-901.8	-966.7	-1 105.9
Slovenia	m	m	m	m	m	m	m	138.5	163.0	197.5		m	m	m	m	m	m	129.3	136.0	158.2	193.6	less 6 y.o		m	m	m	m	m	m	m	2.6	4.8	3.9
Spain	1 823.0	1 869.6	2 330.9	2 672.0	3 077.8	3 610.2	4 052.1	4 756.1	5 385.9	6 210.4		1 823.8	1 874.5	2 331.9	2 677.3	3 083.1	3 619.2	4 067.7	4 769.2	5 392.1	6 218.2	less 6 y.o		-0.8	-4.9	-1.0	-5.4	-5.3	-9.0	-15.6	-13.1	-6.2	-7.9
Sweden	7 538.9	7 422.4	7 053.4	7 176.4	8 353.6	8 685.2	9 689.5	10 888.4	12 798.3	14 166.5		11 155.0	11 534.0	10 642.0	10 778.0	12 273.0	12 344.0	13 389.0	14 906.0	17 481.0	18 675.0	less 6 y.o		-3 616.1	-4 111.6	-3 588.6	-3 601.6	-3 919.4	-3 658.8	-3 699.5	-4 017.6	-4 682.7	-4 508.5
Switzerland	484.8	494.1	566.9	576.1	608.5	612.7	606.2	663.7	699.6	711.4		774.0	788.0	879.3	880.6	916.1	920.1	896.4	962.8	999.5	1 021.9	less 6 y.o		-289.3	-294.0	-312.4	-304.5	-307.6	-307.4	-290.2	-299.1	-299.9	-310.5
Turkey	..	..	..	..	..	..	..	..	..	..																							
United Kingdom	4 935.6	5 054.8	5 455.5	6 048.5	6 524.0	6 098.5	6 962.5	6 889.4	8 064.8	9 208.7		3 347.2	3 479.8	3 778.3	4 250.0	4 538.4	3 711.2	3 947.9	3 232.2	4 060.2	4 802.9	plus 5 y.o		1 588.4	1 575.0	1 677.2	1 798.5	1 985.6	2 387.3	3 014.5	3 657.2	4 004.6	4 405.7
United States	28 442.8	29 650.8	31 844.4	34 088.4	36 424.8	32 161.4	32 462.5	33 342.3	38 293.5	42 692.6		30 384.6	31 884.0	33 980.4	36 675.3	39 011.1	34 123.9	35 285.1	36 349.4	41 640.8	46 339.9	less 6 y.o		-1 941.8	-2 233.2	-2 136.0	-2 586.9	-2 586.4	-1 962.5	-2 822.6	-3 007.1	-3 347.2	-3 647.2

Note: Shaded figures were not added in SOCX, as they were already included in ESSPROS; ISCED = International Standard Classification of Education.
Source: OECD Education database (www.oecd.org/education/database).

ANNEX II.2. HOW TO ACCESS SOCX ELECTRONICALLY?

As described in SOCX home webpage www.oecd.org/els/social/expenditure, SOCX data is now available using OECD.Stat available via *http://stats.oecd.org*

then click on Theme >Social and Welfare Statistics >>Social Protection

select appropriate SOCX dataset, then click on OPEN

A OECD.Stat "user guide" can be found at top-right of OECD.Stat home page.

SOCX2007 contains three datasets:

- SOCX-AGG for main aggregates
- SOCX-REF for reference series used for calculating aggregates
- SOCX-DET for detailed expenditure at the programme level
  via OECD.Stat and for OECD/OLIS users
  via http://dx.doi.org/10.1787/socx-data-en for other public.

See next pages for more information on each dataset.

Default views are as follows:
- years 1980, 1985, 1990, 1995, 2000, 2001, 2002, 2003, 2004, 2005, 2006 and 2007 - data for intervening years are also available by changing the Year selection at top-right of the page.
- all countries are selected for aggregated and reference series datasets.

Default selections can be modified by double-clicking on appropriate variable and selecting appropriate item(s) in the left menu.

Missing values are presented as follows:

m data not available;
a data do not exist;
x data included in another category.

! Tips:
- all variables can be moved using "drag & drop" in headers/columns/lines as in a pivot-table;
- meta-data information are available by clicking on "**i**" next to specific variable/item;
- any table can be exported into Excel / Text file by clicking on appropriate icon at top-right of table
- French version of datasets is available by clicking on "*version française*" at top-right of screen.

AII.2.1 SOCX aggregated data are available in OECD.Stat via
http://stats.oecd.org/wbos/default.aspx?datasetcode=SOCX_AGG

Aggregated data are available by: (codes in brackets)

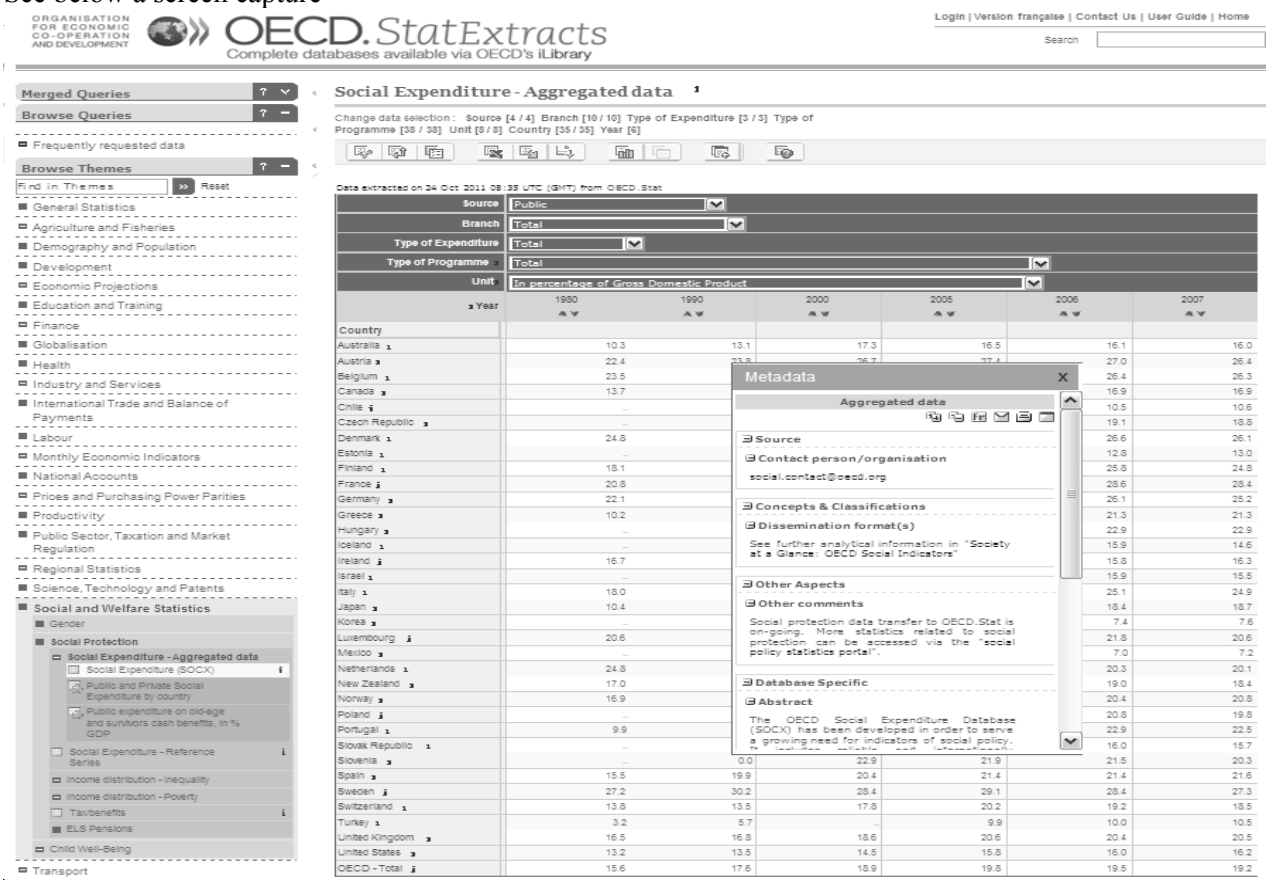
- source: Public (10), Mandatory private (20), both public and mandatory private (10_20) Or Voluntary private (30)
- branch: each 9 social policy area 1 to 9, or Total (90)
- type of expenditure: Cash benefits (1), Benefits in kind, or Total (0)
- type of programme: each of the 36 sub-areas (Table 4.1), or Total (0)
  to view data by type of program "xyz", select: branch "x" and type of expenditure "y"
- unit, as follows:

		Source	Branch	Type of expenditure	Type of programme
at current prices in national currency, in millions	NCUR	x	x	x	x
at constant prices (2000) in national currency, in millions	NCST	x	x	x	x
per head, at current prices and current PPPs, in US dollars	PPPH	x	x	x	x
per head, at constant prices (2000) and constant PPPs (2000), in US dollars	PPPVH	x	x	x	x
in percentage of GDP	PCT_GDP	x	x	x	x
in percentage of GNI	PCT_GNI	x	x	x	x
in percentage of NNI	PCT_NNI	x	x	x	x
in percentage of GOV	PCT_GOV	x	x	x	x

x: available.
See reference series for notes and sources.

- country: each of 34 OECD countries, or Total
- year: any year from 1980 to 2007

See below a screen capture



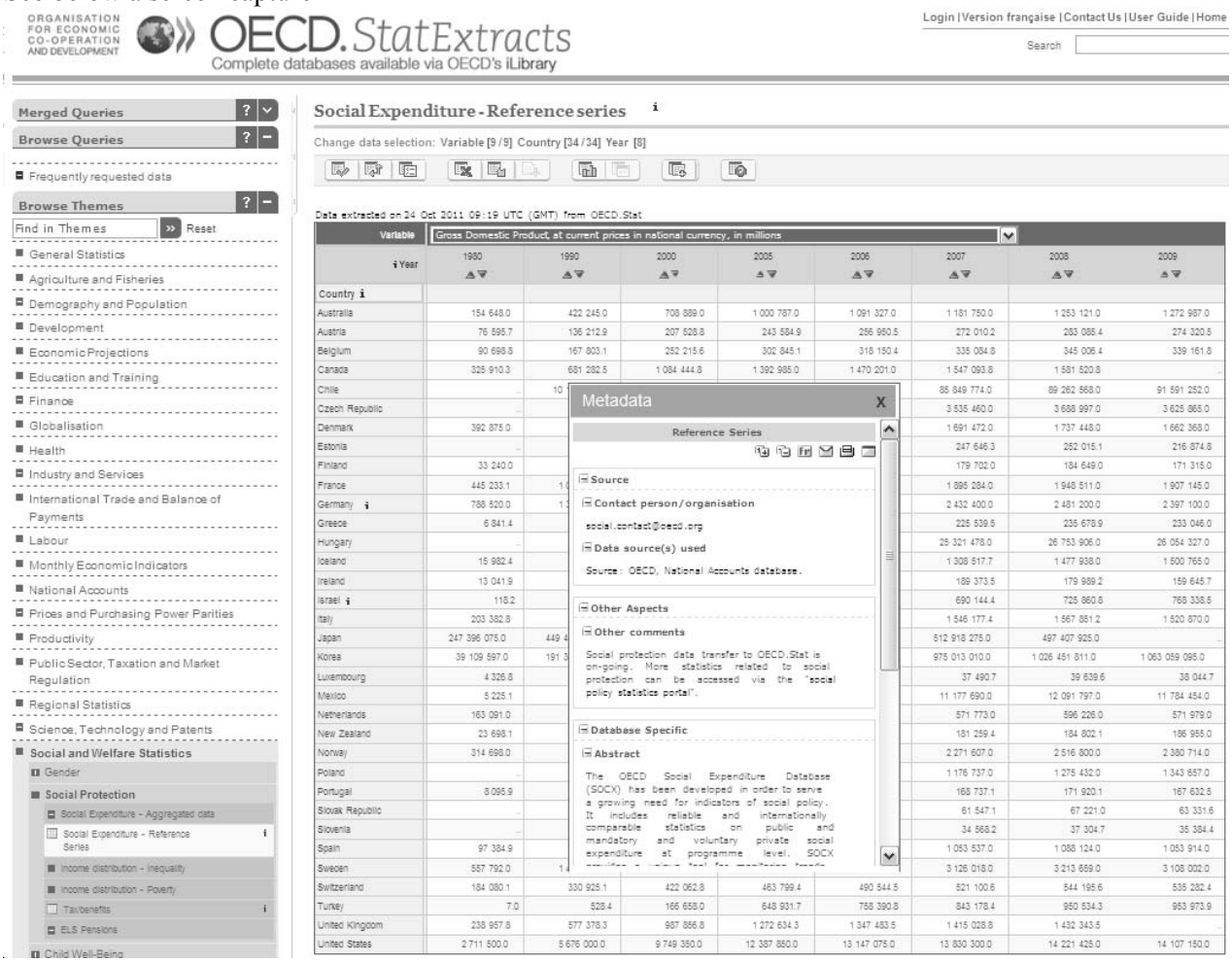
AII.2.2. SOCX Reference series are available in OECD.Stat via *http://stats.oecd.org/wbos/default.aspx?datasetcode=SOCX_REF*

Reference series are available as follows:

- GDP: Gross Domestic Product at current prices in national currency, in millions
- GDPV: Gross Domestic Product at 2000 prices in national currency, in millions
- DEFL: Deflator for GDP, I(2000) = 100
- GNI: Gross national income at market prices, at current prices in national currency, in millions
  = GDP at market prices
  + Taxes less subsidies on production and imports (net, receivable from abroad)
  + Compensation of employees (net, receivable from abroad)
  + Property income (net, receivable from abroad)
- GOV: Total general government expenditure, at current prices in national currency, in millions
- PPP: Purchasing Power Parities (PPP) for GDP, National currency per US dollar
- EXC: Exchange rates, National currency per US dollar
- POP: Population, Mid-year estimates, in thousands

Source: OECD, National Accounts database.

See below a screen capture



A.II.2.3. SOCX Detailed expenditure at the programme level are available in OECD.Stat:

- for OECD-OLIS users via http://dotstat.oecd.org/wbos/Index.aspx?DataSetCode=SOCX_DET
- for other public: via http://dx.doi.org/10.1787/socx-data-en

Detailed expenditures at programme level are available in OECD.stat and .IVT at:
- at current prices in national currency, in millions (NatCur)

Detailed expenditures at programme level are also available in .XLS at:
- at constant (2000) prices in national currency, in millions (NatCst)
- per head, at current prices and current PPPs, in US dollars (PPPH)
- per head, at constant prices and PPPs (2000), in US dollars (PPPVH)
- in percentage of Gross Domestic Product (PCT_GDP)
- in percentage of Gross National Income (PCT_GNI)
- in percentage of Net National Income (PCT_NNI)
- in percentage of Total general government expenditure (PCT_GOV)

Each social programme has a "unique" code, made of 6 components:

Name of programme =

"Country code" . "Source" . "branch" . "type of expenditure" . " type of programme" . "number of programme"

with: (codes in brackets)

- country: ISO country code

Australia (36),	Austria (40),	Belgium (56),	Canada (124),	Czech Rep. (203),
Denmark (208),	Finland (246),	France (250),	Germany (276),	Greece (300),
Hungary (348),	Iceland (352),	Ireland (372),	Italy (380),	Japan (392),
Korea (410),	Luxembourg (442),	Mexico (484),	Netherlands (528),	New Zealand (554),
Norway (578),	Poland (616),	Portugal (620),	Slovak Rep. (703),	Spain (724),
Sweden (752),	Switzerland (756),	Turkey (792),	Un. Kingdom (826),	Un. States (840).

4 New OECD members have been included:

Chile (152),	Estonia (233),	Israel (376),	Slovenia (705).

- source: Public (10), Mandatory private (20), or Voluntary private (30)
- branch: each 9 social policy area 1 to 9, or Total (90)
- type of expenditure: Cash benefits (1), Benefits in kind, or Total (0)
- type of programme: each of the 36 sub-areas (Table 3.1), or Total (0)
- then a "number of programme" starting from "1" in each "type of programme".

Last but not least, "country-notes" - presenting country-specific sources and definitions of social programmes - are available in both English and French as related files in OECD.Stat and in the documentation package in http://dx.doi.org/10.1787/socx-data-en

OECD SOCIAL, EMPLOYMENT AND MIGRATION WORKING PAPERS

Most recent releases are:

No. 123 *AGGREGATE EARNINGS AND MACROECONOMIC SHOCKS* Andrea Bassanini (2011)

No. 122 *REDISTRIBUTION POLICY AND INEQUALITY REDUCTION IN OECD COUNTRIES: WHAT HAS CHANGED IN TWO DECADES?* Herwig Immervoll, Linda Richardson (2011)

No. 121 *OVER-QUALIFIED OR UNDER-SKILLED* Glenda Quintini (2011)

No. 120 *RIGHT FOR THE JOB* Glenda Quintini (2011)

No.119 *THE MORAL-HAZARD AND LIQUIDITY EFFECTS OF UNEMPLOYMENT COMPENSATION IN BRAZIL: EVIDENCE AND POLICY IMPLICATIONS* Andrea Bassanini (2011)

No. 118 *EARLY MATERNAL EMPLOYMENT AND CHILD DEVELOPMENT IN FIVE OECD COUNTRIES* Maria del Carmen Huerta, Willem Adema, Jennifer Baxter, Miles Corak, Mette Deding, Matthew C. Gray, Wen-Jui Han, Jane Waldfogel (2011)

No. 117 *WHAT DRIVES INFLOWS INTO DISABILITY?EVIDENCE FROM THREE OECD COUNTRIES* Ana Llena-Nozal and Theodora Xenogiani (2011)

No. 116 *COOKING, CARING AND VOLUNTEERING: UNPAID WORK AROUND THE WORLD* Veerle Miranda (2011)

No. 115 *THE ROLE OF SHORT-TIME WORK SCHEMES DURING THE 2008-09 RECESSION* Alexander Hijzen and Danielle Venn (2010)

No. 114 *INTERNATIONAL MIGRANTS IN DEVELOPED, EMERGING AND DEVELOPING COUNTRIES: AN EXTENDED PROFILE* Jean-Christophe Dumont, Gilles Spielvogel and Sarah Widmaier (2010)

No. 113 *ACTIVATION POLICIES IN JAPAN* Nicola Duell, David Grubb, Shruti Singh and Peter Tergeist (2010)

No. 112 *ACTIVATION POLICIES IN SWITZERLAND* Nicola Duell and Peter Tergeist with contributions from Ursula Bazant and Sylvie Cimper (2010)

No. 111 *ECONOMIC DETERMINANTS AND CONSEQUENCES OF CHILD MALTREATMENT* Lawrence M. Berger, Jane Waldfogel (forthcoming)

No. 110 *DISTRIBUTIONAL CONSEQUENCES OF LABOR DEMAND ADJUSTMENTS TO A DOWNTURN: A MODEL-BASED APPROACH WITH APPLICATION TO GERMANY 2008-09* Herwig Immervoll, Olivier Bargain, Andreas Peichl, Sebastian Siegloch (2010)

No. 109 *DECOMPOSING NOTIONAL DEFINED-CONTRIBUTION PENSIONS: EXPERIENCE OF OECD COUNTRIES' REFORMS* Edward Whitehouse (2010)

No. 108 *EARNINGS OF MEN AND WOMEN WORKING IN THE PRIVATE SECTOR: ENRICHED DATA FOR PENSIONS AND TAX-BENEFIT MODELING* Anna Cristina D'Addio and Herwig Immervoll (2010)

No. 107 *INSTITUTIONAL DETERMINANTS OF WORKER FLOWS: A CROSS-COUNTRY/CROSS-INDUSTRY APPROACH* Andrea Bassanini, Andrea Garnero, Pascal Marianna, Sebastien Martin (2010)

No. 106 *RISING YOUTH UNEMPLOYMENT DURING THE CRISIS: HOW TO PREVENT NEGATIVE LONG-TERM CONSEQUENCES ON A GENERATION?* Stefano Scarpetta, Anne Sonnet and Thomas Manfredi (2010)

No. 105 *TRENDS IN PENSION ELIGIBILITY AGES AND LIVE EXPECTANCY, 1950-2050*
Rafal Chomik and Edward Whitehouse (2010)

No. 104 *ISRAELI CHILD POLICY AND OUTCOMES*
John Gal, Mimi Ajzenstadt, Asher Ben-Arieh, Roni Holler and Nadine Zielinsky (2010)

No. 103 *REFORMING POLICIES ON FOREIGN WORKERS IN ISRAEL*
Adriana Kemp (2010)

No. 102 *LABOUR MARKET AND SOCIO-ECONOMIC OUTCOMES OF THE ARAB-ISRAELI POPULATION*
Jack Habib, Judith King, Asaf Ben Shoham, Abraham Wolde-Tsadick and Karen Lasky (2010)

No. 101 *TRENDS IN SOUTH AFRICAN INCOME DISTRIBUTION AND POVERTY SINCE THE FALL OF APARTHEID*
Murray Leibbrandt, Ingrid Woolard, Arden Finn and Jonathan Argent (2010)

No. 100 *MINIMUM-INCOME BENEFITS IN OECD COUNTRIES: POLICY DESIGN, EFFECTIVENESS AND CHALLENGES*
Herwig Immervoll (2009)

No. 99 *HAPPINESS AND AGE CYCLES – RETURN TO START…? ON THE FUNCTIONAL RELATIONSHIP BETWEEN SUBJECTIVE WELL-BEING AND AGE*
Justina A.V. Fischer (2009)

No. 98 *ACTIVATION POLICIES IN FINLAND*
Nicola Duell, David Grubb and Shruti Singh (2009)

No. 97 *CHILDREN OF IMMIGRANTS IN THE LABOUR MARKETS OF EU AND OECD COUNTRIES: AN OVERVIEW*
Thomas Liebig and Sarah Widmaier (2009)

A full list of Social, Employment and Migration Working Papers is available at *www.oecd.org/els/workingpapers*.

Other series of working papers available from the OECD include: *OECD Health Working Papers*.

RECENT RELATED OECD PUBLICATIONS:

EQUAL OPPORTUNITIES? The Labour Market Integration of the Children of Immigrants (2010), *via* OECD Bookshop

OECD REVIEWS OF LABOUR MARKET AND SOCIAL POLICIES: ESTONIA (2010), *www.oecd.org/els/estonia2010*

JOBS FOR YOUTH: GREECE (2010), *www.oecd.org/employment/youth*

JOBS FOR YOUTH: DENMARK (2010), *www.oecd.org/employment/youth*

OECD REVIEWS OF LABOUR MARKET AND SOCIAL POLICIES: ISRAEL (2010), *www.oecd.org/els/israel2010*

JOBS FOR YOUTH: UNITED STATES (2009), *www.oecd.org/employment/youth*

JOBS FOR YOUTH: POLAND (2009), *www.oecd.org/employment/youth*

OECD EMPLOYMENT OUTLOOK: Tackling the Jobs Crisis (2009), *www.oecd.org/els/employment/outlook*

DOING BETTER FOR CHILDREN (2009), *www.oecd.org/els/social/childwellbeing*

SOCIETY AT A GLANCE – ASIA/PACIFIC EDITION (2009), *www.oecd.org/els/social/indicators/asia*

OECD REVIEWS OF LABOUR MARKET AND SOCIAL POLICIES: SLOVENIA (2009), *www.oecd.org/els/slovenia2009*

INTERNATIONAL MIGRATION OUTLOOK: SOPEMI (2010) *www.oecd.org/els/migration/imo*

PENSIONS AT A GLANCE 2009: Retirement-Income Systems in OECD Countries (2009), *www.oecd.org/els/social/pensions/PAG*

JOBS FOR YOUTH: FRANCE (2009), *www.oecd.org/employment/youth*

SOCIETY AT A GLANCE 2009 – OECD Social Indicators (2009), *www.oecd.org/els/social/indicators/SAG*

JOBS FOR YOUTH: AUSTRALIA (2009), *www.oecd.org/employment/youth*

OECD REVIEWS OF LABOUR MARKET AND SOCIAL POLICIES: CHILE (2009), *www.oecd.org/els/chile2009*

PENSIONS AT A GLANCE – SPECIAL EDITION: ASIA/PACIFIC (2009), *www.oecd.org/els/social/pensions/PAG*

SICKNESS, DISABILITY AND WORK: BREAKING THE BARRIERS (VOL. 3) – DENMARK, FINLAND, IRELAND AND THE NETHERLANDS (2008), *www.oecd.org/els/disability*

GROWING UNEQUAL? Income Distribution and Poverty in OECD Countries (2008), *www.oecd.org/els/social/inequality*

JOBS FOR YOUTH: JAPAN (2008), *www.oecd.org/employment/youth*

JOBS FOR YOUTH: NORWAY (2008), *www.oecd.org/employment/youth*

JOBS FOR YOUTH: UNITED KINGDOM (2008), *www.oecd.org/employment/youth*

JOBS FOR YOUTH: CANADA (2008), *www.oecd.org/employment/youth*

JOBS FOR YOUTH: NEW ZEALAND (2008), *www.oecd.org/employment/youth*

JOBS FOR YOUTH: NETHERLANDS (2008), *www.oecd.org/employment/youth*

For a full list, consult the OECD online Bookshop at *www.oecd.org/bookshop*.