

The OECD  
Social Expenditure database (SOCX)  
and *(forthcoming)*  
Social Benefit Recipients database

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SOCX via [www.oecd.org/els/social/expenditure](http://www.oecd.org/els/social/expenditure)

# Outline of presentation

- **Social Expenditure database (SOCX)**
  - What is SOCX: background, structure, sources, definition
  - Trends and composition of public spending, impact of crisis
  - Private spending and the impact of the tax system
  - Other sources: EUROSTAT-Esspros , ILO-SSI , ADB-SPI, ESCWA
  
- *(forthcoming)* **Social Benefit Recipients database**
  - from Administrative records: benefit participation, coverage rates
  - from Surveys

# What is SOCX ?

- Developed in the 1990s, SOCX is a tool to
  - monitor trends in social expenditure
  - analyse changes in the composition of social expenditure
- SOCX includes reliable and internationally comparable statistics on public and private social expenditure
  - at the programme level
- SOCX covers 34 OECD countries,  
with spending figures from 1960-80 to 2009,  
and estimates for 2010-2012

# The structure of SOCX

<b>1.0.0.0</b>	<b>OLD AGE</b>
1.1.0.0	Cash benefits
1.1.1.0	Pension
1.1.2.0	Early retirement pension
1.1.3.0	Other cash benefits
1.2.0.0	Benefits in kind
1.2.1.0	Residential care / Home-help services
1.2.2.0	Other benefits in kind
<b>2.0.0.0</b>	<b>SURVIVORS</b>
2.1.0.0	Cash benefits
2.1.1.0	Pension
2.1.2.0	Other cash benefits
2.2.0.0	Benefits in kind
2.2.1.0	Funeral expenses
2.2.2.0	Other benefits in kind
<b>3.0.0.0</b>	<b>INCAPACITY-RELATED BENEFITS</b>
3.1.0.0	Cash benefits
3.1.1.0	Disability pensions
3.1.2.0	Pensions (occupational injury and disease)
3.1.3.0	Paid sick leave (occupational injury and disease)
3.1.4.0	Paid sick leave (other sickness daily allowances)
3.1.5.0	Other cash benefits
3.2.0.0	Benefits in kind
3.2.1.0	Residential care / Home-help services
3.2.2.0	Rehabilitation services
3.2.3.0	Other benefits in kind
<b>4.0.0.0</b>	<b>HEALTH</b>
4.2.0.0	Benefits in kind

<b>5.0.0.0</b>	<b>FAMILY</b>
5.1.0.0	Cash benefits
5.1.1.0	Family allowances
5.1.2.0	Maternity and parental leave
5.1.3.0	Other cash benefits
5.2.0.0	Benefits in kind
5.2.1.0	Day care / Home-help services
5.2.2.0	Other benefits in kind
<b>6.0.0.0</b>	<b>ACTIVE LABOUR MARKET PROGRAMM</b>
6.0.1.0	Employment service and administration
6.0.2.0	Labour market training
6.0.3.0	Youth measures
6.0.4.0	Subsidised employment
6.0.5.0	Employment measures for disabled
<b>7.0.0.0</b>	<b>UNEMPLOYMENT</b>
7.1.0.0	Cash benefits
7.1.1.0	Unemployment compensation / severance pay
7.1.2.0	Early retirement for labour market reasons
7.2.0.0	Benefits in kind
<b>8.0.0.0</b>	<b>HOUSING</b>
8.1.0.0	Cash benefits
8.1.1.0	Housing allowances
8.1.2.0	Other cash benefits
8.2.0.0	Benefits in kind
8.2.1.0	Housing assistance
8.2.2.0	Other benefits in kind
<b>9.0.0.0</b>	<b>OTHER SOCIAL POLICY AREAS</b>
9.1.0.0	Cash benefits
9.1.1.0	Income maintenance
9.1.2.0	Other cash benefits
9.2.0.0	Benefits in kind
9.2.1.0	Social assistance
9.2.2.0	Other benefits in kind

# SOCX: Sources

- All (34) OECD countries: use of 3 OECD databases:
  - OECD Health data (4. Health)
  - OECD Active Labour Market Programmes database (6.ALMP)
  - OECD Education database (pre-school spending within 5.2.1 childcare)
- ...
- 21 E-U countries + 3: Iceland Norway Switzerland based mainly from ESSPROS database (from Eurostat - the European Statistical Office)
- + 10 non Europeans: AUS CAN CHL ISR JPN KOR MEX NZL TUR USA based from an OECD questionnaire sent to delegates in Social Affairs Ministries

Code	Title E	COUNTRY	SOURCE	BRANCH	TYPEXP	TYPROG	NPROG	SOCX1980	SOCX2005	SOCX2006	SOCX2007	SOCX2008	SOCX2009	SOCX2010
392.10.1.0.0	OLD AGE	392	10	1	0	0	0	7 482 490.30	43 367 844.75	44 049 036.35	45 072 299.98	0.00	0.00	0.00
392.10.1.1.0	Cash benefits	392	10	1	1	0	0	7 225 494.07	37 322 992.36	37 793 669.41	38 645 886.57	0.00	0.00	0.00
392.10.1.1.1	Pension	392	10	1	1	1	0	7 222 926.93	37 253 563.62	37 719 732.94	38 436 116.18	0.00	0.00	0.00
392.10.1.1.1	National pension	392	10	1	1	1	1	2 203 130.1	13 412 802.8	13 831 111.6	14 648 853.6			
392.10.1.1.1	Employees' pension insurance	392	10	1	1	1	2	2 661 274.5	17 869 382.5	17 965 761.0	17 888 036.0			
392.10.1.1.1	Agricultural, forestry and fishery organisation emp	392	10	1	1	1	3	59 824.5	796 118.0	761 495.3	728 027.3			
392.10.1.1.1	Promotion and Mutual Aid corporation for Private	392	10	1	1	1	4	19 461.4	195 435.5	200 703.8	206 010.0			
392.10.1.1.1	Seamen's insurance	392	10	1	1	1	5	65 260.2	1 800.0	1 590.1	1 449.5			
392.10.1.1.1	National public service mutual aid association	392	10	1	1	1	6	420 474.6	1 308 619.2	1 299 275.5	1 296 089.3			
392.10.1.1.1	Existing Association, etc	392	10	1	1	1	7	467 873.8	2 367.6	2 201.0	5 967.0			
392.10.1.1.1	Local public employees' mutual aid association	392	10	1	1	1	8	974 631.7	3 567 375.3	3 568 713.3	3 582 708.8			
392.10.1.1.1	Yahata mutual aid association, etc.	392	10	1	1	1	9	23 255.9	7 048.5	6 641.8	5 860.8			
392.10.1.1.1	National public employees' pension (Gratuity)	392	10	1	1	1	10	127 505.9	38 765.2	34 335.1	30 951.4			
392.10.1.1.1	Local public employees' pension (Gratuity)	392	10	1	1	1	11	200 234.3	53 849.1	47 904.4	42 162.5			

# What is 'social' spending ?

## 2 criteria :

- Provision of support (cash, in-kind, fiscal) by public and private institutions to households during circumstances which adversely affect their welfare.
  - public: financial flows controlled by General Government (central + local governments + social security funds)
  - Private:
    - mandatory: stipulated by legislation  
(i.e. employer provided sickness benefits)
    - voluntary: stipulated by collective agreement  
(i.e. occupational pensions funds, private health)
- Social spending have to involve :
  - interpersonal re-distribution
  - or
  - compulsory participation

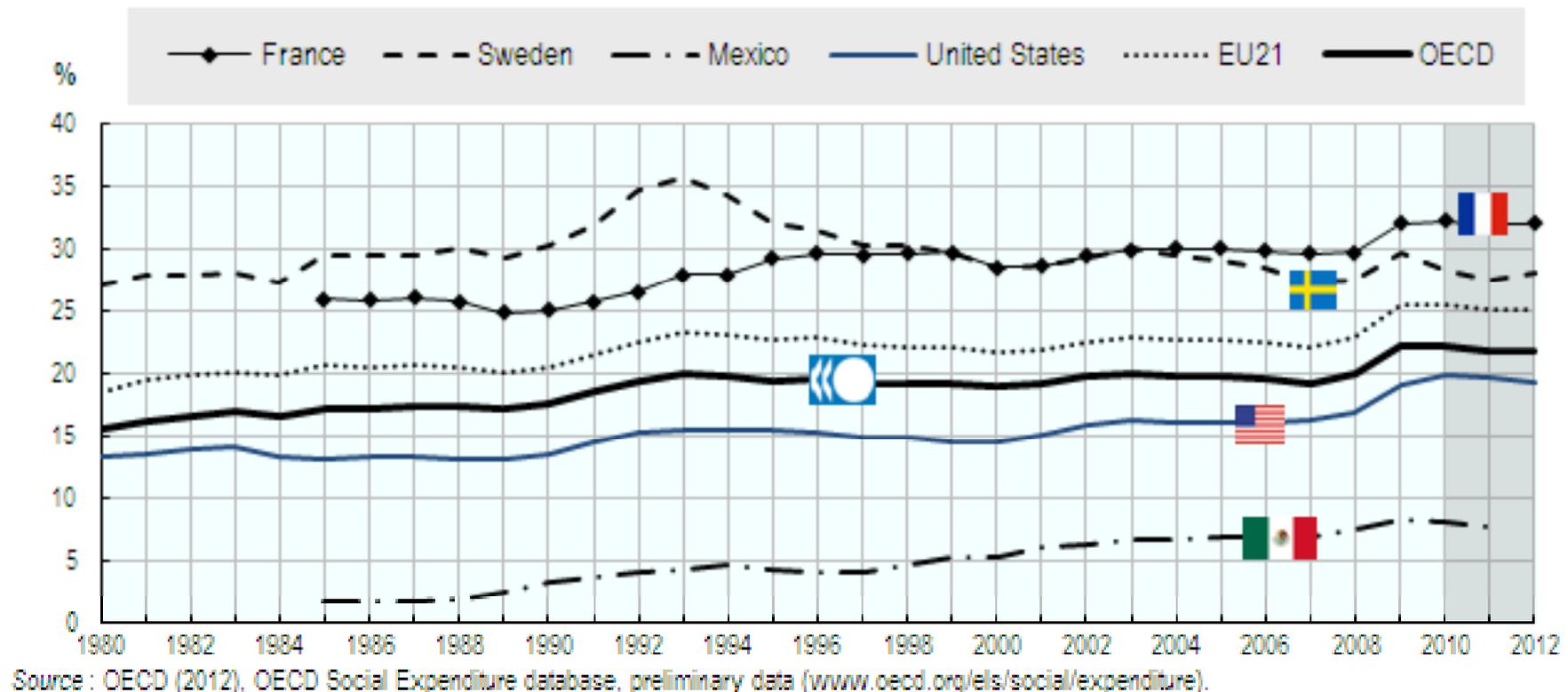
Also:

- SOCX includes capital investment on an accruals basis
- SOCX generally excludes: administrative costs, loans

# Trends in social protection

Gradual increase in the last 30 years, and more important public social effort in Europe

Social spending aggregates for 1980-2009; and estimates for 2010-2012

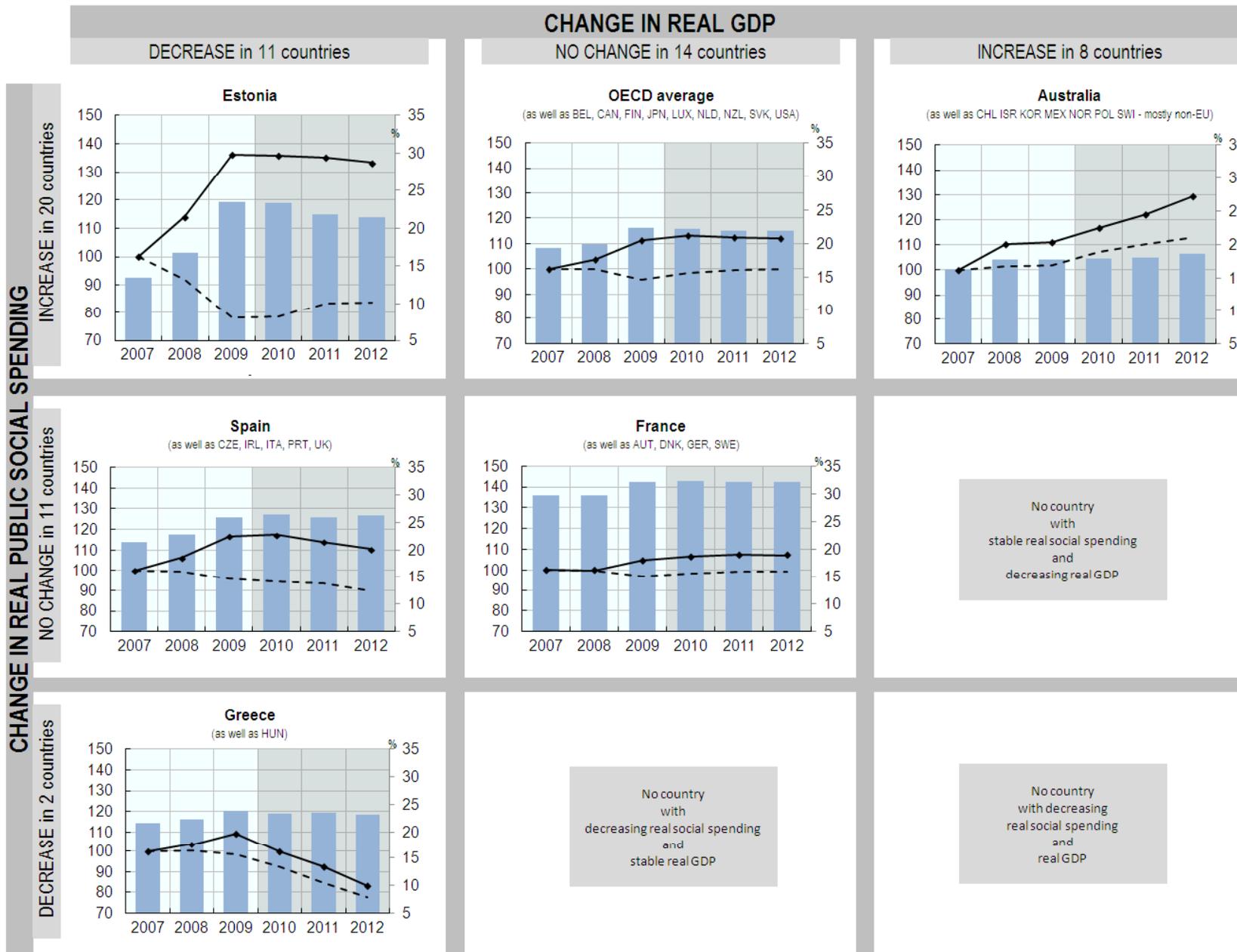


# During the crisis years, real social support increased in more than half of OECD countries, whereas real GDP did not generally increase

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

—●— Real public social spending      - - - Real GDP      ■ Public social spending as a % GDP (right scale)

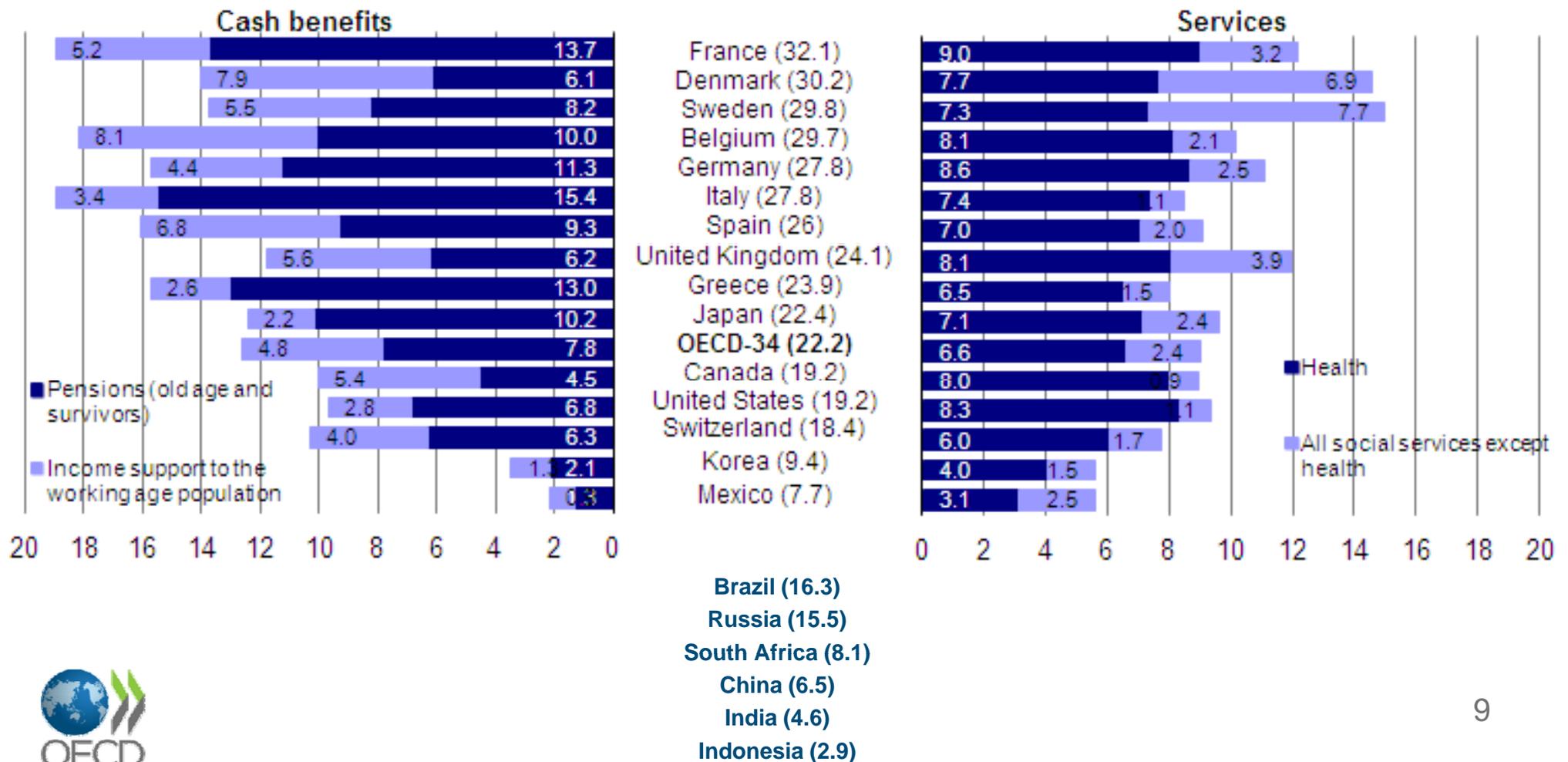
Important:  
Public social  
spending –to  
GDP ratio  
increased on  
average from  
19% in 2007 to  
22% in 2009/12  
(+3% points)  
across OECD  
countries



# Composition of social protection

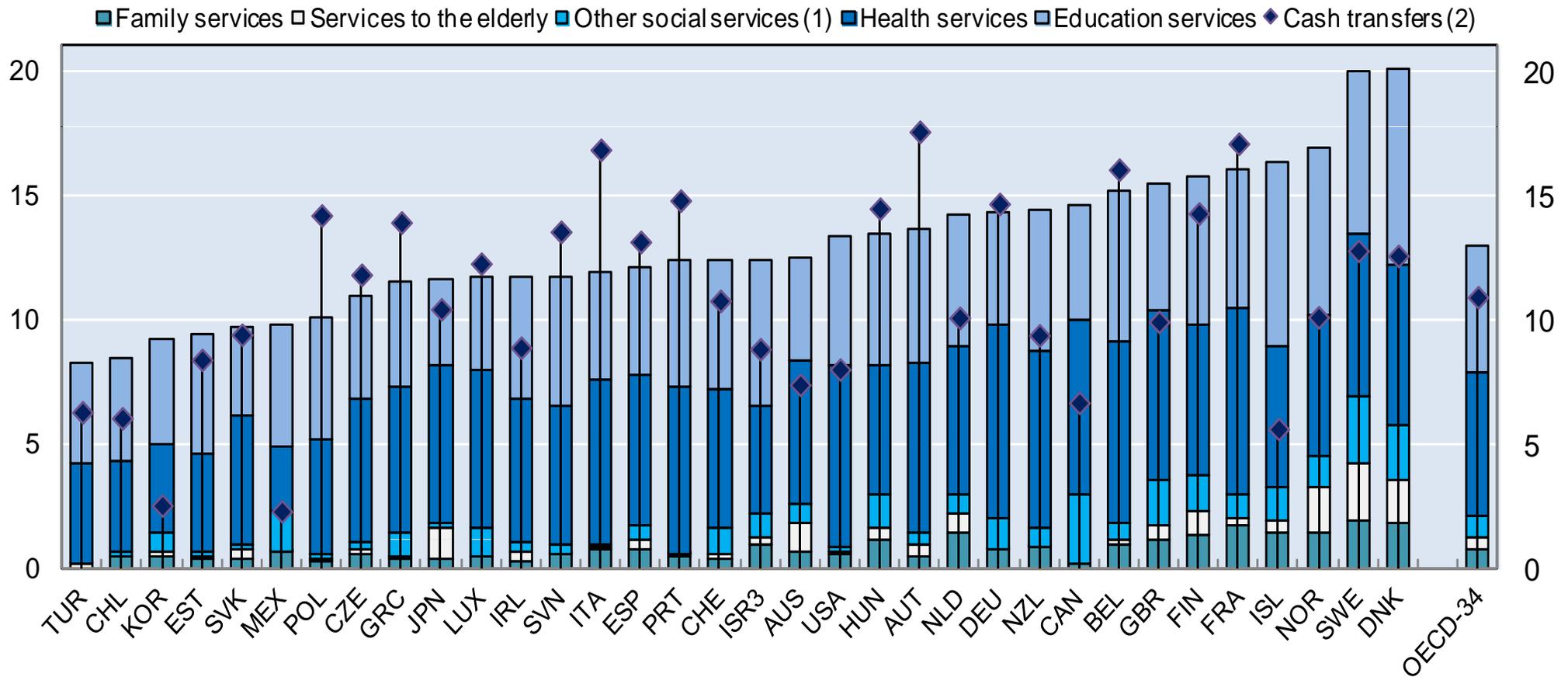
Generally, most spending is on pensions and health...  
... and on social services in Nordic countries

Public social expenditure by broad social policy area, in percentage of GDP, in 2009



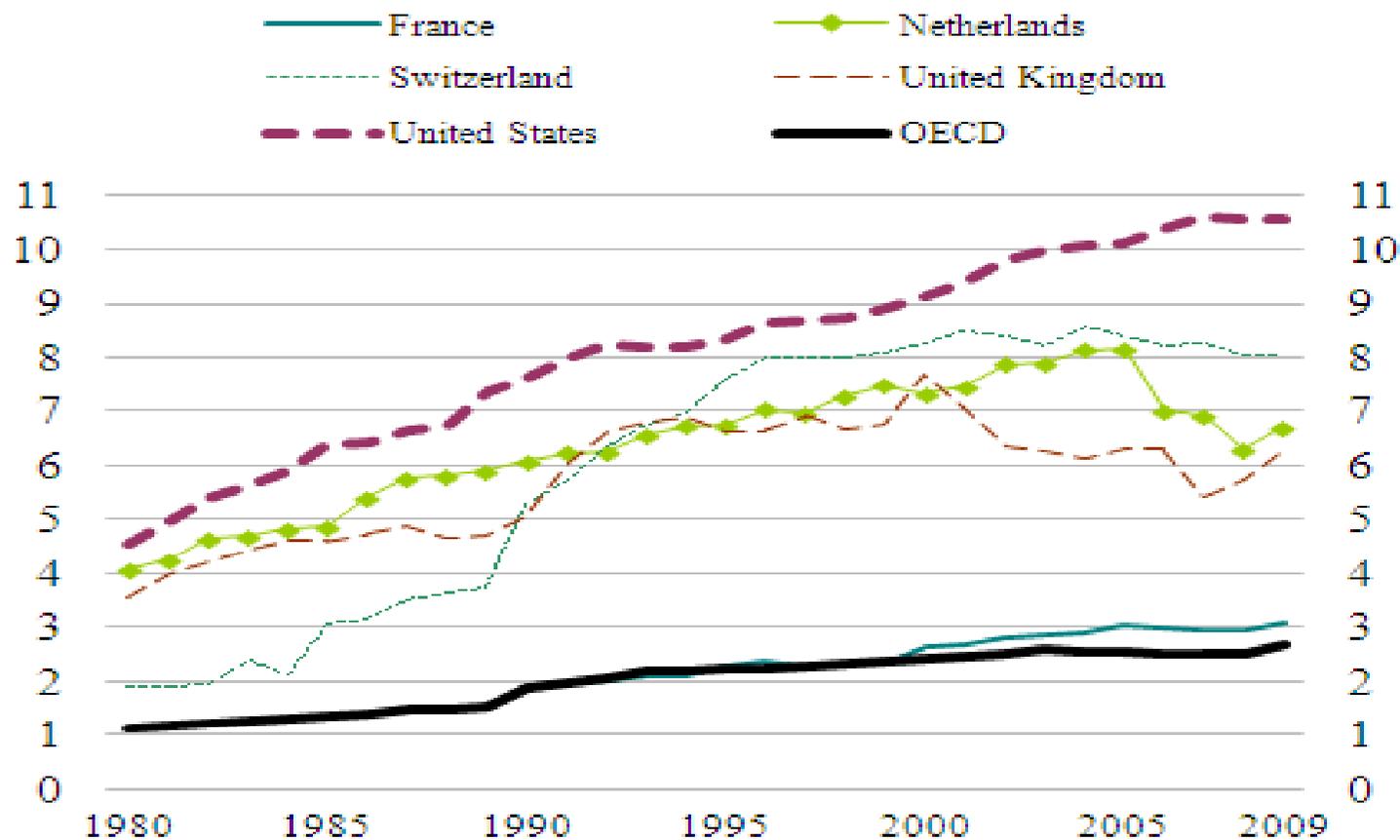
# Including Education, spending on services is as high as spending in cash

## Public (social & education) expenditure by in-kind and cash transfers, % GDP, 2007



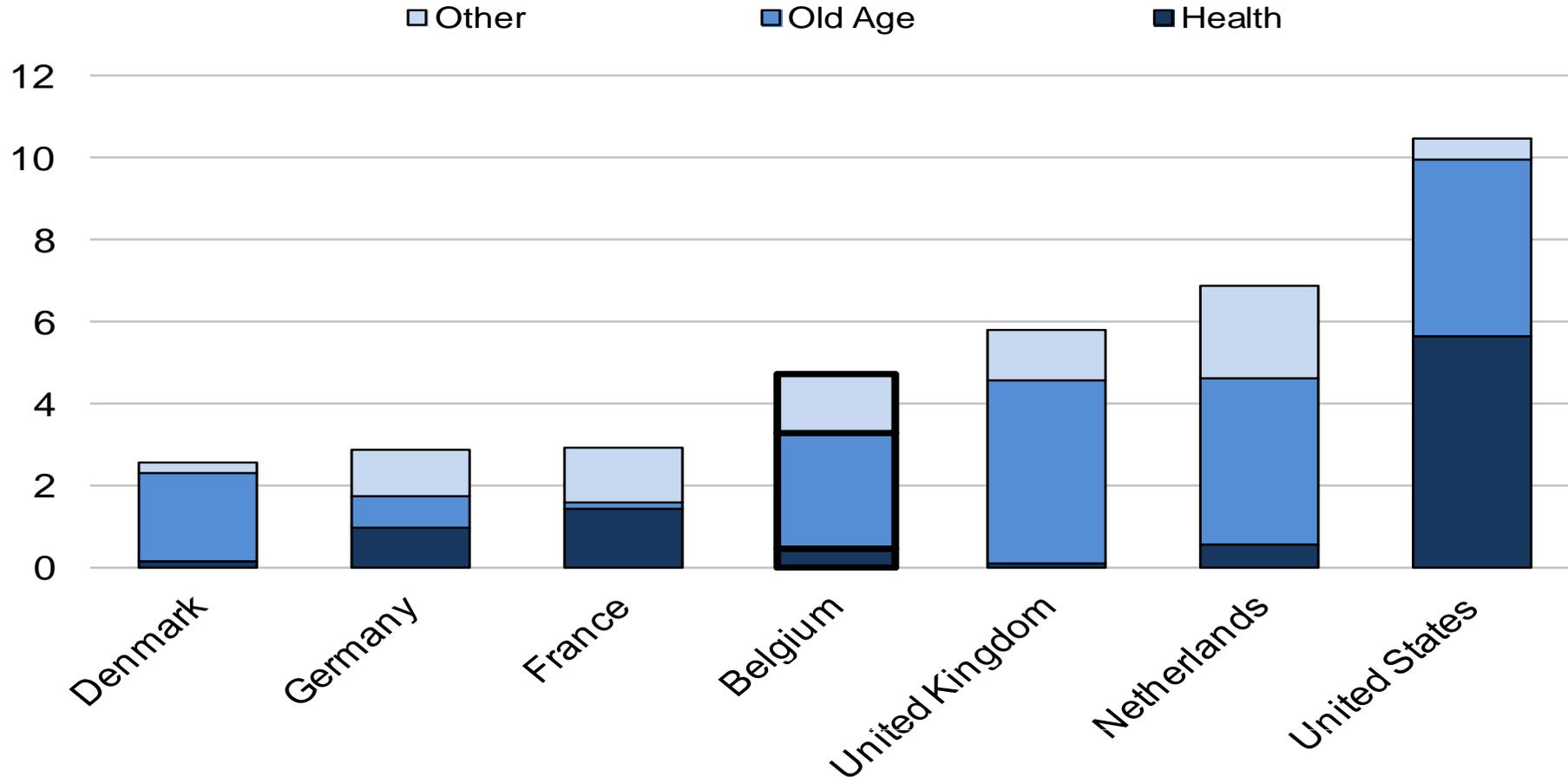
# Trends in private social protection

Gross private social spending has increased since 1990



# Private social protection

*Composition of private social expenditure by category, % GDP, 2007*



Source: OECD Social Expenditure database (SOCX, [www.oecd.org/els/social/expenditure](http://www.oecd.org/els/social/expenditure)), Is the European Welfare State Really More Expensive? Indicators on Social Spending, 1980-2012; and a Manual to the OECD Social Expenditure Database (SOCX) OECD Social, Employment and Migration Working Papers

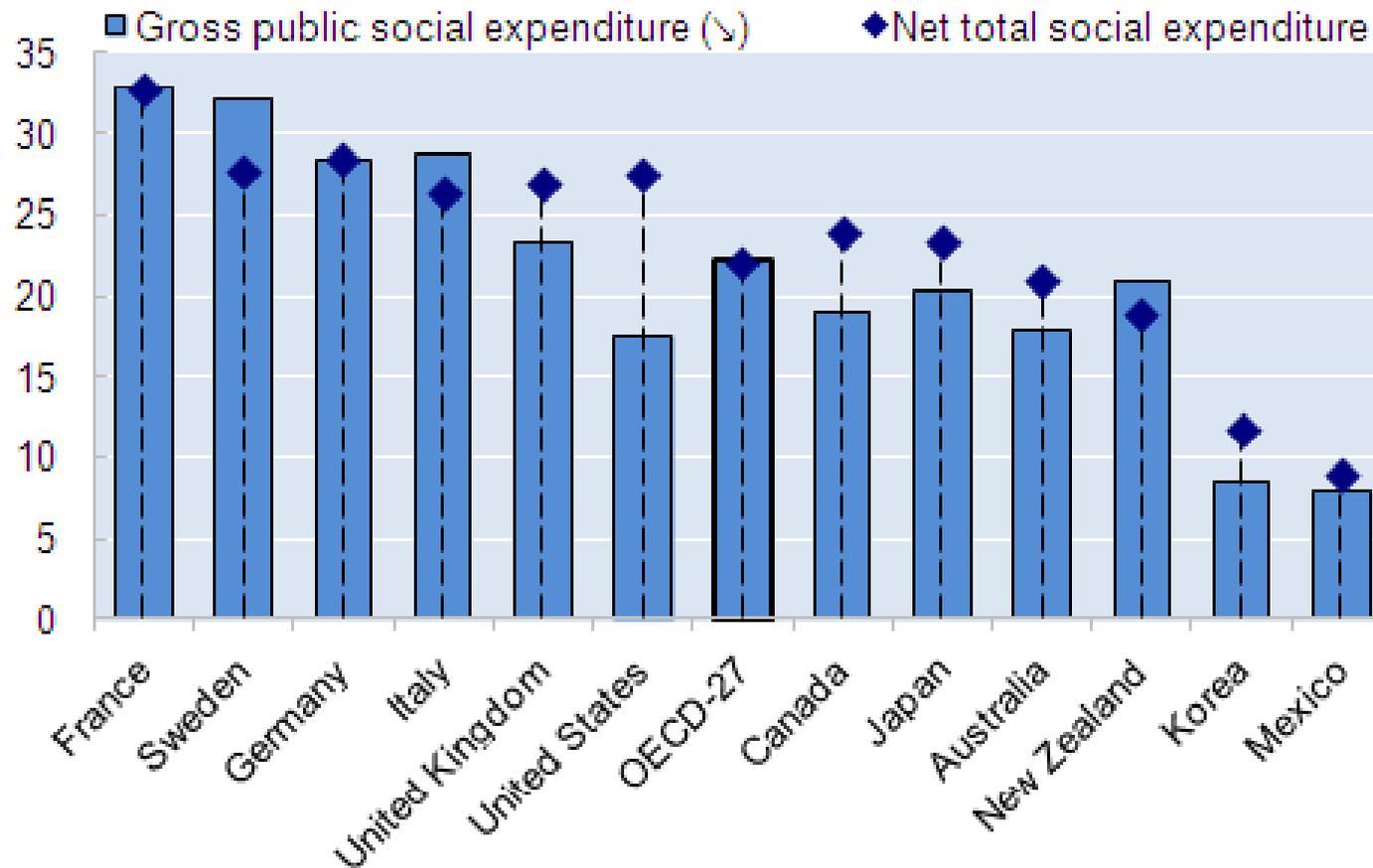
# The impact of the tax system

## From Gross to Net SOCX

- Based on questionnaire to OECD-Tax delegates
- **Gross social expenditure**
  - Direct taxes and social contributions
  - Indirect taxes on consumption (VAT)
  - + Tax break for social purposes (TBSP)
  - = **Net social expenditure**

# A convergence of spending totals from Gross public to Net total SOCX

*Social expenditure as a per cent of GDP at factor cost, 2007*



Accounting for the impact of the tax system and private spending reduces differences in spending ratios across countries

# Other Social expenditure databases (1)

## EUROSTAT Esspros

1. Sickness/Health care
2. Disability
3. Old age
4. Survivors
5. Family/children
6. Unemployment
7. Housing
8. Social exclusion



In 2009 a 6.5 % rise in per capita social protection expenditure matched a 6.1 % drop in EU-27 GDP

Expenditure on social protection consists mostly of payments for social protection benefits, which are transfers to individuals or households covering a set of risks or needs. In 2009, these transfers represented 28.4 % of the EU-27's GDP. Among social protection benefits, those paid in cash and those allocated regardless of the beneficiaries' income level predominated.

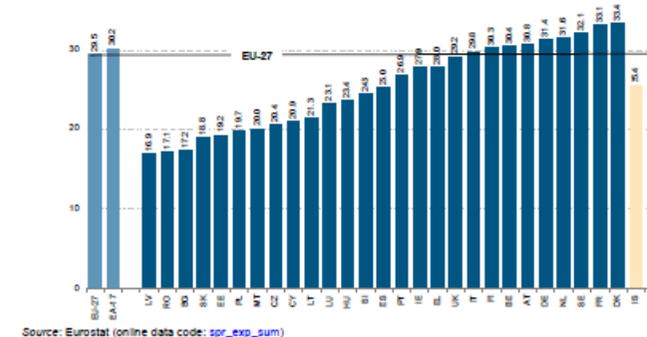
Between 2008 and 2009, in the EA-17 – the geographical aggregate representing the group of countries using the euro as from 1st January 2011 – expenditure on social protection, as a percentage of GDP, rose by 2.7 percentage points. This was the combined effect of a considerable drop in GDP (- 3.3 %) and a substantial increase in social protection expenditure (+6.3 %). This combined effect had more impact at EU-27 level, where the expenditure per capita on social protection grew by +6.5 % and the GDP decreased by -6.1 %.

In 2009, the financing of social protection in the EU-27 favoured social security contributions (56.8 % of total receipts), over general government funding (39.1 % of total receipts).

According to 2009 data, gross expenditure on social protection (see the definition in the methodological notes) accounted for 29.5 % of the EU-27's GDP; within the EA-17 the gross cost of social protection reached 30.2 % of GDP (Figure 1).

Countries exhibit significant differences in the level of expenditure on social protection. Denmark (33.4 %), France (33.1 %), and Sweden (32.1 %) spent the largest proportion of their GDP, following a well established trend. By contrast, Latvia (16.9 %), Romania (17.1 %) and Bulgaria (17.2 %) were the countries with the lowest ratios.

Figure 1: Expenditure on social protection as a percentage of GDP, 2009



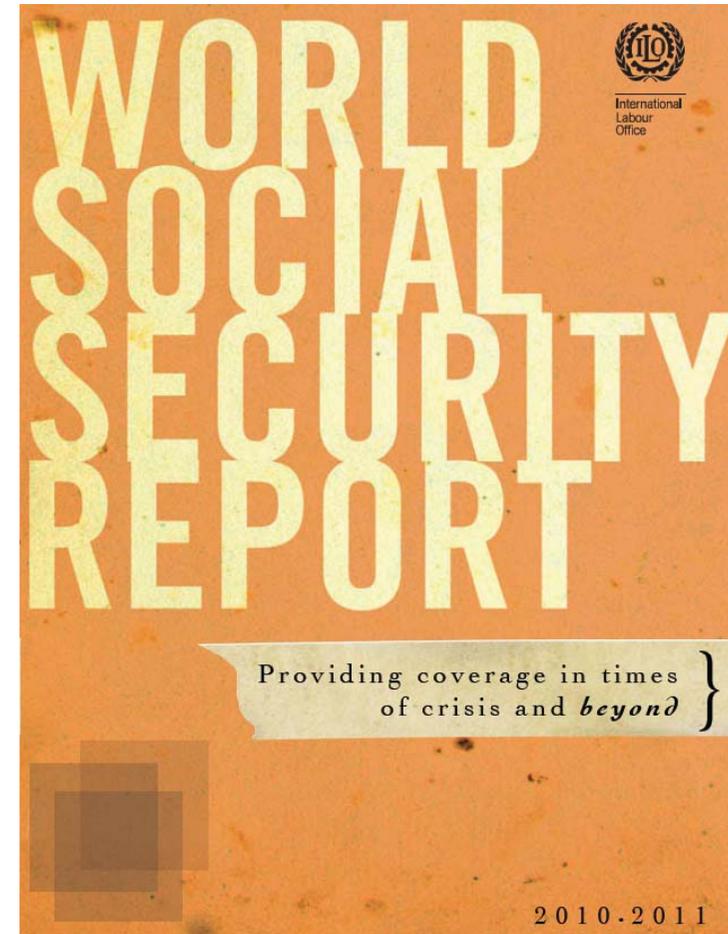
# Other Social expenditure databases (2)

## The ILO Social Security Inquiry

Table 1. Schematic description of Sections S\_D to S\_G of the Scheme Questionnaire

Main function covered	S_D Long-term benefits	S_E Short-term benefits	S_F Unemployment benefits	S_G Means-tested benefits
Old age	Old-age pensions	-	-	Yes if means-tested
Disability	Disability pensions	-	-	Yes if means-tested
Survivors	Survivors' pensions	-	-	Yes if means-tested
Sickness and health	-	Sickness benefits	-	Yes if means-tested
Unemployment	-	-	Unemployment benefits	Yes if means-tested
Employment injury	Disability and survivors' pensions	Sickness benefits	-	Yes if means-tested
Family and children	-	-	-	Yes if means-tested
Maternity	-	Maternity benefits	-	Yes if means-tested
Housing	-	-	-	Yes if means-tested
Basic education	-	-	-	Yes if means-tested
Other income support and assistance (n.e.c)	-	-	-	Yes if means-tested

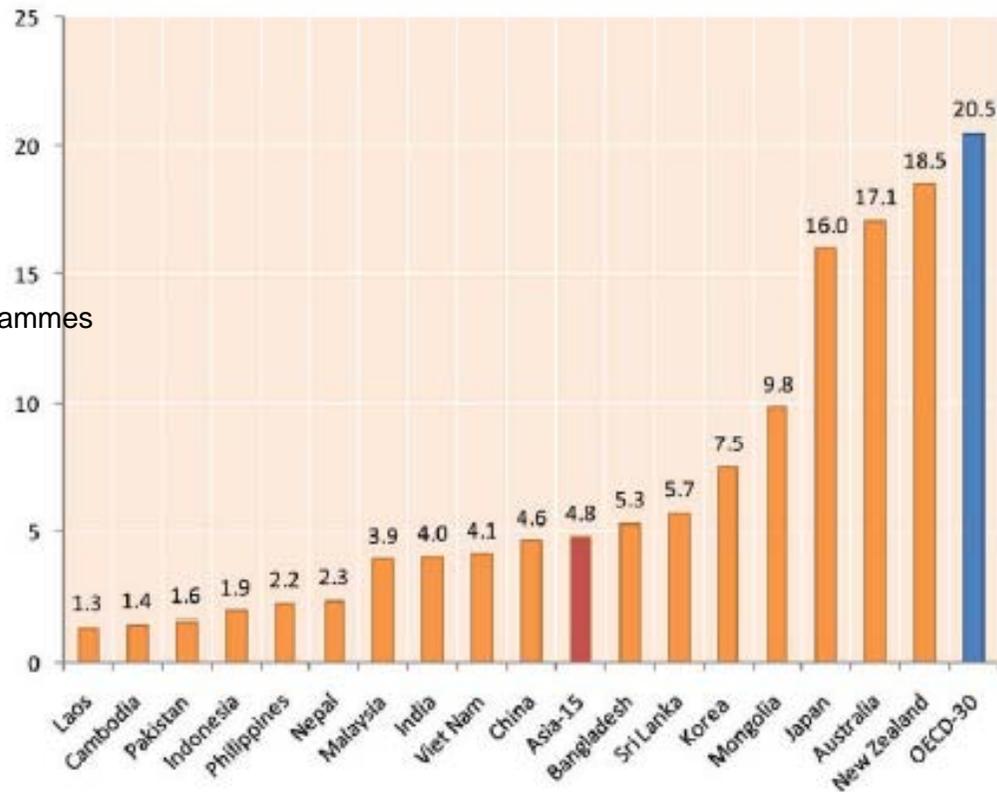
<http://www.ilo.org/dyn/lossi/ssimain.home>



# Other social expenditure databases (3)

## ADB – Social Protection Index

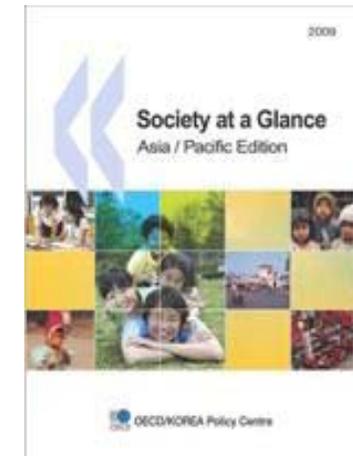
EQ3.1 Social expenditure as percentage of GDP, 2004/2005



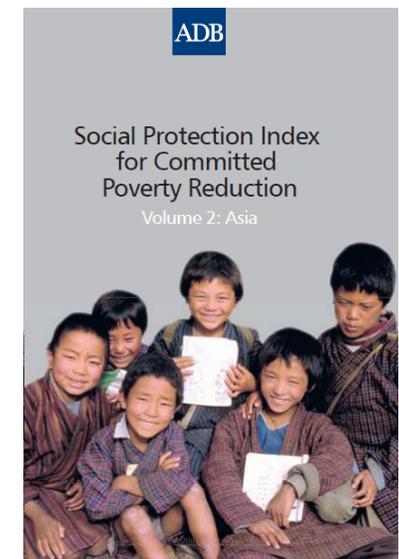
Labour Market Programmes  
Social Insurance  
Social Assistance  
Child Protection

Note: Data for New Zealand, Australia, and OECD-30 average concern public social spending, not total social expenditure.

Source: ADB (2008), *Social Protection Index for Committed Poverty Reduction, Volume 2 Asia-Pacific Edition*; except Australia, New Zealand, and OECD-30 from OECD, *Social Expenditure Database (SOCX)*.



<http://www.oecd.org/els/social/indicators/asia>



**! Revised SPI version out before the end of 2012**

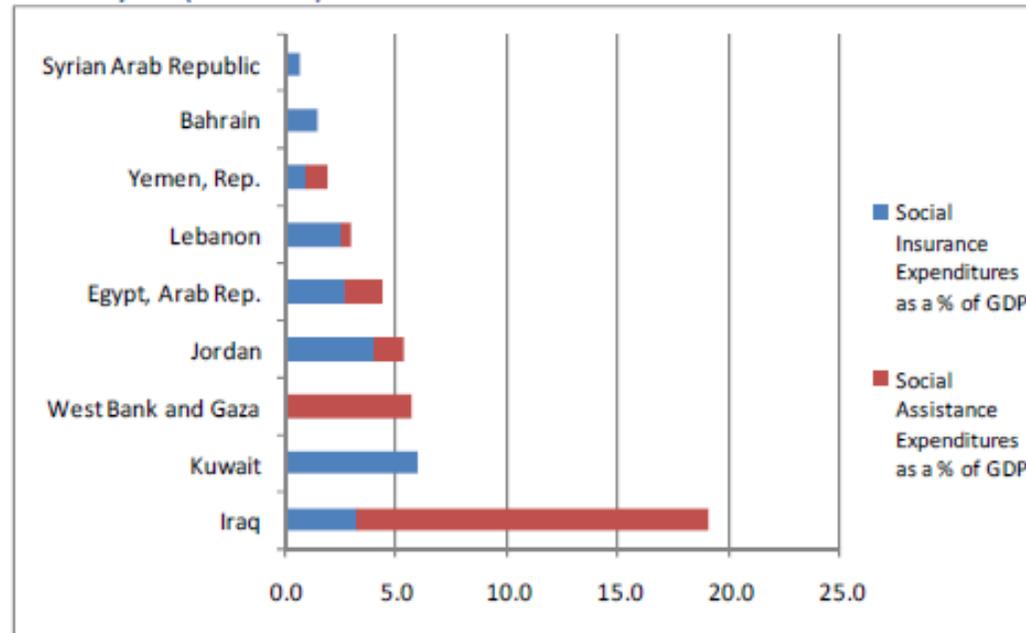
# Other social expenditure data (4)

## ESCWA Meeting on Social Security in Western Asia

<http://www.escwa.un.org/information/meetingdetails.asp?referenceNum=1656E>

Most ESCWA countries would spend less than 7% of GDP

Share of social insurance and social assistance from total social protections for various years (1996-2004)



Source: World Bank "Spending on Social Safety Nets: Comparative data compiled from World Bank Analytic Work"

Financial Sustainability of Social Protection Systems in the ESCWA region

Kamal Hamdan,  
Executive Director of the  
Consultation and Research Institute

# Outline of presentation

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# Administrative sources

## **SOCR database is:**

- Focused mainly on income replacement benefits in 40 countries
- based on the ESSPROS / SOCX taxonomy
- Programme oriented, more similar to MISSOC than to ESSPROS

## **Data collection** and treatment methodology are:

- Mostly, but not fully, based on ESSPROS-OECD SOCX methodology
- Described in The Social Expenditure database: An Interpretive Guide  
[http://stats.oecd.org/OECDStatDownloadFiles/OECDSOCX2007InterpretativeGuide\\_En.pdf](http://stats.oecd.org/OECDStatDownloadFiles/OECDSOCX2007InterpretativeGuide_En.pdf)

## **Other international databases** are used as a reference to cross-check

- ESSPROS Pension module
- SOCX
- EU and OECD Labour Market Programmes databases

# Target / Limits

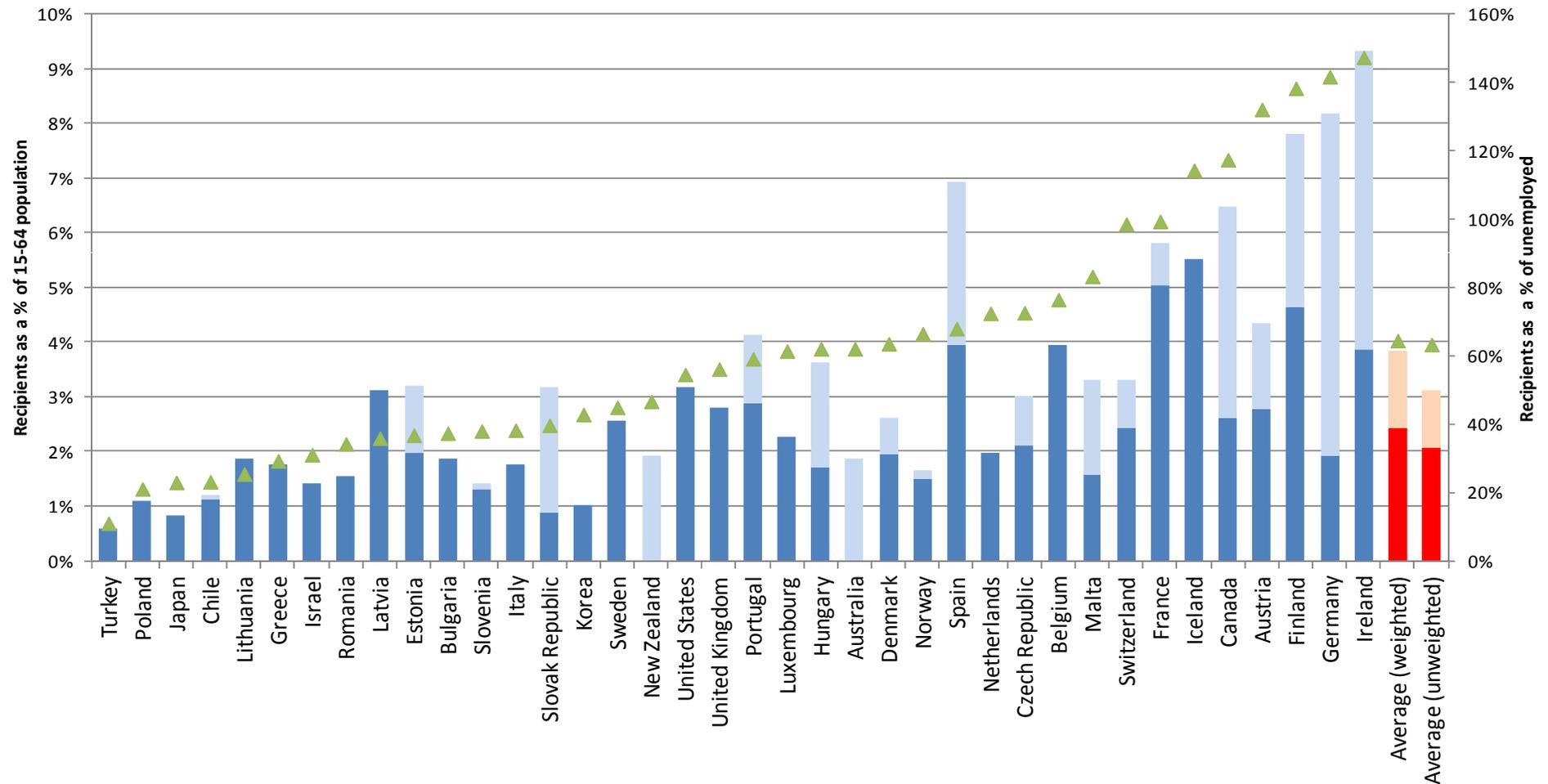
- 1. Number of people** receiving **income replacement** benefits paid in **cash** on a **regular** basis.
  - Supplements are not included except housing, in-work, some tax breaks
  - Benefits in kind and most tax-breaks are not included
  - No grants, no lump-sum benefits
  - Annual benefits are included if regular
- 2. Programmes from all branches** of social protection **except Health and ALMP**
  - A new branch is included: **In-work**, including employment bonuses and short-time and partial work schemes.
- 3. Public and mandatory private** programmes only
  - Voluntary private programmes are not considered

# Benefit participation / coverage rates - unemployment

## Pseudo-coverage rates and participation rates for unemployment benefits

Average 2007 – 2010, as a percentage of the 15-64 population (participation), and of unemployed population (pseudo-coverage)

■ Participation rate UI (left axis)   ■ Participation rate UA (left axis)   ▲ Pseudo-coverage rate, UI+UA (right axis)



Preliminary results – Please do not quote

Note: 1. Unemployment benefit recipients include recipients of unemployment insurance and unemployment assistance (benefits conditional on a means test as well as on unemployment status). A share of social assistance recipients are included in the unemployment assistance category in countries where a substantial part of the unemployed receive this type of benefit, and when information is available: Canada, Germany, Slovakia, Hungary and Norway (see the annex for the detailed list of programmes, and Carcillo and Grubb, 2006). In some countries, benefits paid to the unemployed participating in training are accounted in specific programmes and are included: Austria, Finland, France and New Zealand. Rates are averages over the period 2007 - 2010 with the exceptions of Turkey, Iceland, Portugal (2007 – 2008) and Bulgaria, Israel, Lithuania and Luxembourg (2007 – 2009). 2. Israel: information on data <http://dx.doi.org/10.1787/888932315602>. 3. See the annex of the related Working Party Paper for the detailed list of programmes by country. Source: calculations based on OECD upcoming SOCR database on social benefits recipients.



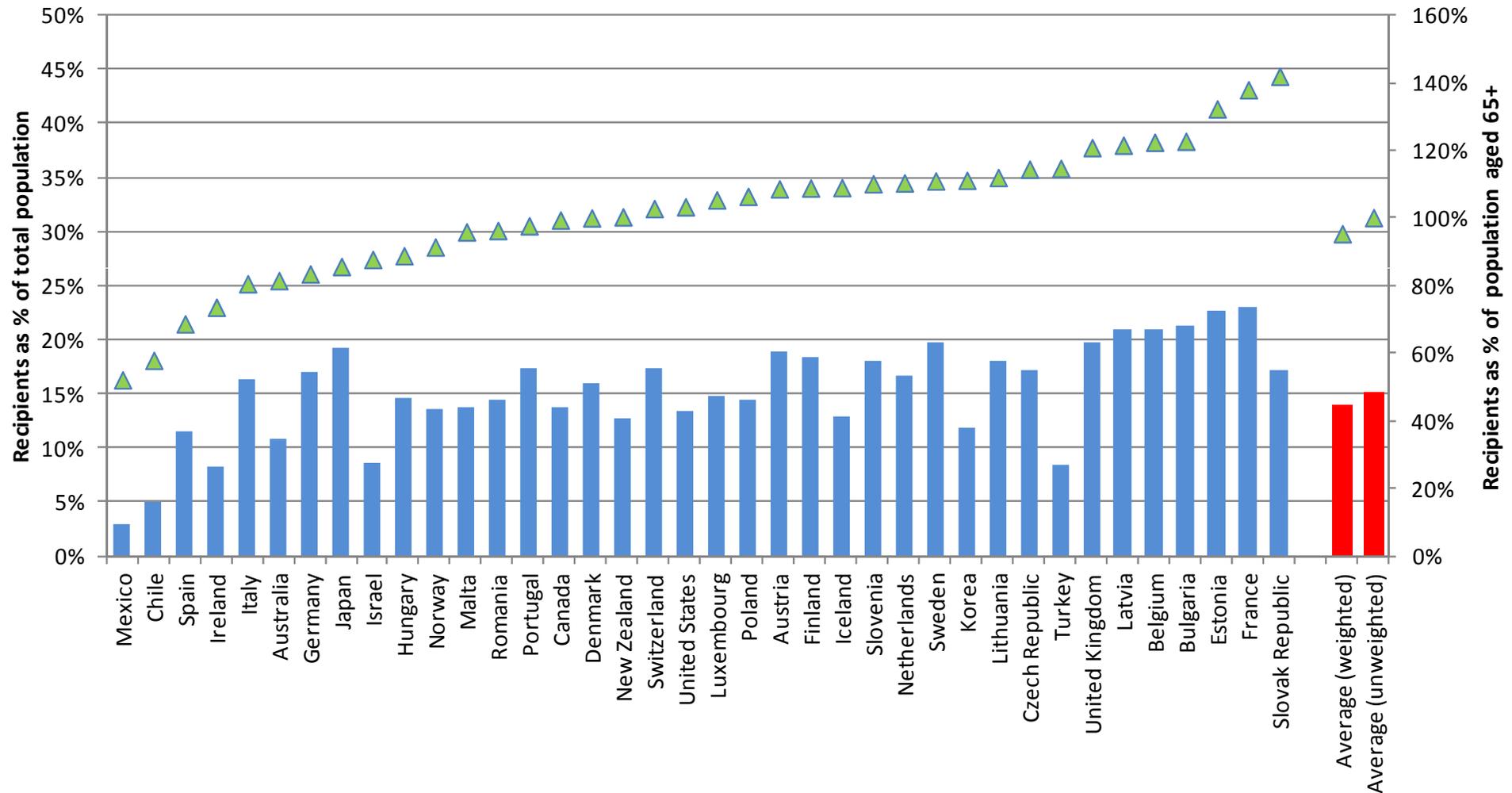
# Benefit participation / coverage rates – Old age

## Participation and pseudo-coverage rates for (public) old-age pensions

Average 2007 – 2010, as a percentage of the total population (participation rate), and of the population over 65 (pseudo-coverage rate)

age

■ Participation rate (left axis) ▲ Pseudo-coverage (right axis)



Preliminary results – Please do not quote

Note: 1. We eliminate double-counting among old-age pension schemes based on eligibility conditions and, in some cases, using adjusted caseloads provided by national administrations. For countries, such as Ireland or Japan, where there exist a basic, universal pension which is topped-up with earning-related pensions or supplements, we counted those entitled to the basic scheme. When supplements are awarded because beneficiaries have a dependent spouse (not receiving a pension on his/her own), only one beneficiary is counted. Self-administered, private funds are not included. Greece was excluded because data were incomplete. Rates are averages over the period 2007 - 2010 with the following exceptions (because of missing programmes): Mexico (2007 - 2008), New Zealand and Poland (2007 - 2009). 2. Israel: information on data <http://dx.doi.org/10.1787/888932315602> 3. See the annex of the related Working Party Paper for the detailed list of programmes by country. Source: Calculations based on OECD upcoming SOCR database.

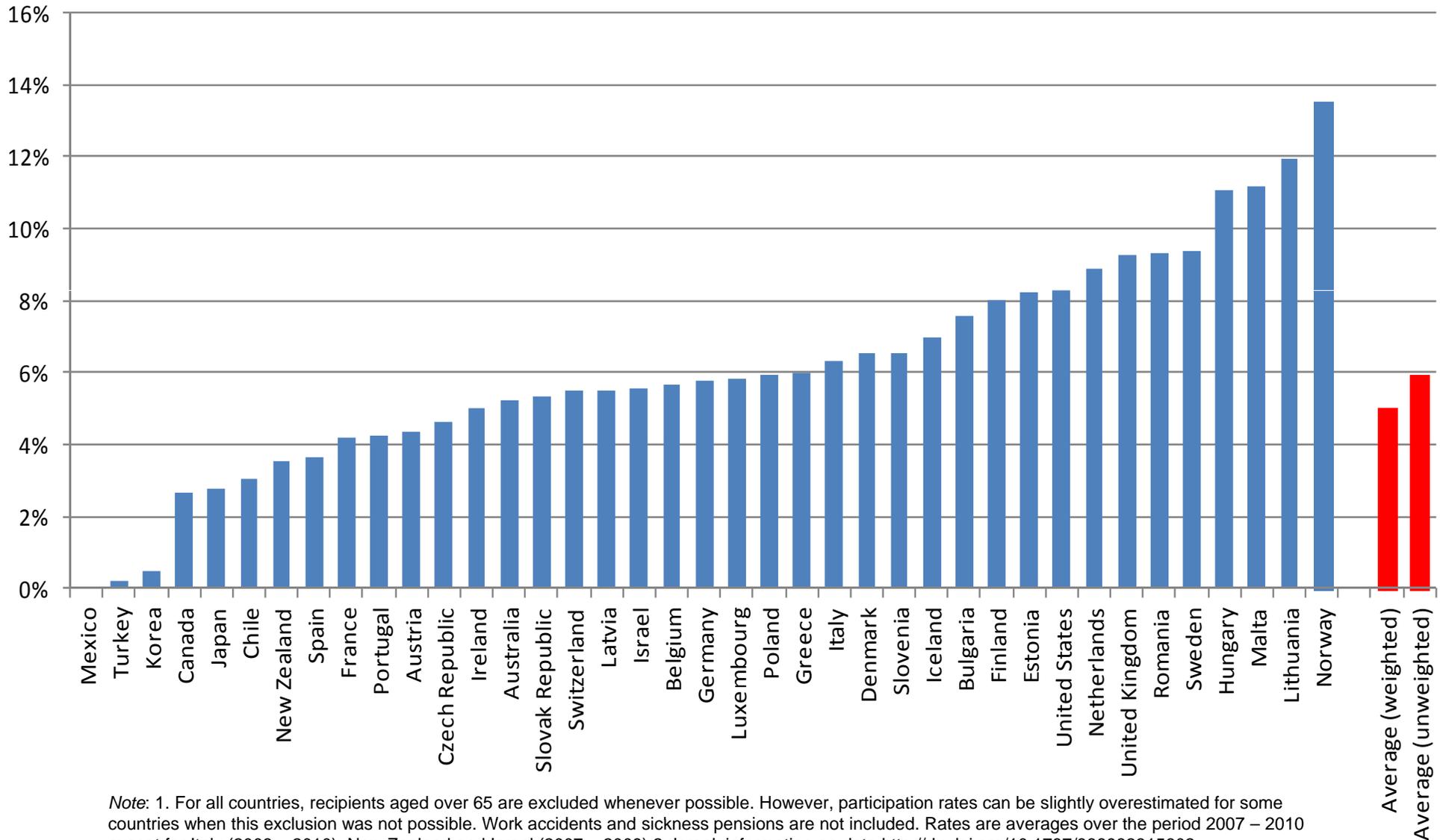


# Benefit participation rates – Disability

## Participation rates for disability pensions

Average 2007 – 2010, as a percentage of the working age population

Preliminary results – Please do not quote



Note: 1. For all countries, recipients aged over 65 are excluded whenever possible. However, participation rates can be slightly overestimated for some countries when this exclusion was not possible. Work accidents and sickness pensions are not included. Rates are averages over the period 2007 – 2010 except for Italy (2008 – 2010), New Zealand and Israel (2007 – 2009) 2. Israel: information on data <http://dx.doi.org/10.1787/888932315602>.

3. See the annex of the related Working Party Paper for the detailed list of programmes by country.

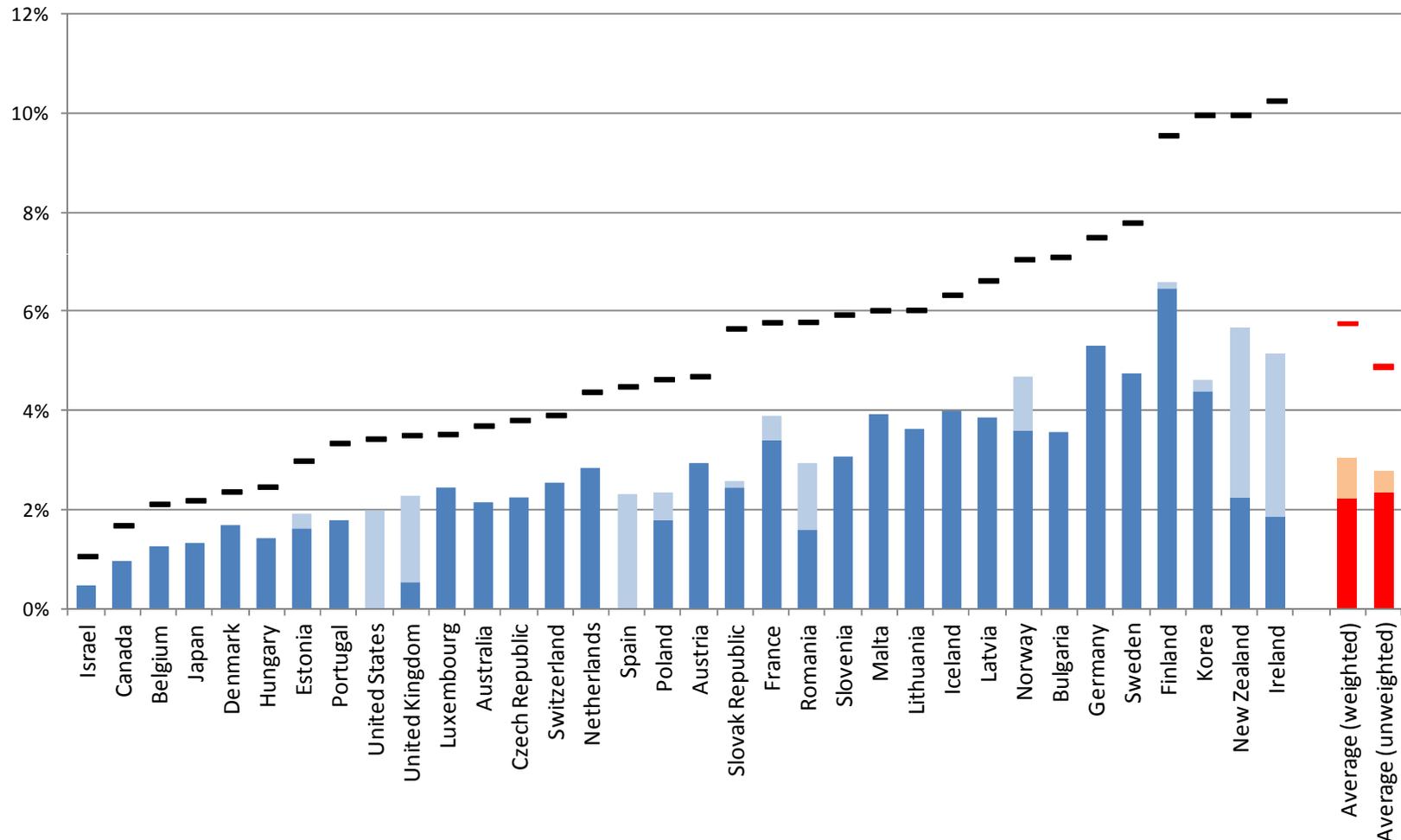
Source: Calculations based on OECD upcoming SOCR database.

# Benefit participation rates - social assistance

## Participation rates for non-categorical social assistance and lone-parent programmes

Average 2007-2010

- Participation rate as a percentage of 15-64 population, Social Assistance
- Participation rate as a percentage of 15-64 population, Lone Parents
- Participation rate as a percentage of households, Social Assistance + Lone parents



Preliminary results – Please do not quote

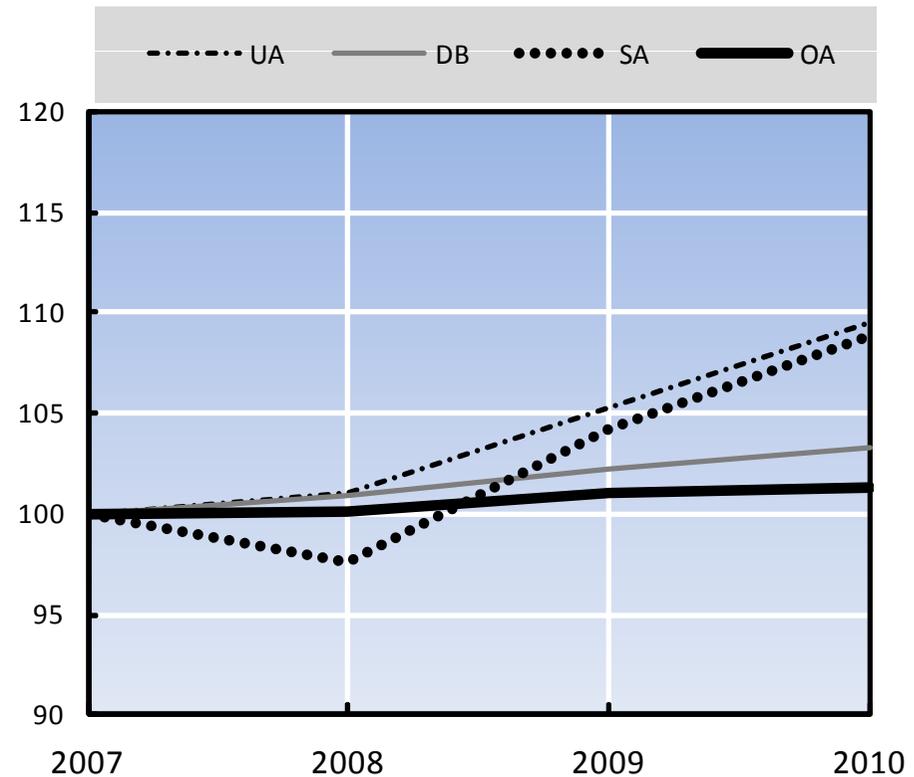
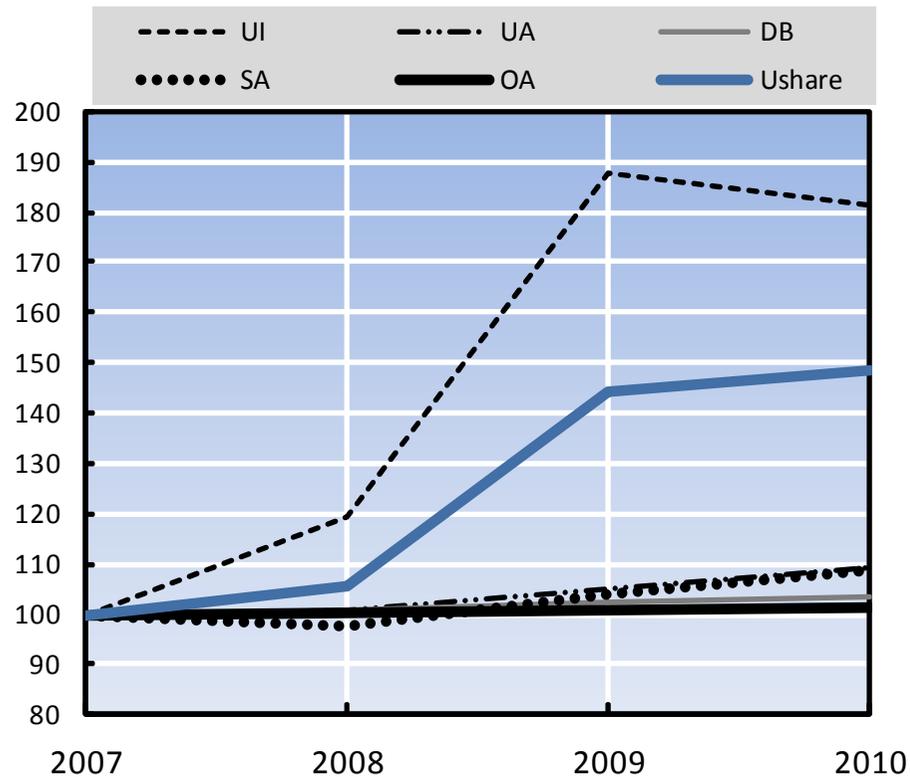
Note: 1. Non-categorical social assistance includes all assistance programmes paid in cash and not targeted at specific groups. Some countries provide specific social assistance for lone parents (typically classified under the FAMILY branch). Those programmes are added to non-categorical social assistance. Ordinary and extraordinary child allowances and family and child tax credits are not included. Bulgaria is not included because of missing data. The other countries not appearing in this figure do not have non-categorical main income replacement benefits (or were not reported by their administrations). Rates are averages over the period 2007 – 2010 except for Hungary (2009 – 2010), Belgium, Israel, the Netherlands (2007 – 2009) and Spain (see the note below). 2. Israel: information on data <http://dx.doi.org/10.1787/888932315602>. 3. See the annex of the WP Paper for the detailed list or programmes by country. Source: calculations based on OECD upcoming SOCR database. For household size by country, OECD Family database.

# Dynamics of reciprocity in the crisis - Overview

## Participants in social programmes during the crisis, OECD total

For the unemployment share: ratio of unemployment to working-age population; For the programme participation rates: ratio of participants to the working-age population, or total population for old-age. Base 100 in 2007.

Preliminary results – Please do not quote



Note: 1. Ushare: Unemployment to working-age population, UI: Unemployment Insurance programmes, UA: Unemployment Assistance programmes, DB: Disability Benefit programmes (pensions), SA: Social Assistance and Lone Parents programmes, OA: Old-age pensions, All trajectories are computed considering a base of 100 in the first quarter of 2007.

2. Some few missing quarters were interpolated.

Source: Calculations based on upcoming SOCR database.

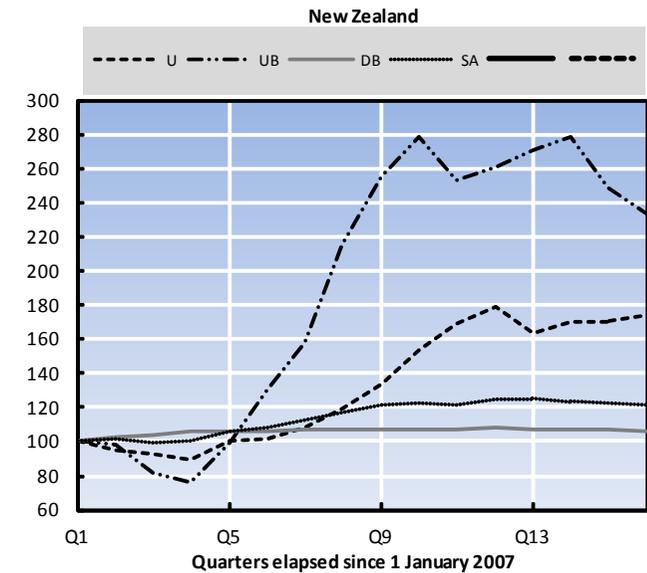
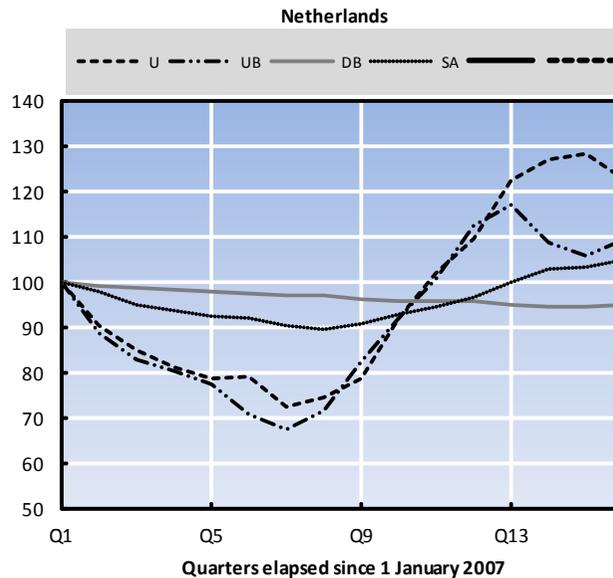
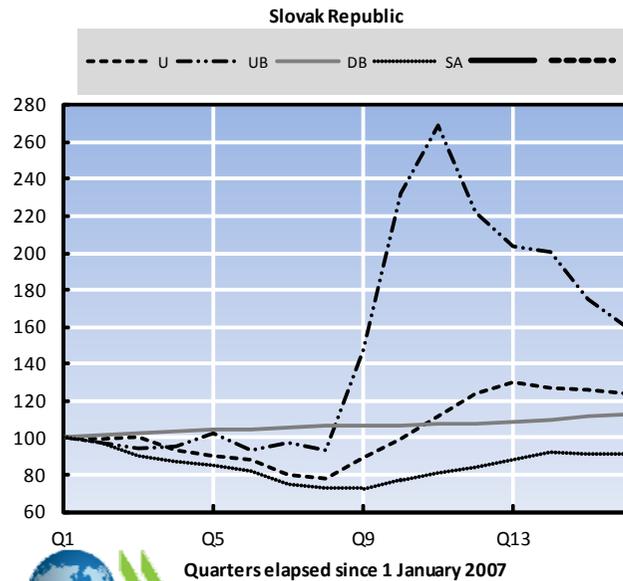
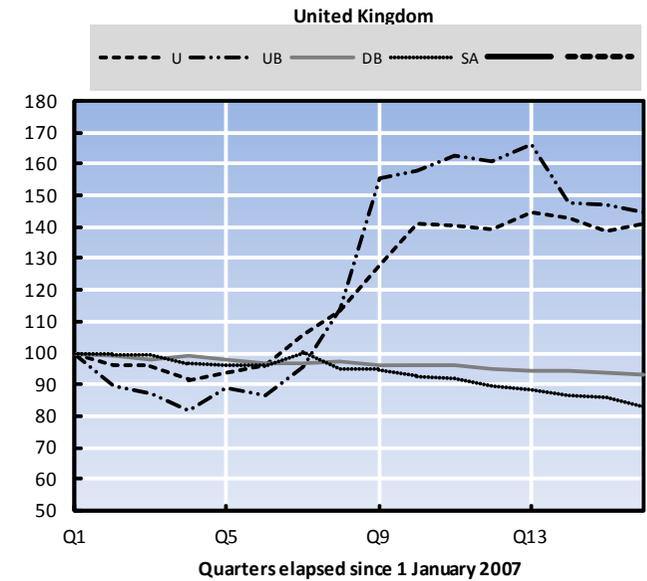
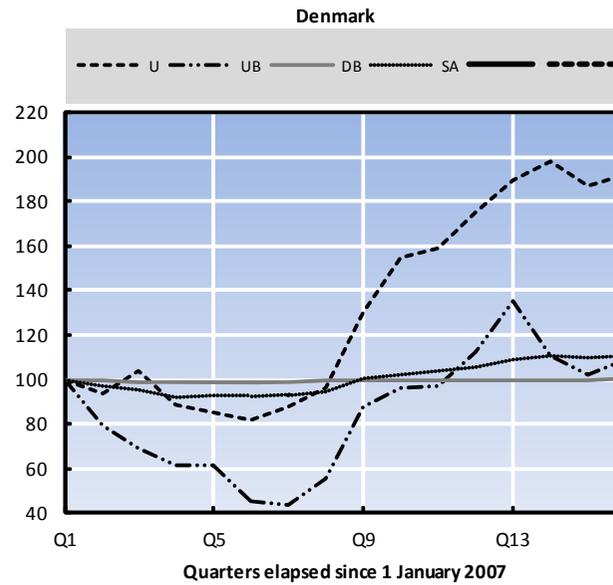
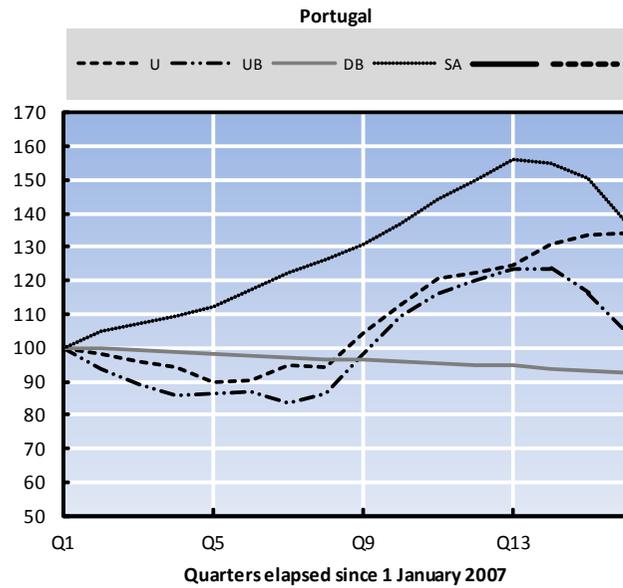
# Dynamics of reciprocity in the crisis - selected countries

## Participants in social programmes during the crisis, selected countries

For the unemployment share: ratio of the ILO-OECD unemployment to the working-age population.

For programme participation rates: ratio of the number of recipients to the working age population (or total population for old-age)

Preliminary results – Please do not quote



Note: 1. U: Unemployment share, UB: Unemployment Benefit programmes, DB: Disability Benefit programmes (pensions), SA: Social Assistance and Lone Parents programmes. All trajectories are computed considering a base of 100 in the first quarter of 2007. Unemployment benefits comprise insurance and assistance-based benefits 2. Some (very few) missing quarters were interpolated. 3. See the annex of the related Working Party Paper for the detailed list of programmes by country. Source: calculations based on upcoming SOCR database.

# Data collection process- from surveys

- **Why surveys ?** Characteristics of recipients ; estimates of double counting
- **11 countries**, more next year
  - United Kingdom (BHPS), Germany (GSOEP), Greece (national SILC), Italy (national SILC), Chile (CASEN), Australia (HILDE), Canada (SLID), USA (CPS), Korea (KLIPS), Switzerland (SHP), and France (ERFS).
- **Main income replacement** programmes + housing
- Upcoming separate database **Spring 2013**

# To remember

The OECD SOCX Database can be accessible via

[www.oecd.org/els/social/expenditure](http://www.oecd.org/els/social/expenditure)

- on-line database
- Social spending after the crisis: Social expenditure (SOCX) data update 2012 (8 pages, .pdf)
- OECD Working Paper 124 for SOCX Manual

The OECD (forthcoming) Social Benefit Recipients database  
will be available

from early Spring 2013

from the same above URL

and/or [www.oecd.org/social/statistics.htm](http://www.oecd.org/social/statistics.htm)

(Rodrigo.Fernandez@oecd.org)