

SOCIAL PROTECTION ACCOUNT. Advance. 2021

Per capita expenditure on social protection in the Basque Country reached 10,085 euros in 2021, 3.2% more than in 2020

The old age and illness/healthcare provision functions accounted for almost 70% of expenditure on social welfare

Spending on social protection per inhabitant for the Basque Country in 2021 exceeded ten thousand euros (10,085), 3.2% more than in 2020 and 13.1% more than in 2019, according to data prepared by EUSTAT. In absolute terms, spending stood at 22,084 million euros, 620 million more than in 2020.

The Social Protection Account is prepared using the methodology of the European System of Integrated Social Protection Statistics (ESSPROS) and calculates the income and expenditure of the **social protection systems in the Basque Country for any public or private body**.

Main data and indicators of social protection in the Basque Country. 2019-2021

	2019	2020	2021 (A)	2020/2019 (%)	2021 (A)/2020 (%)
TOTAL EXPENDITURE ON SOCIAL PROTECTION					
Millions Euros	19.561	21.464	22.084	9,7	2,9
In % of GDP p.m	24,6	29,9	28,3	5,3*	-1,6*
In Euros per inhabitant	8.916	9.772	10.085	9,6	3,2
PPP per inhabitant	9.221	9.967	:	8,1	:
EXPENDITURE ON SOCIAL BENEFITS BY FUNCTION (million euros)					
TOTAL	19.312	21.199	21.815	9,8	2,9
Illness/Health care	5.088	5.557	5.952	9,2	7,1
Invalidity	1.313	1.316	1.356	0,2	3,0
Old age	8.565	8.843	9.266	3,3	4,8
Survivors	1.896	1.933	1.997	2,0	3,3
Family/ Children	693	715	761	3,1	6,4
Unemployment	1.027	2.037	1.595	98,3	-21,7
Housing	161	150	192	-7,0	28,0
Social exclusion	568	648	696	14,0	7,4
INDICATORS (euros)					
Expenditure on social benefits per inhabitant	8.803	9.652	9.962	9,6	3,2
Expenditure on social benefits per inhabitant in PPC(1)	9.104	9.844	:	8,1	:
Expenditure on the function "Illness / health care" per inhabitant	2.319	2.530	2.718	9,1	7,4
Expenditure on the function "Old Age" per person aged 65 and over	17.459	17.714	18.337	1,5	3,5
GDP ESA2010. Base 2015. (thousands of euros)	79.537	71.829	78.004	-9,7	8,6
Population (01-07)	2.193.864	2.196.455	2.189.858	0,1	-0,3

(1) Purchasing Power Parity

(*) difference in percentage points

Date December 27, 2022

Source: Eustat. Social Welfare Account

Expenditure on social protection includes administrative expenses and spending on **social benefits**; the latter include both cash payments and benefits in kind that households receive from the social protection systems. The breakdown of these benefits enables the analysis of the **functions** on which the money is spent.

Excluding administrative expenses, the value of **social benefits in 2021** was 21,815 million euros, 2.9% higher than that recorded in 2020 (616 million euros more).

All functions increased their expenditure in 2021, except that of “Unemployment”

All functions except “Unemployment” rose in 2021. Specifically, that which recorded the highest increase in absolute values was “Old Age”, at 423 million more than in 2020, i.e. a 4.8% rise, reaching 9,266 million in 2021.

In second place, the “Illness/ Healthcare provision” function increased by 395 million compared to 2020 (i.e. 7.1%), representing 5,952 million euros; of those 4,790 million corresponded to expenditure on healthcare services and 1,162 million on cash benefits (for temporary disability).

The remaining functions increased by smaller amounts. The “Housing” function grew the most in relative values (28.0%), 42 million more, reaching 192 million euros in 2021.

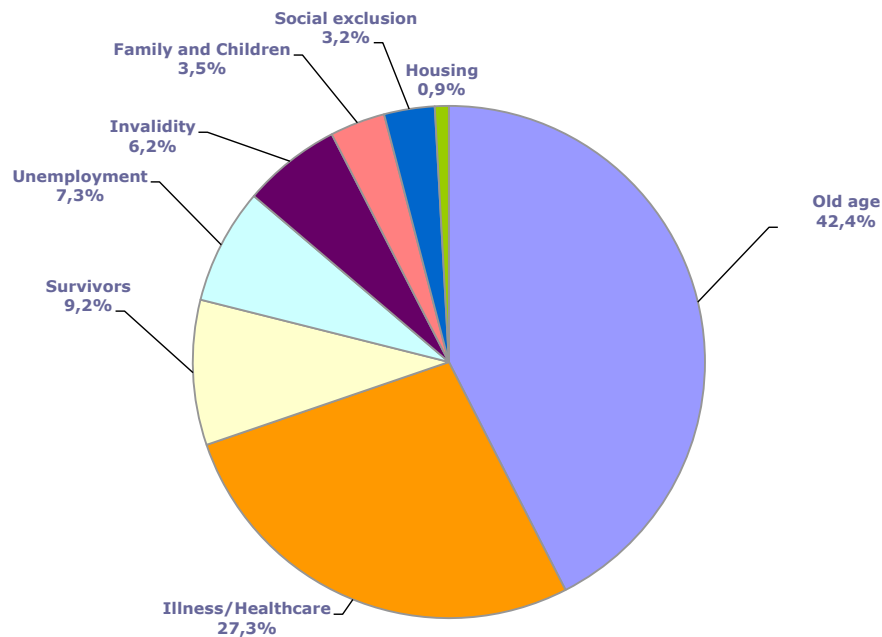
In turn, the “Social Exclusion” function grew by 7.4%, which in absolute values entailed 48 million more euros, recording an expenditure of 696 million euros in 2021. Finally, the “Family/Children” function increased by 6.4%, 46 million euros more than in 2020, which entailed 761 million euros in 2021.

The “Unemployment” function recorded a strong increase of 98.3% in 2020 as a consequence of the emergency measures adopted to combat the social and economic impact of COVID-19, where economic benefits were established in favour of workers for cessation or reduction of activity, suspension of contracts and reduction in working hours due to temporary force majeure (ERTEs - Temporary Labour Force Adjustment Plans). The economic recovery in 2021 meant that the number of beneficiaries of these benefits reduced, and as a consequence, cash benefits for Unemployment went from 1,943 million euros in 2020 to 1,469 million euros in 2021 i.e. 24.4% less. However, compared to the year before the pandemic (2019), expenditure on the “Unemployment” function grew by 55.3% in 2021. In contrast, expenditure on benefits in kind (mainly training programmes for unemployed people) increased by 31 million euros, reaching 126 million euros. As a whole, expenditure on this function decreased by 442 million in 2021, a reduction of 21.7%.

The functions with the highest expenditure on social benefits continued to be “Old Age” and “Illness/Healthcare”

The function that received the most expenditure was still “Old Age”, which includes spending on pensions, financial benefits related to dependence and other benefits in kind, such as residential services and home care. In 2021, this entailed 42.4% of social provisions, 0.7 percentage points more than in 2020, but lower than the 44.3% it represented in 2019 (the year before COVID-19).

Distribution of expenditure on social benefits by functions. 2021 (a)



Source: Eustat. Social protection account

The next largest amount of expenditure corresponded to the “Illness/Healthcare” function, which, with 5,952 million in 2021 represented 27.3% of expenditure on benefits, increasing by 1.1 percentage point compared to 2020.

In third place, the “Survivors” function represented 9.2% of benefits, with expenditure of 1,997 million. As for the “Unemployment” function, this fell from 9.6% in 2020 to 7.3% in 2021.

The remaining functions maintained a similar relative weight to previous years: “Family and children” represented 3.5%, “Social exclusion” 3.2% and “Housing” 0.9%.

Expenditure by group of institutional units and year (million euros). 2018-2021

	2018	2019	2020	2021 (A)	Annual variation rate (%)		
					2018/19	2020/19	2021 (A)/20
Social Security System and State Administration	11.236	11.926	13.380	13.586	6,1	12,2	1,5
Basque Administration	5.947	6.285	6.665	7.056	5,7	6,0	5,9
Private Institutions	1.287	1.350	1.419	1.442	4,9	5,1	1,6
TOTAL EXPENDITURE ON SOCIAL PROTECTION	18.470	19.561	21.464	22.084	5,9	9,7	2,9

Date December 27, 2022

Source: Eustat. Social Welfare Account

With regard to the **institutional units** that spend money on social protection, spending by the **Social Security System and State Administrations** accounted for 61.5% of total expenditure in 2021; up 1.5% on 2020, an increase of 206 million. This lower growth compared to other years is tied to the decrease in economic benefits linked to the “Unemployment” function.

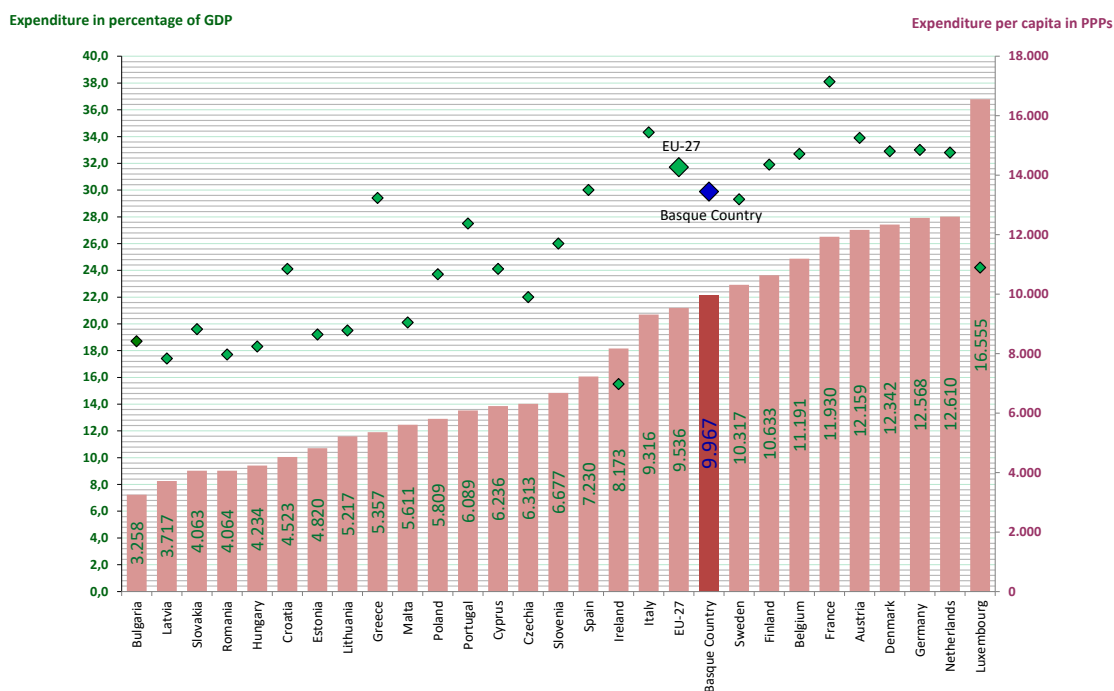
Expenditure by the **Basque Administrations** accounted for 31.9% of the total, reaching 7,056 million euros, 5.9% more than in 2020. On one hand, this growth was due to increased expenditure on the public health system, which was up 6.4%, reaching 4,521 million euros, and on the other hand, expenditure on the public social services system, which includes the institutions of the Basque Government, Provincial Councils and Local Administrations, which reached a total of 2,535 million euros, 4.9% more than in 2020.

Lastly, spending on **Private Institutions**, with expenditure of 1,442 million euros, represented 6.5% of the total and recorded an annual increase of 1.6%.

For comparison with Europe, we analysed the latest data published by Eurostat, corresponding to 2020. The indicator for **expenditure on social protection per inhabitant**, measured in terms of Purchasing Power Parity (PPP), stood at 9,967 in the Basque Country, above the average for the EU-27 (9,536), Spain (7,230) and Ireland (8,173), among others. At the very top of the table were Luxembourg (16,555) and the Netherlands (12,610).

Furthermore, **social protection expenditure as a percentage of GDP** in the Basque Country was 29.9% in 2020, below the EU-27 average (31.7%) and at the same level as Spain (30.0%), but above Luxembourg (24.2%) and Sweden (29.3%), countries which occupied high positions for expenditure per inhabitant.

Social protection spending by country. 2020

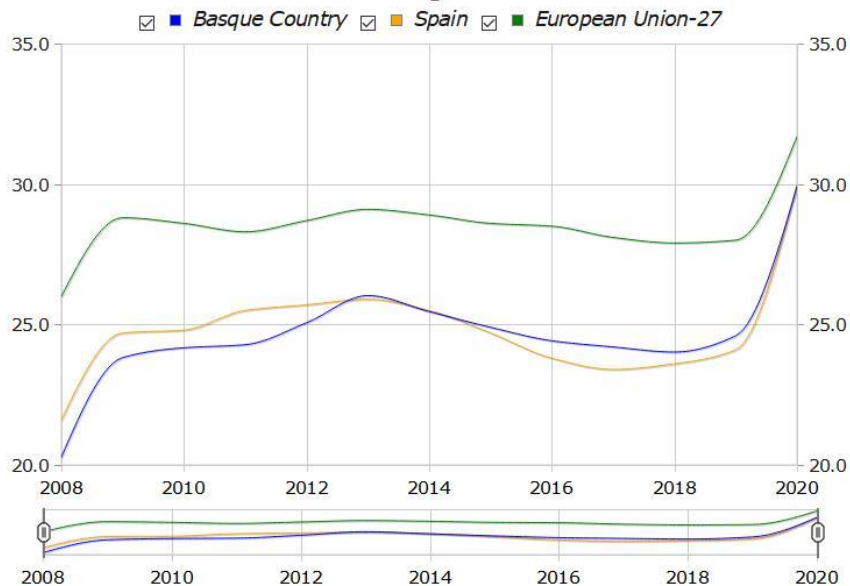


Source: Eustat. Social protection account and Eurostat. Social protection ESSPROS

However, it should be noted that the difference between the Basque Country and the EU-27 for the indicator of expenditure as a percentage of GDP has reduced substantially in the last year. While in 2019, the difference was 3.4 percentage points (in the EU-27, expenditure was 28.0% of GDP, versus 24.6% in the Basque Country), in 2020 the difference was only 1.8 percentage points as the average in the EU-27 was 31.7% and in the Basque Country it was 29.9%.

Toatal expenditure on social protection. International comparison

Percentage of GDP



Source: Eustat. Social protection account

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