

SOCIAL PROTECTION ACCOUNT IN THE BASQUE COUNTRY (ESSPROS) 2008

Total expenditure on social protection in the Basque Country increased by 8.8% in 2008

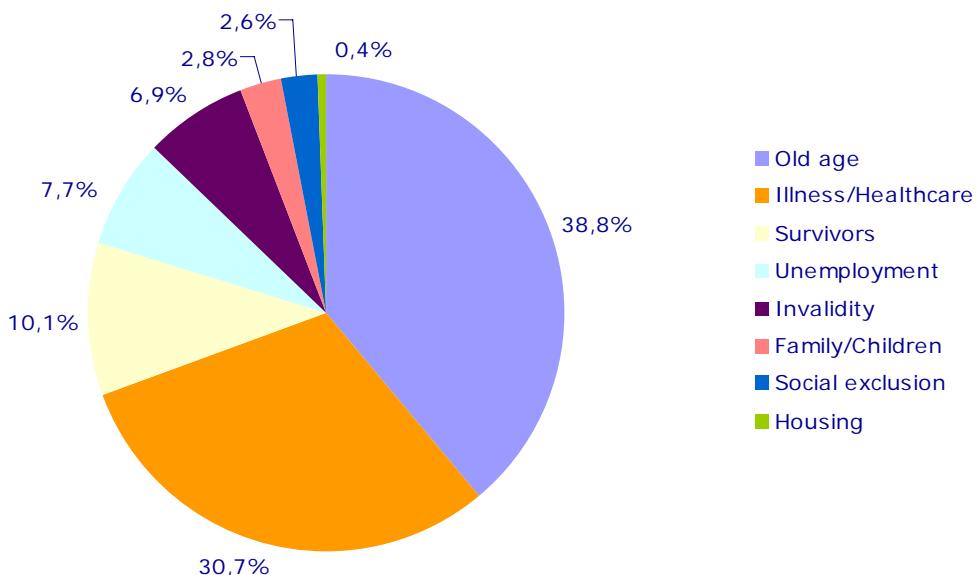
Total expenditure per inhabitant came to 6,320 Euros in 2008, 8% up on the previous year

The total volume of resources earmarked for social protection in the Basque Country stood at 13,622 million euros in 2008, 8.8% up on the previous year, according to Eustat data, following the methodology of the European System of Integrated Social Protection Statistics (ESSPROS).

After discounting management costs, the value of the social benefits stood at 13,323 million euros in 2008. This meant that there had been accumulative annual growth of 7.7% since 2000.

The analysis of **social benefit spending by functions** shows that the biggest increase was in Housing benefits, which were up 54.2% compared to 2007 and came at 57 million euros, and Family and Children benefits, which were up 20.6% and totalled 368 million euros in 2008. However, they were two of the functions with the lowest spending within the sphere of social protection. Spending on Old Age, which includes pensions, accommodation for the elderly and home care, was the highest (38.8% of the total). It came to 5,170 million euros, which was the equivalent of 12,762 euros per person aged 64 or over. This was 6.9% up on 2007. This was followed by Illness/Healthcare, which includes temporary disability and health benefits. It came to 4,085 million euros in 2008, up 9.5% on the previous year.

Graph 1. Distribution of expenditure on social benefits by functions. 2008



Source: Eustat. Social Protection Account

Spending on Disability and Survivors, 921 and 1,349 million euros respectively, posted more moderate growth, under 6%.

In 2008, spending on Unemployment stood at 1,026 million euros, which was up 16.8% on the previous year. The amount per registered unemployed person came to 12,137 euros, compared to 11,617 in the previous year.

Social Exclusion also posted a significant increase of 14.0%, up to 345.6 million euros in 2008.

With regard to the **institutional units** entrusted with the spending on social protection, 60% of expenditure on social benefits (8.164 million euros in 2008 and 7.5% up on the previous year) was carried out by the Social Security System and the State Government. The Basque Authorities accounted for 32.2% expenditure in 2008, which was growth of 12.5% compared to the previous year.

Table 1: Expenditure per group of institutional units and year (million €) - 2005-2008

	2005	2006	2007	2008	% variation rate		
					2006/05	2007/06	2008/07
Social Security System and State Administration	6.634,3	7.071,7	7.591,7	8.164,2	6,6	7,4	7,5
Basque Administration	3.218,5	3.538,0	3.904,9	4.392,6	9,9	10,4	12,5
ESPV	260,9	296,9	324,7	343,5	13,8	9,4	5,8
Other private Institutions	762,6	687,8	695,7	721,3	-9,8	1,1	3,7
Total expenditure on social protection	10.876,3	11.594,4	12.517,0	13.621,6	6,6	8,0	8,8

Source: Eustat. Social Protection Account

With regard to the comparison of the main **indicators**, it was performed using the figures for 2007, the last published by Eurostat, due to the European Union data limitation.

The indicator of the effort placed on social protection, that is, spending on social protection in terms of the GDP, it was 18.8% in the Basque Country in 2007. This percentage was under the average for the European Union (EU-27) for that year (26.2%) and for Spain (21%). The notable growth of the GDP in the Basque Country in the years analysed up to 2007, close to 8% has limited the increase in the percentage allocated in terms of GDP.

If the expenditure per inhabitant indicator is analysed, spending on social protection per inhabitant in the Basque Country, measured as purchasing power parity (PPP), came to 6,550, which was on a par with the EU-27 average (6,522) and higher than spending in Spain (5,526).

From the 2000-2008, the percentage spent on social protection in terms of the GDP was up 2 percentage points. In 2008, spending on social protection accounted for 20.1% of the GDP in the Basque Country. The GDP shrinkage and maintaining the increase in spending helped to boost the effort indicator in 2008. However, it was higher in Spain, with 22.7% in 2008.

Table 2: Main Social Protection in the Basque Country figures and indicators. 2000-2008

	2000	2005	2006	2007	2008	Variation rates (%)				Annual 2008/2000
						2006/05	2007/06	2008/07		
						accumulative				
TOTAL EXPENDITURE ON SOCIAL PROTECTION										
In millions euros	7.518,5	10.876,3	11.594,4	12.517,0	13.621,6	6,6	8,0	8,8	7,7	
In % of GDP p.m.	18,05	18,98	18,77	18,84	20,05	-0,21*	0,07*	1,21*	2,0*	
In Euros per inhabitant	3.616	5.155	5.461	5.851	6.320	5,9	7,1	8,0	7,2	
In PPP per inhabitant	4.284	5.645	6.025	6.559	:	6,7	8,9	:	:	
EXPENDITURE ON SOCIAL BENEFITS BY FUNCTION (million euros)										
TOTAL	7.362,4	10.651,0	11.348,4	12.245,1	13.322,5	6,5	7,9	8,8	7,7	
Illness/Healthcare	2.169,6	3.226,7	3.433,4	3.732,5	4.085,4	6,4	8,7	9,5	8,2	
Invalidity	707,7	756,8	806,9	869,9	921,4	6,6	7,8	5,9	3,4	
Old age	3.413,5	4.211,9	4.461,9	4.835,9	5.169,7	5,9	8,4	6,9	5,3	
Survivors	253,1	1.141,4	1.203,4	1.283,1	1.349,2	5,4	6,6	5,2	23,3	
Family/Children	110,2	201,6	249,7	305,2	368,0	23,8	22,2	20,6	16,3	
Unemployment	614,0	826,0	867,4	878,6	1.026,6	5,0	1,3	16,8	6,6	
Housing	4,6	26,8	34,0	36,8	56,8	27,1	8,3	54,2	37,0	
Social exclusion	89,8	259,8	291,7	303,1	345,6	12,3	3,9	14,0	18,3	
INDICATORS (in euros)										
Expenditure on social benefits per inhabitant	3.541	5.048	5.345	5.724	6.181	5,9	7,1	8,0	7,2	
Expenditure on social benefits per inhabitant in PPP	4.195	5.528	5.897	6.417	:	6,7	8,8	:	:	
Expenditure on the "Illness/Healthcare" function per inhabitant	1.043	1.529	1.617	1.745	1.895	5,7	7,9	8,6	7,7	
Expenditure on the "Old age" function per person aged 65 or over	9.749	10.849	11.328	12.129	12.762	4,4	7,1	5,2	3,4	
Expenditure on the "Unemployment" function per registered jobless person	7.897	9.740	10.737	11.617	12.137	10,2	8,2	4,5	5,5	
GDP p.m. (million euros)	41.647,3	57.289,1	61.760,6	66.427,5	67.924,5	7,8	7,6	2,3	6,3	
Population	2.079.219	2.109.890	2.123.184	2.139.370	2.155.349	0,6	0,8	0,7	0,5	

(:) Not available

(*) Difference in percentage points

Source: Eustat. Social Protection Account

METHODOLOGY NOTE: The Social Protection Account has been prepared according to the reviewed ESSPROS Manual 2008. This has meant a methodological change in the classification by functions, which requires the benefits to be classified according to the reason for the right, independently of the age of the beneficiary. This has led to changes in the Old Age and Survivors functions.

Further information on the Social Protection Account is available in the methodological note:

http://www.eustat.es/document/datos/Nota%20met_SEEPROS08_c.pdf

For further information:

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Social Protection Account of the Basque Country Databank