



SOCIAL PROTECTION IN BELGIUM



ESSPROS DATA 2015



Federal Public Service
Social Security

.be





This year again, the FPS Social Security is pleased to present to you the new edition of the ESSPROS brochure. This gives you an overview of the update of the Belgian and European social protection figures.

The first part consists of the presentation of Belgium's ESSPROS statistical data for the year 2015.

Overall, Belgium's expenditure on social protection in terms of GDP between 2014 and 2015 increased slightly (30,16% of GDP in 2014 and 30,36% in 2015).

Compared to the 2014 data, there is a decrease in expenditure on unemployment from 3,38% of GDP in 2014 to 3,10% of GDP in 2015. This decrease is mainly due to changes in volume factors, the jump in the index decided by the government in October 2014 and the various measures taken by the government.

As for expenditure on old-age, there has been a slight increase from 9,84% of GDP in 2014 to 10,17% of GDP in 2015. This confirms the aging of our population.



The second part presents the comparison of 2014 data for our country with those of the other Member States of the European Union. These are the most recent data published by Eurostat at the time of writing. Some data for some countries are still provisional and other data are estimates.

This brochure is intended to be a concise source of social protection figures for the general public. The FPS Social Security collects these figures from its various partners in order to meet its international reporting obligations.

We hope you will enjoy reading this brochure.

PREAMBLE

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European perspective

1. Belgium's social protection data in 2015

In 2015, the Belgian Gross Domestic Product (GDP) amounted to 410.247 million EUR.

For 2015, some data for certain schemes have not been provided to us. These have not been estimated.

A) Social protection receipts

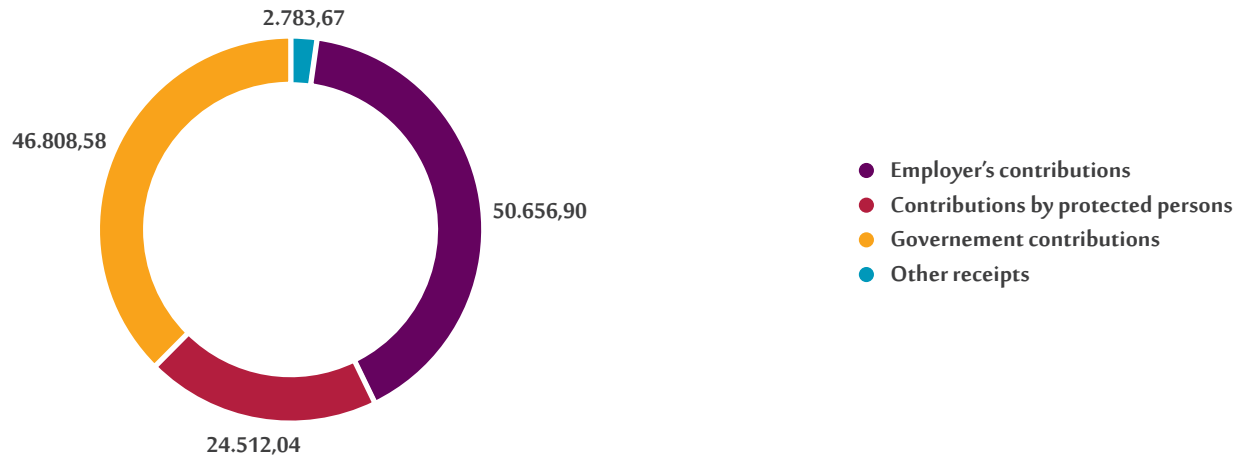
Table 1 : Amounts of Belgium's social protection receipts in 2015

	In million EUR	In % of GDP	In % of TSR ¹
Employers' contributions	50.656,90	12,35	40,60
Protected persons' contributions	24.512,04	5,97	19,65
Government contributions	46.808,58	11,41	37,52
Other receipts	2.783,67	0,68	2,23
Total receipts	124.761,19	30,41	100,00

Source : FPS Social Security

¹ TSR : Total Social Receipts

Chart 1 : Distribution of social receipts in 2015 (in million EUR)



Source : FPS Social Security

In 2015, employers' contributions accounted for the largest share of social protection receipts (40,60%). Government contributions and protected persons' contributions accounted for 37,52% and 19,65% of social protection receipts respectively. Other receipts represented 2,23%.

B) Social protection expenditure

Table 2 : Belgium 's social expenditure in 2015

	In million EUR	In % of GDP	In % of TSE ²
Social benefits	119.303,51	29,08	95,79
Administrative costs	3.671,72	0,90	2,95
Other expenditure	1.568,21	0,38	1,26
Total expenditure	124.543,44	30,36	100,00

Source : FPS Social Security

Table 2 shows that the largest share of social protection expenditure was spent on benefits (95,79%) in 2015. Administrative expenditure and other expenditure accounted for 2,95% and 1,26% of total social expenditure respectively. In 2015, Belgium spent 30,36% of its GDP on social protection, which represents a slight increase compared to 2014 (expenditure was 30,16% of GDP).

² TSE : Total Social Expenditure

C) Social benefits by risk

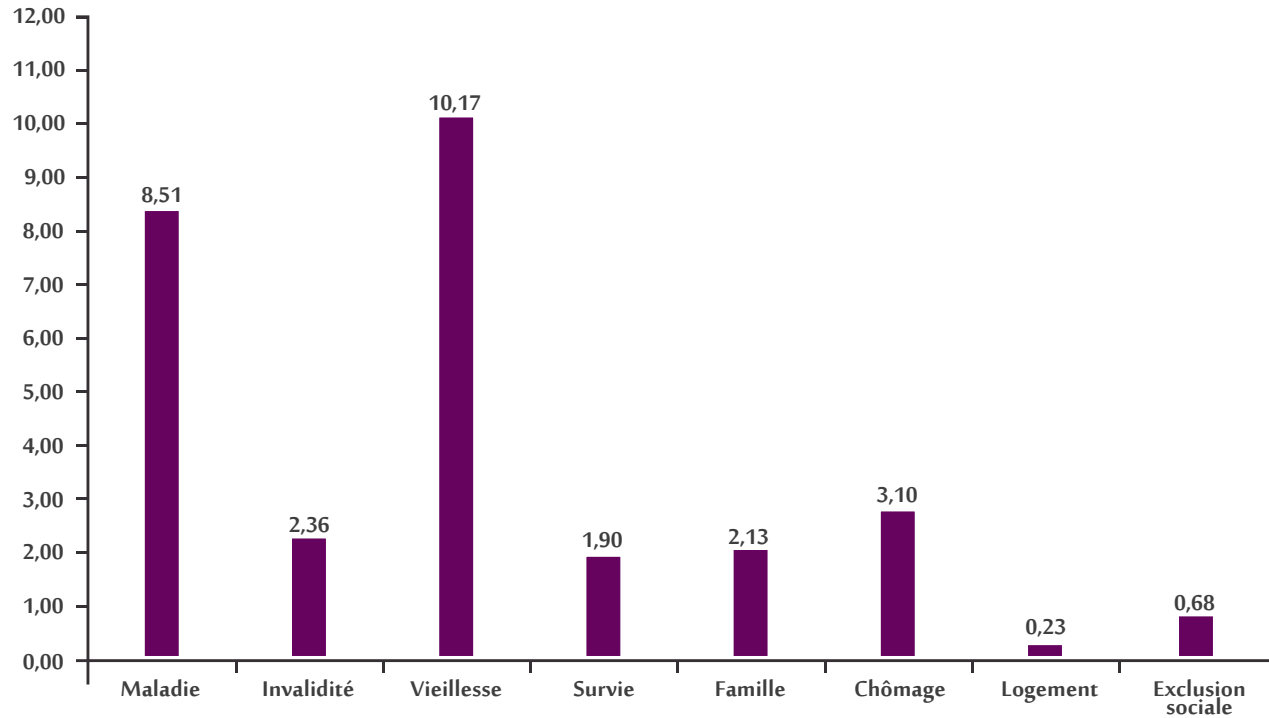
Table 3 : Amounts of social benefits by risk in 2015

Risks	In million EUR	In % of GDP	In % of TSB ³
Sickness	34.899,59	8,51	29,25
Disability	9.668,37	2,36	8,10
Old-age	41.729,57	10,17	34,98
Survivors	7.806,90	1,90	6,54
Family	8.742,74	2,13	7,33
Unemployment	12.719,43	3,10	10,66
Housing	954,36	0,23	0,80
Social exclusion	2.782,55	0,68	2,33
Total	119.303,51	29,08	100,00

Source : FPS Social Security

As in previous years, Old-age benefits accounted for the largest share of expenditure on social benefits, i.e. 34,98%. When combined with Sickness/Health Care, Disability (which correspond to our concepts of sickness and disability insurance, accidents at work and occupational diseases) and Survival, they account for 78,88% of total social benefits (22,94% of GDP).

³ TSB : Total Social Benefits

Chart 2 : Social risks in % of GDP in 2015

Source : FPS Social Security

Chart 2 shows the eight social risks (functions) classified according to the ESSPROS methodology, in % of GDP. The Housing and Social Exclusion functions have the lowest percentages, i.e. respectively 0,23% and 0,68% of GDP. While the Old-age and Sickness/Health Care functions represent the highest percentages, i.e. 10,17% and 8,51% respectively. As for the Unemployment function, it ranks third with 3,10%. As regards the latter, there is a decrease in unemployment expenditure compared to 2014. They accounted for 3,38% of GDP. This decrease is mainly due to changes in volume factors, the jump in the index decided by the government in October 2014 and the various measures taken by the government.

D) Types of social benefits

According to the ESSPROS methodology, there are two types of social benefits : cash benefits and benefits in kind.

- A **cash benefit** is a benefit that is paid in cash and does not require proof of the recipient's actual expenses. For example, sick leave with pay, old-age pension payments, ...
- A **benefit in kind** is a benefit granted in the form of goods or services. Therefore, reimbursements of our "health care" insurance are regarded as benefits in kind. Among the benefits in kind, we will find for example : allowances for assistance in the daily tasks of the elderly, housing allowances, ...

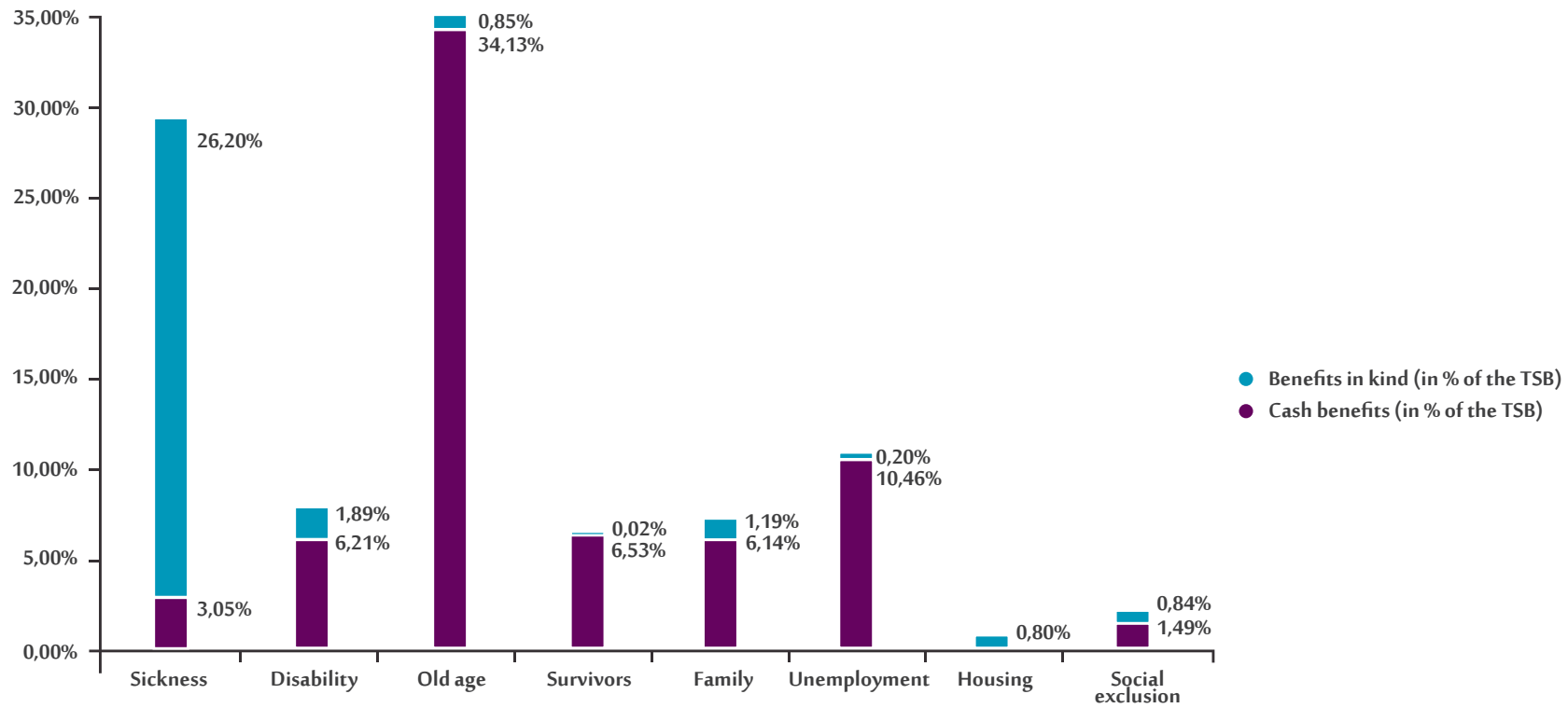
Table 4 : Cash benefits and benefits in kind in 2015

Risks	Cash benefits (in million EUR)	Cash benefits in % of TSB	Benefits in kind (in million EUR)	Benefits in kind in % of TSB
Sickness	3.641,74	3,05	31.257,85	26,20
Disability	7.409,02	6,21	2.259,34	1,89
Old-age	40.718,56	34,13	1.011,01	0,85
Survivors	7.786,73	6,53	20,17	0,02
Family	7.328,04	6,14	1.414,70	1,19
Unemployment	12.477,00	10,46	242,43	0,20
Housing	0,00	0,00	954,36	0,80
Social exclusion	1.775,62	1,49	1.006,93	0,84
Total	81.136,72	68,01	38.166,80	31,99

Source : FPS Social Security

In Belgium, social benefits are mainly cash benefits. In 2015, cash benefits accounted for 68,01% of total social protection benefits (34,13% for old-age pensions, 10,46% for unemployment and 23,42% for other cash benefits). Benefits in kind accounted for 31,99% of total social benefits (26,20% for the Sickness/Health Care function and 5,79% for other benefits in kind).

Chart 3 : Share of cash benefits and benefits in kind (in % of total social benefits) in 2015



Source : FPS Social Security

2. Comparison with the other EU countries

In this chapter, we present the figures provided by the Member States to Eurostat. These figures concern the year 2014. As regards Belgium, we used the latest update of available figures. And for the other countries, we used the most recent data published by Eurostat at the time of writing. The figures presented are raw data, which means that they do not take into account tax deductions or other compulsory levies owed by recipients. This leads us to warn data users against hasty conclusions because the use of raw data may lead to biased interpretations of analytical results.

Social protection benefits paid to recipients can take many forms. Within the ESSPROS, only the following types of benefits are selected :

- Cash payments to protected persons ;
- Reimbursement of expenses incurred by protected persons ;
- Goods and services provided directly to protected persons.

These are therefore direct benefits insofar as they imply a direct increase in the disposable income of recipients.

A) Social protection receipts in the European Union

For reasons of legibility, we will not include information on all countries for which social protection statistics are available, but we will confine ourselves to a selection of these. Complete information can be found on the Eurostat website (<http://ec.europa.eu/eurostat/fr/data/database>).

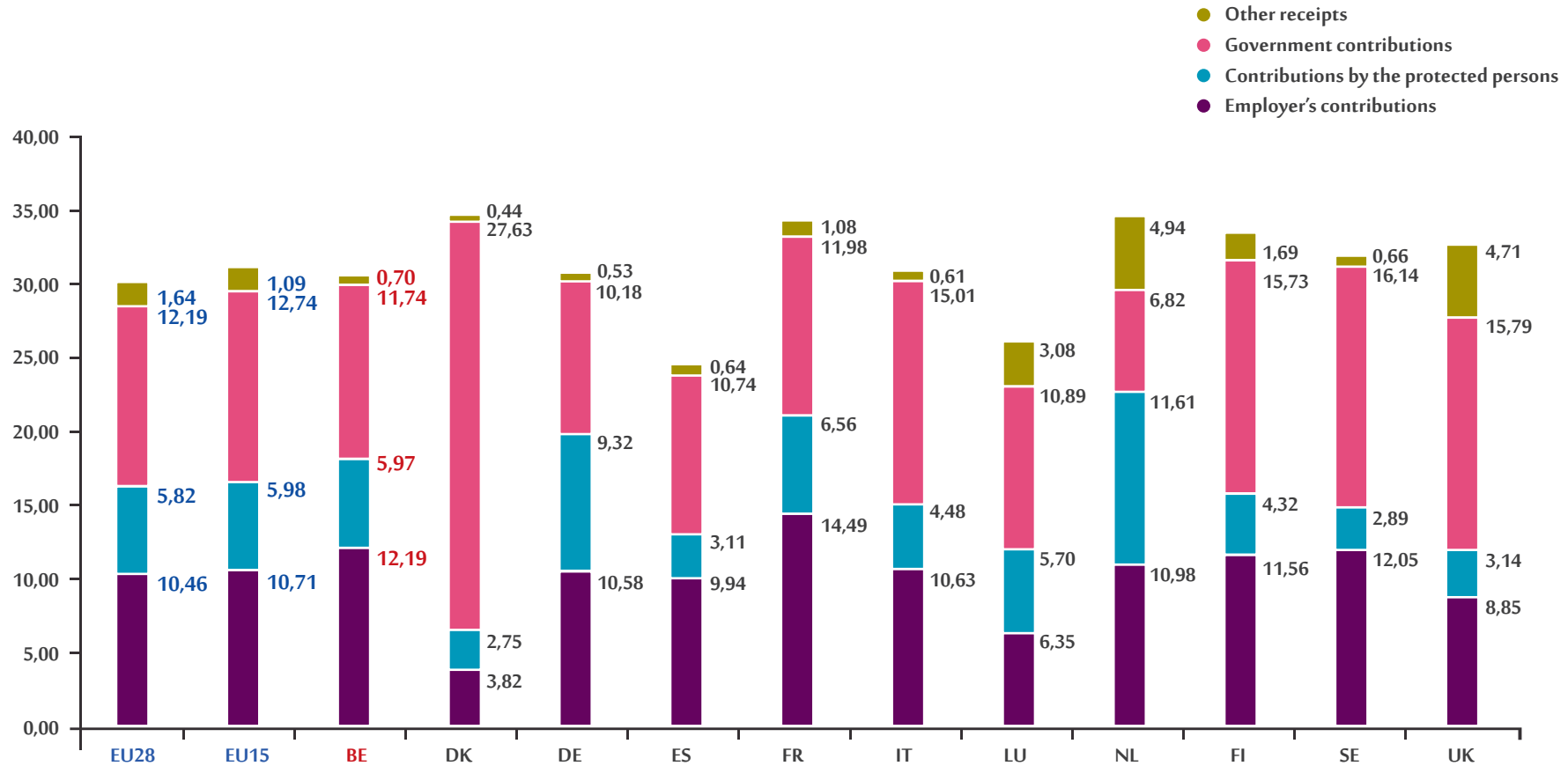
Table 5 : Social protection receipts by type in % of GDP and in % of total social receipts (TSR) in 2014

	Employers' contributions		Protected persons' contributions		Government contributions		Other receipts		Total	
	In % of GDP	In % of TSR	In % of GDP	In % of TSR	In % of GDP	In % of TSR	In % of GDP	In % of TSR	In % of GDP	In million EUR
EU28	10,46	34,74	5,82	19,33	12,19	40,48	1,64	5,45	30,12	4.219.104,17
EU15	10,71	34,43	5,98	19,23	12,74	40,97	1,67	5,37	31,11	4.006.443,83
BE	12,19	39,83	5,97	19,52	11,74	38,38	0,70	2,27	30,60	122.636,19
DK	3,82	11,02	2,75	7,94	27,63	79,77	0,44	1,27	34,64	91.866,98
DE	10,58	34,57	9,32	30,45	10,18	33,25	0,53	1,73	30,61	897.563,22
ES	9,94	40,69	3,11	12,72	10,74	43,97	0,64	2,62	24,43	253.335,46
FR	14,49	42,49	6,56	19,23	11,98	35,13	1,08	3,15	34,10	732.314,00
IT	10,63	34,60	4,48	14,57	15,01	48,86	0,61	1,98	30,73	498.406,00
LU	6,35	24,41	5,70	21,91	10,89	41,85	3,08	11,82	26,02	13.004,49
NL	10,98	31,95	11,61	33,79	6,82	19,86	4,94	14,39	34,35	227.728,00
FI	11,56	34,72	4,32	12,97	15,73	47,23	1,69	5,08	33,30	68.420,05
SE	12,05	37,97	2,89	9,11	16,14	50,84	0,66	2,07	31,74	137.354,18
UK	8,85	27,25	3,14	9,66	15,79	48,59	4,71	14,50	32,49	734.635,33

Source : Eurostat / FPS Social Security

In 2014, the main sources of funding for social protection in the EU were social contributions (54,07% of total receipts for the EU28). In Belgium, social contributions payable by employers are higher than the European average. Our country ranks third behind France and Spain. As far as protected persons' contributions are concerned, Belgium's figures are very close to the European average. In Belgium, government contributions are below the EU average. Compared to the other countries not included in the table, the new Member States (Czech Republic, Estonia, Latvia, Lithuania, Poland and Slovakia) also have high employers' contributions (>40% of total social protection receipts).

Chart 4 : Distribution of social protection receipts in % of GDP in 2014



Source : Eurostat / FPS Social Security

Chart 4 shows that the share of government contributions and the share of employers' contributions represent the majority of social protection receipts. This chart also allows us to observe two types of financing systems (Bismarckian and Beveridge system). The Nordic countries - Denmark, Sweden, Finland and the United Kingdom – follow the universal model (the system giving priority to government contributions) and the other countries follow the insurance model (the system giving priority to social contributions). Today, however, no genuine system lives on and the two systems tend to come together.

B) Social protection expenditure in the European Union

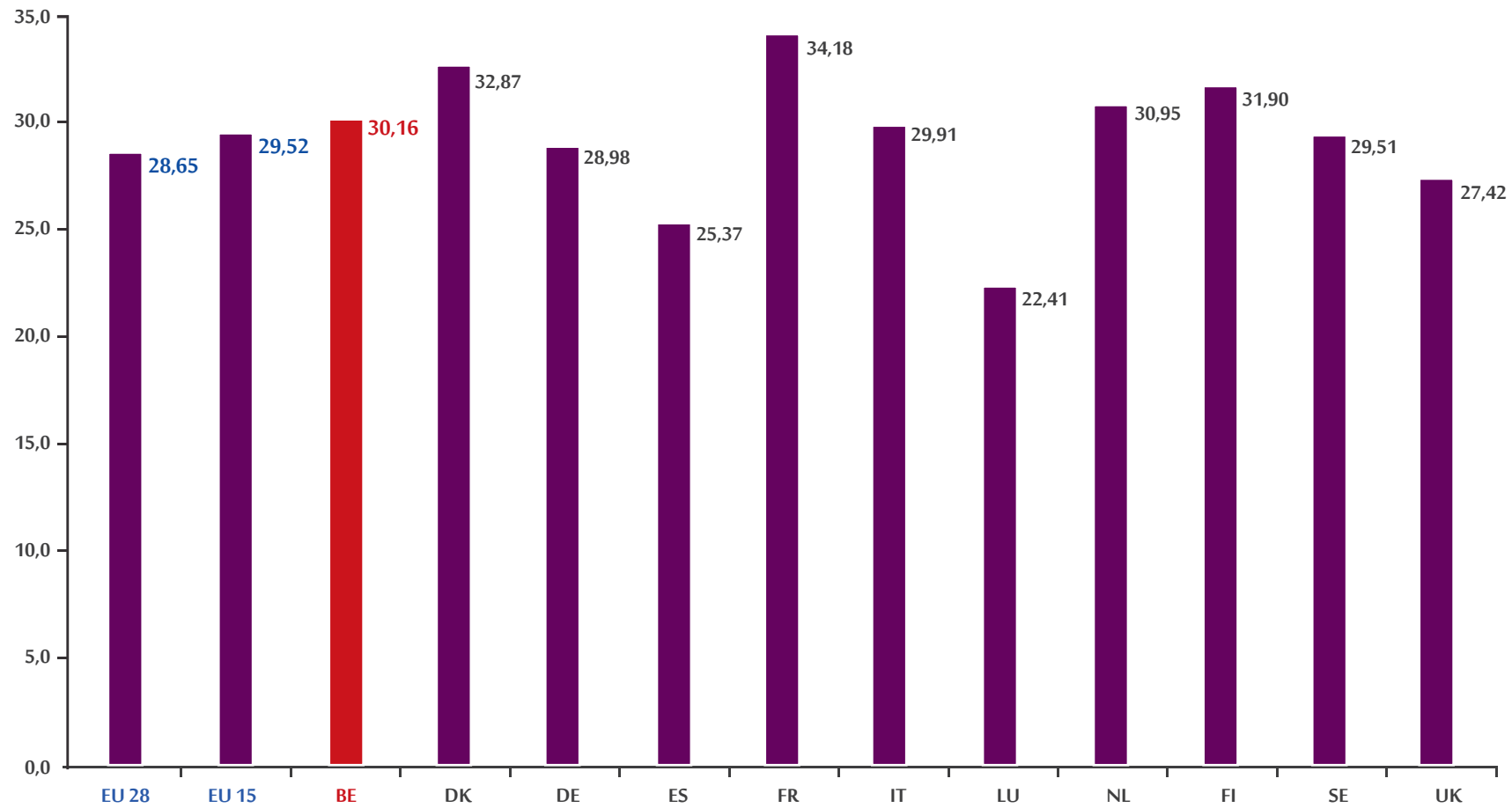
Table 6 shows the distribution of social protection expenditure in million EUR and in % of GDP. This allows us to see the share of national wealth that has been redistributed in terms of social protection.

For most EU countries, the share represented by social benefits amounts to 95% or more of total social expenditure.

Table 6 : Structure of social protection expenditure in 2014

	Social benefits		Administrative costs		Other expenditure		Social expenditure	
	In million EUR	In % of GDP	In million EUR	In % of GDP	In million EUR	In % of GDP	In million EUR	In % of GDP
EU28	3.862.959,01	27,58	115.919,56	0,83	33.756,54	0,24	4.012.635,10	28,65
EU15	3.657.749,55	28,40	111.469,31	0,87	33.286,00	0,26	3.802.504,86	29,52
BE	115.898,20	28,92	3.677,98	0,92	1.320,03	0,33	120.896,21	30,16
DK	83.899,98	31,63	3.281,77	1,24	0,00	0,00	87.181,75	32,87
DE	812.680,07	27,71	32.684,16	1,11	4.427,76	0,15	849.792,00	28,98
ES	258.355,40	24,91	4.755,46	0,46	24,50	0,00	263.135,35	25,37
FR	689.830,20	32,12	29.693,49	1,38	14.602,87	0,68	734.126,56	34,18
IT	467.086,00	28,80	10.182,00	0,63	7.851,00	0,03	485.119,00	29,91
LU	11.025,01	22,06	158,23	0,32	14,26	0,31	11.197,49	22,41
NL	191.827,00	28,93	11.284,00	1,70	2.065,00	0,00	205.176,00	30,95
FI	63.915,93	31,11	1.636,78	0,80	0,00	0,00	65.552,72	31,90
SE	125.228,88	28,94	2.463,26	0,57	0,00	0,00	127.692,15	29,51
UK	613.941,96	27,16	5.988,41	0,26	0,00	0,00	619.930,37	27,42

Source : Eurostat / FPS Social Security

Chart 5 : Social expenditure in % of GDP in 2014

Source : Eurostat / FPS Social Security

C) Social benefits by risk in the European Union

To better compare data from the various countries, we use the amounts expressed in % of GDP. This makes it possible to compare proportionally on the basis of national wealth.

Table 7 : Social benefits in % of GDP in 2014

	Sickness/ Health Care	Disability	Old-age	Survivors	Family/ Children	Unemployment	Housing	Social exclusion
EU28	8,06	2,00	11,09	1,56	2,36	1,42	0,57	0,53
EU15	8,35	2,05	11,33	1,59	2,42	1,51	0,61	0,55
BE	8,38	2,28	9,84	1,95	2,18	3,38	0,25	0,64
DK	6,32	4,07	11,79	2,21	3,55	1,64	0,70	1,35
DE	9,64	2,23	8,99	1,88	3,13	1,08	0,57	0,20
ES	6,49	1,83	9,77	2,46	1,32	2,68	0,11	0,25
FR	9,13	2,11	12,83	1,76	2,52	1,99	0,84	0,94
IT	6,76	1,70	14,11	2,69	1,56	1,73	0,03	0,22
LU	5,58	2,50	6,53	1,79	3,44	1,43	0,31	0,48
NL	10,02	2,22	11,12	1,19	0,91	1,61	0,43	1,43
FI	7,47	3,39	12,09	0,88	3,22	2,56	0,60	0,90
SE	7,54	3,46	12,16	0,37	3,07	1,11	0,46	0,76
UK	8,64	1,46	11,62	0,10	2,82	0,45	1,39	0,69

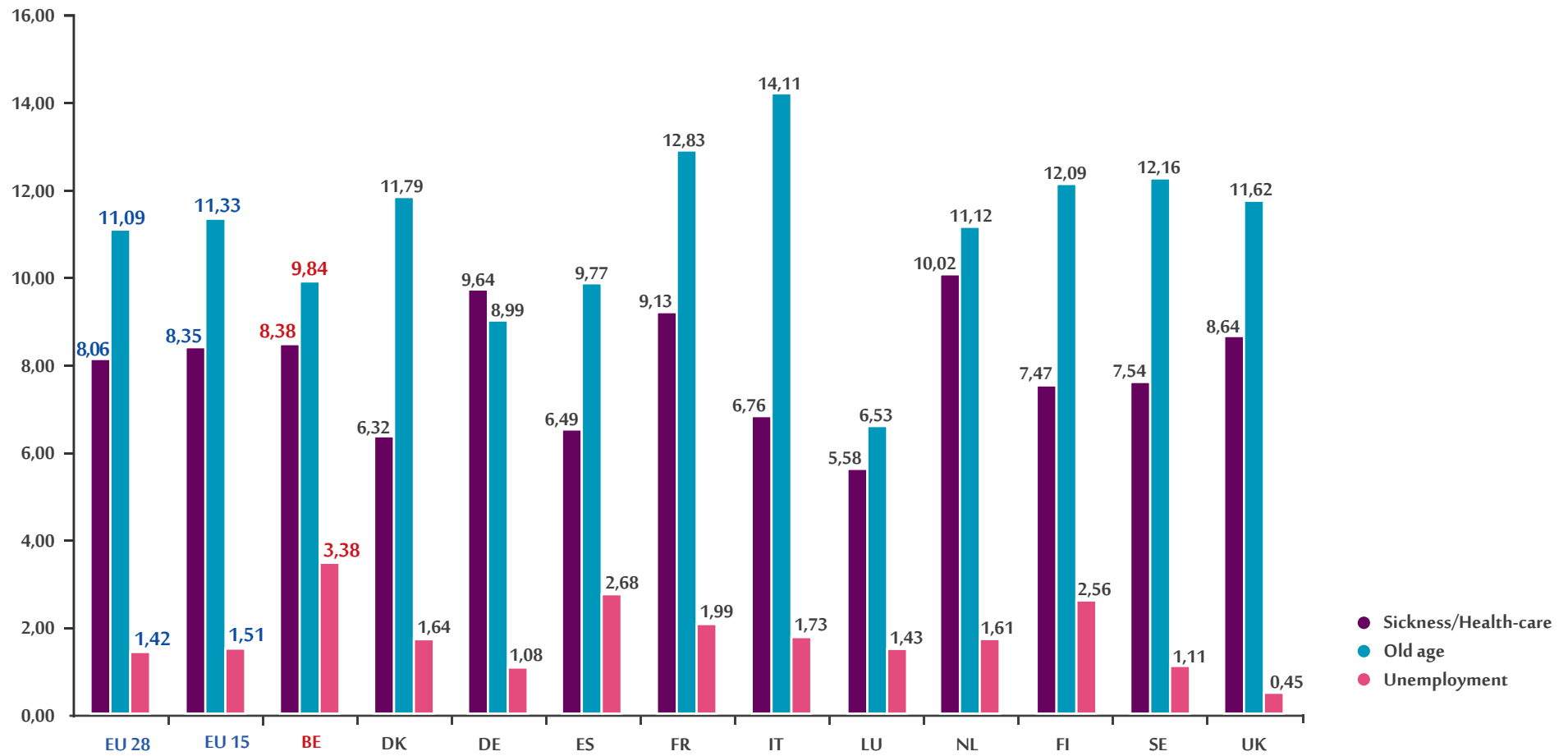
Source : Eurostat / FPS Social Security

Table 7 shows the weight represented by each function in the various Member States of the European Union. In 2014, our country is above the EU15 average, except for the Old-age, Family/Children and Housing functions. When comparing with the EU28, the same conclusions can be drawn.

Expenditure related to ageing is particularly high for Italy, France and Sweden. For Belgium, this expenditure (9,84% of GDP) is well below the European average, which amounts to 11,09% of GDP for 2014.

With regard to the Unemployment function, two countries are well above the European average, namely Belgium and Spain. However, the origin of this phenomenon differs : if in Belgium there is a link with the extent of our unemployment system over time, it is clear that Spain is particularly affected by unemployment following the last economic crisis.

Chart 6 : Distribution of social benefits for the Sickness/Health Care, Old-age and Unemployment functions in % of GDP in 2014



Source : Eurostat / FPS Social Security

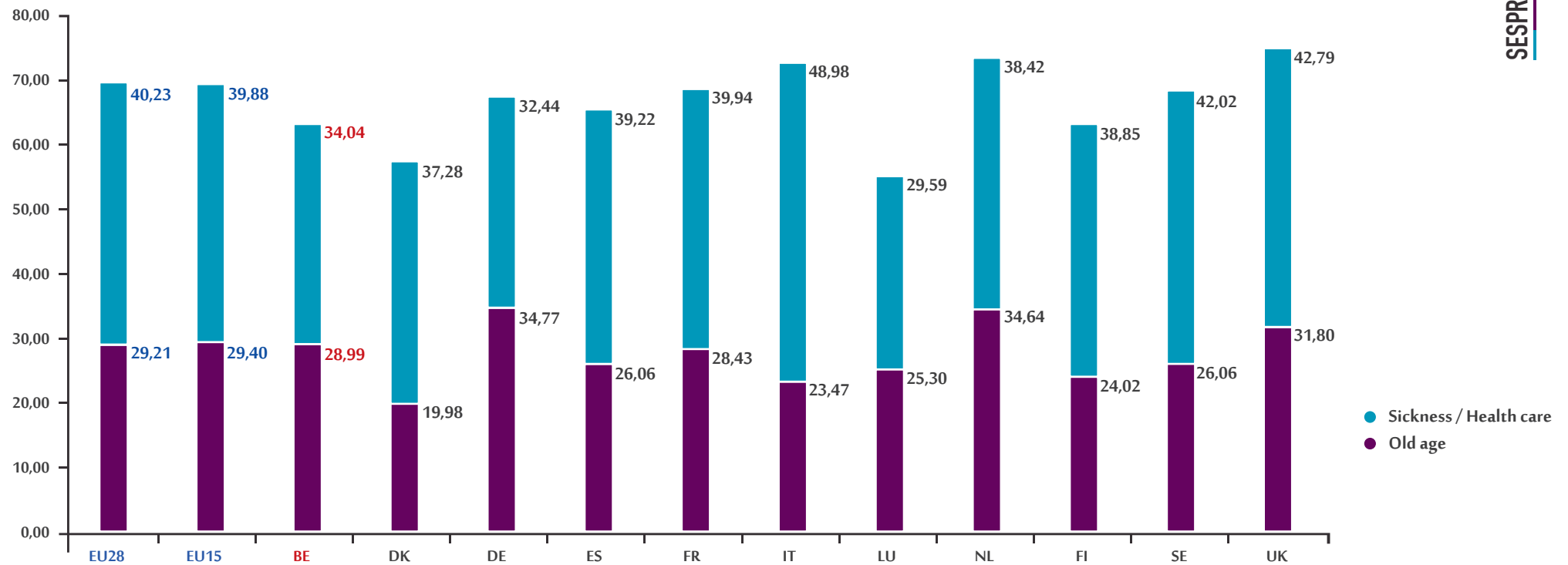
Table 8 : Social benefits in % of total social benefits in 2014

	Sickness/ Health Care	Disability	Old-age	Survivors	Family/ Children	Unemployment	Housing	Social exclusion
EU28	29,21	7,25	40,23	5,67	8,55	5,13	2,05	1,90
EU15	29,40	7,21	39,88	5,59	8,54	5,30	2,14	1,94
BE	28,99	7,90	34,04	6,75	7,55	11,68	0,86	2,23
DK	19,98	12,87	37,28	6,99	11,22	5,20	2,21	4,25
DE	34,77	8,06	32,44	6,77	11,28	3,91	2,07	0,72
ES	26,06	7,35	39,22	9,89	5,28	10,76	0,43	1,01
FR	28,43	6,57	39,94	5,48	7,84	6,20	2,61	2,92
IT	23,47	5,91	48,98	9,33	5,43	6,00	0,11	0,77
LU	25,30	11,35	29,59	8,11	15,59	6,50	1,39	2,17
NL	34,64	7,68	38,42	4,12	3,14	5,56	1,48	4,96
FI	24,02	10,91	38,85	2,82	10,36	8,22	1,94	2,89
SE	26,06	11,97	42,02	1,29	10,59	3,84	1,61	2,62
UK	31,80	5,36	42,79	0,35	10,37	1,67	5,13	2,54

Source : Eurostat / FPS Social Security

Table 8 shows the share of each function in total benefits. Old-age benefits represent the largest share of social benefits, followed by Sickness and Health Care benefits.

Chart 7 : Distribution of social benefits for the Sickness/Health Care and Old-age functions in % of total benefits in 2014



Source : Eurostat / FPS Social Security

Chart 7 shows that Old-age and Sickness/Health Care benefits account for more than half of total benefits. The European average (either EU15 or EU28) is worth slightly less than 70% of total benefits. Some countries such as the United Kingdom, Italy or the Netherlands exceed 70%. Belgium is below the European average with 63,03%.

Abbreviations

EUROSTAT : Statistical Office of the European Union

GDP : Gross Domestic Product

ESSPROS : European System of integrated Social PROtection Statistics

FPS : Federal Public Service

TSE : Total Social Expenditure

TPB : Total Social Benefits

TSR : Total Social Receipts

EU : European Union

EU15 : The 15 countries of the European Union before 1/5/2004 (Belgium, Germany, Spain, France, Greece, Ireland, Italy, Luxembourg, The Netherlands, Austria, Portugal, Finland, Denmark, Sweden and the United Kingdom)

EU28 : The 28 countries of the European Union (UE 15 + Czech Republic, Estonia, Cyprus, Latvia, Lithuania, Hungary, Malta, Poland, Slovenia, Slovak Republic, Bulgaria, Romania and Croatia)

AT : Austria

BE : Belgium

BG : Bulgaria

CY : Cyprus

CZ : Czech Republic

HR : Croatia

DE : Germany

DK : Denmark

EL : Greece

ES : Spain

EE : Estonia

FI : Finland

FR : France

HU : Hungary

IE : Ireland

IT : Italy

LV : Latvia

LT : Lithuania

LU : Luxembourg

MT : Malta

PL : Poland

PT : Portugal

NL : The Netherlands

RO : Romania

SE : Sweden

SK : Slovak Republic

SI : Slovenia

UK : United Kingdom

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