

# **SOCIAL PROTECTION RECEIPTS AND EXPENDITURES**

*WESTERN BALKANS POLICY ANALYSIS LABORATORY*

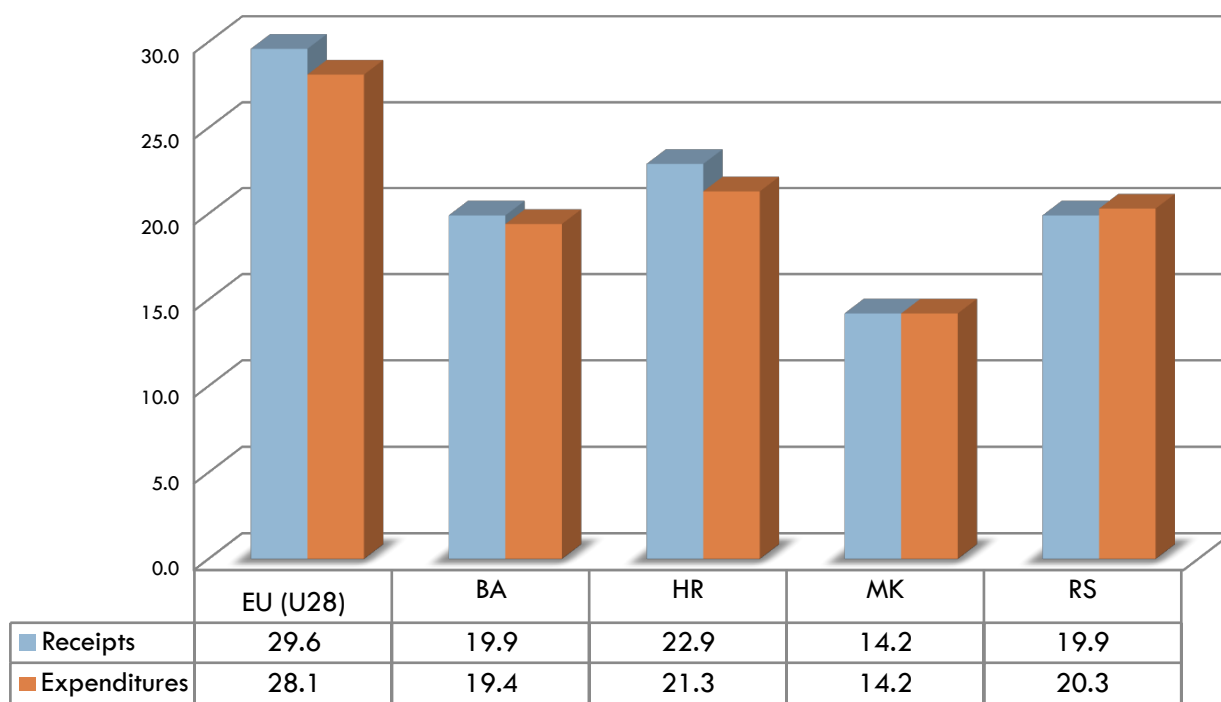
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# RECEIPTS AND EXPENDITURES

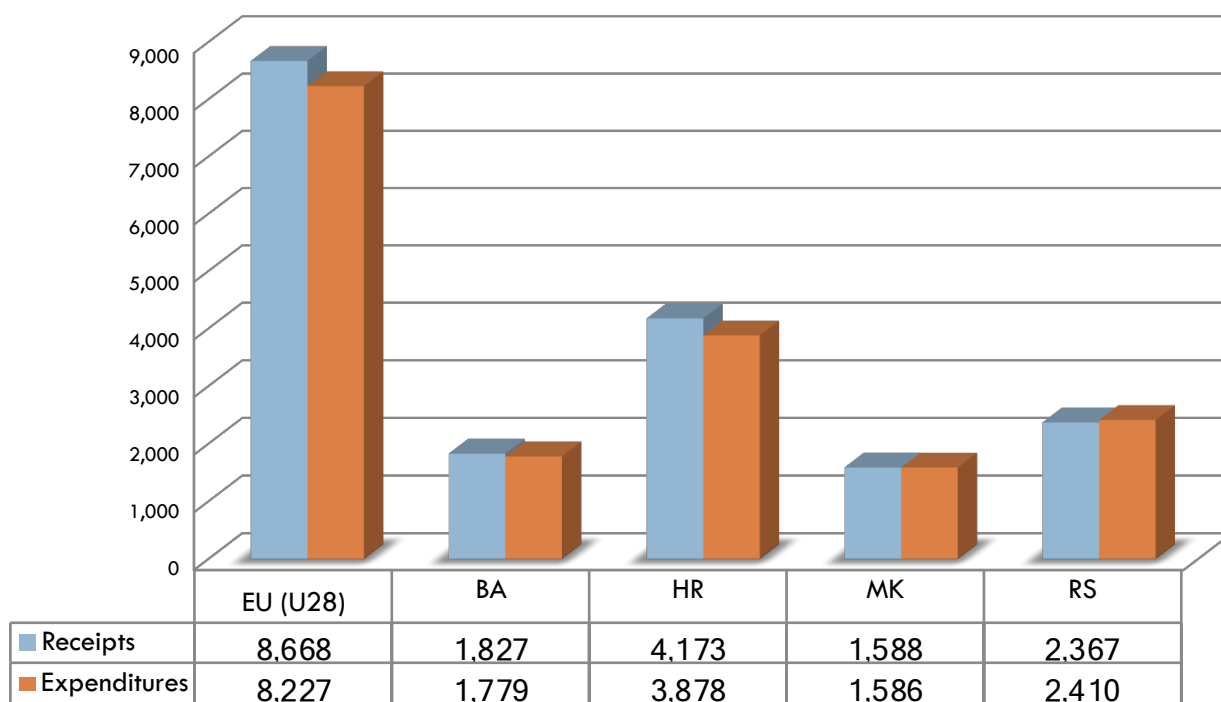
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- In the long term social protection receipts balance with social protection expenditure
- In the short or medium term this is not the case
- In two-thirds of EU states receipts exceeds expenditure (including Croatia)
- In WB countries the gap between social protection expenditure and receipts is small (approx. 0.5% GDP) or it doesn't exist

# Receipts and expenditures, 2016 (% GDP)



# Receipts and expenditures, 2016 (PPS per inhabitant)

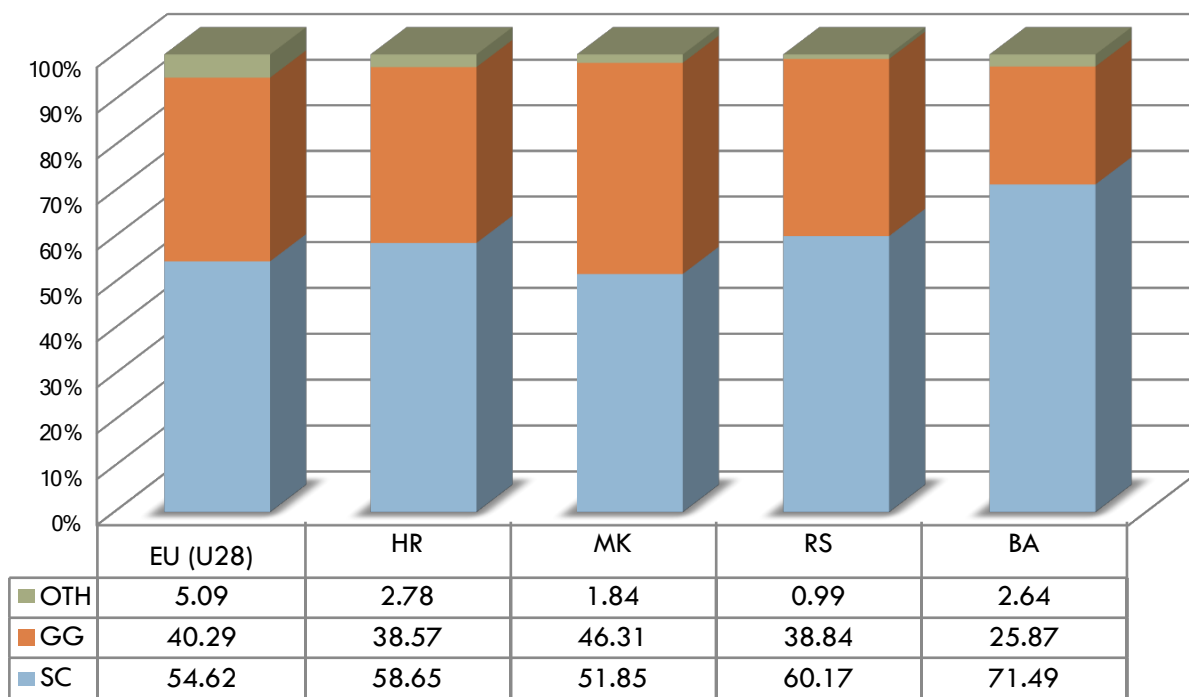


## Issues to discuss

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- Low expenditures, especially in MK, both in absolute and relative terms
- Is there awareness that expenditures are low? Is it considered positive because it creates room for other investments (small welfare state)?

## Receipts of SP schemes by type, 2016, (% of total receipts)



# Comments

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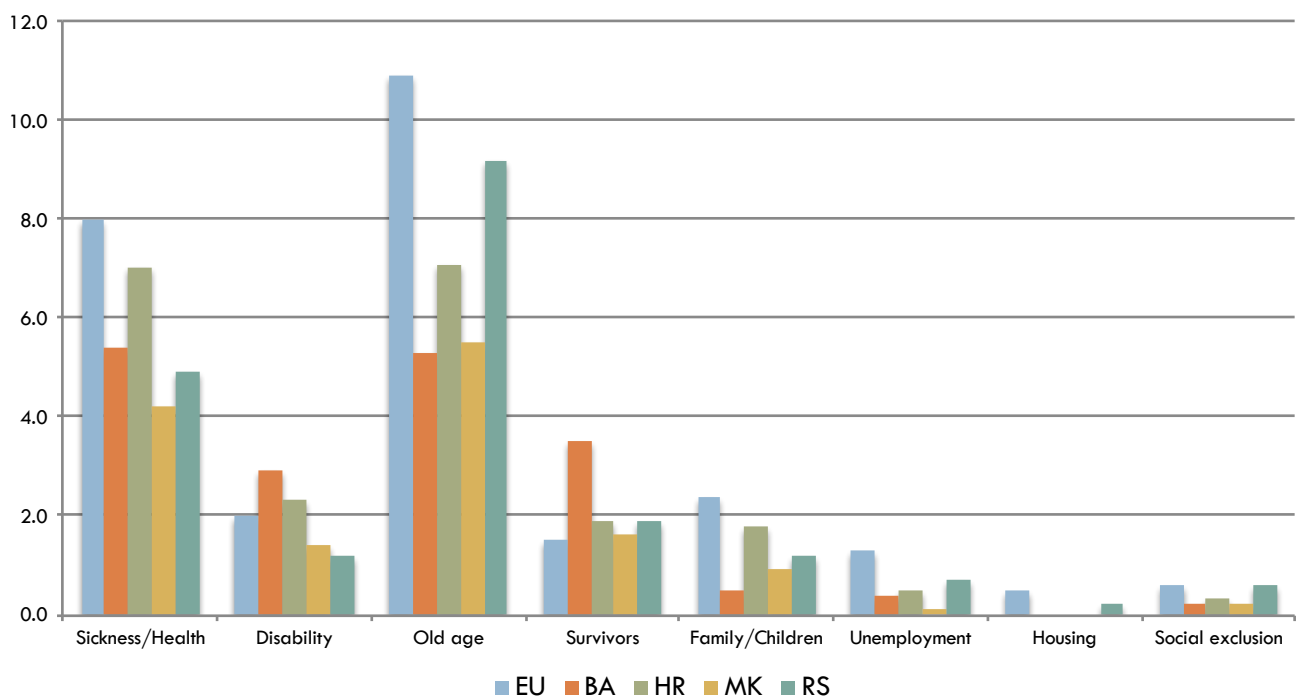
BA

- Why is the share of social contributions higher than in other WB countries?
- Is decentralization the reason? (Cantons do not pay child allowances, social assistance and other non contributory benefits)

MK

- MK is approaching social democratic and liberal regimes. Departure from Bismarck or low social insurance benefits?

# Expenditures by functions, 2016 (% GDP)



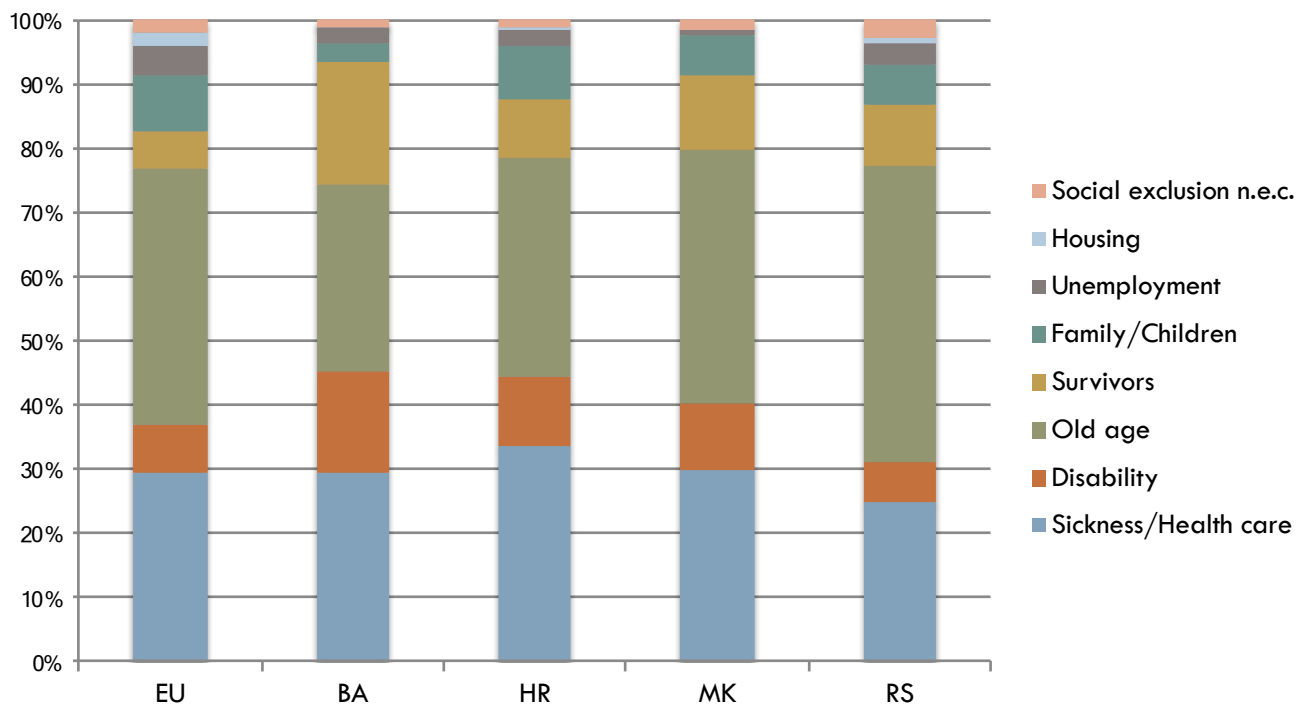


# Comments

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- Sickness/Health very low MK (high infant mortality rate, uninsured?)
- Old age, very low both MK and BA (poverty of pensioners, II pillar)
- Children/family, very low BA consequences of decentralization
- Social exclusion, very low both MK, BA

# % of total benefits



# Comments

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- The structure similar to EU –
- MK (disability and survivor pension)
- Share of spending on survivors and disability higher than spending on old age – BA
- RS dominant spending on old age

## General government expenditure by function, 2017 (% GDP)

Country	AL	BA	HR	XK*	ME	MK	RS	EU (28)
<b>Indicator</b>								
<b>Social protection (excluding healthcare)</b>	9.1	13.0	14.3	6.3	12.8	11.6	15.4	18.8
<b>Health</b>	2.9	5.1	6.3	2.8	4.7	4.9	5.5	7.0
<b>Education</b>	2.4	3.4	4.7	4.4	4.2	3.7	3.3	4.6
<b>Total</b>	14.4	21.5	25.3	13.5	21.7	20.2	24.2	30.4

## General government expenditure by function as a share of the GDP, 2017 (%)

- Social protection (excluding healthcare) had the largest share, highest in RS (15.4%), owing to the relatively high pension bill
- The expenditures on education and healthcare are also substantially below the EU (28) average, except in HR. The relatively high share of health care expenditures in BA (5.1%) is a result of a complex and highly decentralized governance structure
- AI and XK are distinct from others for their low expenditures on social protection, (partly owing to their younger population structure), very low share of health care expenditures (less than 3% of the GDP), and Albania also for its very low education expenditures (2.4%)

# Social exclusion and housing outcomes and expenditure

