

**Documentation of statistics for  
Social protection expenditure 2020**

## **1 Introduction**

The purpose of the Social Expenditure Statistics is to provide a coherent description of social protection expenditure. The statistics provide a detailed overview of the development in various social expenditures in Denmark, and can also be used to compare the level of social protection internationally. The statistics have been compiled since 2007 and are a European System for Integrated Social Protection Statistics (ESSPROS).

## **2 Statistical presentation**

The statistics are an annual statement of expenditure on social benefits divided into eight main areas, with further subdivisions. Social benefits are to be understood broadly as benefits that alleviate the financial burden of individuals or households in connection with socially conditioned risks or needs. The statement includes both cash benefits and benefits in kind. The services also include both public and private expenses. It applies, however, that services must be of a collective nature without mandatory consideration.

## 2.1 Data description

The statistic gives a coherent description of social costs from public as well as private intervention in order to relieve the burden connected with illness, invalidity, recreation, old age, unemployment, families and housing,

The concept of social measures (social benefits) is defined in a broad sense. The concept embraces payments in cash, coverage of expenditure paid and delivery of goods and services. It is not essential whether the benefits are provided under the auspices of private or public bodies.

For practical reasons, some types of less unintended forms of assistance, which do not require regular accounting (e.g. Christmas collections, ad hoc humanitarian assistance and relief aid) and not covered by the definition of social measures. Social protection in the broadest sense of the term covers all types of public or private intervention within a range of functions, e.g. sickness, disability, rehabilitation, old age, survivors, unemployment, employment and housing. In a Danish context, the European statistics also cover policies with regard to health, employment and housing whereas, education is not covered, unless it is part of social assistance to needy families with children.

The statistics: · Cover all social benefits in a broad sense and the financing of these, · Intended for enabling international comparisons, · Are harmonized with other statistics - especially the most important concepts applied in the National Accounts.

In accordance with the [ESSPROS manual](#) social benefits cover all types of public and private measures, alleviating the financial burden of private individuals or households in connection with a range of socially related risks or needs on the assumption that there is not a simultaneous form of trade-off or an individual scheme. Payment of social benefits is effected through collectively schemes organized by the government and/or implemented through collective agreements. In this context, all schemes exclusively based on individual agreements or in the case of simultaneously mutual agreements are not regarded as social protection. It is essential for inclusion in the statistics that there is no compulsory trade-off in connection with the measure, e.g. an interest-bearing loan, which is to counterbalance a social event, not included as a social measure as the recipient has, in return, to effect a financial consideration. Subsequently, if a simultaneous financial consideration is not to be effected, the expenditure is classified as a social measure. In practice, a scheme is classified as a social measure, when an act or other public regulations have decided that certain population groups are obliged to participate in a specific insurance scheme or where employees and their relatives are insured as a direct consequence of collective agreements or mutual agreements.

Social protection statistics have as their starting point the public accounts for central and local government. This is supplemented by information from the financial items in the National Accounts and statistics on absence compiled by Statistics Denmark. Social protection statistics comprise social expenditure on social benefits and administration of the schemes as well as the receipts of these schemes. The statistics show expenditure at a detailed level within each of the eight functions or primary purposes (Sickness/health care, Disability, Old age, Survivors, Family/children, Unemployment and Employment, Housing and Social exclusion not elsewhere classified). There is also a distinction between cash benefits and benefits in kind.

## 2.2 Classification system

Eurostats ESSPROS Classification.

1. **Sickness/health care:** Income maintenance and support in cash or kind intended to maintain the citizen's loss of income in connection with sickness and to restore or improve the health of the people protected irrespective of the origin of the disorder. In Denmark the function covers national health insurance service, incl. school and children's dental services and home nurses; sickness benefits paid by local governments; employers' estimated expenditure on unemployment benefits; hospital and health services; preventive public health service incl. maternity service and medical checks of children.
2. **Disability:** Income maintenance and support in cash or kind (except health care) in connection with the inability of physically and mentally disabled people to engage in economic and social activities. In Denmark the function covers, e.g. early retirement pensioners, maximum and intermediate early retirement pension; welfare services for the disabled; rehabilitation; assistance for the care of disabled children or adults in their own home; occupational injury insurance; institutions, home help for the disabled; support for aids for the disabled.
3. **Old age:** Income maintenance and support in cash or kind (except health care) in connection with old age. In Denmark the function covers, e.g. old age pension, partial pension; supplementary labour market pension (abbreviated ATP), civil servants' pension; pension funds; early retirement pay; nursing homes for pensioners; day institutions and other welfare work; home help, support for aids for the elderly. Private pensions are registered on a net basis, i.e. after deductions of social contributions.
4. **Survivors:** Income maintenance and support in cash or kind in connection with the death of a family member. In Denmark the function covers, e.g. funeral help and certain insurance companies.
5. **Family/children:** Support in cash or kind (except health care) related to families with children. In Denmark the function covers, e.g. maternity benefits, family allowance, child benefits, advance payments of child maintenance, day and residential institutions for children and young people and measures intended for preventing the placement of children outside their family home.
6. **Unemployment and employment:** Income maintenance and support in cash or kind in connection with unemployment. In Denmark the function covers unemployment benefits, recipients of cash benefits participating in job training programs, compensation for loss of income during education/retraining provided by the central government, job-creation measures and job centers, etc.
7. **Housing:** Help towards the cost of housing. In Denmark the function covers ordinary rent subsidies and rent allowance.
8. **Social exclusion not elsewhere classified:** Benefits in cash or kind (except health care) specifically intended to combat social exclusion and where the persons concerned are not covered by one of the above-mentioned functions. In Denmark the function covers social assistance in accordance with the Danish Social Assistance Act, including help to refugees, various integration efforts, the Employees' Guarantee Fund, institutions for the homeless and treatment of alcohol and drug abuse, etc.

## 2.3 Sector coverage

General Government and part of the financial sector.

## **2.4 Statistical concepts and definitions**

Social protection: The statistic use concepts defined in the ESSPROS Classification (European System of integrated Social PROtection Statistics) by the European Statistical Office Eurostat.

Social expenditures is defined as transfers in cash or in nature according to social protection schemes with the purpose to relieve the burden for households and individuals.

Social protection comprises all public or private intervention with the purpose to relieve the burden for households and individuals in case of illness, old age and other risks. The list over risks or needs covered by this statistic is per convention the following: Sickness/Health care, Disability, Old age, Survivors, Familie/Children, Unemployment, Housing and Social exclusion not elsewhere classified.

## **2.5 Statistical unit**

Institutional sectors.

## **2.6 Statistical population**

The population for this statistics is the total expenditure on social protection.

## **2.7 Reference area**

Denmark.

## **2.8 Time coverage**

2007 and on

## **2.9 Base period**

Not relevant for these statistics.

## **2.10 Unit of measure**

Mill. DKK

## **2.11 Reference period**

The calendar year.

## **2.12 Frequency of dissemination**

Yearly.

### **2.13 Legal acts and other agreements**

The information is collected in accordance with the Act on Statistics Denmark, cf. section 6 of Act no. 599 of 22nd June 2000 with amendments in accordance with Act no. 431 of 6th June 2005.

Council Regulation (EC) No. 458/2007 of 25 April 2007. Commission Regulations No. 1332/2007 of 12 November 2007 and No. 10/2008 of 8 January 2008.

### **2.14 Cost and burden**

There is no response burden as the primary data are already available at Statistics Denmark.

### **2.15 Comment**

Please contact Statistics Denmark for further information.

## **3 Statistical processing**

The statistics has as its starting point the government finances statistics and the sector accounts. There is a close connection to the COFOG classification which provides the basis for the detailed ESSPROS classification of the social protection expenditure. The tax rates used for enumerating the statistic comes from the Ministry of Finance and is preliminary for the years 2019 and 2020.

### **3.1 Source data**

Data are extracted from Statistics Denmark's accounts for the public sector: The database DIOR (Database for integrated public accounts). This is supplemented by information from the financial items in the National Accounts and the statistics on absence compiled by Statistics Denmark.

### **3.2 Frequency of data collection**

Yearly.

### **3.3 Data collection**

Register data.

### **3.4 Data validation**

Data is validated by looking at developments over time and via comparison with previous years' extracts. Information is sought for in order to validate in case of unexpected developments.

### **3.5 Data compilation**

Data from the national accounts system is further detailed according to the ESSPROS classification. In addition, data is obtained from external sources regarding e.g. pension benefits and administration.

### **3.6 Adjustment**

Not relevant for these statistics.

## **4 Relevance**

Data on social expenditure is in big demand from international organizations. Eurostat is in this regard working on expanding various areas of the statistic, e.g. on unemployment beneficiaries recipients.

### **4.1 User Needs**

The national users are, e.g. the Ministry of Social Affairs and Intergration, municipalities, regions, private companies and the media, while the primary international users are Eurostat and NOSOSCO.

### **4.2 User Satisfaction**

No national surveys on user satisfaction are carried out.

### **4.3 Data completeness rate**

All published data meet the current requirements of manuals and EU regulations.

## **5 Accuracy and reliability**

Important sources to uncertainty are erroneous coding or other errors in the primary accounts on which the statistics relies (state, municipalities etc.), and the risk of misclassification of benefits or schemes within the ESSPROS classification.

### **5.1 Overall accuracy**

The overall reliability is considered high, as the primary data are from registers, which contain most of the data regarding the final accounts. Furthermore, the statistics are subject to a thorough data editing.

### **5.2 Sampling error**

Not relevant for these statistics.

### **5.3 Non-sampling error**

There is a risk of mistakes and errors in the coding of national accounts. Furthermore there can be social expenditures not known or without available data.

#### **5.4 Quality management**

Statistics Denmark follows the recommendations on organisation and management of quality given in the Code of Practice for European Statistics (CoP) and the implementation guidelines given in the Quality Assurance Framework of the European Statistical System (QAF). A Working Group on Quality and a central quality assurance function have been established to continuously carry through control of products and processes.

#### **5.5 Quality assurance**

Statistics Denmark follows the principles in the Code of Practice for European Statistics (CoP) and uses the Quality Assurance Framework of the European Statistical System (QAF) for the implementation of the principles. This involves continuous decentralized and central control of products and processes based on documentation following international standards. The central quality assurance function reports to the Working Group on Quality. Reports include suggestions for improvement that are assessed, decided and subsequently implemented.

#### **5.6 Quality assessment**

As these are mainly extracts from the statistics for public administration and service, the quality is assessed to be good. There is a risk of incorrect coding of accounts at all levels and there may be private social measures for which there is no knowledge or data. So far, for example, there is no data for private employers' payment of wages during illness.

#### **5.7 Data revision - policy**

Statistics Denmark revises published figures in accordance with the [Revision Policy for Statistics Denmark](#). The common procedures and principles of the Revision Policy are for some statistics supplemented by a specific revision practice.

#### **5.8 Data revision practice**

The statistics follows the revision policy of the national accounts where the three most recent years are calculated every year. In 2018 and 2019, coherent revisions were implemented for the whole time series.

### **6 Timeliness and punctuality**

Figures are published approximately 10 months after the end of the calendar year. The statistics are usually published without delay in relation to the scheduled date.

#### **6.1 Timeliness and time lag - final results**

The statistics are published annually, the year after a given accounting period. Data follows the National Accounts' audit rhythm and does not become final until three years after the end of the accounting period.



## **6.2 Punctuality**

The statistics are usually published without delay in relation to the scheduled date.

## **7 Comparability**

The statistics are regulated by the EU and are also published by Eurostat. The statistics are calculated according to the ESSPROS classification, which forms the basis for comparability with other EU countries as well as Norway, Iceland and Switzerland. The statistic was reorganized in 2012 and the revised data goes back to 2007.

### **7.1 Comparability - geographical**

The statistic is regulated by order by the EU and published by Eurostat. The statistic is internationally comparable with the statistic in other EU-member countries.

### **7.2 Comparability over time**

Figures from 1995 onwards are available from the database StatBank Denmark. However, as from 2011 there is a break in the series. This break is documented in the publication "Statistiske Efterretninger 2012:8" (Statistical News) and in Statistics Denmark's working paper entitled

"The Danish ESSPROS statistics 2012", which can be extracted from <https://www.dst.dk/esspros> under documentation.

The level of detail of the statistical information enhances the difficulty of comparing figures over time, since many Acts are amended and cause changes to the individual benefits.

As part of the municipal reform 2007 the former counties were replaced with new regions. The municipal reform has resulted in many changes in the public accounts.

### **7.3 Coherence - cross domain**

There is a very high degree of coherency with the national accounts.

### **7.4 Coherence - internal**

Data are highly consistent, cf. the conceptual national accounts framework.

## **8 Accessibility and clarity**

These statistics are published in a Danish press release and in the StatBank under [Social protection expenditure](#). In addition, internationally comparable figures for Social protection expenditure and receipts are available on [Eurostat's website](#).

### **8.1 Release calendar**

The publication date appears in the release calendar. The date is confirmed in the weeks before.

## **8.2 Release calendar access**

The Release Calendar can be accessed on our English website: [Release Calendar](#).

## **8.3 User access**

Statistics are always published at 8:00 a.m. at the day announced in the release calendar. No one outside of Statistics Denmark can access the statistics before they are published.

## **8.4 News release**

These statistics are published in a Danish press release.

## **8.5 Publications**

Publications only in Danish.

## **8.6 On-line database**

The statistics are published in the StatBank under [Social protection expenditure](#) in the following tables:

- [ESSPROS1](#): Social expenditure by measure, type of benefits and time
- [ESSPROS2](#): Social expenditure by purpose, financing source and time

## **8.7 Micro-data access**

The Micro-data of the statistics is not accessible.

## **8.8 Other**

The statistics are reported annually to Eurostat in the form of social expenditure, net social expenditure and the number of recipients of pension benefits, and are published under [Social Protection Statistics](#).

## **8.9 Confidentiality - policy**

[Data Confidentiality Policy](#) for Statistics Denmark is followed.

## **8.10 Confidentiality - data treatment**

The statistics are published at a level of detail that does not require further discretion.

## **8.11 Documentation on methodology**

The statistic follows the guidelines described in the [ESSPROS Manual and user guidelines](#).

## **8.12 Quality documentation**

Results from the quality evaluation of products and selected processes are available in detail for each statistics and in summary reports for the Working Group on Quality.

## **9 Contact**

The administrative placement of these statistics are in the division of Public Finance. The person responsible is Rúna Volmarsdóttir Højgaard, tel. +45 4018 4294, e-mail: rvh@dst.dk

### **9.1 Contact organisation**

Statistics Denmark

### **9.2 Contact organisation unit**

Public Finance, Economic Statistics

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