



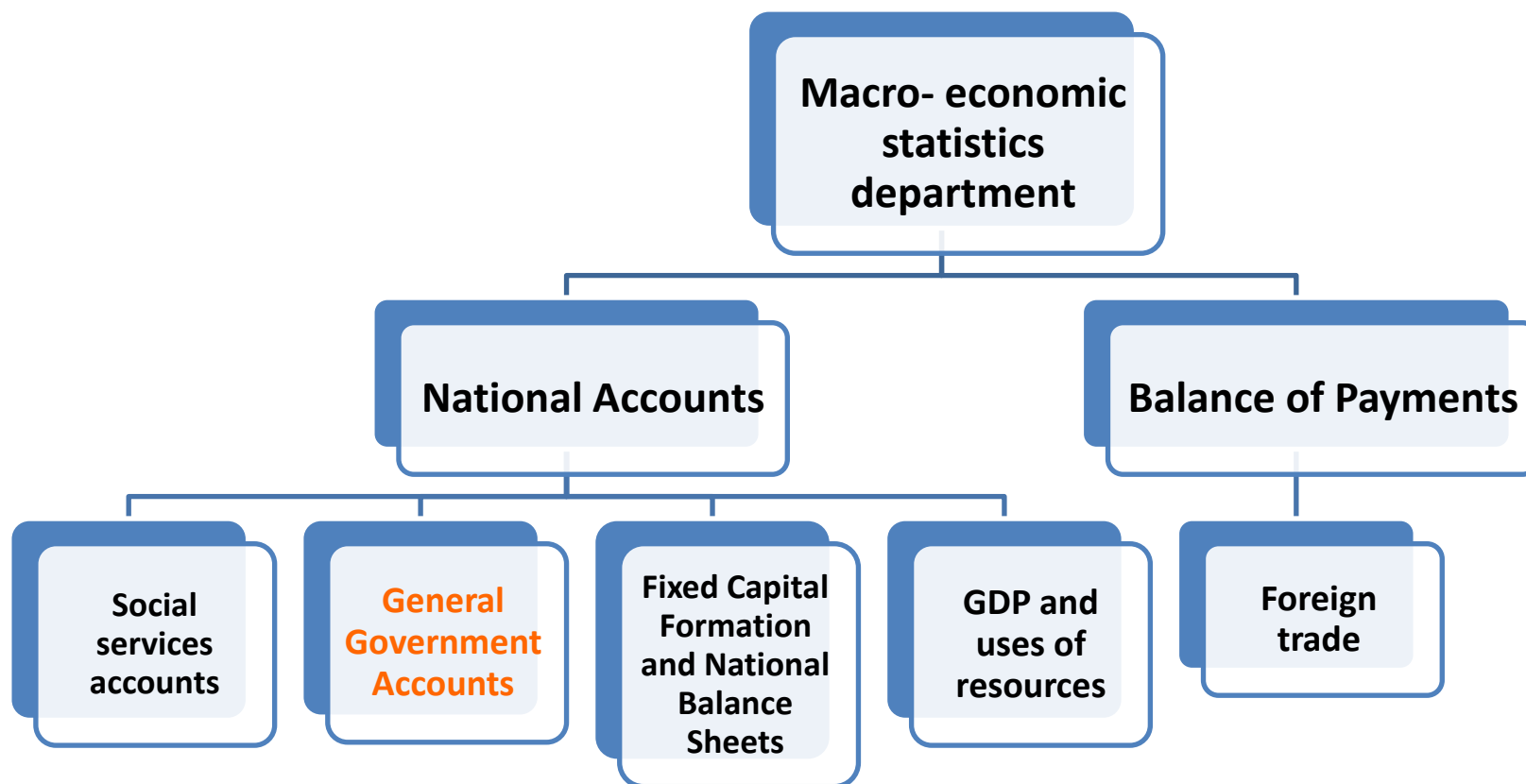
# **GENERAL GOVERNMENT SOCIAL EXPENDITURE IN ISRAEL**

**GALINA BRAVERMAN  
GENERAL GOVERNMENT ACCOUNTS DIVISION  
JANUARY 2014**

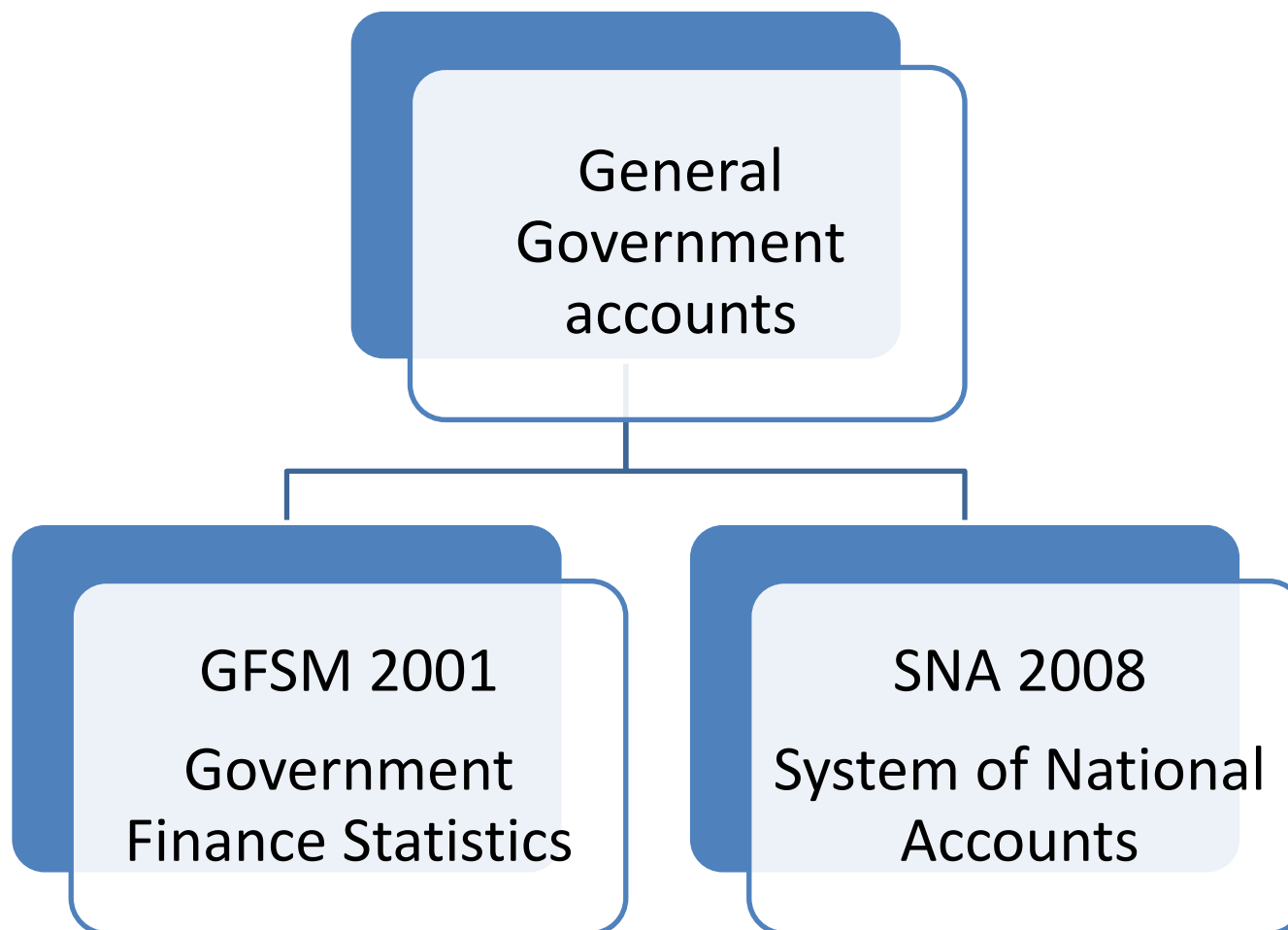
**It's All in the Numbers!**



# MACRO ECONOMIC STATISTICS



# METHODOLOGY



# MAJOR OUTCOMES

- Sequence of SNA accounts for General Government
- General Government individual and collective consumption expenditure on a quarterly basis
- GG expenditure by COFOG
- Annual and quarterly GFS reports
- Central government debt

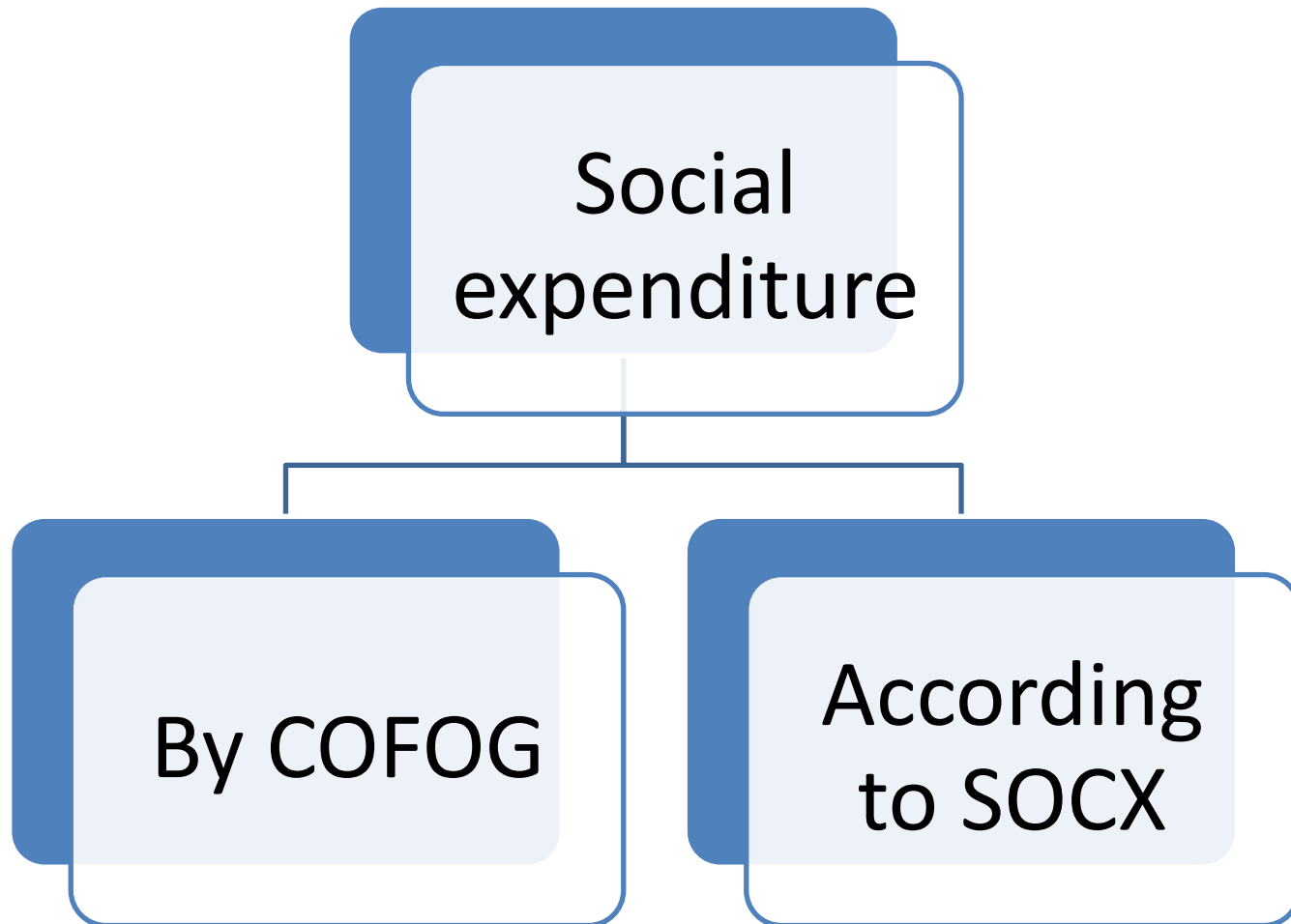


# MAJOR OUTCOMES

- NPISH consumption expenditure
- DAC ODA statistics to OECD
- Public Environment protection expenditure
- Defence cost
- **SOCX** data to OECD



# SOCIAL PROTECTION DATA



# COFOG -CLASSIFICATION OF THE FUNCTIONS OF GOVERNMENT

Group	Function
01	General public services
02	Defence
03	Public order and safety
04	Economic affairs
05	Environmental protection
06	Housing and community amenities
07	Health
08	Recreation, culture and religion
09	Education
10	<b>Social protection</b>

# SOCIAL PROTECTION FUNCTION OF COFOG

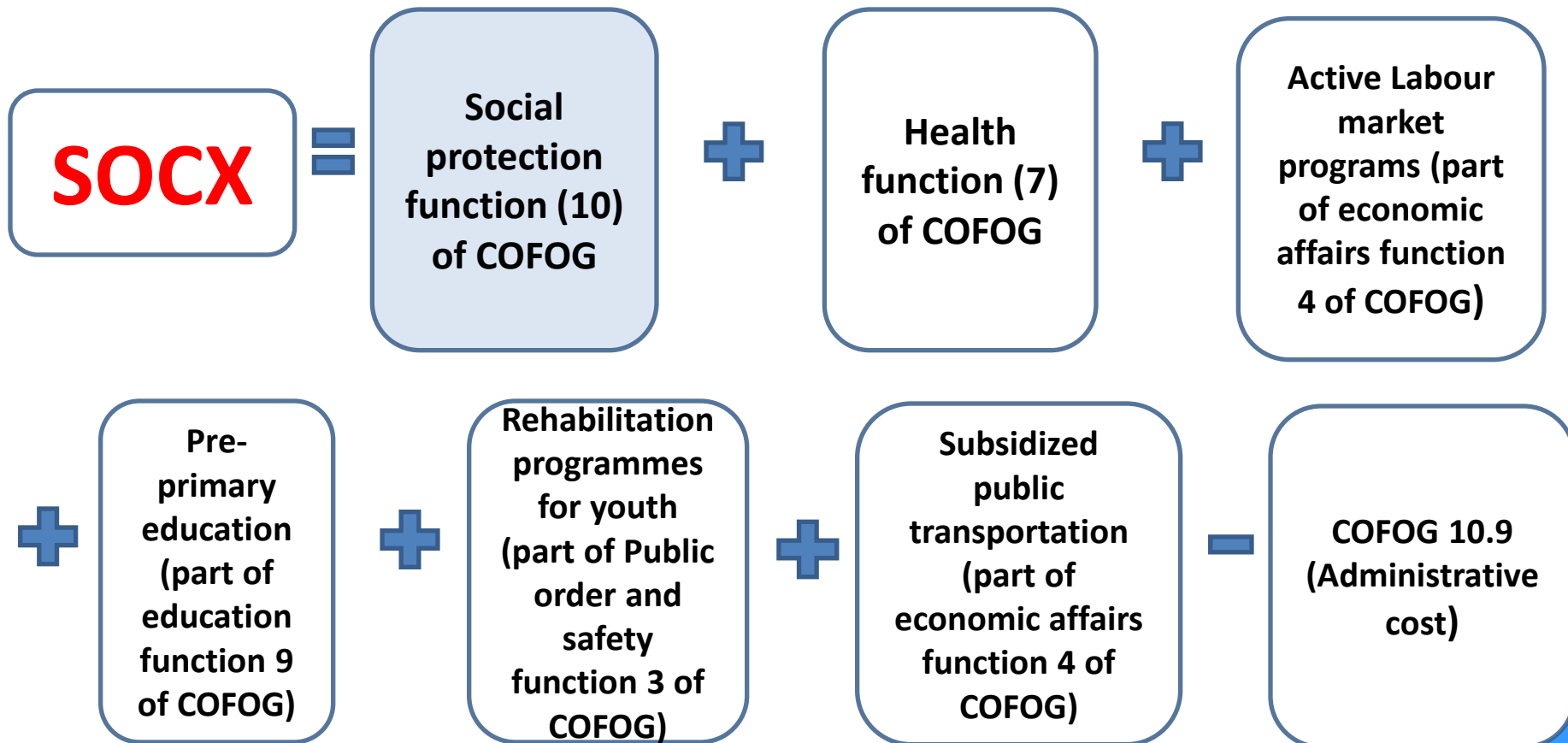
Second level classification	Sub-function
10.1	Sickness and disability
10.2	Old age
10.3	Survivors
10.4	Family and children
10.5	Unemployment
10.6	Housing
10.7	Social exclusion
10.8	R&D social protection
10.9	Social protection N.E.C



# SOCX FUNCTIONS

Code	Title
10.1	Old age
10.2	Survivors
10.3	INCAPACITY-RELATED BENEFITS (Disability, Occupational injury and disease, Sickness)
10.4	Health
10.5	Family
10.6	Active labour market programmes
10.7	Unemployment
10.8	Housing
10.9	Other social policy areas

# THE RELATIONSHIP BETWEEN **SOCX** AND **COFOG**



# ESSPROS FUNCTIONS

Code	Function
1	Sickness/Health care
2	Disability
3	Old age
4	Survivors
5	Family/Children
6	Unemployment
7	Housing
8	Social exclusion N.E.C



# THE RELATIONSHIP BETWEEN **SOCX** (OECD), **COFOG** (SNA AND GFS) AND **ESSPROS**

- As ESSPROS (European System of Social Protection Statistics) includes information on the **financing** of social programmes, while SOCX consists the **expenditure** data. The data compiled differ under the two systems
- The scope of social domain as defined under SOCX is the **largest** of the three.
- Social protection under COFOG **does not include** public health expenditure and the SOCX programmes like pre-primary education, active labour market programmes, rehabilitation programmes for youth and subsidized public transportation into social protection function.
- ESSPROS differs from SOCX as it **does not include all** spending on public health expenditure or labour market programmes.
- COFOG, ESSPROS and SOCX are rather **consistent** in their distribution to sub-functions.
- SOCX includes **administrative costs** only for active labour market programs and health.

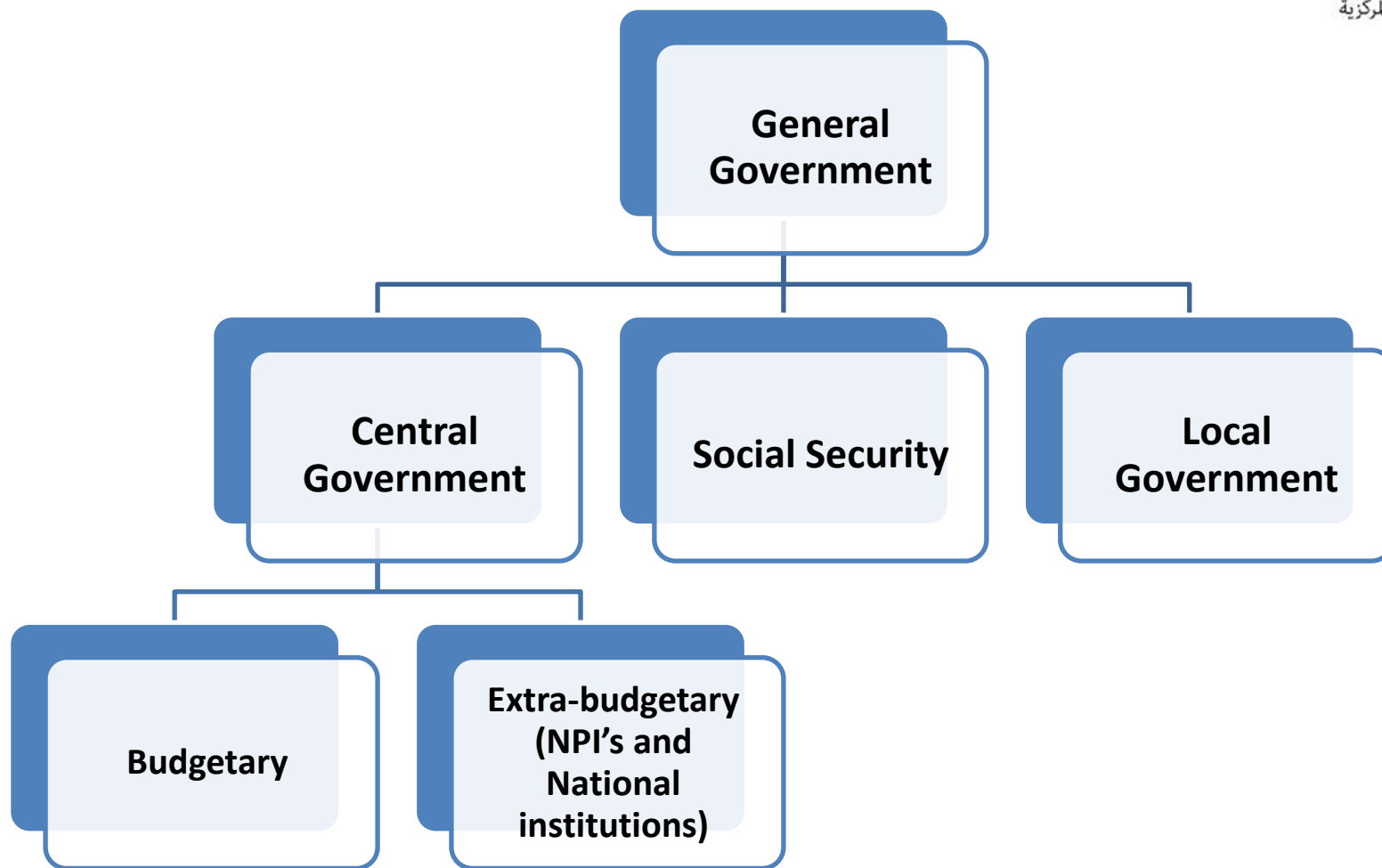


# SOCIAL TRANSFERS IN KIND (SNA) AND SOCIAL PROTECTION

- National accounts define a transaction category *Social transfers in kind* (d.63) which covers both transfers made **with** and **without** social protection objective.
- The national accounts definition of *Social benefits* (D62) includes also the function of education.



# INSTITUTIONAL COVERAGE



# BUDGETARY GOVERNMENT

- The data are obtained from analyses of government budget reports of the Accountant General
- Each budget item is classified by NA and GFS code, by type of payment (cash or in kind), by policy area and by program



# BUDGETARY GOVERNMENT PROGRAMMES

- Pensions for retired workers
- Rent assistance and housing provision for the elderly
- Residential care in institutions for the elderly
- Assistance and home-help services for the disabled
- Rehabilitation services for the disabled
- Child and family welfare services
- Rehabilitation programs for youth
- Labour market training programmes
- Subsidised employment for the needy and the disabled
- Cash benefits for the needy and socially excluded
- Subsidized public transportation





# NATIONAL INSURANCE INSTITUTE

- The data are based mainly on the annual and quarterly reports of the National Insurance Institute
- The data are classified by SNA and GFS codes, by type of benefit (cash or in kind), by policy area and by program



# NATIONAL INSURANCE INSTITUTE

## BENEFITS

- Old age allowance
- Survivors allowance and rehabilitation
- Disability benefits
- Work injury allowance
- Hostile action injury allowance
- Long-term care
- Rehabilitation services for the disabled



# NATIONAL INSURANCE INSTITUTE BENEFITS (CONTINUED)

- Child allowance and study grant
- Alimony
- Maternity allowance and vacation pay
- Birth grant
- Hospitalization grant – is classified under health function in COFOG and SOCX
- Unemployment benefits
- Income support benefit



# PUBLIC NPI'S

- The data are based on the Surveys of Expenditures of NPI's for 2004, 2006 and 2009 which summarize the expenditures from financial reports of the institutions
- During the analyses of financial reports, the NPI's were classified by purpose of their main activity, and their expenditures were classified by type of expenditure and by ICNPO codes.
- Translation from ICNPO classification to COFOG and SOCX
- For the years not covered by the survey, early estimations are made, based on the employment data as reported to NII

# PUBLIC NPI'S MAIN ACTIVITY AREAS

- Residential care in institutions for the elderly and the disabled
- Home-help and community services for the elderly
- Rehabilitation services for the disabled
- Child care programs
- Child and family welfare services
- Rehabilitation programs for youth
- Cash benefits and other assistance to new immigrants, the needy and socially excluded
- Philanthropy funds



# LOCAL AUTHORITIES AND NATIONAL INSTITUTIONS

- The data are obtained from the analyses of financial reports
- The expenditure is classified by SNA and GFS, by type of benefit (cash or in kind), by policy area and by program



# LOCAL AUTHORITIES AND NATIONAL INSTITUTIONS SOCIAL SERVICES

- Pensions for retired workers
- Residential care in institutions for the elderly and the disabled
- Community centers and services for the elderly
- Rehabilitation services for the disabled
- Day care centers for infants
- Employment programs
- Housing assistance (Amigour)
- Cash benefits and assistance to needy families, new immigrants and socially excluded

# SOCIAL PROTECTION BY COFOG NIS MILLION

	General Government	Budgetary Government	NPI's and National Institutions	Social Security	Local authorities
2010	96,153	59,672	4,833	55,233	7,568
2011	101,242	64,171	5,503	59,045	7,587
2012	109,172	69,604	5,850	62,397	7,977
<b>2013</b>	116,741	72,085	6,102	66,653	8,393

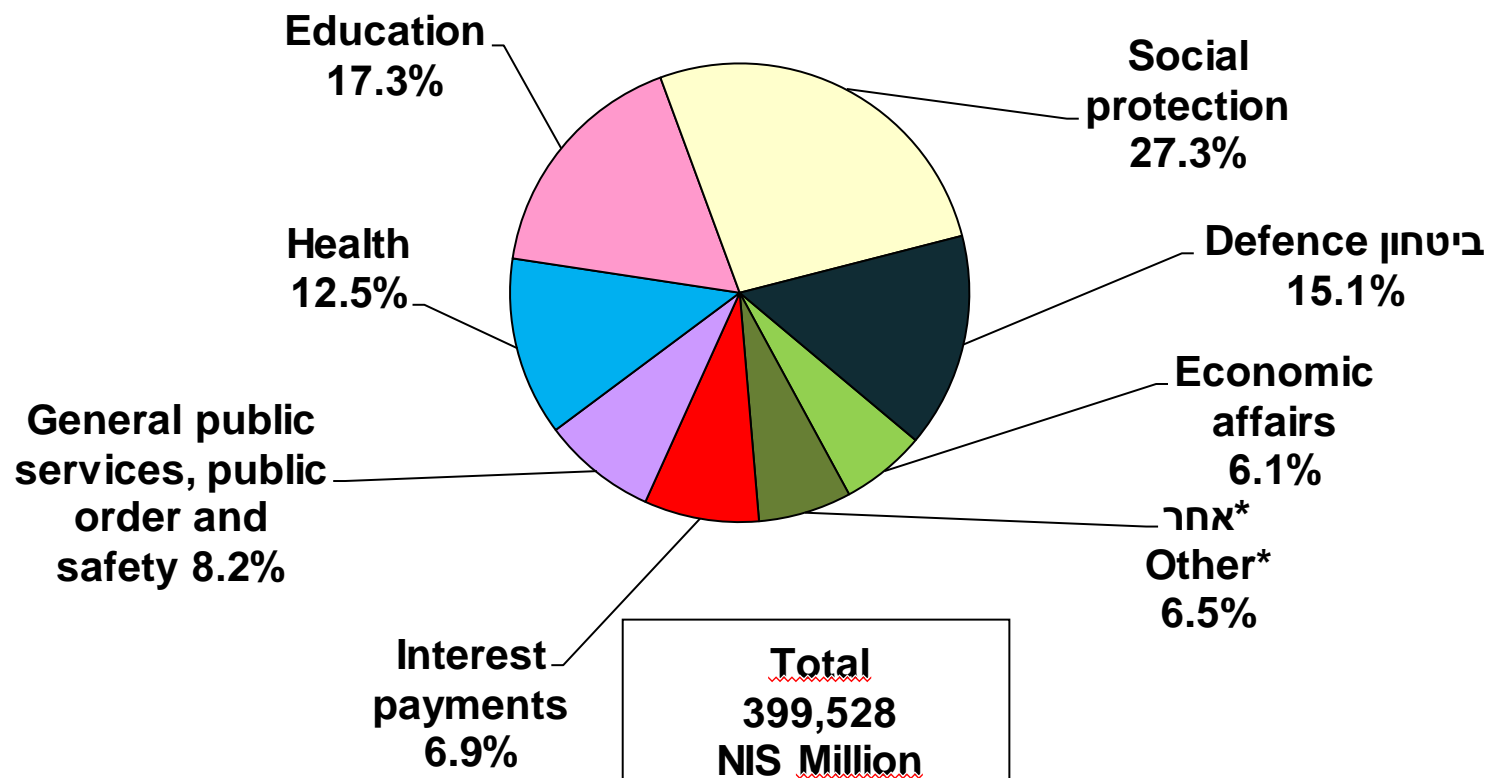




# SOCIAL PROTECTION BY COFOG AS A % OF GDP

	General Government	Budgetary Government	NPI's and National Institutions	Social Security	Local authorities
2010	11.1%	6.9%	0.6%	6.4%	0.9%
2011	11.0%	6.9%	0.6%	6.4%	0.8%
2012	11.0%	7.0%	0.6%	6.3%	0.8%
2013	11.1%	6.8%	0.6%	6.8%	0.8%

# GG EXPENDITURE BY COFOG 2012



\* Housing, culture and religion, environmental protection.

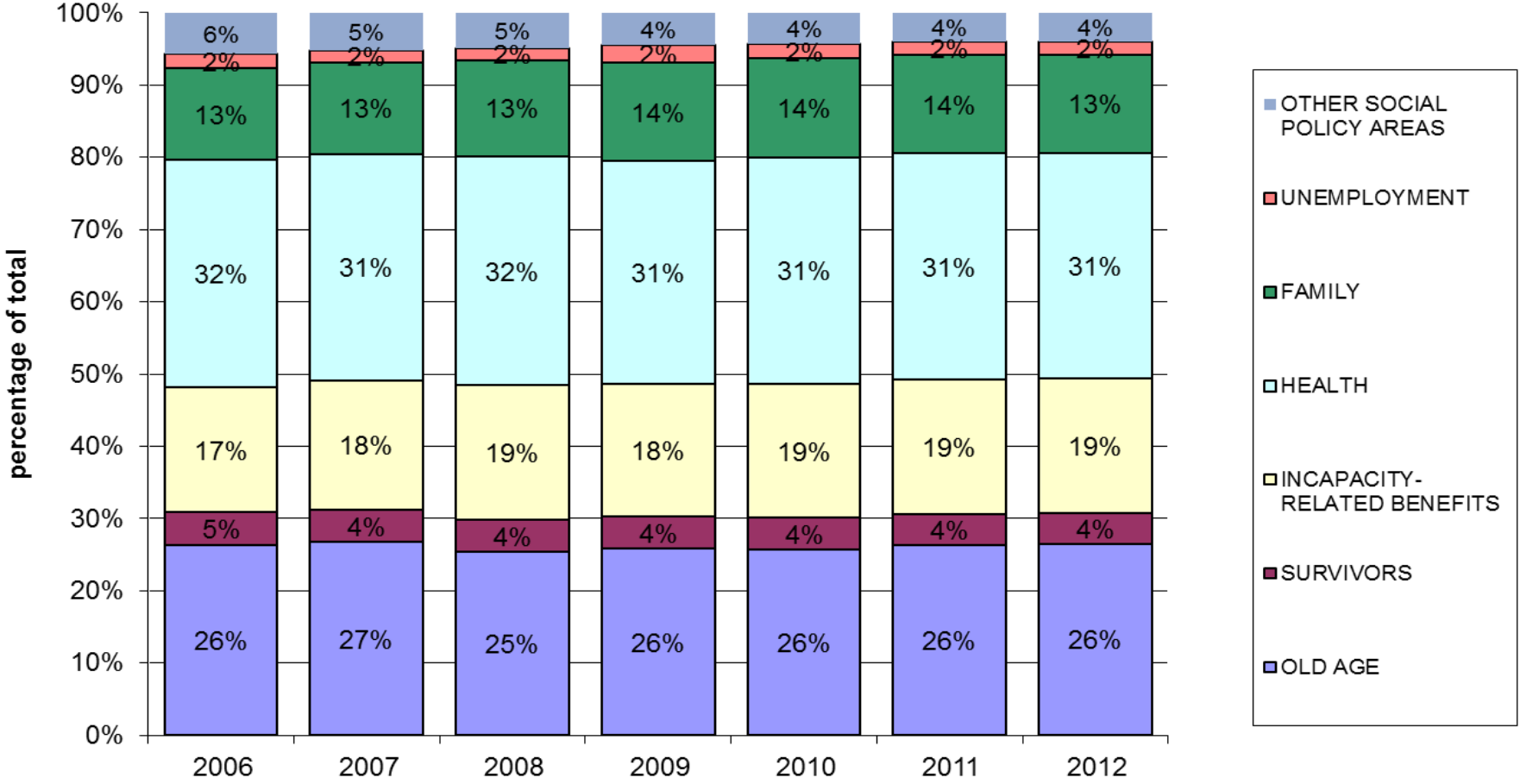
# SOCX GENERAL GOVERNMENT SOCIAL EXPENDITURE IN 2011

Function	NIS MILLION	Percent of GDP
Old age	39,396	4.3%
Survivors	6,418	0.7%
Incapacity-related benefits	27,755	3.0%
Health	46,782	5.1%
Family	20,397	2.2%
Active labour market programmes	1,192	0.1%
Unemployment	2,745	0.3%
Housing	80	0.0%
Other social policy areas	5,888	0.6%
<b>General Government SOCIAL EXPENDITURE</b>	<b>150,654</b>	<b>16.3%</b>
General Government cash benefits	81,554	8.8%
General Government benefits in kind	67,908	7.4%

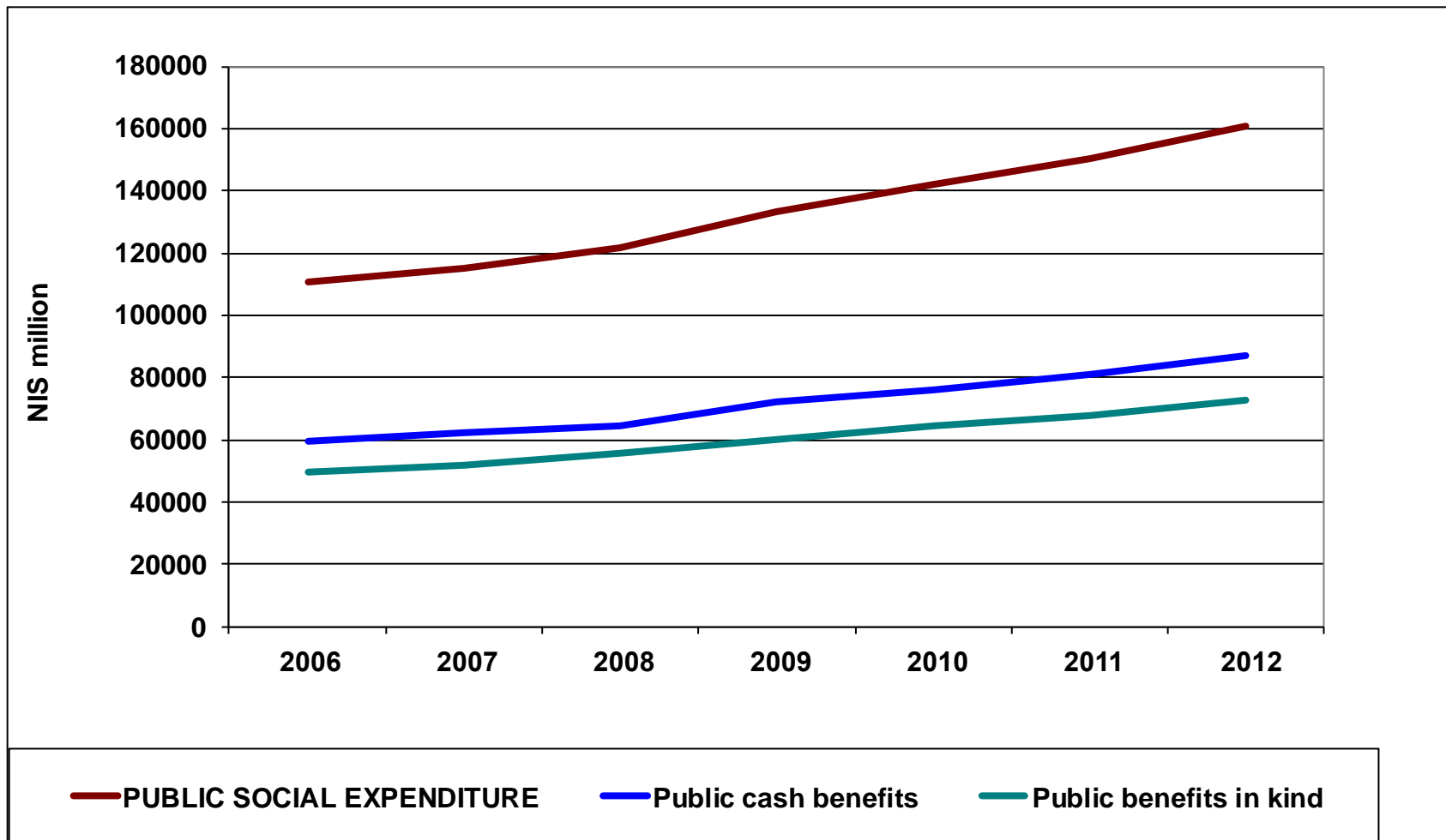
# SOCX GENERAL GOVERNMENT SOCIAL SPENDING IN PERCENTAGE OF GDP

	2006	2007	2008	2009	2010	2011	2012
ISRAEL	16.4	16.0	15.9	16.5	16.4	16.3	16.2
OECD average		18.7		22.1	22.1	21.7	21.8

# DISTRIBUTION OF GG SOCIAL EXPENDITURE BY POLICY AREA



# GG SOCX EXPENDITURE BY TYPE OF BENEFIT



# SOCX PRIVATE SOCIAL PROTECTION

- ✓ Mandatory private programmes
  1. Sick-leave
  2. Unemployment compensation
  
- ✓ Voluntary private (pension funds)
  1. Old-age pensions
  2. Survivors pensions
  3. Disability pensions





הלשכה המרכזית לסטטיסטיקה  
Central Bureau of Statistics  
دائرة الإحصاء المركزية

**TAK! THANK YOU!**

**It's All in the Numbers!**

