

2. Social Expenditure and its international comparison

(1) Social Expenditure by policy areas

Among the nine policy areas of Social Expenditure in FY 2013, Old age was the largest component (47.9%), followed by Health (33.0%), Survivors (5.9%), Family (5.3%), Incapacity-related benefits (4.4%), Other social policy areas (1.2%), Unemployment (1.1%), Active labour market programmes (0.7%), and Housing (0.5%).

Table 4 Social Expenditure by policy area

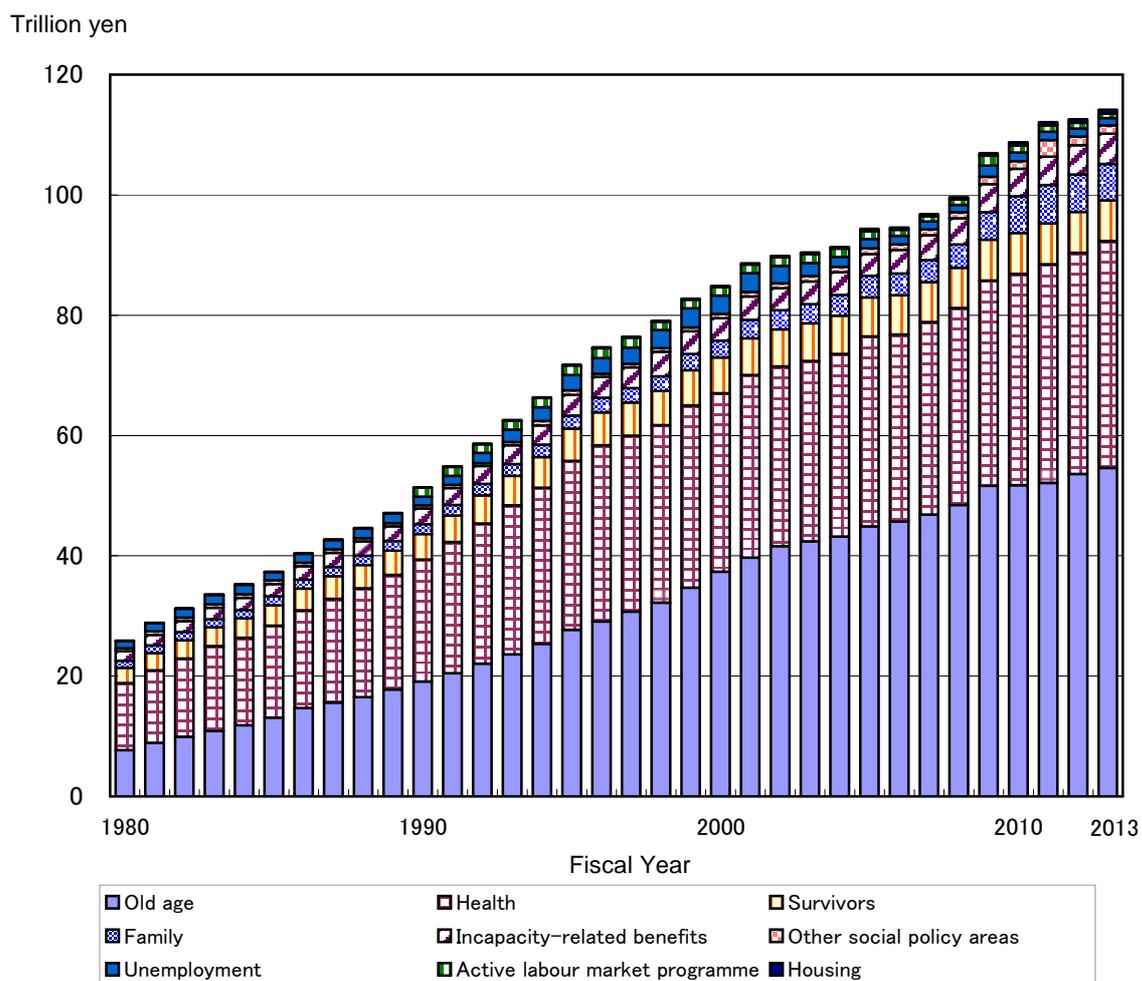
Social Expenditure	FY 2012	FY 2013	Compared with the previous fiscal year	
			Amount of increase	Rate of increase
	Hundreds of millions of yen	Hundreds of millions of yen	Hundreds of millions of yen	%
Total	1,125,446 (100.0)	1,141,356 (100.0)	15,911	1.4
Old age	536,272 (47.6)	546,247 (47.9)	9,975	1.9
Survivors	67,933 (6.0)	67,544 (5.9)	△ 389	△ 0.6
Incapacity-related benefits	48,901 (4.3)	50,251 (4.4)	1,350	2.8
Health	367,684 (32.7)	377,190 (33.0)	9,505	2.6
Family	62,164 (5.5)	60,568 (5.3)	△ 1,596	△ 2.6
Active labour market programmes	9,355 (0.8)	7,601 (0.7)	△ 1,754	△ 18.7
Unemployment	13,317 (1.2)	12,246 (1.1)	△ 1,071	△ 8.0
Housing	5,735 (0.5)	5,876 (0.5)	141	2.5
Other social policy areas	14,085 (1.3)	13,834 (1.2)	△ 251	△ 1.8

Notes: 1. Figures in brackets represent the ratio to the total expenditures.

2. Refer to Appendix 2 for explanations of each category within the policy areas.

Table 5 Social Expenditure by policy area as a percentage of GDP

Social Expenditure	FY 2012	FY 2013	Increase from the previous fiscal year
	%	%	% point
Total	23.72	23.63	△ 0.09
Old age	11.30	11.31	0.00
Survivors	1.43	1.40	△ 0.03
Incapacity-related benefits	1.03	1.04	0.01
Health	7.75	7.81	0.06
Family	1.31	1.25	△ 0.06
Active labour market programmes	0.20	0.16	△ 0.04
Unemployment	0.28	0.25	△ 0.03
Housing	0.12	0.12	0.00
Other social policy areas	0.30	0.29	△ 0.01

Figure 1 Trends of Social Expenditure by policy area in Japan

Source: Time Series Table 1 Social Expenditure by policy area.

(2) International Comparison of Social Expenditure

Figure 2 and Table 6 show the ratio of Social Expenditure to GDP among 6 developed countries in FY 2011. These indicate that Social Expenditure in Japan is larger than US and slightly larger than the UK, but smaller than in continental Europe, like France and Germany.

Figure 2 International comparison of Social Expenditure by policy area as a percentage of GDP, FY2011

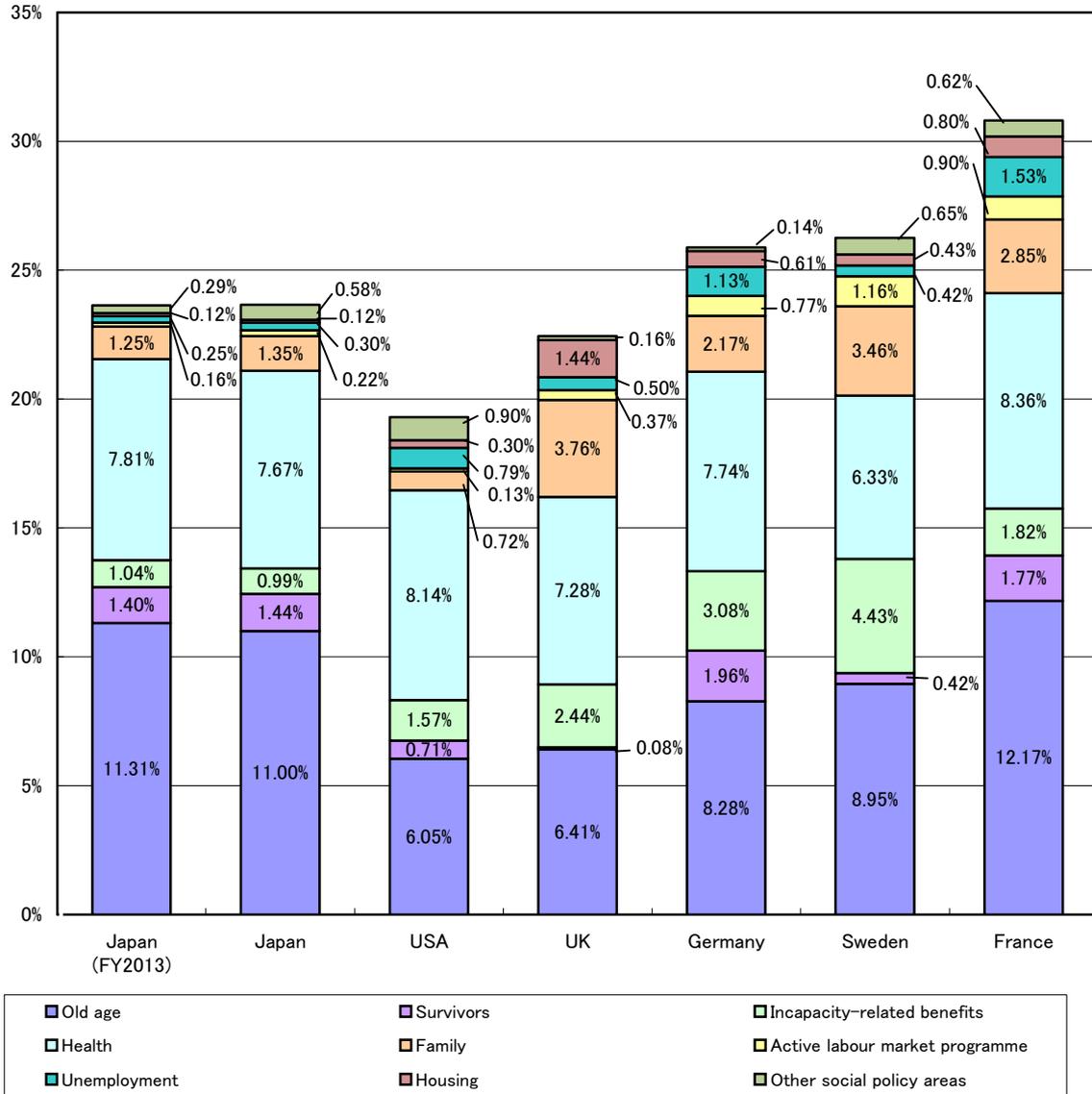


Table 6 International comparison of Social Expenditure, FY 2011

	Japan (FY2013)	Japan	USA	UK	Germany	Sweden	France
Social Expenditure							
As a percentage of GDP	23.63%	23.65%	19.30%	22.45%	25.89%	26.26%	30.81%
As a percentage of NI	31.52%	32.06%	24.33%	29.74%	34.45%	39.61%	43.16%

Source: Social Expenditure for OECD countries except Japan is based on the OECD Social Expenditure database, which was downloaded in August 2015. GDP and NI data on Japan are based on the Cabinet Office's "Annual Report on National Accounts 2014", while the data on other countries are based on the OECD National Accounts 2015.

Figure 3 International comparison of Social Expenditure by percentage of policy area, FY 2011

