

I. Summary of Social Expenditure and Social Benefit, FY 2023

1 Social Expenditure (OECD standards)

(1) Social Expenditure

The total Social Expenditure (OECD standards) ¹ in FY 2023 was 139,856.1 billion yen, a decrease of 2,826.6 billion yen or 2.0% compared with the previous fiscal year. The percentage share of the gross domestic product (GDP) was 23.50%, a decrease of 1.65 percentage points from the previous year (Table 1).

The average Social Expenditure per capita was 1,124,700 yen, a decrease of 17,300 yen or 1.5% from the previous year.

Table 1 Social Expenditure

		FY2019	FY2020	FY2021	FY2022	FY2023
Total amount	(100 million yen)	1,279,000	1,363,763	1,430,106	1,426,826	1,398,561
Increase/decrease from the previous fiscal year	(100 million yen)	24,062	84,763	66,343	△ 3,280	△ 28,266
Percentage change from the previous fiscal year	(%)	1.9	6.6	4.9	△ 0.2	△ 2.0
As a percentage of GDP	(%)	22.97	25.31	25.79	25.15	23.50
Increase from the previous fiscal year	(% points)	0.42	2.34	0.48	△ 0.63	△ 1.65
Per person	(Thousand yen)	1,013.7	1,081.1	1,139.5	1,141.9	1,124.7
Increase/decrease from the previous fiscal year	(Thousand yen)	21.2	67.4	58.4	2.4	△ 17.3
Percentage change from the previous fiscal year	(%)	2.1	6.6	5.4	0.2	△ 1.5

Source: GDPs are based on the Cabinet Office "Annual Report on National Accounts for FY 2023." The population is based on the Statistics Bureau, Ministry of Internal Affairs and Communications "Current Population Estimates as of October 1, 2023."

¹ Compared to Social Security Benefits (ILO standards), Social Expenditure (OECD standards) includes expenditures that are not directly attributable to individuals, such as facility maintenance costs.

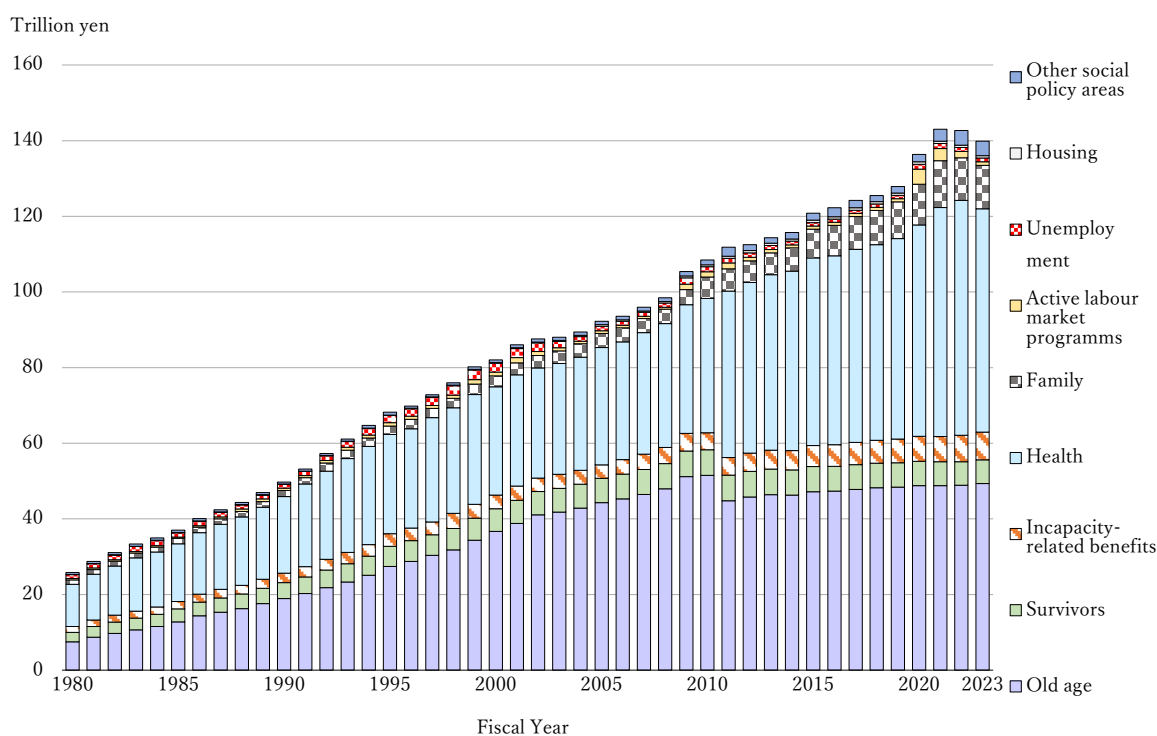
(2) Social Expenditure by policy area

Among the nine policy areas of Social Expenditure in FY 2023², "Health" is the largest with 59,333 billion yen (42.2% of the total). It is followed by "Old age" with 49,357.4 billion yen (35.3% of the total) and "Family" with 11,512.2 billion yen (8.2% of the total) (Figure 1 and Table 2).

The policy areas with the largest increase compared with the previous year was "Old age" (470.9 billion yen, an 1.0% increase), while the policy areas with the largest decrease were "Health" (3,048.9 billion yen, an 4.9% decrease) and "Active labour market programmes" (801.3 billion yen, a 47.2% decrease).

"Old age" saw an increase in old-age pension benefits. "Health" saw increases in medical insurance benefits and long-term care insurance benefits, but the decrease in expenses related to COVID-19 measures was larger. "Active labour market programmes" saw a decrease in employment adjustment subsidy.

Figure 1 Trends of Social Expenditure by policy area



Note: Since the aggregation methods for "Old age" and "Health" are different before and after FY2010 and FY2011, caution is required when looking at the trends.

Source: Compiled from Time Series Table 1.

² The main programs and benefits included in Social Expenditure by policy area are as follows. 【Old age】 Old age pension, etc. 【Survivors】 Survivors' pensions benefits, etc. 【Incapacity-related benefits】 Disability basic pension, services and supports for persons with disabilities, workmen's accident insurance, etc. 【Health】 Medical care insurance, public funded healthcare, long-term care insurance, etc. 【Family】 Child allowance, child-rearing allowance, institutional benefits for disabled children, parental leave benefits, care leave benefits, etc. 【Active labour market programmes】 Education training benefits, employment adjustment subsidy, etc., 【Unemployment】 Job applicants' benefits, support system for job seekers, etc., 【Housing】 Housing assistance, etc. 【Other social policy areas】 Livelihood assistance, occupational assistance, accident benefits, etc. Refer to Appendices 1-1 and 2-2 for further information.

Table 2 Social Expenditure by policy area

	FY2019	FY2020	FY2021	FY2022	FY2023
Amount of expenditure (100 million yen)					
<Total>	1,279,000	1,363,763	1,430,106	1,426,826	1,398,561
Old age	483,902	487,914	487,808	488,865	493,574
Survivors	64,600	64,199	63,344	62,561	62,746
Incapacity-related benefits	62,392	66,020	66,662	69,970	73,289
Health	530,524	558,991	605,211	620,822	590,333
Family	96,730	107,536	123,894	112,470	115,122
Active labour market programmes	8,511	40,414	32,395	16,961	8,948
Unemployment	8,964	12,717	13,015	10,383	10,038
Housing	6,028	6,526	6,397	6,279	6,243
Other social policy areas	17,348	19,447	31,381	38,514	38,268
Increase/decrease from the previous fiscal year (100 million yen)					
<Total>	24,062	84,763	66,343	△ 3,280	△ 28,266
Old age	1,657	4,011	△ 106	1,057	4,709
Survivors	△ 474	△ 401	△ 854	△ 783	185
Incapacity-related benefits	1,762	3,627	643	3,308	3,318
Health	13,645	28,467	46,220	15,611	△ 30,489
Family	6,164	10,805	16,359	△ 11,424	2,652
Active labour market programmes	△ 170	31,904	△ 8,020	△ 15,434	△ 8,013
Unemployment	429	3,753	298	△ 2,632	△ 345
Housing	△ 56	498	△ 129	△ 117	△ 36
Other social policy areas	1,106	2,099	11,934	7,134	△ 247
Percentage change from the previous fiscal year (%)					
<Total>	1.9	6.6	4.9	△ 0.2	△ 2.0
Old age	0.3	0.8	△ 0.0	0.2	1.0
Survivors	△ 0.7	△ 0.6	△ 1.3	△ 1.2	0.3
Incapacity-related benefits	2.9	5.8	1.0	5.0	4.7
Health	2.6	5.4	8.3	2.6	△ 4.9
Family	6.8	11.2	15.2	△ 9.2	2.4
Active labour market programmes	△ 2.0	374.9	△ 19.8	△ 47.6	△ 47.2
Unemployment	5.0	41.9	2.3	△ 20.2	△ 3.3
Housing	△ 0.9	8.3	△ 2.0	△ 1.8	△ 0.6
Other social policy areas	6.8	12.1	61.4	22.7	△ 0.6
Composition ratio (%)					
<Total>	100.0	100.0	100.0	100.0	100.0
Old age	37.8	35.8	34.1	34.3	35.3
Survivors	5.1	4.7	4.4	4.4	4.5
Incapacity-related benefits	4.9	4.8	4.7	4.9	5.2
Health	41.5	41.0	42.3	43.5	42.2
Family	7.6	7.9	8.7	7.9	8.2
Active labour market programmes	0.7	3.0	2.3	1.2	0.6
Unemployment	0.7	0.9	0.9	0.7	0.7
Housing	0.5	0.5	0.4	0.4	0.4
Other social policy areas	1.4	1.4	2.2	2.7	2.7
As a percentage of GDP (%)					
<Total>	22.97	25.31	25.79	25.15	23.50
Old age	8.69	9.06	8.80	8.62	8.29
Survivors	1.16	1.19	1.14	1.10	1.05
Incapacity-related benefits	1.12	1.23	1.20	1.23	1.23
Health	9.53	10.37	10.91	10.94	9.92
Family	1.74	2.00	2.23	1.98	1.93
Active labour market programmes	0.15	0.75	0.58	0.30	0.15
Unemployment	0.16	0.24	0.23	0.18	0.17
Housing	0.11	0.12	0.12	0.11	0.10
Other social policy areas	0.31	0.36	0.57	0.68	0.64

Note: The figures for FY2022 have been revised from those published in the Financial Statistics of Social Security in Japan, FY2022, mainly in the category "Other social policy areas." The revision reflects the retroactive inclusion of expenditures recorded in the Financial Statistics of Social Security in Japan from two components of the Temporary Grant for Regional Revitalization for COVID-19 Response: "the measures to address soaring crude oil and commodity prices for the time of COVID-19" and "the special grant for local governments to tackle hikes in electricity, gas, and food prices."

Source: Compiled from Time Series Table 1, Table 2, Table 3.

2 Social Benefit (ILO standards)

(1) Social Benefit

The total amount of Social Benefit (ILO standards) in FY 2023 was 135,492.8 billion yen, a decrease of 2,680.9 billion yen or 1.9% from the previous fiscal year. The percentage share of the GDP was 22.76%, a decrease of 1.59 percentage points from the previous year (Table 3).

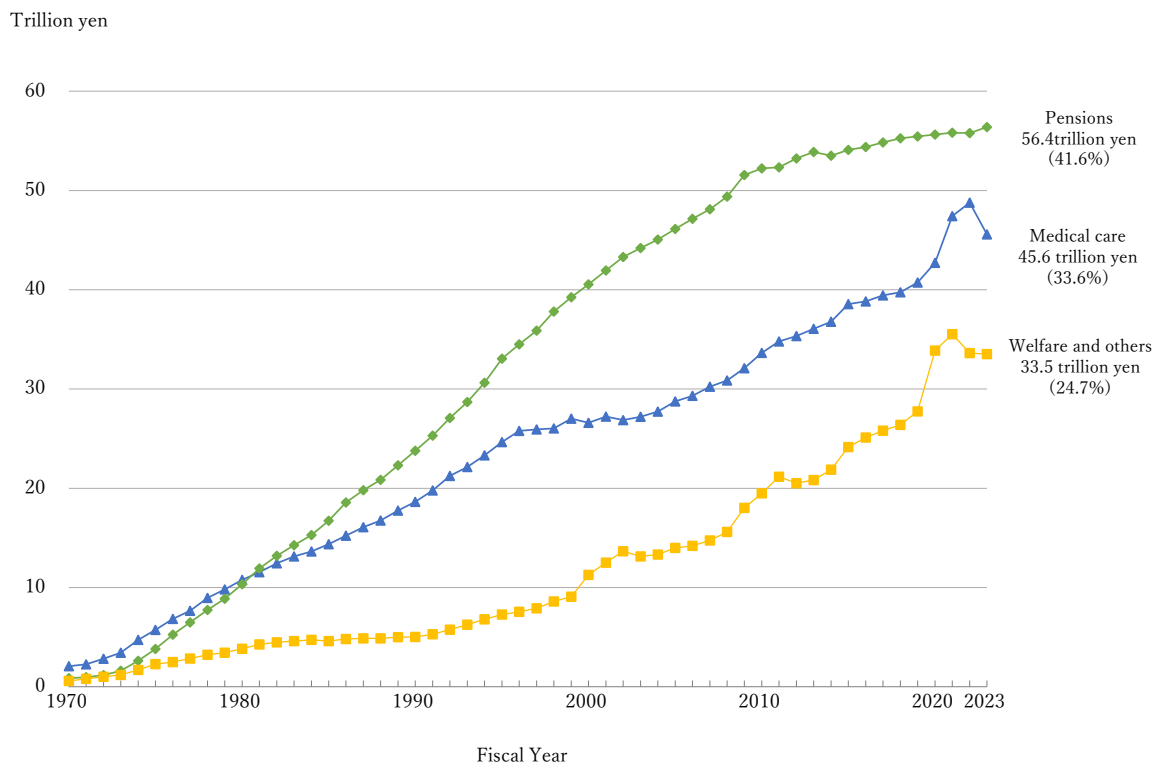
The average Social Benefit per capita was 1,089,600 yen, a decrease of 16,300 yen or 1.5% from the previous year.

Table 3 Social Benefit

		FY2019	FY2020	FY2021	FY2022	FY2023
Total amount	(100 million yen)	1,239,244	1,322,196	1,387,526	1,381,737	1,354,928
Increase/decrease from the previous fiscal year	(100 million yen)	25,244	82,952	65,330	△ 5,789	△ 26,809
Percentage change from the previous fiscal year	(%)	2.1	6.7	4.9	△ 0.4	△ 1.9
As a percentage of GDP	(%)	22.26	24.54	25.02	24.36	22.76
Increase from the previous fiscal year	(% points)	0.44	2.28	0.48	△ 0.66	△ 1.59
Per person	(Thousand yen)	982.2	1,048.1	1,105.6	1,105.9	1,089.6
Increase/decrease from the previous fiscal year	(Thousand yen)	22.1	65.9	57.4	0.3	△ 16.3
Percentage change from the previous fiscal year	(%)	2.3	6.7	5.5	0.0	△ 1.5

Source: GDPs are based on the Cabinet Office "Annual Report on National Accounts for FY 2023." The population is based on the Statistics Bureau, Ministry of Internal Affairs and Communications "Current Population Estimates as of October 1, 2023."

Figure 2 Trends of Social Benefit by category



Source: Compiled from Time Series Table 8.

(2) Social Benefit by category

The amounts of Social Benefit by category in FY 2023³ were as follows: "Medical care" 45,579.9 billion yen (33.6% of the total), "Pensions" 56,393.6 billion yen (41.6% of the total), and "Welfare and others" 33,519.2 billion yen (24.7% of the total) (Figure 2 and Table 4).

Compared with the previous fiscal year, "Medical care" decreased by 3,189.0 billion yen (6.5% decrease), "Pension" increased by 602.9 billion yen (1.1% increase), and "Welfare and others" decreased by 94.8 billion yen (0.3% decrease).

"Medical care" saw an increase in medical insurance benefits, but the decrease in expenses related to COVID-19 measures was larger. "Pension" saw an increase in old-age pension benefits.

³ The main programs and benefits included in Social Benefit by category are as follows. **【Medical care】** Medical-care insurance, public funded healthcare, public health (vaccinations, health checks, etc.), **【Pensions】** Pension insurance, pension benefits for work-related accidents, **【Welfare and others】** Long-term care insurance, benefits for nursing care, training, etc. among services and supports for persons with disabilities, child allowance, new child and child-rearing support system, public assistance (other than medical assistance), **【Long-term care】** Long-term care insurance, long-term care assistance in public assistance, long-term care leave benefits in systems such as employment insurance.

Refer to Appendices 1-2 and 2-3 for further information.

Table 4 Social Benefit by category

	FY2019	FY2020	FY2021	FY2022	FY2023
Amount of benefit (100 million yen)					
<Total>	1,239,244	1,322,196	1,387,526	1,381,737	1,354,928
Medical care	407,242	427,193	474,205	487,689	455,799
Pensions	554,520	556,336	558,151	557,908	563,936
Welfare and others	277,481	338,668	355,169	336,140	335,192
Long-term care(retabulated)	107,347	114,163	112,117	112,912	115,915
Increase/decrease from the previous fiscal year (100 million yen)					
<Total>	25,244	82,952	65,330	△ 5,789	△ 26,809
Medical care	9,748	19,951	47,013	13,484	△ 31,890
Pensions	1,939	1,815	1,816	△ 244	6,029
Welfare and others	13,557	61,186	16,502	△ 19,030	△ 948
Long-term care(retabulated)	3,462	6,816	△ 2,047	796	3,003
Percentage change from the previous fiscal year (%)					
<Total>	2.1	6.7	4.9	△ 0.4	△ 1.9
Medical care	2.5	4.9	11.0	2.8	△ 6.5
Pensions	0.4	0.3	0.3	△ 0.0	1.1
Welfare and others	5.1	22.1	4.9	△ 5.4	△ 0.3
Long-term care(retabulated)	3.3	6.3	△ 1.8	0.7	2.7
Composition ratio (%)					
<Total>	100.0	100.0	100.0	100.0	100.0
Medical care	32.9	32.3	34.2	35.3	33.6
Pensions	44.7	42.1	40.2	40.4	41.6
Welfare and others	22.4	25.6	25.6	24.3	24.7
Long-term care(retabulated)	8.7	8.6	8.1	8.2	8.6
As a percentage of GDP (%)					
<Total>	22.26	24.54	25.02	24.36	22.76
Medical care	7.31	7.93	8.55	8.60	7.66
Pensions	9.96	10.33	10.06	9.83	9.47
Welfare and others	4.98	6.29	6.40	5.93	5.63
Long-term care(retabulated)	1.93	2.12	2.02	1.99	1.95

Note: The figures for "Medical care" and "Welfare and others" for FY2022 have been revised from those published in the Financial Statistics of Social Security in Japan, FY2022. For "Medical care," the number of vaccine purchases used to calculate vaccine purchase and distribution expenses (corresponding to vaccinations administered in FY2022) has been updated to the finalized figures. The revision for "Welfare and others" reflects the retroactive inclusion of expenditures recorded in the Financial Statistics of Social Security in Japan from two components of the Temporary Grant for Regional Revitalization for COVID-19 Response: "the measures to address soaring crude oil and commodity prices for the time of COVID-19" and "the special grant for local governments to tackle hikes in electricity, gas, and food prices."

Source: Compiled from Time Series Table 8, Table 9, and Table 11.

3 Social Security Revenue (ILO standards)

Social Security Revenue (ILO standards) ⁴ in FY 2023 amounted to 198,007.7 billion yen, a decrease of 44,920.3 billion yen or 29.3% from the previous year (Table 5).

Table 5 Social Security Revenue (ILO standards)

		FY2019	FY2020	FY2021	FY2022	FY2023
Total amount	(100 million yen)	1,321,393	1,845,568	1,631,880	1,530,874	1,980,077
Increase/decrease from the previous fiscal year	(100 million yen)	△ 2,976	524,175	△ 213,688	△ 101,006	449,203
Percentage change from the previous fiscal year	(%)	△ 0.2	39.7	△ 11.6	△ 6.2	29.3

The largest source of Social Security Revenue was "Social insurance," amounting to 80,110.1 billion yen and accounting for 40.5% of the total. It was followed by "Tax" of 57,968.1 billion yen, accounting for 29.3% of the total (Table 6).

The sources with the largest decrease compared with the previous year were "State contribution" (6,724.2 billion yen, 14.8% decrease), while the policy areas with the largest increase were "Income from capital" (47,868.6 billion yen, 827.9% increase).

"State contribution" saw a decrease in expenses related to COVID-19 measures. The increase in "Income from capital" was due to improved investment performance of pension reserve funds.

⁴ Social Security Revenue (ILO standards) is a financial resource allocated to Social Benefit (ILO standards), facility maintenance costs, management costs, and so on. Refer to Appendices 1-2 and 2-3 for further information.

Table 6 Social Security Revenue by source (ILO standards)

	FY2019	FY2020	FY2021	FY2022	FY2023
Amount of resources (100 million yen)					
<Total>	1,321,393	1,845,568	1,631,880	1,530,874	1,980,077
Social Insurance	740,082	735,410	755,227	772,890	801,101
Contribution from insured persons	389,665	387,032	397,852	406,619	420,225
Contribution from employers	350,417	348,378	357,375	366,271	380,876
Taxes	516,799	586,935	658,571	643,128	579,681
State contribution	341,724	407,364	475,684	454,027	386,784
Other public contribution	175,075	179,570	182,887	189,101	192,896
Income from capital	15,929	439,400	144,605	57,823	536,509
Others	48,582	83,823	73,477	57,033	62,787
Increase/decrease from the previous fiscal year (100 million yen)					
<Total>	△ 2,976	524,175	△ 213,688	△ 101,006	449,203
Social Insurance	14,157	△ 4,672	19,817	17,663	28,211
Contribution from insured persons	6,284	△ 2,633	10,820	8,767	13,606
Contribution from employers	7,873	△ 2,039	8,997	8,896	14,605
Taxes	14,561	70,136	71,636	△ 15,443	△ 63,447
State contribution	7,406	65,640	68,320	△ 21,657	△ 67,242
Other public contribution	7,154	4,496	3,317	6,214	3,795
Income from capital	△ 28,356	423,471	△ 294,795	△ 86,782	478,686
Others	△ 3,337	35,241	△ 10,346	△ 16,443	5,753
Percentage change from the previous fiscal year (%)					
<Total>	△ 0.2	39.7	△ 11.6	△ 6.2	29.3
Social Insurance	2.0	△ 0.6	2.7	2.3	3.7
Contribution from insured persons	1.6	△ 0.7	2.8	2.2	3.3
Contribution from employers	2.3	△ 0.6	2.6	2.5	4.0
Taxes	2.9	13.6	12.2	△ 2.3	△ 9.9
State contribution	2.2	19.2	16.8	△ 4.6	△ 14.8
Other public contribution	4.3	2.6	1.8	3.4	2.0
Income from capital	△ 64.0	2,658.4	△ 67.1	△ 60.0	827.9
Others	△ 6.4	72.5	△ 12.3	△ 22.4	10.1
Composition ratio (%)					
<Total>	100.0	100.0	100.0	100.0	100.0
Social Insurance	56.0	39.8	46.3	50.5	40.5
Contribution from insured persons	29.5	21.0	24.4	26.6	21.2
Contribution from employers	26.5	18.9	21.9	23.9	19.2
Taxes	39.1	31.8	40.4	42.0	29.3
State contribution	25.9	22.1	29.1	29.7	19.5
Other public contribution	13.2	9.7	11.2	12.4	9.7
Income from capital	1.2	23.8	8.9	3.8	27.1
Others	3.7	4.5	4.5	3.7	3.2

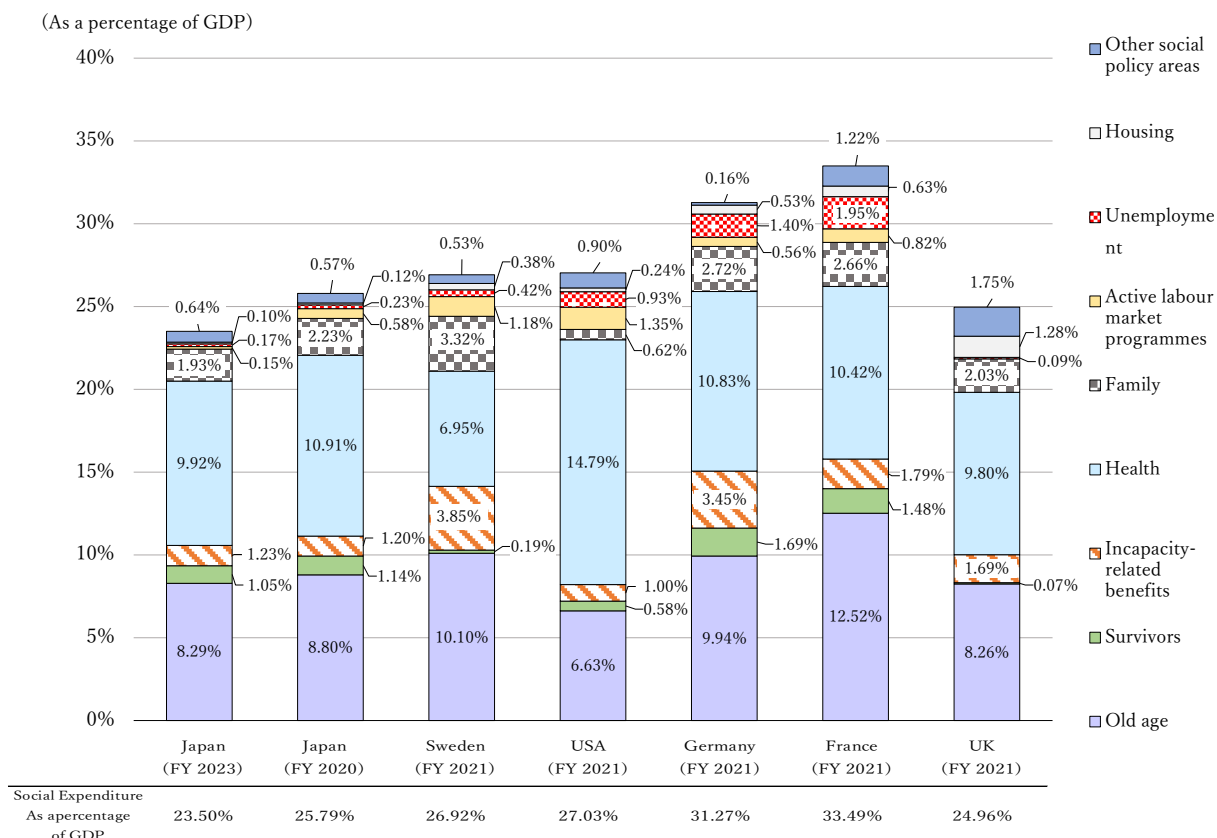
Note: "Income from capital" is volatile in each fiscal year as it depends on the management performance of the public pension fund and other factors. "Others" includes receipt from the reserve funds.

Source: Compiled from Time Series Table 14.

4 International comparison of Social Expenditure (OECD standards)

Figure 3 shows the ratio of Social Expenditure to GDP among six developed countries. Japan's Social Expenditure in FY 2021, the latest year for which internationally comparable data are available, is smaller than that of France, Germany, the US, and Sweden.

Figure 3 International comparison of Social Expenditure by policy area as a percentage of GDP, FY 2021



Note: The UK's figures are listed here for reference only, because data for "Active labour market programmes" are not available following its withdrawal from the EU.

Source: Social Expenditure for OECD countries except Japan is based on the OECD Social Expenditure database (downloaded on 12th May 2025). GDP data on Japan are based on the Cabinet Office's "Annual Report on National Accounts for FY 2023," while the data on other countries are figures provided by the OECD (downloaded on 15th May 2025). In line with the fact that social expenditures in other countries are based on each country's social security fiscal year, GDP figures are also adjusted to the social security fiscal year. The fiscal years of various countries are as follows the UK are from April to March, those for the US from October to September, and those for other countries from January to December.

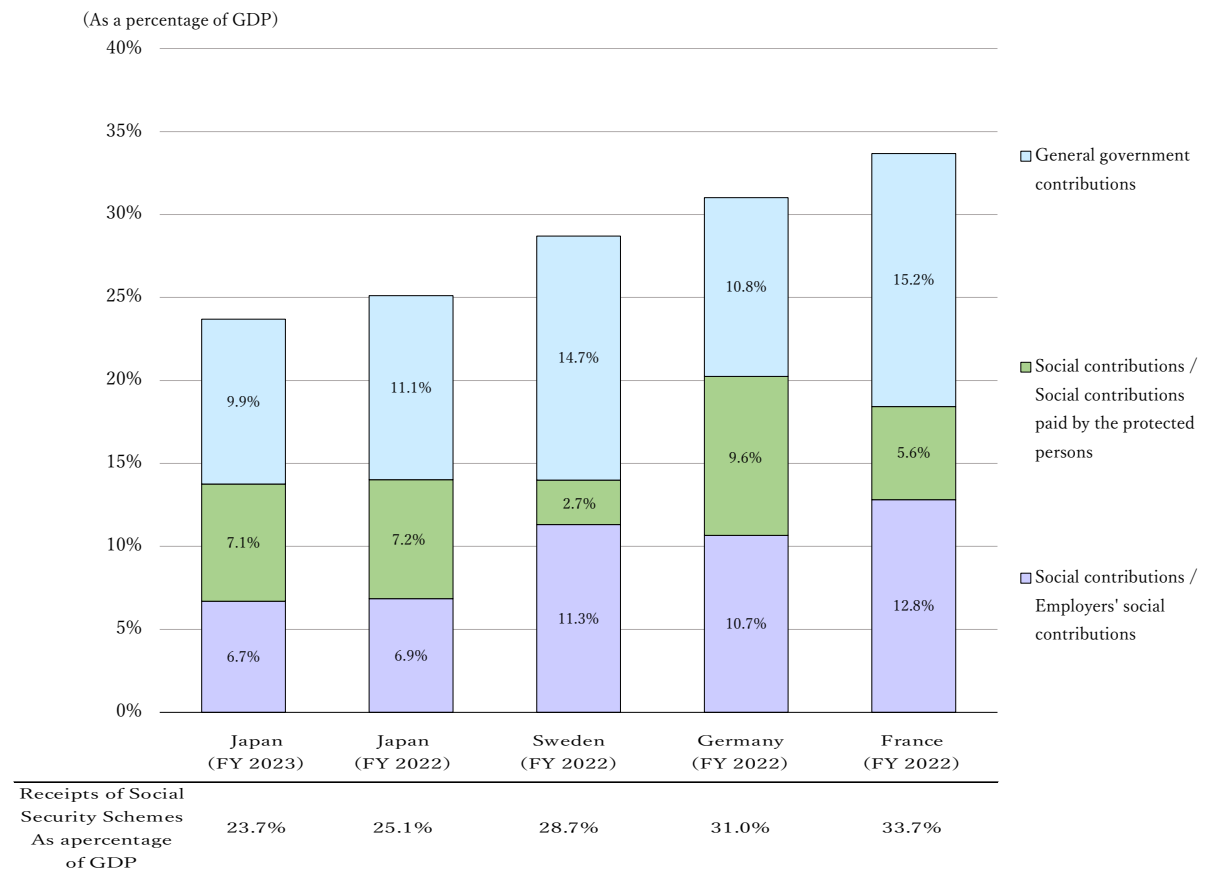
Source: Compiled from Time Series Table 7.

5 International comparison of Receipts of Social Security Schemes (EU standards)

Figure 4 shows the ratio of the Receipts of Social Security Schemes (EU standards) ⁵ to GDP among four countries. Japan's Receipts of Social Security Schemes in FY 2022 are smaller than those of France, Germany and Sweden.

By type, Japan's "Employers' social contributions" in "Social contributions" are smaller than those of the other three countries, and its "Social contributions paid by the protected persons" (the sum of social contributions paid by employees, self-employed persons, and pensioners and other persons) are the second largest after Germany. Its "General government contributions" are smaller than those of France and Sweden.

Figure 4 International comparison of Receipts of Social Security Schemes (EU standards) as a percentage of GDP, FY2022



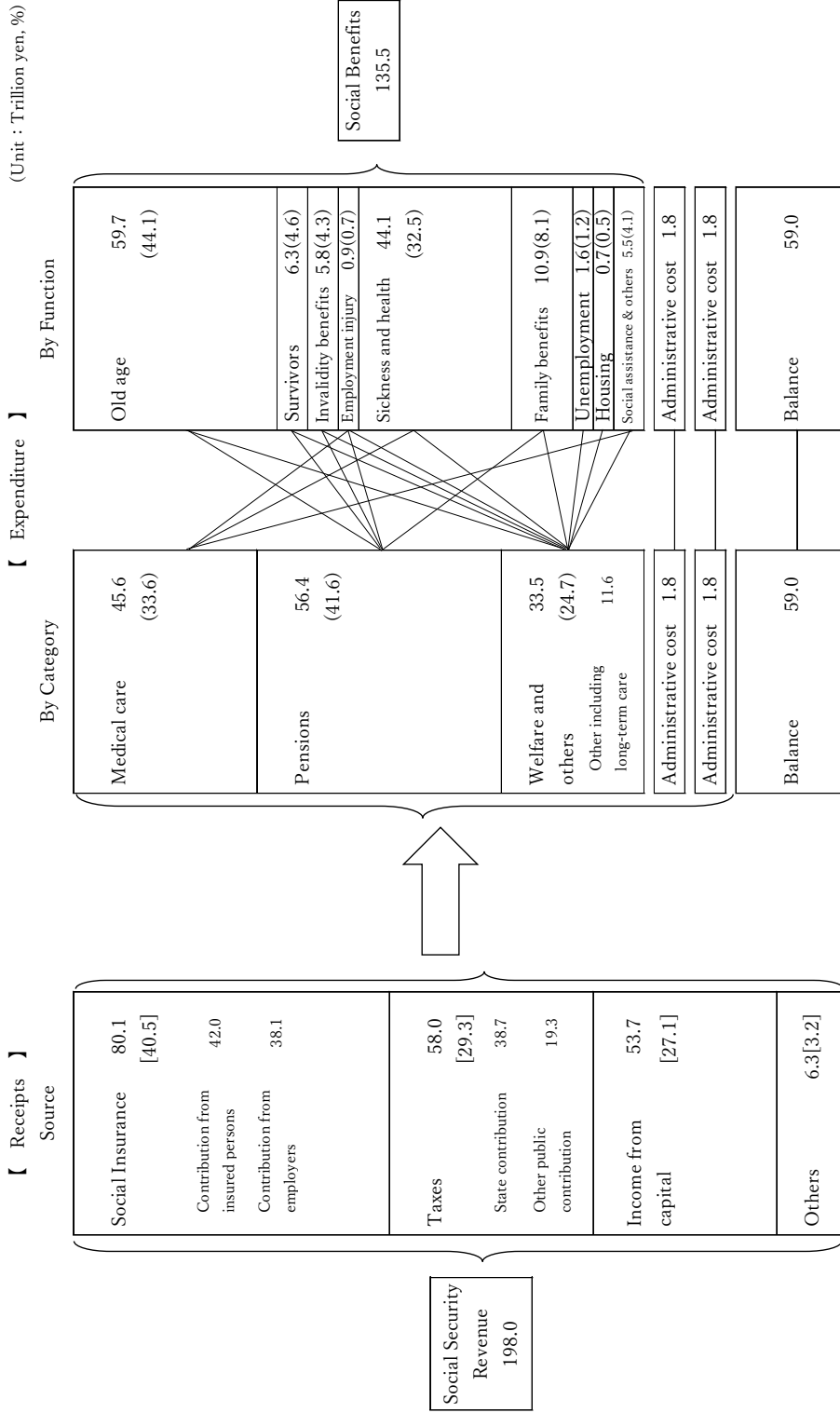
Note: In this figure, "Other receipts" (public pension investment income, etc.) are excluded from the Receipts of Social Security Schemes.

Source: Receipts of Social Security Schemes for EU countries are based on Eurostat ESSPROS Database (as of 23th May 2025). GDPs for Japan is based on the Cabinet Office's "National Accounts."

Source: Compiled from Time Series Table 15.

⁵ The Receipts of Social Security Schemes (EU standards) are a financial resource allocated to social benefits, facility maintenance costs, management costs, and so on. Refer to Appendices 1-3 and 2-5 for further information.

Reference Diagram of Social Security Revenue and Social Benefit based on the ILO Standards, FY 2023



Notes:

1. Social Security Revenue in FY 2023 amounted to 198.0 trillion yen (excluding transfer from other systems). The figures in square brackets represent the ratio to the total Social Security Revenue.
2. Social Security expenditure in FY 2023 amounted to 135.5 trillion yen. The figures in parentheses represent the ratio to the total Social Benefit.
3. Others in the receipt include receipts from the reserve funds, etc. Others in the expenditure include maintenance expenses for the facilities, etc.
4. Balance refers to the difference between Social Security Revenue (198.0 trillion yen) and the sum of Social Benefit, administrative costs, and others (139.1 trillion yen), and it does not include any transfer to and from other systems.