

EXPANDED ABSTRACT

Public expenditure on disability in the EU: estimation and analysis by administrative cultures and models of state of well-being

The aim of this paper is to estimate and analyze the public expenditure on disability in Europe, considering that this information is not explicitly available in the accessible statistical sources.

The data sources used for estimating public expenditure on disability are included in two different functional classifications: European System of Integrated Social Protection Statistics (ESSPROS) and Classification of the Functions of Government (COFOG).

Relating to the ESSPROS classification it is important to consider the specific expenditure on disability compared to the total expenditure on social protection, both of which referred to all public and private entities as a whole. While from the COFOG classification is concerned our interest will be the spending on social protection with exclusive reference to the public sector.

The analyzed period is 2005 - 2013, which allows us to study the evolution from the years before the economic crisis to the latest available data.

In the first place, estimates for public expenditure in absolute terms have been worked out for each country. Subsequently, in order to facilitate the comparison between the different countries, two relativizations are proposed.

In absolute terms, the countries with highest standards of welfare states stand out as those with the highest expenditure on social protection, mainly the Nordic countries (Sweden, Finland, Holland and Denmark) followed by the United Kingdom and those belonging to the continental model such as France, Germany and Italy, while the lowest expenditure occurs in the countries of Eastern Europe. Regarding the overall expenditure on disability, the countries that make up the continental group (Belgium, Germany, France, Austria) are the ones with the highest values, being at some distance from Italy, Sweden and Spain. At the other extreme, Malta, Cyprus, Latvia, Estonia and Lithuania are the countries with the lowest public expenditure on disability.

In order to establish a comparative analysis among the resources allocated by the considered countries for disability care, in addition to estimate absolute values, two relative estimations will be taken: the first referred to the number of disabled persons in each country and the second considering the total amount of public expenditure, in terms of National Accounting ("Uses" in ESA 2010 terms).

The latter of these measures is easily accessible and its determination is out of dispute. However if we expect to use as a reference the number of disabled people in each country we will need to square the figures to a common definition of disability for every country, definition which does not really exist in Europe.

The Preamble to the United Nations Convention on the Rights of Persons with Disabilities (2006), ratified by the EU in 2010, acknowledges that disability is "an evolving concept", but also stresses that "disability results from the interaction between persons with impairments and attitudinal and environmental barriers that hinder their full and effective participation in society on an equal basis with others". Defining disability as an interaction means that "disability" is not an attribute of the person. Progress on improving social participation can be made by addressing the barriers which hinder persons with disabilities in their day to day lives.

Taking this into account, it has been applied the criteria of the International Classification of Functioning, Disability and Health (ICF, World Health Organization, 2001), according to which, persons with disabilities are those who face barriers to participation associated mainly with a health problem or basic activity limitation of activity proposing three levels of basic limitation of disability, each determined by adding up life areas where a person face barriers. (Life domain 1, 2 and 4)

Individually approached, the highest ratio values are found in Luxembourg, Sweden, Finland, Austria, Denmark, Italy and France, countries with a high developed model of welfare state. The smallest figures belong to Romania, Bulgaria and Hungary, countries which are redesigning their social policies. In the case of Luxembourg, the high value is mainly due to the low number of registered disabled people rather than a real high expenditure. Conversely, the case of the United Kingdom is significant for the low value of the ratio due to the high number of disabled people recorded.

As a second option for the relativization of public expenditure on disability, our proposal consists in calculating for each country the amount of expenditure on disability with regard to total public expenditure. This new ratio will allow us to determine the relative importance that each country ascribes to disability in budgetary terms, with the pertinent implications about the social policy of the country considered.

In 2012 and 2013, for all EU countries, public expenditure on disability accounted for 2.83% and 2.87%, respectively, of total public expenditure spent by public administrations.

The countries with the highest percentage during these two years are Sweden, Denmark, Luxembourg, Finland and Croatia. In general, the countries that make the greatest budgetary effort in spending on disability are those with a higher expenditure per person, although there are some specific deviations, such as Austria, France and Italy, which, unlike UK, disclose a very small number of people with disabilities.

Those countries with the lowest proportions regarding disability spending on total public expenditure are Cyprus, Greece, Malta and Ireland, all of which have budgetary and financial problems.

In Spain public spending on disability accounted for 2.53% of total expenditure in 2012 and 2.74% in 2013, standing at the average rate.

To sum up, the following conclusions can be drawn in regard of (regarding to) the relative figures in public expenditure on disability:

- The countries with the highest values in both ratios are Luxembourg, Sweden, Finland and Denmark
- The countries with the lowest values in the both analysis are Cyprus, Latvia and Slovakia.
- Spain presents intermediate values on public expenditure per person with disability so as in percentage for the total public expenditure.
- Overall, the countries that make a greater budgetary effort in spending for disability, are those that present a higher expenditure per person and have the most developed social systems.
- There are countries presenting some specific deviations, such as Austria, France and Italy, which, unlike UK, have a very small number of people with disabilities, a fact which would explain how they show a high public expenditure per person and a small weight of this expenditure compared to Total public expenditure.
- The countries with the highest expenditure are the Nordic countries known for their well-developed welfare state models, while the countries with the lowest public spending are the Eastern European countries, in the process of restructuring their social policies.

This approach to the measurement of public spending on disability gives a greater visibility of the public attention to disability in Europe and permits the comparability between the countries of our economic environment.

KEYWORDS: Public expenditure, disability, social protection, European System of Integrated Social Protection Statistics (ESSPROS), Classification of the Functions of Government (COFOG).