

IS POLAND A WELFARE STATE?

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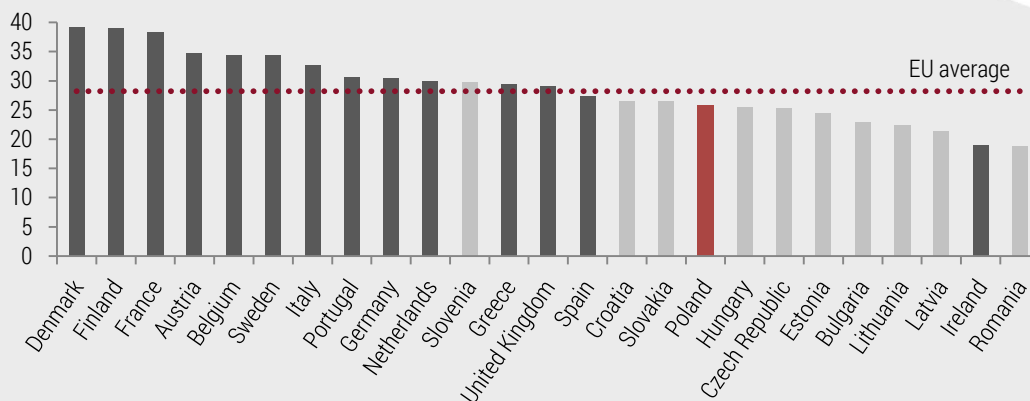
Abstract

We determine whether Poland is a welfare state by looking at social expenditures as a share of GDP, taking into account that the share tends to increase with the level of income. By this criterion Poland is a welfare state. The share of social expenditure in GDP is high in Poland compared to countries with similar income levels, although still lower than in the majority of wealthier EU Member States. The structure of social expenditure in Poland is marked by high pension expenditure. Education spending is close to the EU average. Low public health expenditure, on the other hand, diverges from EU standards. Following the introduction of the Family 500+ Programme, Poland has become one of the top EU spenders on family policy. The main challenge for social policy is to improve the quality of health care and limit the negative impact of certain types of social expenditure on labour force participation.

Key facts

- **25.8% of GDP** – this was the share of **social expenditure** in Poland in 2015. This is more than the average figure in the other Central and Eastern European (CEE) countries (24.3% of GDP), but less than the EU-15 average (28.2% of GDP).
- **13.5% of GDP** – this was the share of **pension expenditure** in Poland in 2015. This figure is 2.7 pp greater than the average in the other CEE countries. Pension expenditure is high in spite of the current low share of elderly citizens in Poland's population.
- **4.7% of GDP** – this was the share of **public health expenditure** in Poland in 2015. This figure is not only lower than the EU-15 average (6.9% of GDP), but also than the average in the other CEE countries (5.8% of GDP).
- **1.2–1.3% of GDP** – this is the annual **value of the Family 500+ programme**. Its introduction means a ca. 5% increase in social expenditure compared to 2015.

Social expenditure in Poland in comparison to the EU (% of GDP, 2015)



Source: own calculation based on Eurostat data.