Question for written answer E-004147/2022
to the Commission
Rule 138
Guido Reil (ID)

Subject: Social spending

Economists Ludger Schuknecht and Holger Zemanek highlight how, in a host of EU Member States, including Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Portugal, Spain, Sweden and the Netherlands, increasing social spending is crowding out other necessary public expenditure. They expect the social expenditure ratio to level off at one third of GDP and to reach 40% of GDP in some countries by 2050, with public investment falling at the same time. In 1980, public investment amounted to 3-5% of GDP in most of the countries studied, declining to just 2-3% in 2015[1].

Germany is a good example. In 2021, the social expenditure ratio exceeded one third of Germany's gross domestic product (GDP). At 33.6%, it stood 2.8% above the level seen at the height of the financial and economic crisis in 2009 (EUR 1 190 billion in absolute terms). At the same time, investments in the transport infrastructure and education are being neglected. Roads and bridges are in disrepair, and many schools are in an appalling state.

1. Does the Commission share the view that there is increasing 'social dominance'?

2. If not, why not?

3. What does the Commission think about the fact that the social expenditure ratio will reach 40% in some EU Member States in the future?

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[1] Ludger Schuknecht and Holger Zemanek, Social dominance, CESifo Working Papers, February 2018.