

48/2019 - 15 March 2019

General government expenditure in the EU in 2017

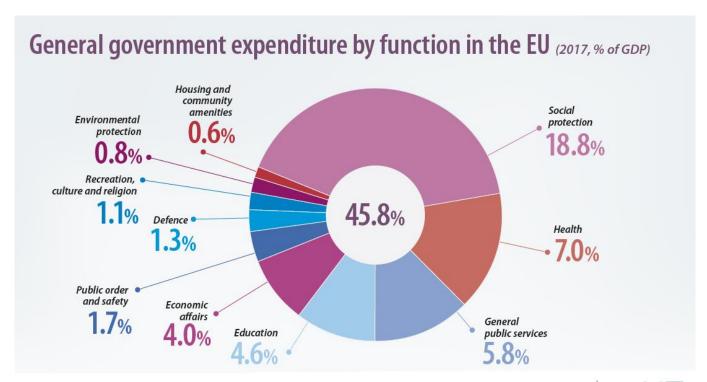
# Highest proportion of government expenditure goes to social protection and health

Total government expenditure continued to decrease

In 2017, total government expenditure in the **European Union** (EU) amounted to 45.8% of gross domestic product (GDP). This share has steadily decreased since 2012, when it stood at 48.9% of GDP.

Among the main functions of general government expenditure in the **EU**, 'social protection' is by far the most important, equivalent to 18.8% of GDP in 2017. The next most important areas are 'health' (7.0%), 'general public services' (5.8%) such as external affairs and public debt transactions, 'education' (4.6%) and 'economic affairs' (4.0%). The functions 'public order and safety' (1.7%), 'defence' (1.3%), 'recreation, culture and religion' (1.1%), 'environmental protection' (0.8%) and 'housing and community amenities' (0.6%) have more limited weights.

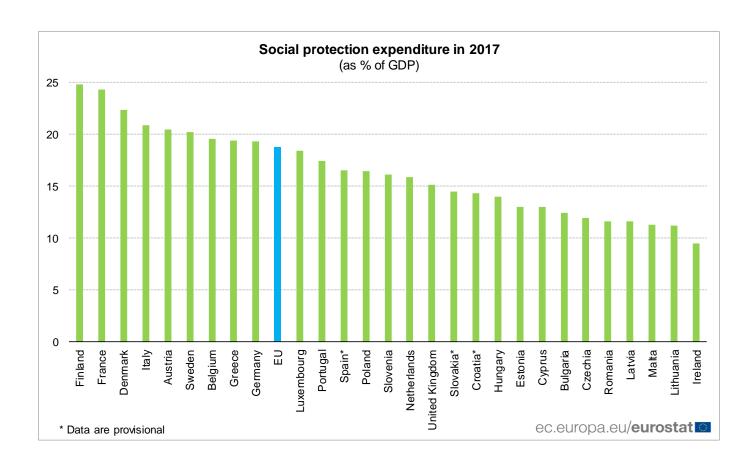
This information on general government total expenditure by function comes from an online <u>publication</u> issued by **Eurostat**, the statistical office of the European Union.



ec.europa.eu/eurostat

### Share of social protection expenditure related to old age highest in Greece and Finland and lowest in Ireland

Social protection represented the most important area of general government expenditure in 2017 in all EU Member States. The ratio of government social protection expenditure to GDP varied across EU Member States from less than 10% in Ireland (9.5%) to nearly a quarter in Finland (24.9%). Six Member States – Finland, France, Denmark, Italy, Austria and Sweden - devoted at least 20% of GDP to social protection, while Ireland, Lithuania, Malta, Latvia, Romania, Czechia and Bulgaria each spent less than 13% of GDP on social protection.



Social protection expenditure can be further broken down into a number of detailed groups. The group 'old age', which includes pensions, accounted for 10.1% of GDP in the **EU** in 2017. It made up the largest part of social protection expenditure in all Member States, with the highest shares being registered in **Greece** and **Finland** (both 13.8%), followed by **France** and **Italy** (both 13.4%) as well as **Austria** (12.5%). In contrast, **Ireland** (3.4%), **Lithuania** (5.7%) and **Cyprus** (6.0%) recorded the lowest shares.

#### Government expenditure on health highest in Denmark, on education highest in Sweden

With shares of at least 8% of GDP in 2017, **Denmark** (8.4%), **Austria** (8.2%) and **France** (8.0%) recorded the highest ratios to GDP devoted to health among EU Member States. The highest ratios to GDP of government expenditure on general public services were observed in **Greece** (8.3%) and **Italy** (8.2%). For education, the highest shares were registered in **Sweden** (6.8%), **Denmark** (6.5%) and **Belgium** (6.3%).

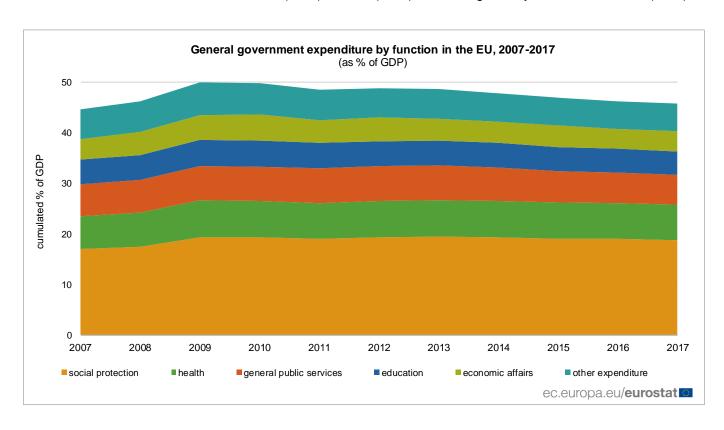
The highest shares of government expenditure on economic affairs in 2017 were recorded in **Hungary** (7.1% of GDP) and **Belgium** (6.3%). For public order & safety, shares were highest in **Bulgaria** (2.5%) and **Hungary** (2.4%).

In 2017, at least 2% of GDP was spent on defence in **Greece** (2.5%) as well as **Estonia** and **Cyprus** (both 2.0%). The highest shares of government expenditure on recreation, culture & religion were recorded in **Hungary** (3.5%) and **Estonia** (2.1%), on environmental protection in the **Netherlands** (1.4%) and **Greece** (1.3%), and on housing & community amenities in **Bulgaria** and **Cyprus** (both 1.6%).

#### Evolution of general government total expenditure

During the first three years of the economic and financial crisis (2007-2009), government expenditure as a percentage of GDP grew in the **EU**. It increased from 44.6% of GDP in 2007 to 50.0% in 2009, which was partially due to a lower GDP. Apart from an increase between the years 2011 and 2012 (from 48.5% of GDP to 48.9%), it has steadily decreased ever since, standing at 45.8% of GDP in 2017. This gradual decrease was partly the result of the fiscal consolidation measures, renewed economic growth and counter-cyclical reactions of government expenditure. In recent years, one-off expenditure to support financial institutions has been decreasing.

Not all the functions of government expenditure evolved the same between 2007 and 2017. Some of the functions have a natural tendency to be counter-cyclical, even without a change in policy. For example, government expenditure on unemployment benefits (part of social protection) is more prone to have a natural counter-cyclical evolution than other functions, such as government expenditure on education. During an economic crisis, more people become unemployed, whereas the number of pupils and students is more affected by demographic changes. Between 2007 and 2009, expenditure on unemployment in the **EU** increased from 1.4% of GDP to 1.8%, decreasing ever since to stand at 1.2% in 2017. Social protection expenditure as a whole increased from 17.0% of GDP (2007) to 19.4% (2009), standing at 18.8% of GDP in 2017. In the same period, government expenditure on education in the **EU** rose from 4.9% of GDP (2007) to 5.2% (2009), and then gradually decreased to 4.6% (2017).



### Social protection and health expenditure increased in comparison to other general government expenditure

'Social protection' and 'health' are the only two functions whose shares in total government expenditure increased during the period from 2007 to 2017. In the **EU**, social protection expenditure increased its share in total expenditure from 38.2% to 41.1%, while expenditure on health increased from 14.5% to 15.3% of total expenditure. At the same time, the share of all other functions decreased. Government expenditure on education, for example, fell from 10.9% of total expenditure in 2007 to 10.2% in 2017. This pattern appears unaffected by economic cycles.

#### **Geographical information**

The **European Union** (EU) includes Belgium, Bulgaria, Czechia, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom.

The **euro area** consists of Belgium, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Austria, Portugal, Slovenia, Slovakia and Finland.

#### Methods and definitions

The Classification of the Functions of Government (COFOG) classifies government expenditure into ten main divisions (known as the 'COFOG I level' breakdown): general public services; defence; public order and safety; economic affairs; environmental protection; housing and community affairs; health; recreation, culture and religion; education; social protection. These divisions are further broken down into 69 groups (COFOG II level).

#### For more information

Eurostat database on government finance

Eurostat metadata on general government expenditure by function

Eurostat set of Statistics Explained articles on government expenditure by function

Eurostat interactive infographic on government expenditure by function

Issued by: Eurostat Press Office

Susanne DIETZ
Tel: +352-4301-33 444
eurostat-pressoffice@ec.europa.eu

Production of data:

Elvira GOEBEL/ Floris JANSEN/ Lukas RUCKA/ Vaida SAVICKAITĖ/ Kurt WASS/ Laura WAHRIG Tel: +352-4301-37 687 estat-gfs@ec.europa.eu





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## General government total expenditure by function, 2017 (as % of GDP)

		General			Public	Economic	Environ-	Housing &		Recreation		Social		So	ocial protec	tion, of whic	ch:	
	Total	public services	Defence	order & safety	affairs	mental protection	community amenities	Health	culture & religion	Education	protection	Sickness & disability	Old age	Survivors	Family & children	Unemploy- ment	Others	
EU	45.8	5.8	1.3	1.7	4.0	0.8	0.6	7.0	1.1	4.6	18.8	2.7	10.1	1.3	1.7	1.2	1.6	
Euro area	47.0	6.1	1.2	1.7	4.2	0.8	0.6	7.1	1.1	4.5	19.8	2.8	10.7	1.7	1.7	1.5	1.4	
Belgium	52.2	7.2	0.8	1.7	6.3	0.9	0.3	7.7	1.3	6.3	19.6	3.3	9.2	1.7	2.2	1.7	1.5	
Bulgaria	35.1	3.2	1.1	2.5	4.0	0.7	1.6	4.9	1.0	3.6	12.5	0.2	9.2	:	2.3	0.1	0.7	
Czechia	39.0	3.9	0.8	1.8	5.7	0.8	0.6	7.5	1.3	4.6	12.0	2.1	7.3	0.5	1.0	0.2	0.8	
Denmark	51.2	6.2	1.2	0.9	3.3	0.4	0.2	8.4	1.7	6.5	22.4	4.4	8.2	0.0	4.4	2.3	3.0	
Germany	43.9	5.6	1.0	1.5	3.1	0.6	0.4	7.1	1.0	4.1	19.4	3.2	9.3	1.8	1.6	1.6	1.7	
Estonia	39.3	3.9	2.0	1.9	4.3	0.7	0.4	5.0	2.1	5.8	13.0	2.1	6.8	0.1	2.5	1.2	0.4	
Ireland	26.3	3.4	0.3	1.0	2.3	0.4	0.5	5.1	0.5	3.3	9.5	1.9	3.4	0.6	1.3	1.1	1.2	
Greece	47.3	8.3	2.5	2.1	3.6	1.3	0.2	5.2	0.7	3.9	19.4	1.5	13.8	2.1	0.6	0.5	0.9	
Spain*	41.0	5.6	0.9	1.8	3.8	0.9	0.4	6.0	1.1	4.0	16.6	2.4	9.1	2.2	0.7	1.6	0.6	
France	56.5	6.0	1.8	1.6	5.9	0.9	1.0	8.0	1.4	5.4	24.3	2.9	13.4	1.5	2.4	1.9	2.2	
Croatia*	45.0	7.6	1.1	2.2	5.4	0.6	0.9	6.3	1.8	4.7	14.3	2.0	8.3	1.4	1.8	0.5	0.5	
Italy	48.8	8.2	1.3	1.8	3.6	0.9	0.6	6.8	0.8	3.8	20.9	1.8	13.4	2.6	1.6	1.1	0.4	
Cyprus	37.4	7.3	2.0	1.7	2.4	0.3	1.6	2.6	0.9	5.7	13.0	0.5	5.9	1.5	2.9	0.6	1.6	
Latvia	37.8	4.1	1.7	2.3	5.5	0.6	1.1	3.5	1.7	5.8	11.7	2.1	6.9	0.2	1.2	0.5	0.8	
Lithuania	33.1	3.5	1.7	1.5	2.8	0.4	0.4	5.7	1.1	4.9	11.2	3.1	5.7	0.3	1.1	0.6	0.5	
Luxembourg	43.1	4.9	0.5	1.1	5.7	1.0	0.6	4.9	1.3	4.7	18.4	2.8	9.9	0.0	3.7	1.1	0.9	
Hungary	46.9	8.0	1.0	2.4	7.1	0.4	0.8	4.8	3.5	5.1	14.0	2.6	7.0	1.0	2.1	0.3	1.1	
Malta	35.6	5.7	0.5	1.1	4.5	0.9	0.2	5.4	1.1	4.9	11.3	1.0	7.1	1.3	0.9	0.3	0.8	
Netherlands*	42.5	4.3	1.1	1.9	3.8	1.4	0.3	7.6	1.2	5.1	15.9	4.1	6.6	0.1	1.3	1.6	2.2	
Austria	49.2	6.1	0.6	1.4	5.7	0.4	0.3	8.2	1.2	4.8	20.5	1.8	12.5	1.4	2.2	1.3	1.4	
Poland	41.1	4.4	1.7	2.1	4.7	0.4	0.6	4.7	1.2	4.9	16.4	2.4	9.0	1.7	2.7	0.4	0.4	
Portugal	45.7	7.6	0.9	1.7	5.2	0.6	0.5	6.0	0.8	5.0	17.4	1.3	11.7	1.7	1.1	0.8	0.8	
Romania	33.7	4.2	1.8	2.0	4.4	0.5	0.9	4.3	1.0	2.8	11.7	1.0	8.8	0.1	1.2	0.1	0.5	
Slovenia	43.2	5.9	0.9	1.6	4.3	0.5	0.5	6.6	1.4	5.4	16.2	2.2	9.2	1.3	1.8	0.5	1.2	
Slovakia*	40.2	5.6	1.0	2.1	4.1	0.7	0.5	7.1	0.8	3.8	14.5	2.9	7.8	0.8	1.2	0.2	1.6	
Finland	54.2	7.9	1.3	1.1	4.3	0.2	0.3	7.1	1.5	5.7	24.9	3.1	13.8	0.7	3.1	2.3	1.9	
Sweden	49.4	6.8	1.2	1.3	4.1	0.3	0.8	6.9	1.1	6.8	20.2	4.1	10.3	0.3	2.5	1.3	1.8	
United Kingdom	40.8	4.7	1.9	1.8	3.1	0.7	0.7	7.4	0.6	4.6	15.2	2.5	8.3	0.1	1.3	0.1	3.0	
Iceland*	43.3	8.1	0.1	1.5	4.7	0.6	0.5	7.6	3.0	7.5	9.7	3.1	3.0	0.0	2.0	0.5	1.1	
Norway	49.9	4.5	1.7	1.2	5.3	0.9	0.8	8.5	1.6	5.6	19.8	6.7	7.3	0.2	3.5	0.5	1.5	
Switzerland*	34.2	4.7	0.8	1.7	4.0	0.6	0.2	2.2	0.8	5.6	13.5	2.9	6.8	0.3	0.5	1.2	1.8	

<sup>\*</sup> Data are provisional

<sup>:</sup> Data not available Figures may not add up due to rounding. The source dataset is available <u>here</u>.

## General government expenditure by function, 2017 (as % of total government expenditure)

	General		Public	Faanamia	Environ- Housing			Recreation,		Coolel	Social protection, of which:						
	public services	Defence	order & safety	Economic affairs	mental protection	community amenities	Health	culture & religion	Education	Social protection	Sickness & disability	Old age	Survivors	Family & children	Unemploy- ment	Others	
EU	12.8	2.9	3.7	8.9	1.6	1.3	15.3	2.3	10.2	41.1	6.0	22.1	2.9	3.8	2.7	3.6	
Euro area	13.0	2.6	3.5	8.9	1.7	1.2	15.0	2.3	9.6	42.1	5.9	22.7	3.6	3.6	3.3	3.0	
Belgium	13.9	1.5	3.3	12.1	1.8	0.6	14.7	2.4	12.1	37.5	6.3	17.6	3.3	4.2	3.2	2.9	
Bulgaria	9.2	3.0	7.1	11.4	1.9	4.5	14.1	2.9	10.2	35.5	0.7	26.1		6.6	0.2	2.0	
Czechia	10.0	2.1	4.5	14.6	2.1	1.5	19.2	3.4	11.9	30.7	5.4	18.8	1.4	2.6	0.4	2.1	
Denmark	12.1	2.3	1.8	6.4	0.8	0.4	16.4	3.3	12.7	43.7	8.7	16.1	0.0	8.6	4.4	6.0	
Germany	12.8	2.4	3.5	7.1	1.4	0.9	16.2	2.3	9.3	44.1	7.3	21.3	4.2	3.7	3.7	3.8	
Estonia	9.9	5.2	4.8	11.0	1.9	0.9	12.8	5.3	14.8	33.2	5.4	17.3	0.1	6.4	2.9	1.0	
Ireland	13.0	1.0	3.9	8.6	1.5	1.9	19.6	2.0	12.4	36.1	7.2	13.0	2.1	5.1	4.2	4.5	
Greece	17.6	5.3	4.5	7.6	2.8	0.4	11.1	1.5	8.2	41.0	3.2	29.1	4.5	1.4	1.0	1.9	
Spain*	13.6	2.2	4.5	9.3	2.1	1.1	14.5	2.7	9.7	40.4	5.8	22.2	5.4	1.7	3.9	1.4	
France	10.6	3.2	2.9	10.5	1.7	1.8	14.2	2.5	9.6	43.1	5.2	23.7	2.7	4.2	3.4	3.9	
Croatia*	16.9	2.4	4.9	12.0	1.3	2.0	14.0	4.0	10.5	31.9	4.4	18.4	3.0	3.9	1.0	1.0	
Italy	16.8	2.7	3.8	7.3	1.9	1.2	14.0	1.7	7.9	42.9	3.7	27.4	5.4	3.2	2.3	0.8	
Cyprus	19.5	5.5	4.5	6.3	0.8	4.2	6.9	2.4	15.3	34.8	1.3	15.9	3.9	7.8	1.5	4.4	
Latvia	10.7	4.4	6.2	14.7	1.5	2.9	9.3	4.4	15.2	30.8	5.7	18.3	0.5	3.1	1.3	2.0	
Lithuania	10.6	5.1	4.5	8.4	1.3	1.3	17.1	3.2	14.8	33.9	9.3	17.4	0.9	3.2	1.7	1.4	
Luxembourg	11.5	1.1	2.5	13.3	2.3	1.3	11.3	3.0	10.9	42.8	6.6	23.0	0.0	8.7	2.5	2.1	
Hungary	16.9	2.1	5.0	15.0	1.0	1.6	10.2	7.4	10.8	29.9	5.5	14.8	2.1	4.4	0.6	2.4	
Malta	15.9	1.4	3.1	12.7	2.6	0.6	15.1	3.0	13.9	31.7	2.7	19.8	3.7	2.6	0.7	2.1	
Netherlands*	10.0	2.7	4.4	8.8	3.2	0.8	17.8	2.7	12.1	37.4	9.7	15.4	0.2	3.2	3.8	5.1	
Austria	12.4	1.2	2.8	11.6	0.7	0.6	16.6	2.4	9.9	41.8	3.7	25.4	2.8	4.4	2.6	2.8	
Poland	10.8	4.1	5.2	11.3	0.9	1.4	11.4	2.9	11.9	40.0	5.8	21.9	4.1	6.5	0.9	0.9	
Portugal	16.6	1.9	3.7	11.4	1.2	1.1	13.1	1.8	10.9	38.2	2.8	25.7	3.8	2.4	1.8	1.8	
Romania	12.6	5.3	6.0	13.1	1.5	2.6	12.9	2.9	8.4	34.7	2.9	26.2	0.2	3.5	0.2	1.6	
Slovenia	13.6	2.1	3.7	9.9	1.0	1.1	15.2	3.2	12.6	37.4	5.1	21.3	2.9	4.3	1.2	2.7	
Slovakia*	13.9	2.4	5.3	10.1	1.8	1.1	17.7	2.1	9.4	36.1	7.2	19.3	2.0	3.0	0.5	4.0	
Finland	14.6	2.3	2.1	7.9	0.4	0.6	13.1	2.7	10.5	45.9	5.8	25.5	1.2	5.6	4.2	3.6	
Sweden	13.8	2.4	2.6	8.3	0.6	1.5	14.0	2.2	13.7	40.9	8.3	20.9	0.5	5.0	2.6	3.6	
United Kingdom	11.5	4.7	4.4	7.6	1.8	1.8	18.2	1.5	11.3	37.2	6.0	20.5	0.1	3.1	0.2	7.3	
Iceland*	18.7	0.1	3.4	10.9	1.4	1.2	17.5	6.9	17.4	22.5	7.2	7.0	0.0	4.7	1.1	2.5	
Norway	9.1	3.4	2.3	10.7	1.8	1.6	17.1	3.2	11.2	39.6	13.4	14.6	0.4	7.0	1.0	3.1	
Switzerland*	13.7	2.4	5.0	11.6	1.8	0.5	6.4	2.4	16.5	39.6	8.6	19.9	0.9	1.4	3.5	5.3	

<sup>:</sup> Data not available

<sup>\*</sup> Data are provisional

### General government expenditure by function in the EU, 2007-2017 (as % of GDP)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total	44.6	46.2	50.0	49.9	48.5	48.9	48.6	47.9	46.9	46.2	45.8
General public services	6.3	6.5	6.7	6.7	6.9	6.9	6.9	6.6	6.2	6.0	5.8
Defence	1.4	1.5	1.5	1.5	1.5	1.4	1.4	1.3	1.3	1.3	1.3
Public order & safety	1.7	1.8	1.9	1.9	1.8	1.8	1.8	1.7	1.7	1.7	1.7
Economic affairs	4.0	4.6	4.9	5.1	4.5	4.7	4.4	4.3	4.2	4.0	4.0
Environmental protection	0.8	0.8	0.9	0.9	0.8	0.8	0.8	0.8	0.8	0.8	0.8
Housing & community amenities	0.9	0.9	1.0	0.9	0.8	0.7	0.7	0.6	0.6	0.6	0.6
Health	6.5	6.7	7.3	7.3	7.1	7.1	7.2	7.2	7.1	7.1	7.0
Recreation, culture & religion	1.1	1.1	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.1	1.1
Education	4.9	4.9	5.2	5.2	5.1	5.0	4.9	4.9	4.8	4.7	4.6
Social protection	17.0	17.4	19.4	19.3	19.0	19.3	19.5	19.3	19.1	19.0	18.8
Sickness & disability	2.4	2.5	2.7	2.7	2.7	2.7	2.8	2.8	2.8	2.8	2.7
Old age	8.9	9.1	10.0	10.0	10.0	10.2	10.4	10.3	10.2	10.2	10.1
Survivors	1.3	1.3	1.5	1.4	1.4	1.4	1.4	1.4	1.3	1.3	1.3
Family & children	1.7	1.7	1.9	1.9	1.8	1.8	1.7	1.7	1.7	1.7	1.7
Unemployment	1.4	1.3	1.8	1.7	1.5	1.5	1.5	1.4	1.3	1.3	1.2
Others	1.4	1.4	1.5	1.6	1.6	1.7	1.7	1.6	1.7	1.7	1.6

### General government expenditure by function in the EU, 2007-2017

(as % of total government expenditure)

(45 ) 5 1 total 95 (5 total 97)													
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017		
General public services	14.1	14.1	13.3	13.4	14.1	14.1	14.1	13.8	13.1	12.9	12.8		
Defence	3.2	3.2	3.1	3.0	3.0	2.9	2.9	2.8	2.8	2.9	2.9		
Public order & safety	3.9	3.8	3.8	3.8	3.8	3.7	3.7	3.6	3.7	3.7	3.7		
Economic affairs	9.0	10.0	9.8	10.3	9.3	9.6	9.0	8.9	9.0	8.7	8.9		
Environmental protection	1.7	1.7	1.8	1.7	1.7	1.7	1.7	1.7	1.7	1.6	1.6		
Housing & community amenities	2.0	1.9	2.0	1.7	1.6	1.5	1.4	1.3	1.4	1.3	1.3		
Health	14.5	14.5	14.7	14.6	14.6	14.6	14.7	15.0	15.2	15.3	15.3		
Recreation, culture & religion	2.4	2.4	2.4	2.3	2.3	2.2	2.3	2.3	2.2	2.3	2.3		
Education	10.9	10.6	10.5	10.5	10.4	10.2	10.1	10.2	10.2	10.2	10.2		
Social protection	38.2	37.8	38.8	38.7	39.2	39.6	40.1	40.3	40.6	41.2	41.1		
Sickness & disability	5.5	5.4	5.5	5.5	5.5	5.6	5.7	5.8	5.9	5.9	6.0		
Old age	19.8	19.8	19.9	20.1	20.6	21.0	21.4	21.6	21.8	22.1	22.1		
Survivors	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9	2.9		
Family & children	3.9	3.7	3.8	3.7	3.7	3.6	3.6	3.6	3.7	3.8	3.8		
Unemployment	3.0	2.9	3.6	3.5	3.1	3.1	3.2	3.0	2.8	2.8	2.7		
Others	3.0	3.0	3.1	3.1	3.3	3.4	3.4	3.4	3.6	3.7	3.6		

Figures may not add up due to rounding.

The source dataset including data for individual Member States is available <a href="here">here</a>.