General government revenues

Governments collect revenues mainly for two purposes: to finance the goods and services they deliver to citizens and businesses and to fulfil their redistributive role. Major sources of revenues of governments are taxes collected from households and corporations as well as social contributions. Comparing levels of government revenues across OECD member countries, as a share of GDP or per capita, provides an indication of the importance of the public sector in the economy in terms of available financial resources. The total amount of revenues collected by governments is determined by past and current political decisions that are themselves based on cultural expectations for social redistribution, fiscal constraints and economic fluctuations and performance. As such, levels of government revenues strongly differ across OECD member countries.

In 2011, general government revenues represented 41.9% of GDP on average across OECD countries, a level only 0.2 percentage points higher than a decade earlier (41.7% in 2001). The levels collected across countries vary significantly, from 57.3% in Norway to 22.7% in Mexico. Nordic countries tend to collect higher revenues than other groups of countries, as most of their social benefits to households are taxable. Although government revenues as a share of GDP remained stable across OECD member countries between 2001 and 2011, there were significant fluctuations across countries. They increased the most in Hungary (10.1 percentage points) and in Portugal (6.6 percentage points), although this increase occurred mostly since 2009 for both countries in response to the fiscal crisis in those countries. Government revenues as a share of GDP decreased the most during the same period in Israel (7.3 percentage points) and Sweden (4.9 percentage points), although in Israel they rose between 2009 and 2011. Government revenues increased in two-thirds of OECD member countries during 2009-11.

On average across the OECD, government revenues represented USD 15 141 PPP per capita in 2011. When expressed in terms of population, the difference in magnitude between the highest and lowest collectors of government revenues across OECD countries is over 9 fold (USD 36 800 per capita in Luxembourg compared to almost USD 4 000 in Mexico), whereas it is only 2.5 fold when expressed as a share of GDP.

Government revenues per capita increased on average by 1.5% every year across OECD member countries between 2001 and 2011. The highest average annual increases occurred in Estonia (5.3%) and Korea (5.0%). Government revenues declined in only four OECD countries during the same period, though very moderately, ranging between 0.1% and 0.3% on average per year: Italy, the United States, Spain and Canada.

Methodology and definitions

Government revenues data are derived from the *OECD National Accounts Statistics* (database), which are based on the *System of National Accounts* (SNA), a set of internationally agreed concepts, definitions, classifications and rules for national accounting. Using SNA terminology, general government consists of central government, state government, local government and social security funds. Revenues encompass social contributions, taxes other than social contributions, and grants and other revenues. Gross domestic product (GDP) is the standard measure of the value of goods and services produced by a country during a period.

Government revenues per capita were calculated by converting total revenues to USD 2011 using the OECD/Eurostat purchasing power parities (PPP) for GDP and dividing them by population. For the countries whose data source is the IMF *Economic Outlook* an implied PPP conversion rate was used. PPP is the number of units of country B's currency needed to purchase the same quantity of goods and services in country A.

Further reading

OECD (2013), *National Accounts at a Glance 2013*, OECD Publishing, Paris, *http://dx.doi.org/10.1787/na_glance-2013-en*.

Figure notes

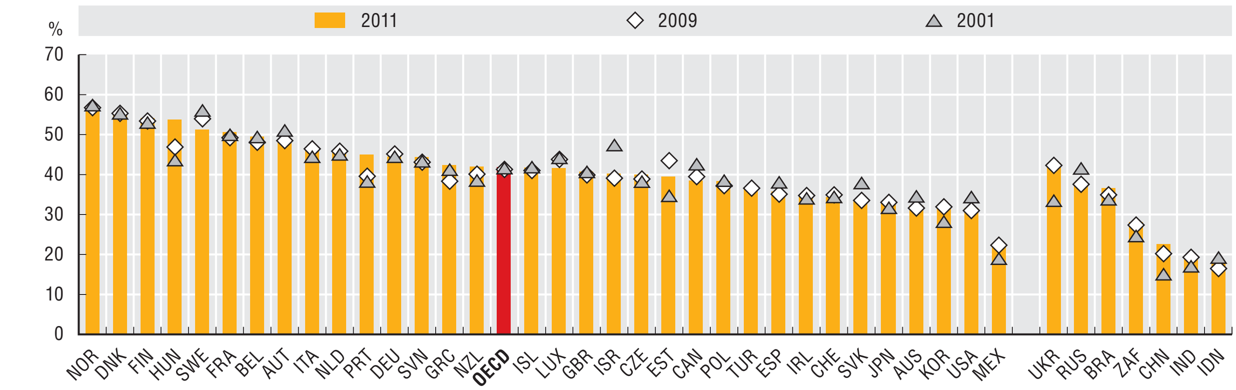
Data for Chile are not available. Data for Canada, New Zealand and the Russian Federation are for 2010 rather than 2011. Data for Japan and Mexico for 2001 data are estimated. Data for the Russian Federation are for 2002 rather than 2001.

3.11: Data for Turkey for 2001 are not available and this country is not included in the OECD average.

3.12: Data for Turkey are not available.

Information on data for Israel: *http://dx.doi.org/10.1787/888932315602*.

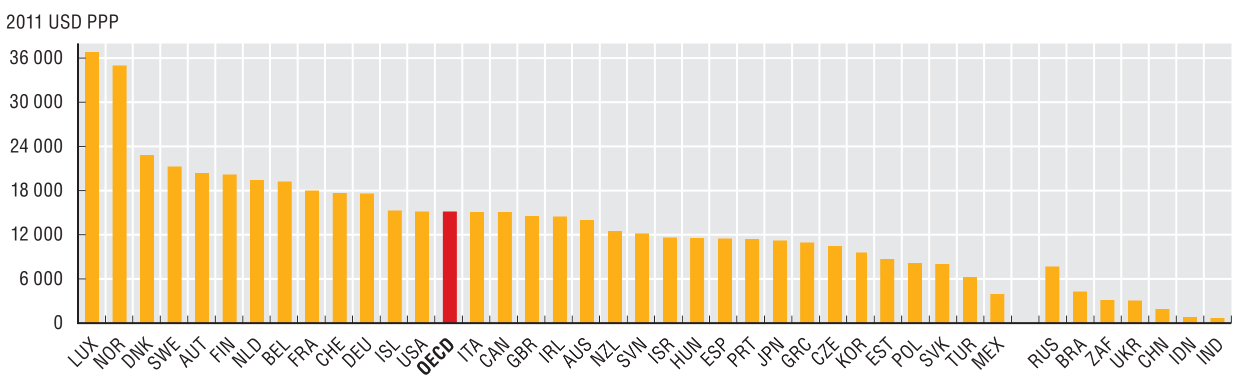
3.11. General government revenues as a percentage of GDP (2001, 2009 and 2011)



Source: Data for OECD member countries: *OECD National Accounts Statistics* (database). Data for the other major economies (excluding the Russian Federation): International Monetary Fund (2013), *Economic Outlook*, April 2013, IMF, Washington, DC.

StatLink http://dx.doi.org/10.1787/888932941500

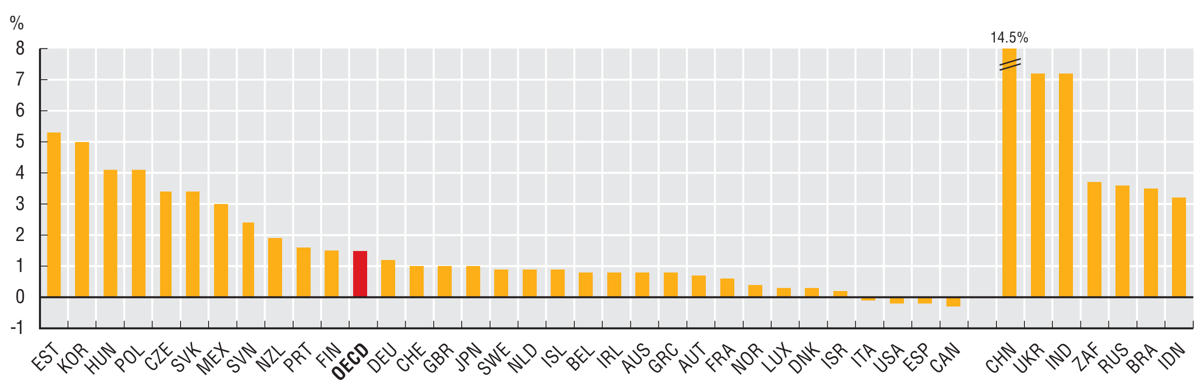
3.12. Government revenues per capita (2011)



Source: Data for OECD member countries: *OECD National Accounts Statistics* (database). Data for the other major economies (excluding the Russian Federation): International Monetary Fund (2013), *Economic Outlook*, April 2013, IMF, Washington, DC.

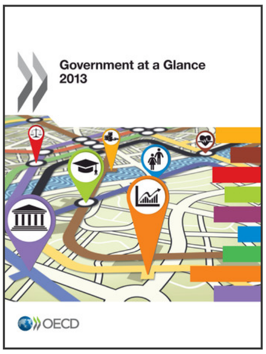
StatLink http://dx.doi.org/10.1787/888932941519

3.13. Annual average growth rate of real government revenue per capita (from 2001 to 2011)



Source: Data for OECD member countries: *OECD National Accounts Statistics* (database). Data for the other major economies (excluding the Russian Federation): International Monetary Fund (2013), *Economic Outlook*, April 2013, IMF, Washington, DC.

StatLink http://dx.doi.org/10.1787/888932941538



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