

## 24. General government expenditure by function

- In 2011, general government's spending on social protection received the largest share as a percentage of GDP.
- In 2011, social protection expenditure was followed by health, general services and education. In contrast, in 2001, general services were the second largest expenditure function, followed by health and education.

Section 23 presented information on total general government expenditure. But breakdowns of these expenditures on the basis of the activities they support is also of considerable interest to policy makers and analysts. The classification system used to provide this breakdown on an internationally comparable basis is known as the Classification of Functions of Government (COFOG). It provides a means to compare expenditures on specific functions, such as public order and safety, for example, in a comparable way across countries and over time.

### Definition

Total general government expenditure (GGE) is defined in Section 23.

COFOG is available at two levels: A first level which splits expenditures into ten functional classes, and a second level which further splits the first level classes into up to nine further classes, as shown below:

**General public services**, which includes: Executive and legislative organs, financial and fiscal affairs, external affairs, Foreign economic aid; General services; Basic research; R&D general public services; General public services not elsewhere classified (n.e.c), Public debt transactions and Transfers of a general character between different levels of government.

**Defence** includes: Military defence, Civil defence, Foreign military aid, R&D defence and Defence n.e.c.

**Public order and safety** covers: Police services, Fire-protection services, Law courts, Prisons, R&D public order and safety and Public order and Safety n.e.c.

**Economic affairs** which includes: General economic, commercial and labour affairs, Agriculture, forestry, fishing and hunting, Fuel and energy, Mining, manufacturing and construction, Transport, Communication, Other industries, R&D economic affairs and Economic affairs n.e.c.

**Environmental protection** includes: Waste management, Waste water management, Pollution abatement, Protection of biodiversity and landscape, R&D environmental protection and Environmental protection n.e.c.

**Housing and community amenities** cover: Housing development, Community development, Water supply, Street lighting, R&D housing and community amenities, Housing and community amenities n.e.c.

**Health**, which includes: Medical products, appliances and equipment, Outpatient services, Hospital services, Public health services, R&D health, and Health n.e.c.

**Recreation, culture and religion**, includes: Recreational and sporting services, Cultural services, Broadcasting and publishing services, Religious and other community services, R&D recreation, culture and religion, Recreation, and culture and religion n.e.c.

**Education**, which covers: Pre-primary and primary education, Secondary education, Post-secondary non-tertiary education, Tertiary education, Education not definable by level, Subsidiary services to education, R&D education, and Education n.e.c.

**Social protection** includes: Sickness and disability, Old age, Survivors, Family and children, Unemployment, Housing, Social exclusion n.e.c., R&D social protection, and Social protection n.e.c.

### Comparability

The biggest issue affecting comparability across countries concerns the scope of the government sector. In many countries, hospitals, for example, are classified outside of the government sector and are instead recorded as public corporations; on the grounds that they charge market prices for their services. This may impact on comparisons of expenditures of total government and breakdowns by function, see also Section 23.

For the United States expenditures on environment protection are included in expenditures for housing and community amenities.

Data for all countries are on a consolidated basis, except Canada (which consolidates only current transfers) and New Zealand.

Data are on a fiscal basis for Japan.

Figure 24.1: OECD total expenditure: include all OECD countries except Australia, Chile, Mexico, New Zealand and the United States. It also excludes Japan, Switzerland, Poland and Turkey in 2001 and Canada in 2011.

### Source

OECD (2013), *National Accounts of OECD Countries, General Government Accounts*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/22215352>.

### Online database

OECD (2013), "General Government Accounts: Main aggregates", *OECD National Accounts Statistics* (database), <http://dx.doi.org/10.1787/data-00020-en>.

### Further reading

Lequiller, F. and D. Blades (2007), *Understanding National Accounts*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264027657-en>.

OECD (2013), *Government at a Glance 2013*, OECD Publishing, Paris, [http://dx.doi.org/10.1787/gov\\_glance-2013-en](http://dx.doi.org/10.1787/gov_glance-2013-en).

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

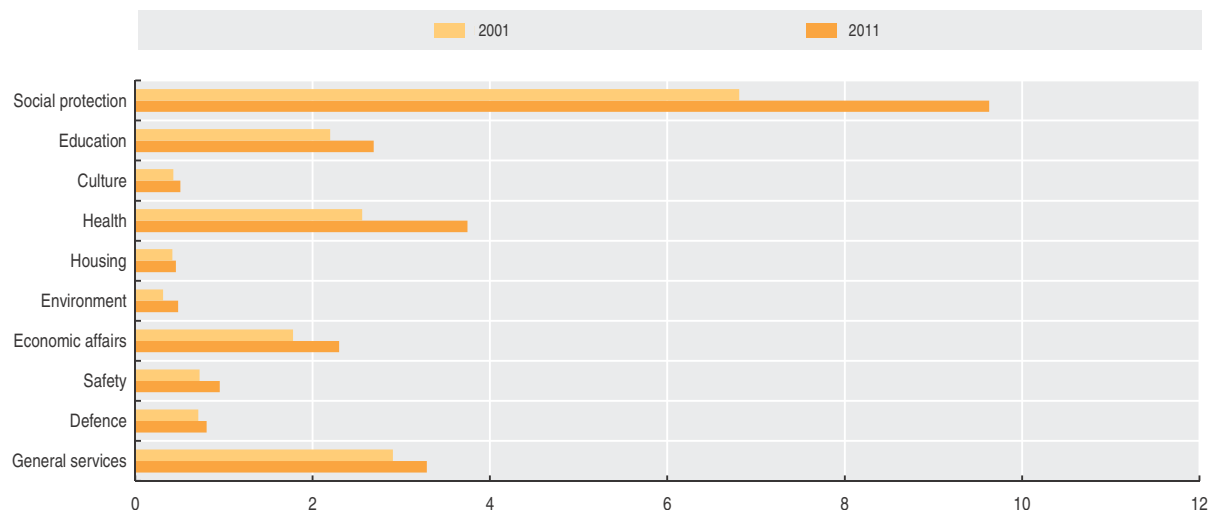
24. General government expenditure by function

Table 24.1. General government expenditure by function  
Percentage of GDP, 2011

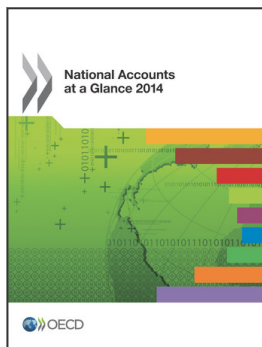
	Total expenditure	General public services	Defence	Public order and safety	Economic affairs	Environment protection	Housing and community amenities	Health	Recreation, culture and religion	Education	Social protection
Australia	..	..	..	..	..	..	..	..	..	..	..
Austria	50.8	6.6	0.7	1.5	5.3	0.5	0.6	7.8	1.0	5.6	21.1
Belgium	53.5	8.0	1.0	1.9	6.5	0.8	0.4	7.9	1.3	6.3	19.5
Canada	..	..	..	..	..	..	..	..	..	..	..
Chile	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	43.2	4.6	0.9	1.8	6.0	1.4	0.8	7.8	1.3	4.9	13.7
Denmark	57.7	8.0	1.4	1.1	3.5	0.4	0.3	8.3	1.6	7.8	25.2
Estonia	37.7	3.1	1.5	2.1	4.5	-0.3	0.6	5.0	1.9	6.4	12.9
Finland	55.3	7.4	1.5	1.5	4.8	0.2	0.6	7.9	1.2	6.4	23.8
France	55.9	6.4	1.8	1.7	3.5	1.1	1.9	8.2	1.4	6.0	23.8
Germany	45.0	6.1	1.1	1.6	3.5	0.7	0.6	7.0	0.8	4.2	19.5
Greece	51.8	12.8	2.4	1.7	3.2	0.5	0.2	6.0	0.6	4.1	20.4
Hungary	50.1	8.8	1.1	1.9	7.2	0.7	0.8	5.2	1.8	5.2	17.2
Iceland	47.4	8.4	0.0	1.4	5.9	0.6	0.3	7.6	3.3	8.1	11.6
Ireland	47.1	5.3	0.4	1.7	7.7	1.0	0.6	7.3	0.9	5.1	16.9
Israel	44.6	6.6	6.6	1.7	2.6	0.6	0.5	5.5	1.7	7.4	11.5
Italy	49.9	8.6	1.5	2.0	3.6	0.9	0.7	7.4	0.6	4.2	20.5
Japan	42.3	4.6	0.9	1.3	4.1	1.2	0.8	7.3	0.4	3.6	18.1
Korea	30.2	4.6	2.6	1.3	6.1	0.7	1.0	4.6	0.7	4.8	3.9
Luxembourg	42.9	4.9	0.4	1.1	4.3	1.2	0.8	4.9	1.7	5.2	18.5
Mexico	..	..	..	..	..	..	..	..	..	..	..
Netherlands	50.1	5.6	1.4	2.1	5.5	1.7	0.6	8.5	1.8	5.8	17.3
New Zealand	..	..	..	..	..	..	..	..	..	..	..
Norway	43.9	4.3	1.6	1.0	4.2	0.7	0.7	7.3	1.3	5.6	17.5
Poland	43.4	5.8	1.2	1.8	5.6	0.7	0.9	4.7	1.3	5.5	15.9
Portugal	49.3	8.4	1.3	2.0	4.0	0.5	0.6	6.8	1.1	6.3	18.1
Slovak Republic	38.2	5.9	1.0	2.4	3.7	1.0	1.0	5.9	1.1	4.0	12.0
Slovenia	50.8	6.3	1.2	1.7	5.8	0.8	0.7	6.9	1.9	6.7	19.0
Spain	45.9	5.7	1.1	2.2	5.3	0.9	0.6	6.5	1.5	4.8	17.1
Sweden	51.5	7.4	1.5	1.4	4.3	0.3	0.8	7.1	1.1	6.8	20.9
Switzerland	33.9	3.4	1.0	1.7	4.6	0.8	0.2	2.1	0.9	6.1	13.2
Turkey	37.4	6.1	1.5	1.9	4.5	0.4	1.3	4.5	0.9	4.3	11.9
United Kingdom	47.9	5.6	2.5	2.5	2.5	1.0	0.9	7.9	1.0	6.4	17.6
United States	..	..	..	..	..	..	..	..	..	..	..
Euro area	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..
China	..	..	..	..	..	..	..	..	..	..	..
India	..	..	..	..	..	..	..	..	..	..	..
Indonesia	..	..	..	..	..	..	..	..	..	..	..
Russian Federation	..	..	..	..	..	..	..	..	..	..	..
South Africa	..	..	..	..	..	..	..	..	..	..	..

StatLink  <http://dx.doi.org/10.1787/888933002547>

Figure 24.1. Total general government expenditure by main function for OECD total  
Percentage of GDP, 2001 and 2011



StatLink  <http://dx.doi.org/10.1787/888933001597>



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