

17. General government expenditure by function

Section 16 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 purpose is known as the Classification of Functions of Government (COFOG). It provides a means therefore 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 16.

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 defense 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 covers: 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, especially if the public corporations produce very little non-market services and require little additional financing or subsidies from government.

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.

Source

- OECD (2011), *National Accounts of OECD Countries*, Vol. 2011/2, OECD Publishing, http://dx.doi.org/10.1787/na_ma_dt-v2011-2-en.

Online database

- OECD (2011), "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, <http://dx.doi.org/10.1787/9789264027657-en>.
- OECD (2011), *Government at a Glance 2011*, OECD Publishing, http://dx.doi.org/10.1787/gov_glance-2011-en.
- OECD (2000), *System of National Accounts, 1993 – Glossary*, OECD Publishing, <http://dx.doi.org/10.1787/9789264180871-en>.
- UN, OECD, IMF and Eurostat (eds.) (1993), *System of National Accounts, 1993*, United Nations, Geneva, <http://unstats.un.org/unsd/sna1993>.

17. General government expenditure by function

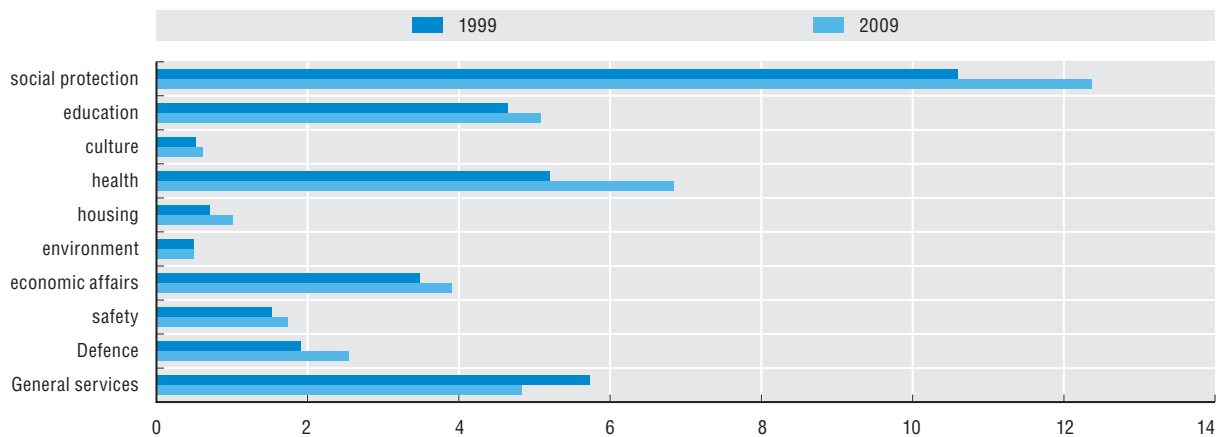
17.1 General government expenditure by function

Percentage of GDP, 2009


	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	52.9	6.9	0.8	1.6	5.4	0.5	0.7	8.3	1.1	5.8	21.8
Belgium	54.0	9.2	1.0	1.9	5.9	0.6	0.3	8.0	1.3	6.3	19.5
Canada	..	..	..	..	..	..	..	..	..	..	..
Chile	..	..	..	..	..	..	..	..	..	..	..
Czech Republic	44.5	4.6	1.1	2.1	7.3	0.7	1.2	7.7	1.4	4.8	13.6
Denmark	58.4	7.5	1.5	1.2	3.1	0.5	0.6	8.8	1.7	8.0	25.4
Estonia	45.2	3.7	2.3	2.4	5.1	1.0	0.1	5.6	2.3	7.0	15.7
Finland	55.6	7.3	1.6	1.5	5.0	0.4	0.5	7.9	1.2	6.6	23.6
France	56.5	7.2	1.9	1.3	3.1	0.9	2.1	8.4	1.7	6.2	23.7
Germany	48.0	6.2	1.2	1.7	3.7	0.7	0.7	6.9	0.7	4.4	21.8
Greece	..	..	..	..	..	..	..	..	..	..	..
Hungary	51.3	10.5	0.8	2.0	5.6	0.7	1.2	5.1	1.4	5.4	18.6
Iceland	51.0	10.2	0.0	1.6	6.0	0.7	0.5	8.3	3.7	8.6	11.3
Ireland	48.6	3.8	0.5	2.0	7.3	1.3	2.0	8.8	0.8	5.6	16.4
Israel ¹	44.4	5.5	6.7	1.7	2.8	0.6	0.5	5.6	1.7	7.2	11.9
Italy	51.9	8.7	1.6	2.0	4.4	0.9	0.8	7.5	0.9	4.8	20.4
Japan	42.5	5.2	1.0	1.5	4.8	1.5	0.8	8.5	0.1	4.3	14.9
Korea	33.1	4.6	2.8	1.4	7.3	1.0	1.4	4.3	0.8	5.2	4.1
Luxembourg	43.0	4.4	0.3	1.0	4.5	1.3	0.8	5.1	1.9	5.0	18.7
Mexico	..	..	..	..	..	..	..	..	..	..	..
Netherlands	51.4	7.7	1.5	2.0	5.8	0.9	1.1	6.8	1.5	6.0	18.1
New Zealand	..	..	..	..	..	..	..	..	..	..	..
Norway	47.3	4.9	1.8	1.0	4.5	0.7	0.7	7.9	1.4	6.2	18.3
Poland	44.4	5.7	1.1	2.0	5.3	0.7	1.2	5.1	1.3	5.6	16.5
Portugal	48.0	6.9	1.4	2.2	3.9	0.7	0.6	7.1	1.1	6.7	17.4
Slovak Republic	41.6	5.4	1.5	2.6	5.2	0.7	0.8	7.8	1.1	4.3	12.3
Slovenia	49.1	5.8	1.5	1.7	5.0	0.9	0.9	6.9	1.8	6.7	18.0
Spain	45.8	5.2	1.0	2.1	5.6	1.0	1.2	6.7	1.8	5.0	16.1
Sweden	55.1	7.5	1.5	1.4	4.7	0.4	0.8	7.4	1.2	7.3	22.9
Switzerland	33.7	3.8	0.9	1.7	4.2	0.5	0.2	1.9	0.9	5.7	13.8
Turkey	..	..	..	..	..	..	..	..	..	..	..
United Kingdom	51.5	4.5	2.7	2.8	4.3	1.1	1.5	8.5	1.2	6.9	18.0
United States	42.7	4.9	5.0	2.3	4.3	..	1.3	8.7	0.3	6.7	9.1
Euro area	..	..	..	..	..	..	..	..	..	..	..
OECD-Total	..	..	..	..	..	..	..	..	..	..	..

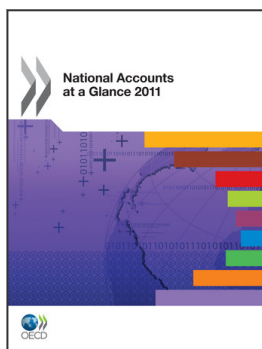
1. Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.StatLink  <http://dx.doi.org/10.1787/888932550252>Figure 17.1. General government expenditure by main function for OECD total¹

Percentage of GDP, 1999 and 2009



1. OECD total: include all OECD countries excepted Australia, Canada, Chile, Mexico, New Zealand and Turkey.

StatLink  <http://dx.doi.org/10.1787/888932549549>



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