

16. Total expenditure

Section 11 described the concept of general government final consumption, reflecting the contribution government makes as a consumer of final goods and services for individual and collective consumption. Whilst useful in illustrating the scope for government to stimulate demand directly, it does not tell the full story. For a start the measure does not include GFCF of government which is an area where the scope to stimulate demand is considerable. But it also excludes other components of spending by government not recorded as final consumption, for example, debt interest payments, and cash transfers, such as social benefits, which, collectively, better reflect the size of government and its ability to stimulate demand, without changing taxes say, both directly and indirectly. The concept that best reflects this overall expenditure is referred to as *general government expenditure*. It reflects the total amount of expenditure by government that needs to be financed via revenues, such as taxation, and borrowing.

Definition

Total general government expenditure (GGE) is equivalent to expenditures by general government on the following items: intermediate consumption, compensation of employees, subsidies, social benefits and social transfers in kind (via market producers), other current transfers, property income, capital transfers (payable), the adjustment for the net equity of households in pension funds reserves, gross capital formation and net acquisition of non-financial non-produced assets. It also includes taxes on income and wealth any other taxes on production that government may be required to pay.

Many of the transactions are better recorded on a consolidated basis (i.e. transactions between general government sub-sectors are netted out) to avoid exaggerating the role of general government. Items that are usually consolidated include: debt interest (part of property income), and capital transfers (except capital taxes payable) and other current transfers.

The government sector covers all units producing (all or mostly) non-market goods and services that are publicly owned. Publicly owned units producing (all or mostly) market goods and services are not in the government sector but are instead recorded as public corporations.

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. How significant this is for international comparisons of GGE ultimately depends on the share of goods and services provided to the market, as general government expenditure will still record payments to the hospitals for these services. This is an important point as the guidance provided in the SNA on the delineation of units between market and non-market providers (which refers to most output being non-market) provides scope for differences in country practices. EU countries have adopted a 50% rule for “most” in this context.

Another potential area where comparability may be affected relates to the determination of public ownership. The SNA requires that “control” be the determining factor and describes a number of criteria that can be used to assess this requirement. Recognising that this is non-trivial it includes a practical recommendation that a 50% rule relating to share ownership should be adopted. However, in practice, countries may still choose to measure ownership on the basis of the determining criteria.

For most general government expenditures there is little scope for ambiguity in treatment and the quality of underlying data is very good, so the level of comparability is generally good.

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

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 (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>.

Table 16.1. **Total general government expenditure**
Percentage of GDP

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Australia	34.7	34.9	34.4	35.5	34.9	34.3	34.4	34.5	33.7	33.5	33.3	36.0	37.2	..
Austria	53.5	53.7	53.4	51.9	51.3	50.7	51.3	53.8	50.0	49.1	48.6	49.3	52.9	52.5
Belgium	51.2	50.4	50.1	49.1	49.1	49.8	51.0	49.3	52.1	48.6	48.3	49.9	53.8	52.9
Canada	44.3	44.8	42.7	41.1	42.0	41.2	41.2	39.9	39.3	39.4	39.4	40.0	44.4	44.1
Chile	..	..	..	..	..	..	..	..	..	..	..	22.2	24.6	..
Czech Republic	42.6	43.0	42.2	41.6	43.9	45.6	50.0	43.3	43.0	42.0	41.0	41.1	44.9	44.1
Denmark	56.7	56.3	55.5	53.7	54.2	54.6	55.1	54.6	52.8	51.6	50.8	51.9	58.4	58.5
Estonia	37.4	39.2	40.1	36.1	34.8	35.8	34.8	34.0	33.6	33.6	34.0	39.5	45.2	40.6
Finland	56.6	53.0	51.8	48.4	48.0	49.0	50.3	50.2	50.4	49.2	47.4	49.3	55.9	55.3
France	54.2	52.8	52.6	51.7	51.7	52.9	53.4	53.3	53.6	53.0	52.6	53.3	56.7	56.6
Germany	48.2	48.0	48.2	45.1	47.6	47.9	48.5	47.1	46.9	45.3	43.5	44.0	48.1	47.9
Greece	45.3	44.7	44.8	47.1	45.7	45.5	45.1	45.9	44.6	45.2	47.6	50.6	53.8	50.2
Hungary	49.9	51.2	49.2	47.8	47.8	51.5	49.7	49.1	50.1	52.1	50.6	49.2	51.4	49.5
Iceland	40.7	41.3	42.0	41.9	42.6	44.3	45.6	44.0	42.2	41.6	42.3	57.6	51.0	51.5
Ireland	36.5	34.4	33.9	31.2	33.0	33.4	33.1	33.5	33.8	34.3	36.6	42.8	48.9	66.8
Israel ¹	52.4	54.8	53.6	51.3	53.7	55.4	54.0	50.9	49.4	47.8	46.3	45.7	45.3	45.0
Italy	50.2	49.2	48.1	46.1	48.0	47.4	48.3	47.7	48.1	48.7	47.9	48.8	51.9	50.5
Japan	35.7	42.5	38.6	39.0	38.6	38.8	38.4	37.0	38.4	36.2	35.9	37.2	42.0	..
Korea	21.8	24.1	23.2	22.4	23.9	23.6	28.9	26.1	26.6	27.7	28.7	30.4	33.1	..
Luxembourg	40.7	41.1	39.2	37.6	38.1	41.5	41.8	42.6	41.5	38.6	36.3	37.1	43.0	42.5
Mexico	..	..	..	..	..	..	19.1	18.3	19.1	19.7	20.5	25.8	23.5	..
Netherlands	47.5	46.7	46.0	44.2	45.4	46.2	47.1	46.1	44.8	45.5	45.3	46.2	51.5	51.2
New Zealand	41.3	40.2	39.5	37.8	37.1	36.5	36.8	36.7	37.8	39.0	38.8	41.6	42.3	..
Norway	46.8	49.1	47.7	42.3	44.1	47.1	48.2	45.4	42.1	40.5	41.1	40.7	47.3	46.1
Poland	46.4	44.3	42.7	41.1	43.8	44.3	44.7	42.6	43.4	43.9	42.2	43.2	44.5	45.4
Portugal	41.1	40.8	41.0	41.1	42.5	42.3	43.8	44.7	45.8	44.5	44.4	44.8	49.9	51.3
Slovak Republic	48.9	45.8	48.1	52.1	44.5	45.1	40.1	37.7	38.0	36.5	34.2	34.9	41.5	40.0
Slovenia	44.5	45.4	46.2	46.5	47.3	46.2	46.2	45.7	45.3	44.6	42.5	44.2	49.3	50.1
Spain	41.6	41.1	39.9	39.2	38.6	38.9	38.4	38.9	38.5	38.4	39.2	41.4	46.0	45.1
Sweden	60.7	58.8	58.1	55.1	54.5	55.6	55.7	54.2	53.9	52.7	51.0	51.7	55.0	52.9
Switzerland	35.5	35.8	34.3	35.1	34.8	36.2	36.4	35.9	35.3	33.5	32.3	32.4	34.1	34.2
Turkey	..	..	..	..	..	..	..	..	..	33.2 e	34.5 e	34.2 e	39.4 e	..
United Kingdom	40.5	39.5	38.9	36.8	40.2	41.1	42.1	42.9	44.1	44.2	43.9	47.5	51.4	50.5
United States	35.5	34.6	34.2	33.9	35.0	35.9	36.3	36.1	36.3	36.0	36.8	39.1	42.7	42.5
Euro area	49.3	48.5	48.1	46.3	47.3	47.6	48.1	47.5	47.4	46.7	46.0	47.0	51.0	50.6
OECD-Total	..	..	..	..	..	..	..	..	..	..	..	..	..	..

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


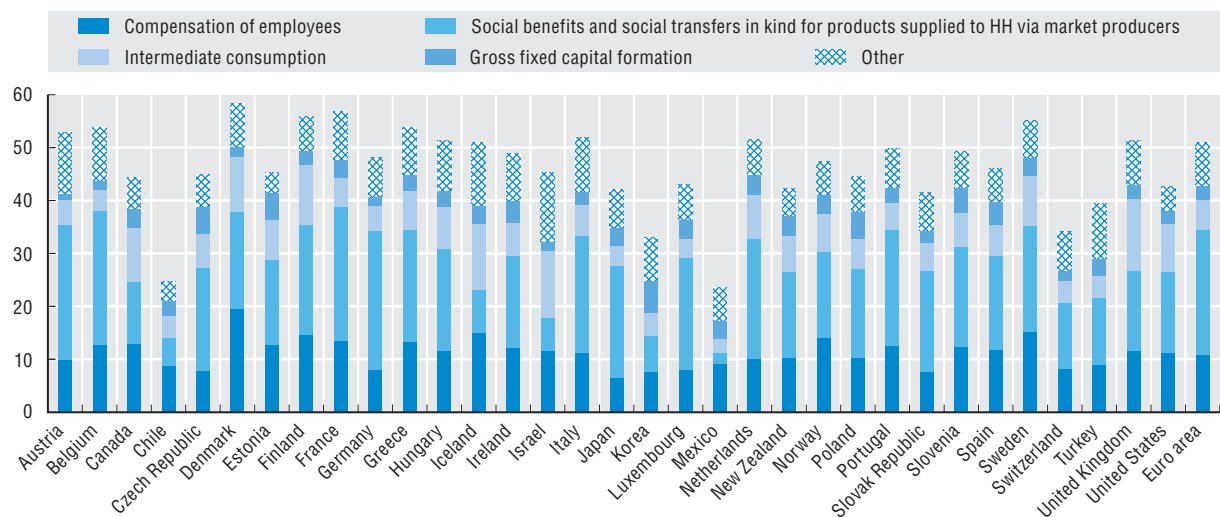

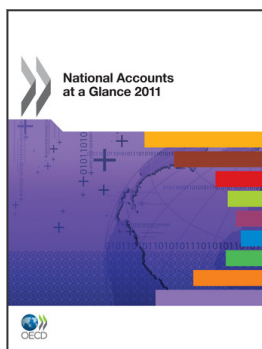
StatLink  <http://dx.doi.org/10.1787/888932550233>

Figure 16.1. **Total general government expenditure by main component**
Percentage of GDP, 2009



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

StatLink  <http://dx.doi.org/10.1787/888932549530>



From:
National Accounts at a Glance 2011

Access the complete publication at:
https://doi.org/10.1787/na_glance-2011-en

Please cite this chapter as:

OECD (2012), "Total expenditure", in *National Accounts at a Glance 2011*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/na_glance-2011-18-en

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.