Public expenditures provide the means to implementing the broad array of government objectives and delegated mandates, from the uniquely publicly-provided services, such as justice or voting logistics, to paying for wages of civil servants and transportation infrastructure, among many other government activities. General government expenditures provide an indication for the government size as they finance, for example, the costs of policing, occupational licensing, business registration, the provision of public transportation, health care, pensions, unemployment benefits etc. Although government expenditures are usually less flexible than government revenues, they are also sensitive to the economic cycle and follow from past, as well as current, policy decisions.

Government expenditures in 2015 represented 40.9% of GDP on average across OECD countries. This level of expenditure increased from 38.8% in 2007 before the financial crisis, and decreased from 44.2% in 2009 when expansionary fiscal policy took place in response to the crisis, as the recovery of GDP growth outpaced the rate of growth of government expenditures. The highest government expenditures levels, as a share of GDP in 2015, were in Finland and France (both 57%), followed by Denmark (54.8%), Greece (54.2%), Belgium (53.9%) and Austria (51.7%). France remained the country with the largest general government expenditures level since 2007, while Finland became the highest in 2015, in the latter case due to expenditures increasing faster than GDP growth. The lowest government expenditure levels in 2015 were in Mexico (24.5%), Ireland (29.5%), Korea (32.4%), Turkey (33.1%) and Chile (33.9%).

While government expenditures as share of GDP decreased on average by 3.3 p.p. across OECD countries between 2009 and 2015, there was high variation between countries. Government expenditure increased the most in Norway and 2015, there was high variation between countries. Comparing annual average growth rates of real government expenditure per capita since the financial crisis, between 2009 and 2015 expenditures per capita grew the fastest in the Slovak Republic with 3.5% on average per year, followed by 2.8% in Mexico and 2.4% in Turkey, while for the same period, average growth was negative in Greece (-3.8% average per year) and Ireland (-2.6%).

Among OECD accession countries, Colombia had the highest expenditure levels in 2015 with 37.5% of GDP, followed by Lithuania (35.1%) and Costa Rica (32.9%).

### Methodology and definitions

Expenditures 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. The updated 2008 SNA framework has been now implemented by all OECD countries (see Annex A for details on reporting systems and sources). In SNA terminology, general government consists of central, state and local governments and social security funds. Expenditures encompass intermediate consumption, compensation of employees, subsidies, property income (including interest spending), social benefits, other current expenditures (mainly current transfers) and capital expenditures (i.e. capital transfers and investments). Gross domestic product (GDP) is the standard measure of the value of the goods and services produced by a country during a period. Government expenditures per capita were calculated by converting total government expenditures to USD using the OECD/Eurostat purchasing power parities (PPP) for GDP and dividing 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 readings


### Figure notes

Data for Chile are not available.

Data for Turkey are not included in the OECD average because of missing time series.

Data for Costa Rica and Russia are for 2014 rather than 2015.

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

Source: OECD National Accounts Statistics (database). Data for the other major economies of India and Indonesia are from the IMF Economic Outlook (April 2017).

StatLink: http://dx.doi.org/10.1787/888933531820


Source: OECD National Accounts Statistics (database). Data for the other major economies of India and Indonesia are from the IMF Economic Outlook (April 2017).

StatLink: http://dx.doi.org/10.1787/888933531839


Source: OECD National Accounts Statistics (database). Data for the other major economies of India and Indonesia are from the IMF Economic Outlook (April 2017).

StatLink: http://dx.doi.org/10.1787/888933531858