

GENERAL GOVERNMENT EXPENDITURES AND REVENUES PER CAPITA

Governments spend money to provide goods and services and redistribute income. To finance these activities governments raise money in the form of revenues (e.g. taxation) and/or borrowing. The amount of revenues collected or the expenditures spent per capita are two ways of comparing the size of government across countries. Variations across countries however can also reflect different approaches to the delivery of public services (e.g. such as the use of tax breaks rather than direct expenditures). Additionally, both revenues and expenditures are heavily influenced by economic fluctuations. The recent global and financial crisis had a strong negative impact on government revenues in many OECD countries.

Definition

The general government sector consists of central, state and local governments and the social security funds controlled by these units. Data on government expenditures and revenues are derived from the OECD *National Accounts Statistics*, which are based on the System of National Accounts, a set of internationally agreed concepts, definitions, classifications and rules for national accounting. The underlying population estimates are based on the System of National Accounts notion of residency. They include persons who are resident in a country for one year or more, regardless of their citizenship, and also include foreign diplomatic personnel, and defence personnel, together with their families, and students studying and patients seeking treatment abroad,

even if they stay abroad for more than one year. The “one year” rule means that usual residents who live abroad for less than one year are included in the population, while foreign visitors (for example, vacationers) who are in the country for less than one year are excluded.

Government revenues and expenditures per capita were calculated by converting these data to USD 2009 using the OECD/Eurostat purchasing power parities (PPP) for GDP and dividing by the population. For the countries whose 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.

Comparability

Data are based on the 1993 *System of National Accounts* or on the 1995 *European System of Accounts* so that all countries are using a common set of definitions. Differences in the amounts of government revenues and expenditures per capita in some countries can be related to the fact that individuals may feature as employees of one country (contributing to the GDP of that country via production), but residents of another (with their wages and salaries reflected in the Gross National Income of their resident country). Data for Australia, Japan, Korea, New Zealand and the Russian Federation refer to 2008 rather than 2009.

Overview

On average in the OECD area, governments collected nearly USD 14 000 per capita in revenues in 2009, while spending about USD 15 000 per capita in the same year.

Luxembourg and Norway collected the most government revenues per capita in the OECD, topping more than USD 30 000 per person, reflecting the importance of cross-border workers and corporate tax in Luxembourg, and of oil revenues in Norway. These countries also spent the most per citizen (about USD 26 000 and 36 000 respectively) in terms of government expenditures.

The governments of Turkey, Mexico and Chile collected the least revenues per capita; below USD 5 000 in 2009. Likewise, government expenditures in these countries were also much lower than average (under USD 6 000 per capita). In general central European countries also collect comparatively less revenues per capita, and also spend less than most OECD countries.

All countries except Israel experienced increases in government expenditures per capita between 2000 and 2009. Estonia and Korea experienced real annual growth in government revenues and expenditures per capita of over 6% between 2000 and 2009. During this same period, the United States, Canada, Israel, Italy and Spain reduced revenues collected per capita.

Sources

- OECD (2011), *Government at a Glance*, OECD Publishing.

Further information

Analytical publications

- OECD (2011), *Making the Most of Public Investment in a Tight Fiscal Environment: Multi-level Governance Lessons from the Crisis*, OECD Publishing.

Statistical publications

- OECD (2011), *National Accounts at a Glance*, OECD Publishing.
- OECD (2011), *National Accounts of OECD Countries*, OECD Publishing.

Online databases

- “General Government Accounts: Main aggregates”, OECD National Accounts Statistics.
- “National Accounts at a Glance”, OECD National Accounts Statistics.

Websites

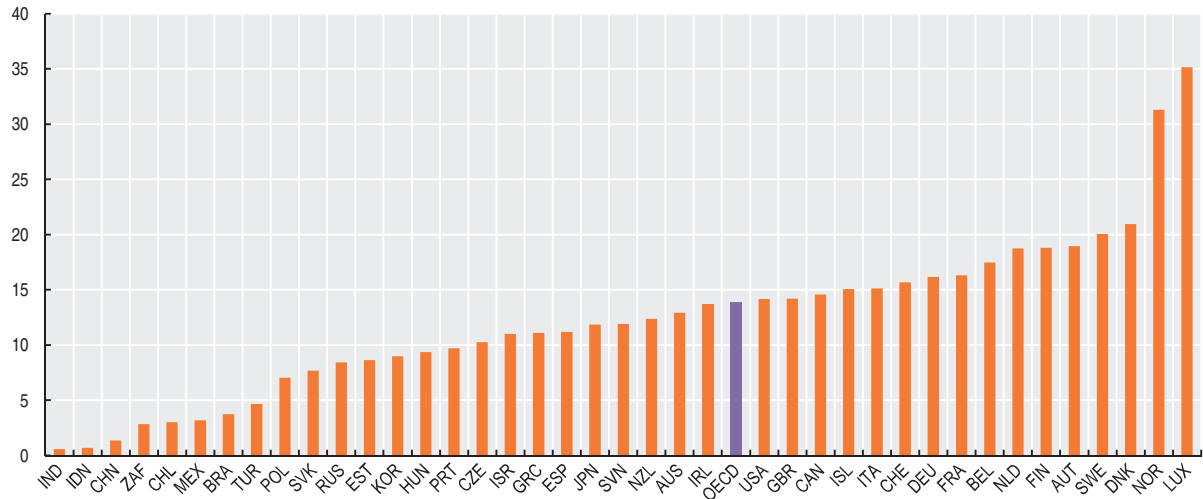
- Government at a Glance (supplementary material), www.oecd.org/gov/indicators/govataglance.



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General government revenues per capita

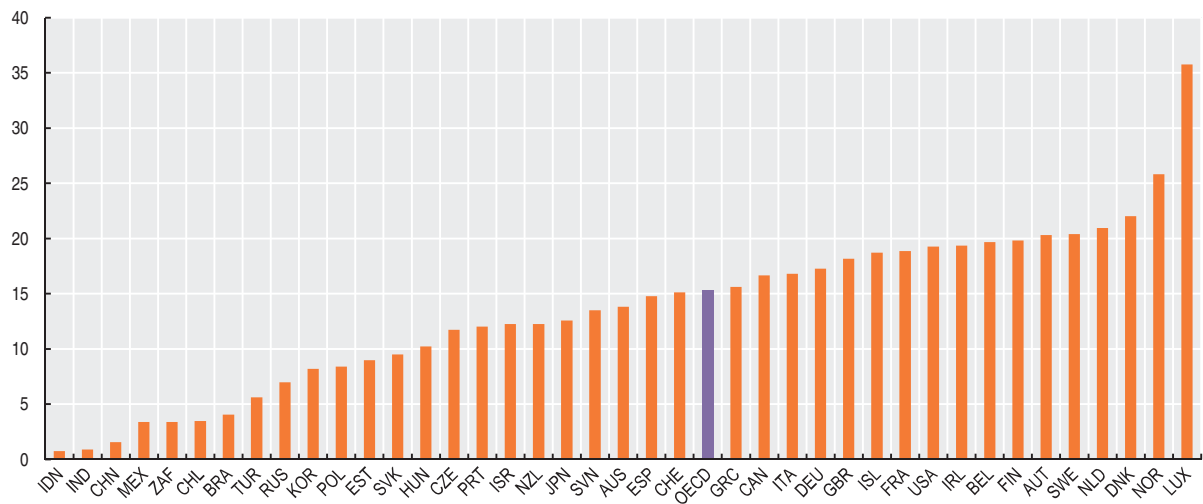
Thousand US dollars, current prices and PPPs, 2009



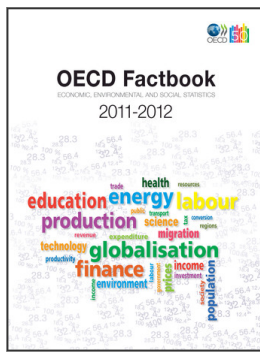
StatLink <http://dx.doi.org/10.1787/888932506989>

General government expenditures per capita

Thousand US dollars, current prices and PPPs, 2009



StatLink <http://dx.doi.org/10.1787/888932507008>



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