

General government expenditure by function

2015

Nearly one-half of general government expenditure was directed to social protection in 2015

The biggest share of general government expenditure was directed to social protection in 2015. The next biggest expenditure items were general public services, health care and education. The statistical data for 2015 are not fully comparable with previous years due to a revision in the statistics on local government finances.

Function distribution of general government expenditure in 2015, the function's share of expenditure

	Total expenditure %	Net expenditure % ¹⁾	Final consumption expenditure %
G01 General public services	14,9	11,4	12,4
G02 Defence	2,4	2,4	5,3
G03 Public order and safety	2,2	2,1	4,3
G04 Economic affairs	8,3	7,9	8,5
G05 Environmental protection	0,4	0,3	0,6
G06 Housing and community amenities	0,7	0,3	0,4
G07 Health	12,6	12,7	25,3
G08 Recreation, culture and religion	2,6	2,6	3,6
G09 Education	11,0	11,5	18,6
G10 Social protection	44,9	48,6	20,9
G0 Functions total	100	100	100

1) Net expenditure = Total expenditure less received sales proceeds and premium income, and output for own final use.

Altogether 45 per cent, or EUR 53.6 billion, of general government total expenditure was directed at social protection in 2015. In all, EUR 28.1 billion of total expenditure on social protection was directed at old age. Of the expenditure related to old age, EUR 22.3 billion was employment pensions. EUR 7.4 billion was spent on sickness and functional limitations. The social protection expenditure directed at families and children amounted to EUR 6.8 billion and the expenditure on unemployment was EUR 5.6 billion.

Among consolidated total general government expenditure, central government accounted for 27 per cent of the expenditure, local government for 39 per cent, and social security funds for 34 per cent.

Total unconsolidated central government expenditure remained at the previous year's level, declining by around EUR 140 million. Especially the expenditure of general public services decreased. The data for local government are not comparable with the previous year. Due to an increase in pension costs, the expenditure of employment pension schemes increased by 5.3 per cent. The expenditure of other social security funds increased by 2.8 per cent. The growth was particularly due to an increase in expenditure connected with unemployment and housing. Expenditure related to families and children contracted.

The expenditure item that grew most was paid social contributions, by around EUR 1.3 billion or 3.2 per cent from the year before. Gross fixed capital formation, or investments, decreased by 4.9 per cent or around EUR 0.4 billion. The change in intermediate consumption is not comparable with earlier years.

General government's total expenditure amounted to EUR 119.4 billion, or 57.0 per cent relative to GDP. Net expenditure was EUR 105.1 billion and the ratio to GDP was 50.1 per cent. Consumption expenditure grew by 0.7 per cent and amounted to EUR 51.1 billion, or 24.4 per cent relative to GDP.

Because of the revision of the statistics on local government finances, the expenditure is not fully comparable with earlier years. This applies to the data for the local government and general government sector total. Among expenditure items, the revision affected intermediate consumption in particular. The function classification has changed for several expenditure items.

General government's total expenditure is by nature gross expenditure. It includes a considerable amount of purchase expenses between general government, which also constitute income for general government.

A more comparable key indicator, net expenditure, is derived by deducting from total expenditure the received sales proceeds and premium income, as well as output for own final use, which means that income from services, such as service purchases within general government and the production costs of investments produced for own use do not affect the key indicator. Taxes paid by general government to one another or itself, such as value added tax and social security contributions, are not subtracted from the net expenditure, however.

Another comparable indicator is general government's consumption expenditure that describes current expenses caused for general government from service production less the service charges received from services and other sales proceeds from services.

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Appendix tables

Appendix table 1. Total expenditure of general government by function and sector 2015, million euro¹⁾

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
G0 All functions	119 378	58 514	48 101	43 730
G01 General public services	17 835	12 951	8 359	102
G02 Defence	2 808	2 808	–	–
G03 Public order and safety	2 618	2 127	524	–
G04 Economic affairs	9 952	6 954	3 401	–
G05 Environmental protection	501	354	162	–
G06 Housing and community amenities	855	449	418	–
G07 Health	15 009	6 512	12 227	2 526
G08 Recreation, culture and religion	3 099	1 543	1 820	–
G09 Education	13 090	7 342	8 607	1 015
G10 Social protection	53 611	17 474	12 583	40 087

1) General government total expenditure are consolidated, sub-sectors are unconsolidated.

Appendix table 2. Consumption expenditure of general government by function and sector 2015, million euro

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
G0 All functions	51 086	13 611	33 815	3 660
G01 General public services	6 356	2 843	3 474	39
G02 Defence	2 729	2 729	–	–
G03 Public order and safety	2 208	1 744	464	–
G04 Economic affairs	4 360	3 023	1 337	–
G05 Environmental protection	289	238	51	–
G06 Housing and community amenities	225	74	151	–
G07 Health	12 927	148	10 531	2 248
G08 Recreation, culture and religion	1 822	506	1 316	–
G09 Education	9 505	1 750	7 706	49
G10 Social protection	10 665	556	8 785	1 324

Appendix table 3. Total expenditure of general government by transaction and sector 2015, million euro¹⁾

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
Intermediate consumption	22 677	6 169	15 346	1 162
Compensation of employees	29 054	6 761	21 721	572
Subsidies	2 832	2 430	402	–
Property expenditure	2 454	2 291	153	63
Social benefits	47 469	4 652	4 546	38 271
Other current transfers, payable	5 766	31 360	1 316	3 781
Gross capital formation and net acquisitions of non-financial non-produced assets	8 017	3 703	4 466	-152

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
Capital transfers, payable	1 002	1 075	140	10
Other expenditure	107	73	11	23
Total expenditure	119 378	58 514	48 101	43 730

1) General government (S13) level property expenditure, current transfers, capital transfers and total expenditure are consolidated, sub-sectors are unconsolidated.

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