

General government expenditure by function

2016

Share of social protection in general government expenditure grew further in 2016

The share of social protection in consolidated total general government expenditure rose to 45.8 per cent in 2016. In the previous year, the share of social protection was 44.8 per cent. Social protection expenditure also grew most from 2015. Expenditure directed at old age, of which most were pensions, grew most from the previous year.

Function distribution of general government expenditure in 2016, the function's share of expenditure

	Total expenditure %	Net expenditure % ¹⁾	Final consumption expenditure %
G01 General public services	14,4	11,0	12,7
G02 Defence	2,3	2,5	5,4
G03 Public order and safety	2,1	2,1	4,3
G04 Economic affairs	8,1	7,7	8,3
G05 Environmental protection	0,4	0,3	0,6
G06 Housing and community amenities	0,6	0,1	0,3
G07 Health	12,9	12,5	24,5
G08 Recreation, culture and religion	2,6	2,6	3,6
G09 Education	10,8	11,4	18,3
G10 Social protection	45,8	49,8	22,0
G0 Functions total	100,0	100,0	100,0

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

Expenditure directed to social protection grew by 3.1 per cent from 2015 and amounted to EUR 55.3 billion. Most of the increase in social protection expenditure is explained by the growing expenditure related to old age. The increase in expenditure related to old age was primarily caused by growing employment pensions paid. The share of social protection in total expenditure grew to 45.8 per cent. The shares of other function categories in total expenditure remained mainly unchanged or contracted slightly.

Among consolidated total general government expenditure, central government accounted for 26.5 per cent of the expenditure, local government for 39.5 per cent, and social security funds for 34 per cent.

Total unconsolidated central government expenditure grew by 1.5 per cent from the previous year, by EUR 868 million. Local government's total expenditure increased by 0.4 per cent or EUR 178 million. Due to an increase in pension costs, the expenditure of employment pension schemes increased by 1.9 per cent, that is, by EUR 479 million. The expenditure of other social security funds declined by 0.7 per cent or EUR 138 million.

The expenditure item that grew most was paid social contributions, by around EUR 705 million or 1.7 per cent from the year before. Purchases of goods and services (intermediate consumption) also grew by around EUR 607 million or 2.6 per cent. In addition, gross fixed capital formation (investments) increased by seven per cent or some EUR 570 million. Compensation of employees paid contracted by EUR 333 million or 1.1 per cent.

In 2016, general government's total expenditure amounted to EUR 120.8 billion, or 56.0 per cent relative to GDP. Net expenditure was EUR 106.2 billion and the ratio to GDP was 49.2 per cent. Consumption expenditure grew by 0.7 per cent and amounted to EUR 51.7 billion, or 24.0 per cent relative to GDP.

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 2016, million euro¹⁾

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
G0 All functions	120 805	59 326	48 759	44 028
G01 General public services	17 410	13 271	8 382	77
G02 Defence	2 822	2 822	–	–
G03 Public order and safety	2 561	2 076	519	–
G04 Economic affairs	9 790	6 965	3 158	–
G05 Environmental protection	499	330	186	–
G06 Housing and community amenities	678	430	274	–
G07 Health	15 584	6 435	12 868	2 466
G08 Recreation, culture and religion	3 112	1 488	1 881	–
G09 Education	13 063	7 195	8 590	1 049
G10 Social protection	55 286	18 314	12 901	40 436

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

Appendix table 2. Consumption expenditure of general government by function and sector 2016, million euro

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
G0 All functions	51 705	14 117	33 979	3 609
G01 General public services	6 589	2 780	3 762	47
G02 Defence	2 783	2 783	–	–
G03 Public order and safety	2 211	1 752	459	–
G04 Economic affairs	4 304	3 006	1 298	–
G05 Environmental protection	307	221	86	–
G06 Housing and community amenities	175	66	109	–
G07 Health	12 646	140	10 324	2 182
G08 Recreation, culture and religion	1 854	528	1 326	–
G09 Education	9 485	1 802	7 631	52
G10 Social protection	11 351	1 039	8 984	1 328

Appendix table 3. Total expenditure of general government by transaction and sector 2016, million euro¹⁾

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
Intermediate consumption	23 694	6 733	15 811	1 150
Compensation of employees	28 722	6 558	21 578	586
Subsidies	2 711	2 275	436	–
Property expenditure	2 356	2 216	139	30
Social benefits	48 414	4 678	4 848	38 888
Other current transfers, payable	5 689	32 139	1 380	3 303
Gross capital formation and net acquisitions of non-financial non-produced assets	8 297	3 719	4 544	34

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
Capital transfers, payable	814	938	12	10
Other expenditure	108	70	11	27
Total expenditure	120 805	59 326	48 759	44 028

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

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