

General government expenditure by function

2019

Share of social protection in general government expenditure decreased in 2019

According to Statistics Finland's data, consolidated total general government expenditure was 53.2 per cent relative to gross domestic product in 2019. Social protection expenditure is the largest single expenditure item. Its relative share of total expenditure decreased slightly, however.

Function distribution of general government expenditure in 2019

	Total expenditure %	Net expenditure % ¹⁾	Final consumption expenditure %
G01 General public services	14.9	11.2	12.9
G02 Defence	2.3	2.4	4.4
G03 Public order and safety	2.2	2.2	4.3
G04 Economic affairs	7.9	7.5	9.0
G05 Environmental protection	0.4	0.3	0.5
G06 Housing and community amenities	0.6	0.2	0.4
G07 Health	13.4	13.1	25.3
G08 Recreation, culture and religion	2.8	2.8	3.9
G09 Education	10.6	11.0	17.8
G10 Social protection	45.1	49.2	21.5
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.

Consolidated general government expenditure totalled EUR 128.0 billion in 2019. Total expenditure grew by EUR 3.3 billion or 2.6 per cent year-on-year. The ratio of expenditure to gross domestic product fell slightly, because the year-on-year change in gross domestic product at current prices was larger: 3.0 per cent.

The biggest single expenditure item of consolidated total general government expenditure was social protection expenditure, which in 2019 grew by EUR 1.1 billion or 2.0 per cent from the previous year. Expenditure related to health grew by EUR 600 million, expenditure on education by EUR 553 million

and expenditure on general public services by EUR 457 million. In relative terms, expenditure on public order and safety grew most: 8.7 per cent or EUR 226 million from the year before.

Social protection expenditure formed 45.1 per cent of consolidated total general government expenditure in 2019. Even though social protection expenditure grew most in euros, its share of total expenditure fell by 0.3 percentage points from the previous year, because it grew more slowly than total expenditure. Of social protection expenditure, expenditure related to old age, most of which are paid employment pensions, grew again most in 2019, by around EUR one billion. By contrast, the prolonged growth in expenditure on housing allowances halted. The biggest fall in social protection expenditure was recorded in paid unemployment benefits.

Examined by transaction, general government expenditure grew in 2019 most for compensation of employees, social benefits and intermediate consumption. Compensation of employees grew by EUR 950 million or 3.3 per cent year-on-year. Paid social benefits other than social transfers in kind grew by EUR 748 million or 1.7 per cent. Intermediate consumption, or goods and services used in production, grew by EUR 715 million or 2.8 per cent.

General government expenditure is usually examined as consolidated expenditure from which current transfers between sub-sectors, such as central and local government, have been removed. By contrast, expenditure in sub-sectors is usually examined in non-consolidated form. In 2019, central government accounted for 25.8 per cent of consolidated total general government expenditure, local government for 40.5 per cent, and social security funds for 33.7 per cent. Non-consolidated central government expenditure grew by EUR 1.2 billion or 2.0 per cent in 2019 from the year before. Local government expenditure increased by EUR 1.8 billion or 3.6 per cent. Among social security funds, employment pension schemes' expenditure grew by EUR 889 million or 3.3 per cent, while the expenditure of other social security funds fell by EUR 267 million or 1.5 per cent.

Non-consolidated central government total expenditure was boosted most by general public services. Most of the growth in local government expenditure came from social protection, health care and education expenditure. The growth in the expenditure of employment pension schemes was mainly connected to paid employment pensions and the expenditure of other social security funds decreased due to lower social security expenditure, especially unemployment benefits.

General government total expenditure is by nature gross expenditure, which does not take into account the income attributable to the functions. The net expenditure of the statistics is derived when sales and premium income and output for own final use are subtracted from total expenditure. Then, for example, sales proceeds and service charges received by general government from enterprises, households or other general government reduce the expenditure of the function in question. 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.

In 2019, consolidated general government net expenditure amounted to EUR 112.2 billion. The ratio of net expenditure to gross domestic product was 46.7 per cent, which was unchanged from one year before. General government's consumption expenditure amounted to EUR 55.6 billion, or 23.1 per cent relative to gross domestic product, which grew by 0.3 percentage points from the year before.

Contents

Tables

Appendix tables

Appendix table 1. Total expenditure of general government by function and sector 2019, million euro.....	4
Appendix table 2. Consumption expenditure of general government by function and sector 2019, million euro.....	4
Appendix table 3. Total expenditure of general government by transaction and sector 2019, million euro.....	4

Appendix tables

Appendix table 1. Total expenditure of general government by function and sector 2019, million euro¹⁾

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
G0 All functions	127 966	61 731	52 771	46 043
G01 General public services	19 048	14 128	9 533	80
G02 Defence	2 882	2 882
G03 Public order and safety	2 816	2 326	524	..
G04 Economic affairs	10 115	7 014	3 456	..
G05 Environmental protection	463	326	156	..
G06 Housing and community amenities	745	319	442	..
G07 Health	17 113	6 423	14 154	2 646
G08 Recreation, culture and religion	3 533	1 490	2 285	..
G09 Education	13 507	7 297	8 823	730
G10 Social protection	57 744	19 526	13 398	42 587

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

Appendix table 2. Consumption expenditure of general government by function and sector 2019, million euro

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
G0 All functions	55 630	14 537	37 301	3 792
G01 General public services	7 193	3 019	4 144	30
G02 Defence	2 475	2 475
G03 Public order and safety	2 371	1 900	471	..
G04 Economic affairs	4 979	3 367	1 612	..
G05 Environmental protection	304	227	77	..
G06 Housing and community amenities	212	74	138	..
G07 Health	14 056	186	11 504	2 366
G08 Recreation, culture and religion	2 176	614	1 562	..
G09 Education	9 895	2 207	7 642	46
G10 Social protection	11 969	468	10 151	1 350

Appendix table 3. Total expenditure of general government by transaction and sector 2019, million euro¹⁾

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
Intermediate consumption	26 018	6 974	17 903	1 141
Compensation of employees	29 780	7 188	21 920	672
Subsidies	2 802	2 300	502	..
Property expenditure	1 974	1 826	112	50
Social benefits	50 752	4 707	5 035	41 010
Other current transfers, payable	5 801	33 761	1 300	3 208
Gross capital formation and net acquisitions of non-financial non-produced assets	10 206	4 299	5 974	-67

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
Capital transfers, payable	465	545	17	..
Other expenditure	168	131	8	29
Total expenditure	127 966	61 731	52 771	46 043

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

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