

General government expenditure by function

2011

Share of public expenditure of gross domestic product decreased in 2011 (the review was added on 20 March 2013)

The share of total general government expenditure of gross domestic product (GDP) was 55.0 per cent in 2011. The share of GDP diminished from 2010, when it was 55.8 per cent. Total general government expenditure grew by 4.6 per cent, or EUR 4.6 billion in 2011. The share of total expenditure of GDP fell, because GDP grew in nominal terms faster than public expenditure. In 2010, total expenditure increased by 3.1 per cent.

Consolidated Total Expenditures by Function, General Government 2010–2011

Function	Year	Million euro	Ratio to GDP, %
G0 All functions	2010	99 707	55,8
	2011	104 259	55,0
G01 General public services	2010	13 018	7,3
	2011	13 889	7,3
G02 Defence	2010	2 789	1,6
	2011	2 753	1,5
G03 Public order and safety	2010	2 766	1,5
	2011	2 825	1,5
G04 Economic affairs	2010	8 730	4,9
	2011	9 120	4,8
G05 Environmental protection	2010	506	0,3
	2011	471	0,2
G06 Housing and community amenities	2010	914	0,5
	2011	1 047	0,6
G07 Health	2010	14 130	7,9
	2011	14 829	7,8
G08 Recreation, culture and religion	2010	2 204	1,2
	2011	2 300	1,2
G09 Education	2010	11 735	6,6
	2011	12 091	6,4
G10 Social protection	2010	42 915	24,0
	2011	44 934	23,7

The biggest general government expenditure item was again social protection on which expenditure amounted to some EUR 44.9 billion, or 23.7 per cent of GDP. EUR 33.1 billion of the social protection expenditure was social benefits in cash, i.e. pensions and allowances paid to households. After social protection, the second largest share of expenditure, or EUR 14.8 billion and 7.8 per cent of GDP, was spent on health. The third biggest function was general public services.

Around 40 per cent of consolidated general government expenditure was spent in the local government sector and 32 per cent in the sector of social security funds in 2011. The remaining 28 per cent represented central government expenditure.

General government consumption expenditure went up by 4.4 per cent in 2011, which is at the same rate as total expenditure. The share of consumption expenditure of GDP was 24.4 per cent. The biggest function group of consumption expenditure was health. Consumption expenditure depicts current expenses incurred by general government from the production of services.

General government total expenditure here refers to consolidated general government expenditure. Consolidated expenditure excludes property expenditure, capital transfers and income transfers between general government sub-sectors, e.g. income transfers from central government to local government. Since total expenditure is by nature gross expenditure, in the case of the local government sector it includes, for instance, acquisitions made by municipalities from their own municipal enterprises. These acquisitions are correspondingly included in the sector's total revenue. General government comprises central government, local government, employment pension schemes and other social security funds.

Contents

1. Review of general government expenditure by function (translation added 18.3.2013).....	4
1.1 Share of expenditure of gross domestic product has varied.....	4
1.2 Functions of general government sub-sectors differ from each other.....	4
1.3 Expenditure structures of function groups are different.....	5

Tables

Appendix tables

Appendix table 1. Consolidated Total Expenditures by Function, General Government 2011.....	7
---	---

Figures

Figure 1. Share of total general government expenditure of GDP by function in 1991, 2001 and 2011.....	4
Figure 2. Share of expenditure types of consolidated total general government expenditure by function in 2011.....	5

Figures

Appendix figure 1. General government consolidated total expenditure by function 1991–2011, Ratio to GDP.....	9
---	---

1. Review of general government expenditure by function (translation added 18.3.2013)

Consolidated total general government expenditure grew by 4.6 per cent in 2011. However, the share of expenditure of GDP decreased, because gross domestic product in nominal terms grew faster than general government expenditure. Total expenditure amounted to EUR 104.3 billion, 55.0 per cent relative to GDP. In the previous year, the share of total expenditure of GDP was 55.8 per cent. Expenditure increased by EUR 4.6 billion from the previous year.

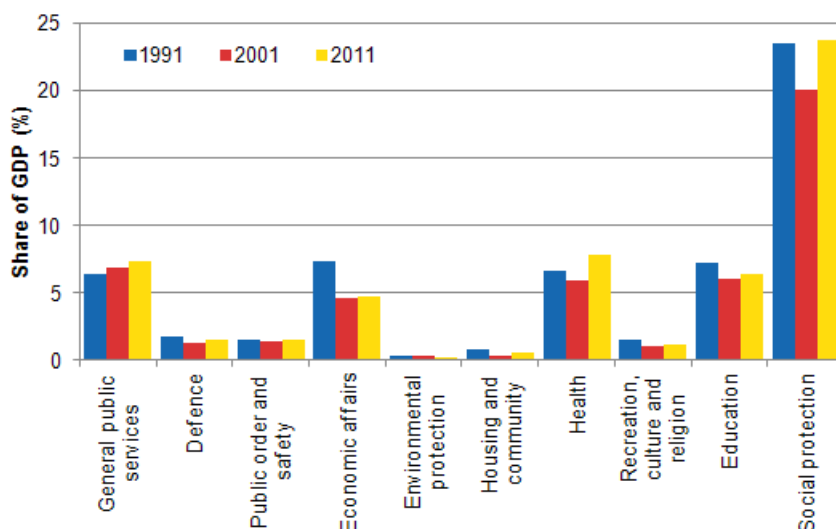
The biggest function group was social protection, whose expenditure totalled EUR 44.9 billion. The next biggest function groups were health (EUR 14.8 billion), general public services (EUR 13.9 billion) and education (EUR 12.1 billion). The expenditure of social protection grew most from 2010.

The function group of social protection is divided into nine sub-groups. The biggest of these is old age, on which EUR 21.7 billion was spent. It was at the same time the most grown sub-group in 2011. The expenditure from the function group of old age mainly consists of pensions. The second most expenditure in the sub-groups of social protection was spent on sickness and functional limitations (EUR 9.1 billion) and the third most on families and children (EUR 5.3 billion). The expenditure on unemployment went down by EUR 0.5 billion and amounted to EUR 3.9 billion in 2011.

1.1 Share of expenditure of gross domestic product has varied

The share of total expenditure of GDP has changed somewhat during the past 20 years. The share of total expenditure of GDP was 57.1 per cent in 1991 and 48.0 per cent in 2001. The share of expenditure of GDP rose strongly in 2009, but it has fallen after that. Social protection has remained clearly the biggest function group throughout the examined period. Expenditure intended for economic affairs has decreased most, by 2.6 percentage points relative to GDP from 1991. Compared with 2001, it has remained on the same level, however. The share of health expenditure of GDP has grown by 1.1 percentage points compared with 1991 and by 1.9 percentage points compared with 2001.

Figure 1. Share of total general government expenditure of GDP by function in 1991, 2001 and 2011



1.2 Functions of general government sub-sectors differ from each other

General government divides into three sectors: central government, local government and social security funds, which include employment pension schemes and other social security funds. Local government mainly refers to municipalities and joint municipal authorities. The function structure of each sector is different.

Expenditure in the sub-sectors of general government can be examined as unconsolidated or consolidated. When expenditure is consolidated, current transfers, capital transfers and property expenditure between sub-sectors are removed. Total general government expenditure is usually examined consolidated and that of sub-sectors unconsolidated.

When viewing unconsolidated total expenditure, central government expenditure is the largest one. Unconsolidated central government expenditure grew by 2.2 per cent in 2011. The biggest function groups in central government are social protection and general public services. Measured by consolidated expenditure, central government is the third biggest sector, as it makes large current transfers to the rest of general government.

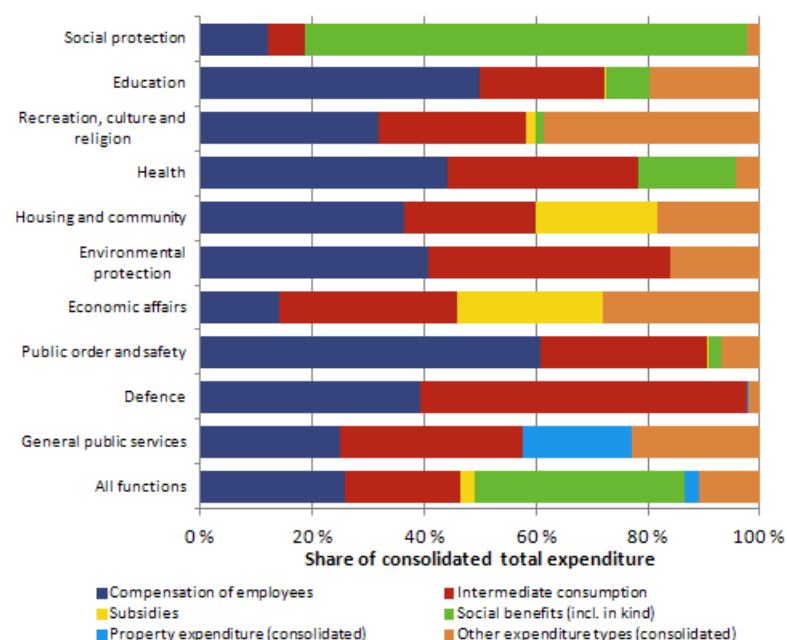
With its unconsolidated total expenditure, local government is the second largest sector. In 2011, the sector's expenditure grew by 5.7 per cent. The majority of local government expenditure belongs to the function group of health. The next biggest ones are social protection and education expenditure.

The sub-sector of social security funds is the smallest sub-sector measured by its unconsolidated expenditure. The sector's unconsolidated expenditure grew by five per cent in 2011. The majority of the expenditure there is related to social protection. Most of this comprises of social benefits in cash. A small part of the expenditure is directed to studying and health care.

1.3 Expenditure structures of function groups are different

In the statistics, total general government expenditure is also divided into types of expenditure according to national accounts. The most important of these are compensation of employees, intermediate consumption, social benefits in cash and in kind, gross capital formation, capital and current transfers, and property expenditure.

Figure 2. Share of expenditure types of consolidated total general government expenditure by function in 2011



The structure of total expenditure by function group varies much between the functions (Figure 2). Compensation of employees is the most significant expenditure type in the functions of public order and safety, education, and health. Intermediate consumption or purchased services and goods are particularly large in the functions of defence, general public services, and health.

The biggest part of social protection expenditure is comprised of social benefits in cash and kind. Subsidies form a significant part of the functions of economic affairs and housing, as well as community amenities.

Servicing of public debt and other property expenditure go under the function category of general public services.

Appendix tables

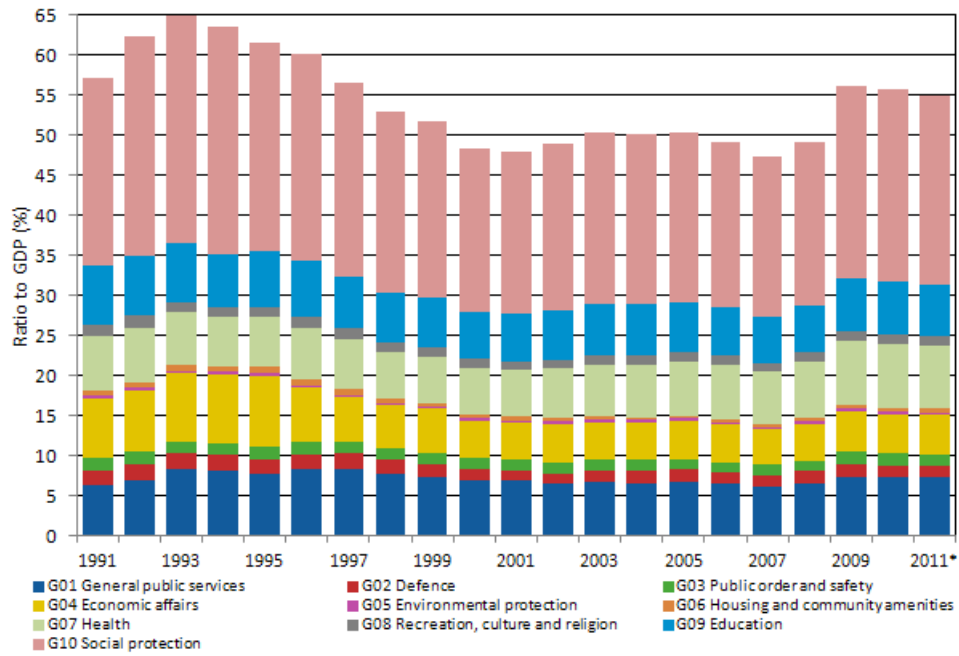
Appendix table 1. Consolidated Total Expenditures by Function, General Government 2011

Function	Million euro	Ratio to GDP, %
G0 All functions	104 259	55,0
G0101 Executive and legislative organs, financial, fiscal and external affairs	3 092	1,6
G0102 Foreign economic aid	828	0,4
G0103 General services	5 997	3,2
G0104 Basic research	1 104	0,6
G0105 R&D general public services	9	0,0
G0106 General public services, not elsewhere classified	4	0,0
G0107 Public debt transactions	2 855	1,5
G0108 Transfers of a general character between different levels of government	0	0,0
G0201 Military defence	2 582	1,4
G0202 Civil defence	37	0,0
G0203 Foreign military aid	107	0,1
G0205 Defence, not elsewhere classified	27	0,0
G0301 Police services	1 150	0,6
G0302 Fire-protection services	598	0,3
G0303 Law courts	517	0,3
G0304 Prisons	245	0,1
G0305 R&D Public order and safety	3	0,0
G0306 Public order and safety, not elsewhere classified	312	0,2
G0401 General economic, commercial and labour affairs	1 337	0,7
G0402 Agriculture, forestry, fishing and hunting	1 995	1,1
G0403 Fuel and energy	64	0,0
G0404 Mining, manufacturing, construction	198	0,1
G0405 Transport	4 421	2,3
G0406 Communications	38	0,0
G0407 Other industries	15	0,0
G0408 R&D Economic affairs	906	0,5
G0409 Economic affairs, not elsewhere classified	146	0,1
G0501 Waste management	57	0,0
G0503 Pollution abatement	136	0,1
G0504 Protection of biodiversity and landscape	81	0,0
G0505 R&D Environmental protection	55	0,0
G0506 Environmental protection, not elsewhere classified	142	0,1
G0601 Housing development	352	0,2
G0602 Community development	502	0,3
G0603 Water supply	29	0,0
G0606 Housing and community amenities, not elsewhere classified	164	0,1
G0701 Medical products, appliances and equipment	1 282	0,7
G0702 Outpatient services	6 546	3,5
G0703 Hospital services	6 403	3,4
G0704 Public health services	47	0,0
G0705 R&D Health	124	0,1
G0706 Health, not elsewhere classified	427	0,2
G0801 Recreational and sporting services	865	0,5
G0802 Cultural services	1 072	0,6

Function	Million euro	Ratio to GDP, %
G0803 Broadcasting and publishing services	2	0,0
G0804 Religious and other community services	357	0,2
G0805 R&D Recreation, culture and religion	4	0,0
G0806 Recreation, culture and religion, not elsewhere classified	0	0,0
G0901 Pre-primary and primary education	2 470	1,3
G0902 Secondary education	5 430	2,9
G0903 Post-secondary, non-tertiary education	5	0,0
G0904 Tertiary education	3 391	1,8
G0905 Education not definable by level	446	0,2
G0906 Subsidiary services to education	42	0,0
G0907 R&D Education	8	0,0
G0908 Education, not elsewhere classified	299	0,2
G1001 Sickness and disability	9 080	4,8
G1002 Old age	21 708	11,5
G1003 Survivors	1 521	0,8
G1004 Family and children	5 334	2,8
G1005 Unemployment	3 928	2,1
G1006 Housing	552	0,3
G1007 Social exclusion, not elsewhere classified	1 472	0,8
G1008 R&D Social protection	32	0,0
G1009 Social protection, not elsewhere classified	1 307	0,7

Figures

Appendix figure 1. General government consolidated total expenditure by function 1991–2011, Ratio to GDP



Suomen virallinen tilasto
Finlands officiella statistik
Official Statistics of Finland

Government Finance 2013

Inquiries

Jukka Hytönen 09 1734 3484
Director in charge:
Leena Storgårds
skt.95@stat.fi
www.stat.fi
Source: National Accounts, Statistics Finland