

# General government expenditure by function

2014

## Social protection expenditure continued to grow most in 2014

A major part of general government expenditure was directed to social protection in 2014. Social protection expenditure also grew most from 2013. The growth in social protection expenditure was particularly due to expenditure connected to old age and unemployment. However, the growth in total general government expenditure slowed down compared with previous years and stood at 2.0 per cent.

### Function distribution of general government expenditure in 2014, the function's share of expenditure

	Total expenditure %	Net expenditure % <sup>1)</sup>	Final consumption expenditure %
G01 General public services	14,3	11,4	11,2
G02 Defence	2,4	2,6	5,5
G03 Public order and safety	2,3	2,2	4,5
G04 Economic affairs	8,3	7,9	9,0
G05 Environmental protection	0,4	0,4	0,6
G06 Housing and community amenities	0,7	0,4	0,5
G07 Health	14,3	13,1	25,7
G08 Recreation, culture and religion	2,5	2,6	3,7
G09 Education	11,0	11,6	18,9
G10 Social protection	43,8	47,8	20,3
G0 Functions total	100	100	100

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

Expenditure directed to social protection grew most, by 3.7 per cent and amounted to EUR 52.2 billion. Most of the increase in social protection expenditure is explained by the growing expenditure on old age and unemployment. The increase in expenditure related to old age was caused by growing employment pensions paid, for example. The share of social protection in total expenditure went up to 43.8 per cent from 43.0 per cent in the previous year. The share of other function categories in total expenditure remained unchanged or contracted slightly.

General government is comprised of central government, local government and social security funds. Central government's total expenditure grew by exactly one per cent and local government's total expenditure by 1.2 per cent. The expenditure of social security funds grew again fastest among sub-sectors, by 4.7 per cent from the year before. Among consolidated total general government expenditure, central government accounted for 27 per cent of expenditure, local government for 40 per cent, and social security funds for 33 per cent.

The expenditure item that grew most was paid social benefits. They grew in total by EUR 1.8 billion. EUR 0.9 billion of the growth in social benefits was accountable to the increase in old-age pensions and EUR 0.6 billion in employment allowances. Purchases of goods and services, or intermediate consumption, grew. Wages and salaries paid contracted slightly, for the first time since 1994. In addition, property expenditure contracted.

In 2014, general government's total expenditure amounted to EUR 119 billion, or 58.1 per cent relative to GDP. Net expenditure was EUR 104 billion and the ratio to GDP was 50.6 per cent. Consumption expenditure grew by 0.9 per cent and amounted to EUR 51 billion, or 24.7 per cent relative to GDP.

General government 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 2014, million euro<sup>1)</sup>**

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
G0 All functions	119 241	58 615	48 936	41 965
G01 General public services	17 059	13 275	7 484	65
G02 Defence	2 889	2 889	-	-
G03 Public order and safety	2 729	2 170	564	-
G04 Economic affairs	9 946	6 915	3 441	-
G05 Environmental protection	529	397	146	-
G06 Housing and community amenities	814	375	456	-
G07 Health	17 064	6 536	14 324	2 476
G08 Recreation, culture and religion	2 970	1 534	1 681	-
G09 Education	13 063	7 263	8 639	975
G10 Social protection	52 178	17 261	12 201	38 449

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

**Appendix table 2. Consumption expenditure of general government by function and sector 2014, million euro**

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
G0 All functions	50 781	13 786	33 414	3 581
G01 General public services	5 673	2 756	2 897	20
G02 Defence	2 808	2 808	-	-
G03 Public order and safety	2 268	1 795	473	-
G04 Economic affairs	4 587	3 250	1 337	-
G05 Environmental protection	310	248	62	-
G06 Housing and community amenities	254	70	184	-
G07 Health	13 055	159	10 717	2 179
G08 Recreation, culture and religion	1 888	548	1 340	-
G09 Education	9 608	1 746	7 809	53
G10 Social protection	10 330	406	8 595	1 329

**Appendix table 3. Total expenditure of general government by transaction and sector 2014, million euro<sup>1)</sup>**

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
Intermediate consumption	23 633	5 977	16 488	1 168
Compensation of employees	29 161	6 935	21 649	577
Subsidies	2 689	2 282	407	-
Property expenditure	2 557	2 469	133	45
Social benefits	45 885	4 589	4 259	37 037
Other current transfers, payable	6 061	31 585	1 283	3 187
Gross capital formation and net acquisitions of non-financial non-produced assets	8 420	3 838	4 666	-84

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
Capital transfers, payable	674	806	42	17
Other expenditure	161	134	9	18
Total expenditure	119 241	58 615	48 936	41 965

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

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