

General government expenditure by function

2017

Growth in general social protection expenditure slowed down in 2017

The share of social protection in consolidated total general government expenditure was 45.9 per cent in 2017. The ratio remained almost on level with the previous year, rising by 0.2 percentage points from 2016.

Function distribution of general government expenditure in 2017

	Total expenditure %	Net expenditure % ¹⁾	Final consumption expenditure %
G01 General public services	14,6	10,8	12,7
G02 Defence	2,3	2,5	5,3
G03 Public order and safety	2,1	2,1	4,3
G04 Economic affairs	7,9	7,4	8,5
G05 Environmental protection	0,4	0,3	0,6
G06 Housing and community amenities	0,6	0,2	0,4
G07 Health	13,1	12,9	25,0
G08 Recreation, culture and religion	2,7	2,7	3,8
G09 Education	10,5	10,9	17,9
G10 Social protection	45,9	50,2	21,6
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.

General government's total expenditure increased by 0.4 per cent or EUR 484 million from the year before. As in previous years, general government's expenditure grew most as regards social protection. Expenditure directed to social protection grew by 0.7 per cent, that is, EUR 395 million from 2016 and amounted to EUR 55.6 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 is due to growth in employment pensions paid. Between 2010 and 2016, social protection expenditure grew by an average of 4.3 per cent per year. In 2017, the growth in social protection expenditure particularly slowed down due to lower expenditure on unemployment allowance than in the year before. The growth in general government's

total expenditure in 2017 was also curbed by the decrease in expenditure related to education and lower expenditure on compensation of employees.

Among consolidated total general government expenditure, central government accounted for 25.9 per cent of the expenditure, local government for 39.5 per cent, and social security funds for 34.6 per cent.

Total unconsolidated central government expenditure grew by 0.3 per cent from the previous year, by EUR 163 million. Local government's total expenditure increased by 0.5 per cent or EUR 255 million. Due to an increase in pension costs, the expenditure of employment pension schemes increased by 3.6 per cent, that is, by EUR 915 million. The expenditure of other social security funds grew by 0.2 per cent or EUR 43 million.

The expenditure items that grew most were purchases of goods and services (intermediate consumption), by around EUR 709 million or 3.0 per cent from the year before. Paid social benefits other than social transfers in kind also grew by EUR 400 million or 0.9 per cent. In addition, gross fixed capital formation (investments) increased by 3.5 per cent or some EUR 307 million. Compensation of employees paid contracted by EUR 695 million or 2.4 per cent.

In 2017, general government's total expenditure amounted to EUR 121.3 billion, or 54.2 per cent relative to GDP. Net expenditure was EUR 106.0 billion and the ratio to GDP was 47.4 per cent. Consumption expenditure fell by 0.1 per cent and amounted to EUR 51.5 billion, or 23.0 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.

Contents

Tables

Appendix tables

Appendix table 1. Total expenditure of general government by function and sector 2017, million euro.....	4
Appendix table 2. Consumption expenditure of general government by function and sector 2017, million euro.....	4
Appendix table 3. Total expenditure of general government by transaction and sector 2017, million euro.....	4

Appendix tables

Appendix table 1. Total expenditure of general government by function and sector 2017, million euro¹⁾

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
G0 All functions	121 304	59 577	48 981	44 952
G01 General public services	17 682	13 132	8 754	87
G02 Defence	2 810	2 810
G03 Public order and safety	2 550	2 077	506	..
G04 Economic affairs	9 602	6 646	3 260	..
G05 Environmental protection	453	323	146	..
G06 Housing and community amenities	732	318	423	..
G07 Health	15 835	6 313	13 155	2 416
G08 Recreation, culture and religion	3 275	1 538	1 986	..
G09 Education	12 716	7 042	8 385	865
G10 Social protection	55 649	19 378	12 366	41 584

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

Appendix table 2. Consumption expenditure of general government by function and sector 2017, million euro

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
G0 All functions	51 479	13 476	34 379	3 624
G01 General public services	6 520	2 728	3 744	48
G02 Defence	2 705	2 705
G03 Public order and safety	2 213	1 743	470	..
G04 Economic affairs	4 356	3 041	1 315	..
G05 Environmental protection	301	222	79	..
G06 Housing and community amenities	200	68	132	..
G07 Health	12 894	158	10 588	2 148
G08 Recreation, culture and religion	1 966	554	1 412	..
G09 Education	9 190	1 644	7 497	49
G10 Social protection	11 134	613	9 142	1 379

Appendix table 3. Total expenditure of general government by transaction and sector 2017, million euro¹⁾

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
Intermediate consumption	24 404	6 606	16 639	1 159
Compensation of employees	28 019	6 397	20 999	623
Subsidies	2 703	2 237	466	..
Property expenditure	2 244	2 108	128	39
Social benefits	48 971	4 681	4 470	39 820
Other current transfers, payable	5 280	32 691	1 387	3 267
Gross capital formation and net acquisitions of non-financial non-produced assets	8 962	4 081	4 874	7

	S13 General government	S1311 Central government	S1313 Local government	S1314 Social security funds
Capital transfers, payable	513	610	3	10
Other expenditure	208	166	15	27
Total expenditure	121 304	59 577	48 981	44 952

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

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Source: National Accounts, Statistics Finland