

The level of government expenditure on education varies between Member States

Detailed COFOG data on education provided by all EU countries

In 2011, EU-27 total general government expenditure amounted to 49.1 % of GDP. Based on the latest available expenditure data by economic function for 2011, 5.3% of GDP was devoted to expenditure on education. Of this, the highest shares were dedicated to 'secondary education' at 2.0 % of GDP and 'pre-primary and primary education' at 1.7 % of GDP.

In the framework of the European System of National Accounts (ESA95), Eurostat collects data on general government expenditure by economic function according to the international Classification of the Functions of Government (COFOG) – see methodological note. This publication presents for the first time detailed COFOG data on education for the EU-27, presenting data by level of education. This became possible due to progress in the availability and quality of voluntarily transmitted COFOG level II data.

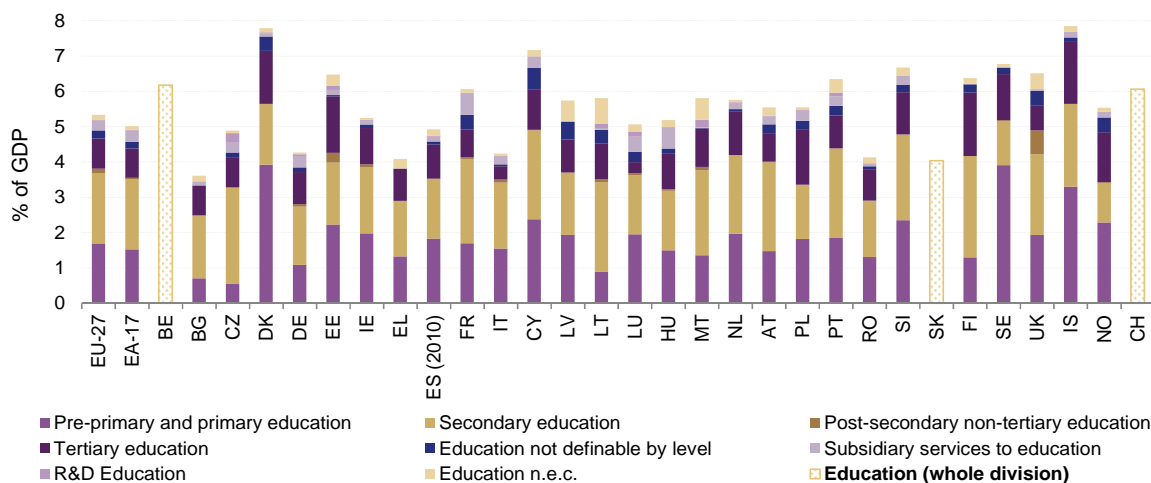
EU-27 general government expenditure on education at 5.3 % of GDP in 2011

Government expenditure on education amounted to around EUR 347 billion in 2011 in the EU-27, or 5.3 % of GDP. Government expenditure on education compared to expenditure on education by private

households, non-profit institutions serving households, corporations and non-domestic units can be expected to vary significantly across Member States and EFTA countries. The figures reported for general government should thus not be interpreted as an indicator of total expenditure on education in a country.

As a ratio to GDP, the highest levels of government expenditure on education among the reporting countries were found in Iceland (7.9 % of GDP), Denmark (7.8 % of GDP) and Cyprus (7.2 % of GDP). Among these countries, Denmark has a generally high level of government expenditure, while in Cyprus and Iceland, the level is notably low. Education had the highest weight in government expenditure in Estonia (16.9 % of total expenditure), followed by Iceland (16.7 % of total expenditure). The lowest ratios of government expenditure on education to GDP were observed in Bulgaria (3.6 % of GDP), Slovakia (4.0 % of GDP), Greece and Romania (both at 4.1 % of GDP). In Germany and Italy government expenditure on education was also below average. In Romania, the low ratio stands after a substantial increase in expenditure on education from 2010 to 2011. In 2010, it stood at 3.4 % of GDP.

Figure 1: General government expenditure on education, % of GDP, 2011



Source: Eurostat (online data code: [gov_a_exp](#))

Pre-primary, primary and secondary education have the largest share of expenditure

‘Pre-primary and primary education’ corresponding to ISCED levels 0 and 1 and secondary education, corresponding to ISCED levels 2 and 3, make up the largest part of government expenditure on education in the EU-27 and in most reporting countries. In the EU-27 as a whole, these two COFOG groups together account for 69 % of expenditure in COFOG division ‘education’.

In 2011 in the EU-27, the share of ‘tertiary education’, corresponding to ISCED levels 5 and 6, in the division’s

total expenditure stood at 12 %. ‘Tertiary education’ had a high weight in total government education expenditure in Poland and Finland (28 % of education expenditure) and Norway (26 %). ‘Post-secondary non-tertiary education’ accounted for only 2 % of total government expenditure on education in the EU-27; however, it had a relatively large share in government education expenditure in the United Kingdom (10 % of total government education expenditure).

Table 1: Total general government expenditure on education, % of GDP, 2011

	Education	Pre-primary and primary education	Secondary education	Post-secondary non-tertiary education	Tertiary education	Education not definable by level	Subsidiary services to education	R&D Education	Education n.e.c.
EU-27	5.34	1.69	1.99	0.13	0.86	0.23	0.26	0.02	0.16
EA-17	5.02	1.53	1.98	0.04	0.83	0.19	0.32	0.02	0.11
BE	6.18	:	:	:	:	:	:	:	:
BG	3.63	0.71	1.78	-	0.84	0.01	0.10	0.01	0.16
CZ	4.89	0.55	2.73	0.00	0.86	0.13	0.28	0.27	0.07
DK	7.79	3.93	1.72	-	1.51	0.41	0.08	0.04	0.12
DE	4.26	1.09	1.65	0.07	0.91	0.13	0.32	0.05	0.05
EE	6.48	2.23	1.75	0.28	1.60	0.04	0.14	0.12	0.32
IE	5.25	1.98	1.87	0.08	1.03	0.10	0.14	0.00	0.05
EL	4.08	1.33	1.57	-	0.91	0.01	-	-	0.27
ES (groups 2010)	4.74	1.83	1.70	0.00	0.96	0.09	0.13	0.03	0.18
FR	6.05	1.70	2.39	0.04	0.79	0.41	0.63	0.00	0.10
IT	4.24	1.55	1.87	0.08	0.38	0.05	0.25	0.00	0.06
CY	7.18	2.38	2.52	0.01	1.14	0.61	0.33	-	0.18
LV	5.73	1.94	1.76	-	0.94	0.49	0.04	-	0.57
LT	5.82	0.89	2.54	0.09	1.00	0.39	0.05	0.13	0.72
LU	5.09	1.95	1.68	0.05	0.32	0.29	0.43	0.14	0.21
HU	5.18	1.50	1.69	0.04	1.00	0.15	0.61	-	0.20
MT	5.82	1.36	2.41	0.09	1.09	0.01	0.02	0.22	0.61
NL	5.77	1.97	2.23	-	1.24	0.06	0.17	0.02	0.07
AT	5.56	1.48	2.51	0.02	0.81	0.25	0.22	0.02	0.24
PL	5.56	1.82	1.54	0.00	1.57	0.24	0.28	0.02	0.08
PT	6.35	1.85	2.54	0.00	0.93	0.27	0.27	0.10	0.39
RO	4.13	1.31	1.58	0.02	0.87	0.10	0.09	0.00	0.16
SI	6.67	2.35	2.43	-	1.20	0.21	0.25	0.01	0.23
SK	4.04	:	:	:	:	:	:	:	:
FI	6.38	1.30	2.87	0.00	1.79	0.24	0.02	0.00	0.16
SE	6.79	3.91	1.25	0.02	1.31	0.18	0.03	0.00	0.08
UK	6.51	1.94	2.28	0.68	0.69	0.43	0.04	0.00	0.45
IS	7.85	3.30	2.34	0.01	1.75	0.13	0.16	-	0.16
NO	5.55	2.29	1.12	0.02	1.42	0.41	0.16	0.00	0.12
CH	6.06	:	:	:	:	:	:	:	:

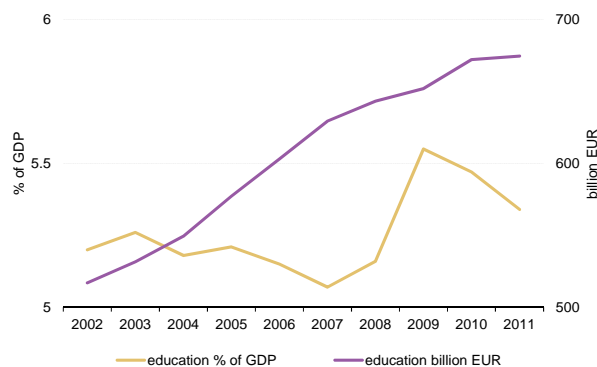
Source: Eurostat (online data code: [gov_a_exp](#))

Government expenditure on education decreases from 2009 to 2011

As a ratio to GDP, government expenditure on education followed a declining trend from 2002 until 2007 and then increased sharply from 2008 to 2009, mainly due to decreases in GDP at current prices. **Active measures to consolidate government expenditure, such as pay cuts in a number of Member States and decreasing public investment contributed to a decrease of 0.2 percentage points of government education expenditure in terms of GDP from 2009 to 2011. An absolute decrease in general government gross capital formation (GCF) is noted for education from 2010 to 2011, in line with a total general decrease in government GCF. In absolute terms, education expenditure continued to grow, although the year-on-year growth was lower from 2010 to 2011 than in previous years. In ten Member States, a decrease in absolute expenditure on education (in local currency terms) is observed between 2010 and 2011: Denmark,**

Ireland, Greece, Spain, Italy, Cyprus, Hungary, Portugal, Slovakia and the United Kingdom.

Figure 2: EU-27 general government expenditure on education, 2002-2011



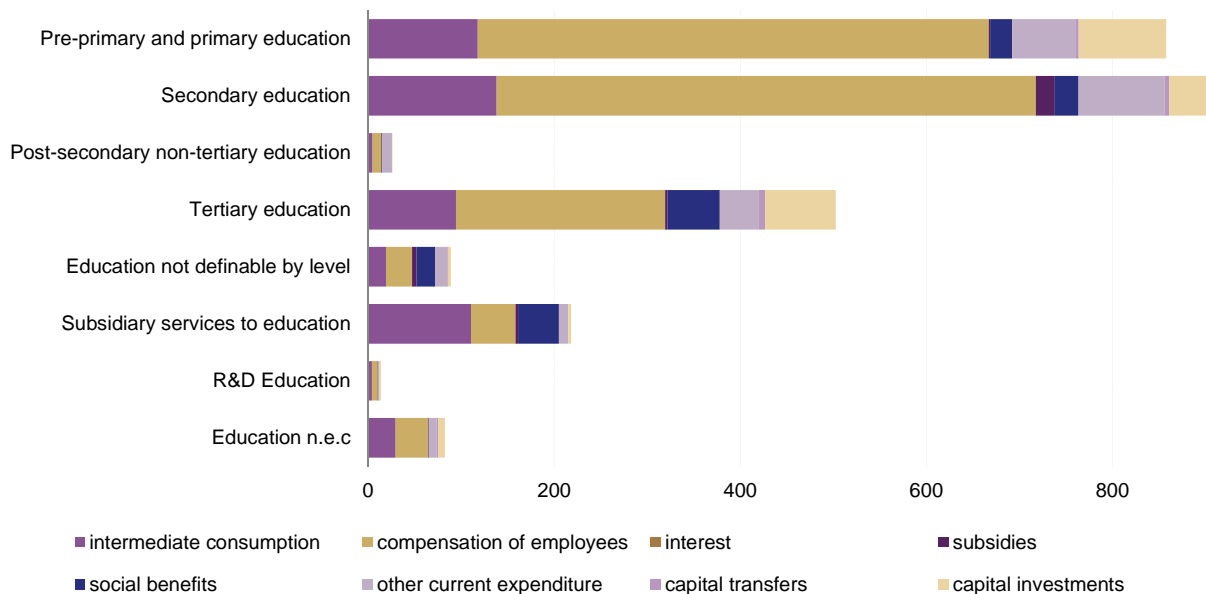
Source: Eurostat (online data code: [gov_a_exp](#))

Compensation of employees is the most important component of education expenditure

In the EU-27, 'compensation of employees' accounted for the largest share of education expenditure in most COFOG groups related to education (55% of education expenditure). In the COFOG group 'subsidiary services to education', which includes for instance school transport and meals, 'intermediate consumption'

accounted for a large part of expenditure. Apart from 'compensation of employees', 'intermediate consumption' and 'capital investments' (for instance school buildings) are important expenditure components.

Figure 3: General government expenditure on education by transaction, billion EUR, EU-27, 2011



Source: Eurostat (online data code: [gov_a_exp](#))

METHODOLOGICAL NOTES

This box gives some background information on the data sources as well as on the methodological concepts and technical terms and codes used. More exhaustive information and additional data can be found on [Eurostat's website](#) in the section dedicated to [government finance statistics](#) as well as on the Statistics Explained page dedicated to [government finance statistics](#).

Reporting of data to Eurostat

Annual government finance statistics (GFS) data are collected by Eurostat on the basis of the European System of Accounts (ESA95) transmission programme. Member States are requested to transmit, among other tables, table 1100, 'Expenditure of general government by function' twelve months after the end of the reference period. Table 1100 provides information about expenditure of the general government sector divided into main COFOG functions and ESA95 categories. The transmission of the COFOG I level breakdown (divisions) is compulsory for the years 1995 onwards, whereas information on the COFOG II level (COFOG groups) is provided on a voluntary basis. The main reference years used in this publication are 2011 as the latest year available and 2002 as the first year for which complete data on expenditure by function are available at EU-27 level.

Provisional data

Data for BG, EL, HU, IS and SE (2011 only) is provisional.

Country notes

DK: Due to the structure of the Danish education system, the primary education is not divided into two levels. Therefore, the COFOG education data on primary education, 09.1 is composed of COFOG 9.1 primary education and 9.21 Lower-secondary education. COFOG group 09.2 is composed of COFOG 9.22 Upper-secondary education only.

Definition of general government and its sub-sectors

The data relate to the general government sector of the economy, as defined in ESA95, paragraph 2.68: 'All institutional units which are other non-market producers [institutional units whose sales do not cover more than the 50 % of the production costs, see ESA95 paragraph 3.26] whose output is intended for individual and collective consumption, and mainly financed by compulsory payments made by units belonging to other sectors, and/or all institutional units principally engaged in the redistribution of national income and wealth'.

Classification of functional expenditure of government

The Classification of the Functions of Government (COFOG) classifies government expenditure into ten main categories (divisions known as the 'COFOG I level' breakdown): general public services; defence; public order and safety; economic affairs; environmental protection; housing and community affairs; health; recreation, culture and religion; education; social protection. These divisions are further broken down into 'groups' (COFOG II level).

Further information is available in the Eurostat [Manual on sources and methods for the compilation of COFOG Statistics](#).

COFOG level II data

COFOG level II data is published only in agreement with the country concerned. The development of COFOG level II data is not completed in many Member States and data needs to be looked at with this in consideration.

For BE and SK, COFOG group data is available but not published. For ES, COFOG group data is available for 2011, but not published pending the availability of more final data.

Satellite accounts

Administrative expenditure data is additionally collected in so-called satellite accounts. For education, the relevant collection is UOE (UNESCO-UIS/OECD/EUROSTAT data collection). In general, the amount of expenditure recorded in satellite accounts is expected to exceed the expenditure recorded under the respective COFOG division, as the COFOG classification focusses on recording expenditure by primary function. The comparability of UOE with COFOG data is explored in the [COFOG manual](#).

Definition of general government expenditure

Government expenditure is defined in Commission Regulation 1500/2000 which uses as reference a list of ESA95 categories:

Government expenditure comprises the following categories:

P.2, 'intermediate consumption': the purchase of goods and services by government;

P.5, 'gross capital formation' consists of: (a) gross fixed capital formation (P.51); (b) changes in inventories (P.52); (c) acquisitions less disposals of valuables (P.53); where

P.51, 'gross fixed capital formation': consists of acquisitions, less disposals, of fixed assets during a given period plus certain additions to the value of non-produced assets realised by the productive activity of producer or institutional units. Fixed assets are tangible or intangible assets produced as outputs from processes of production that are themselves used repeatedly, or continuously, in processes of production for more than one year;

D.1, 'compensation of employees': the wages of

government employees plus non-wage costs such as social contributions;

D.29, 'other taxes on production, payable',

D.3, 'subsidies, payable',

D.4, 'property income, payable', consists of : (a) 'interest, payable (D.41) and (b) 'other property income, payable (D.42+D.43+D.44+D.45), where

D.41, 'interest': excludes settlements under swaps and forward rate arrangements, as these are treated as financial transactions in the ESA 95;

D.5, 'current taxes on income, wealth, etc, payable';

D.62, social payments: cover social **benefits** and pensions paid in cash;

D.6311, D.63121, D.63131, 'Social transfers in kind related to expenditure on products supplied to households via market producers';

D.7, 'other current transfers, payable';

D.8, 'adjustment for the change in net equity of households in pension fund reserves'

D.9, 'capital transfers payable'

K.2, 'acquisitions less disposals of non-financial non-produced assets': public investment spending. Non-financial non-produced assets consist of land and other tangible non-produced assets that may be used in the production of goods and services, and intangible non-produced assets.

Gross Domestic Product

Throughout this publication, nominal GDP, i.e. GDP at current prices is used.

ISCED

International Standard Classification of Education

Time of recording & symbol

In the ESA95 system, recording is in principle on an **accrual basis**, that is, when 'economic value is created, transformed or extinguished, or when claims and obligations arise, are transformed or are cancelled.'

": " not available

More data and information

For country-specific notes, e.g. on missing data, please refer to the [metadata published on Eurobase](#). The authors can be contacted at ESTAT-ESA95-GOV@ec.europa.eu.

Further information

Eurostat Website: <http://ec.europa.eu/eurostat>

Data on 'Government finance statistics'

http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/data/database

Further information about 'Government finance statistics'

http://epp.eurostat.ec.europa.eu/portal/page/portal/government_finance_statistics/introduction

Journalists can contact the media support service:

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European Statistical Data Support:

With the members of the 'European statistical system', Eurostat has set up a network of support centres in nearly every Member State and in some EFTA countries. Their role is to provide help and guidance to Internet users of European statistics. Contact details for this support network can be found on the Eurostat website at:

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