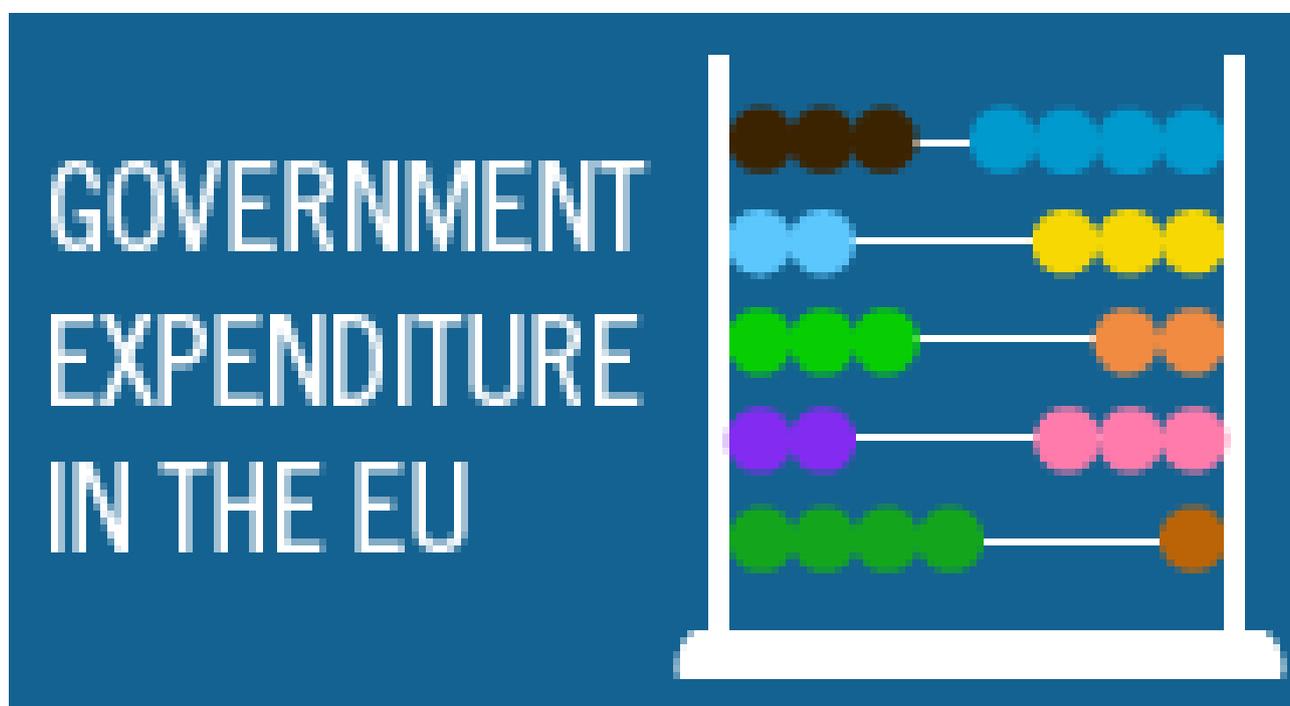


# Government expenditure by function – COFOG

Statistics Explained

Data extracted in February 2023  
Planned article update: 5 March 2024

" In 2021, total government expenditure in the EU amounted to 51.5% of gross domestic product (GDP). "



**Click on the image for an interactive view of the data.**

This article analyses global trends in the structure of [general government expenditure](#) breakdown by their main socio-economic function (according to the [Classification of the Functions of Government - COFOG](#)).

[Eurostat](#) collects data on [general government](#) expenditure by economic function according to the international Classification of the Functions of Government (COFOG) in the framework of the [European System of National Accounts \(ESA2010\)](#).

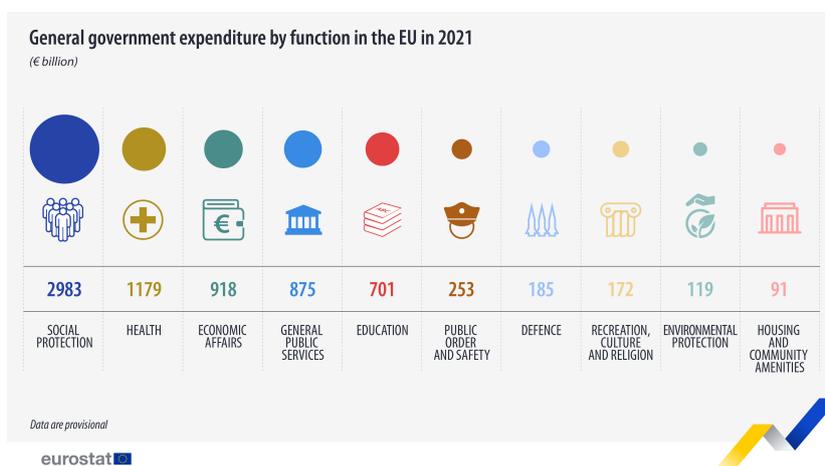
This article is part of an online publication on general [government expenditure by function](#).

## General overview

In 2021, EU general government total expenditure stood at 51.5 % of GDP a large increase as compared to 2019 when it stood at 46.6 % of GDP, but a decrease compared to 2020, when it stood at 52.8 % of GDP. In 2021, the general government total expenditure to GDP ratio was still influenced by the COVID-19 pandemic and government measures to mitigate its effects. The decrease in the ratio compared to the previous year (52.8 %) was mainly a consequence of increases in GDP, while growth in total expenditure was still observed (€ 7 475 in 2021 compared with € 7 111 billion in 2020; an increase of € 364 billion, growing by 5.1 % compared with 2020).

Based on the latest available expenditure data by economic function for 2021, more than half was devoted to the functions 'social protection' (39.9 % of total expenditure) and 'health' (15.8 % of total expenditure), which equalled 20.5 % and 8.1 % of GDP respectively. The other functions of government spending with a large share of government expenditure are 'economic affairs' (12.3 % of total expenditure or 6.3 % of GDP), 'general public services' (11.7 % of total expenditure or 6.0 % of GDP) and 'education' (9.4 % of total expenditure or 4.8 % of GDP).

The functions 'public order and safety' (3.4 % of total expenditure or 1.7 % of GDP), 'defence' (2.5 % of total expenditure or 1.3 % of GDP), 'recreation, culture and religion' (2.3 % of total expenditure or 1.2 % of GDP), 'environmental protection' (1.6 % of total expenditure or 0.8 % of GDP) and 'housing and community amenities' (1.2 % of total expenditure or 0.6 % of GDP) had more limited weights at EU level in 2021.

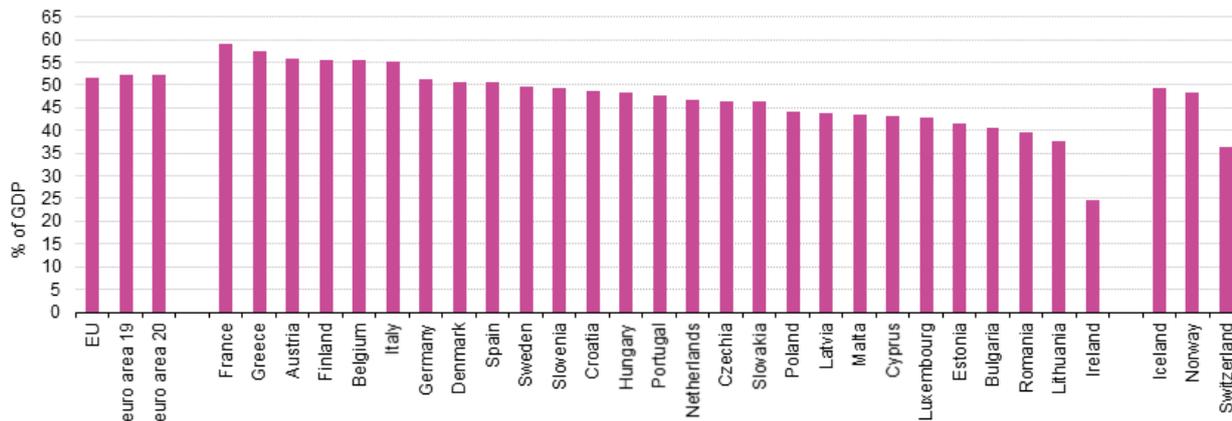


## EU general government expenditure stood at 51.5 % of GDP in 2021

General government expenditure amounted to 51.5 % of GDP in 2021.

As a ratio to GDP in 2021, the highest levels of government expenditure were found in France (59.0 % of GDP), followed by Greece (57.4 % of GDP), Austria (56.0 % of GDP), Finland (55.6 % of GDP), Belgium (55.5 % of GDP) and Italy (55.3 % of GDP), while the lowest levels were found in Ireland (24.8 % of GDP), Lithuania (37.5 % of GDP), Romania (39.8 % of GDP) and Bulgaria (40.6 % of GDP). Switzerland (36.5 % of GDP) recorded the lowest level among the EFTA countries.

## General government total expenditure, 2021, % of GDP

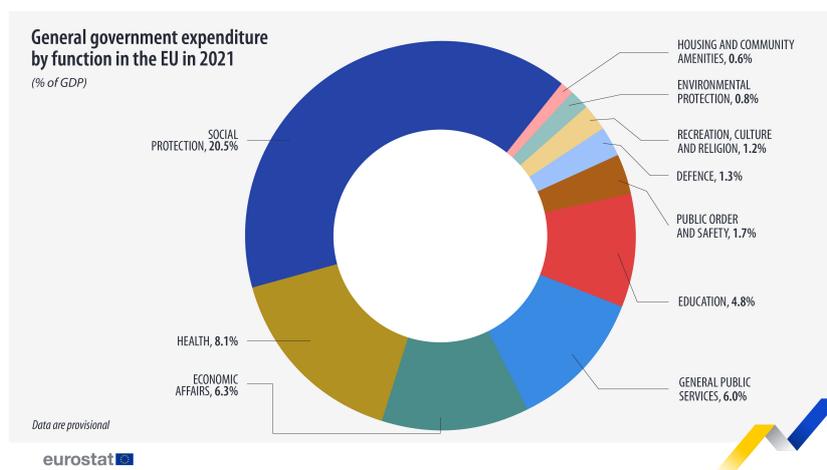


Source: Eurostat (gov\_10a\_main)

eurostat

Figure 1: Total general government expenditure, 2021, % of GDP - Source: Eurostat (gov\_10a\_main)

## General government expenditure by function



In the EU Member States as well as EFTA countries reporting data, 'social protection' remained the most important function of government expenditure. In 2021, government social protection expenditure in the EU amounted to € 2 983 billion (increase by € 41 billion compared to 2020) and was equivalent to 20.5 % of GDP (see Table 1), compared to 21.9 % of GDP in 2020. The main contributor to the 2021 increase of government social protection expenditure related to 'old age' (increase by € 51 billion compared to 2020) off-setting the decrease for 'unemployment' (decrease by € 50 billion compared to 2020). The share of social protection expenditure in total expenditure decreased from 41.4 % of total expenditure in 2020 to 39.9 % of total expenditure in 2021. Over the period 1995 to 2021, the share of social protection expenditure in total expenditure at EU level increased from 36.6 % of total expenditure to 39.9 % of total expenditure.

Total general government expenditure by function, 2021 (% of GDP)

|               | General public services | Defence | Public order and safety | Economic affairs | Environmental protection | Housing and community amenities | Health | Recreation, culture and religion | Education | Social protection | Total |
|---------------|-------------------------|---------|-------------------------|------------------|--------------------------|---------------------------------|--------|----------------------------------|-----------|-------------------|-------|
| EU*           | 6.0                     | 1.3     | 1.7                     | 6.3              | 0.8                      | 0.6                             | 8.1    | 1.2                              | 4.8       | 20.5              | 51.5  |
| euro area 19* | 6.1                     | 1.3     | 1.7                     | 6.4              | 0.9                      | 0.6                             | 8.3    | 1.1                              | 4.7       | 21.2              | 52.3  |
| euro area 20* | 6.1                     | 1.3     | 1.7                     | 6.4              | 0.9                      | 0.6                             | 8.3    | 1.1                              | 4.7       | 21.2              | 52.3  |
| Belgium       | 7.0                     | 0.9     | 1.8                     | 7.1              | 1.3                      | 0.4                             | 8.6    | 1.2                              | 6.3       | 21.0              | 55.5  |
| Bulgaria      | 3.5                     | 1.6     | 2.7                     | 6.7              | 0.8                      | 1.0                             | 5.8    | 0.9                              | 4.3       | 13.4              | 40.6  |
| Czechia       | 4.6                     | 1.0     | 2.0                     | 7.5              | 0.9                      | 0.6                             | 9.8    | 1.3                              | 5.1       | 13.6              | 46.5  |
| Denmark       | 6.0                     | 1.2     | 1.0                     | 4.1              | 0.4                      | 0.1                             | 9.2    | 1.6                              | 6.0       | 21.1              | 50.8  |
| Germany*      | 6.2                     | 1.1     | 1.7                     | 6.0              | 0.6                      | 0.5                             | 8.6    | 1.1                              | 4.5       | 20.9              | 51.3  |
| Estonia       | 3.8                     | 2.0     | 1.8                     | 4.8              | 0.6                      | 0.5                             | 6.5    | 2.1                              | 5.9       | 13.5              | 41.5  |
| Ireland       | 2.3                     | 0.2     | 0.8                     | 3.1              | 0.3                      | 0.6                             | 5.3    | 0.5                              | 3.0       | 8.7               | 24.8  |
| Greece        | 7.9                     | 2.8     | 2.2                     | 10.7             | 1.2                      | 0.3                             | 6.7    | 1.1                              | 4.1       | 20.6              | 57.4  |
| Spain*        | 5.9                     | 1.0     | 2.0                     | 6.5              | 1.0                      | 0.5                             | 7.3    | 1.2                              | 4.6       | 20.6              | 50.6  |
| France*       | 5.8                     | 1.8     | 1.7                     | 6.9              | 1.0                      | 1.3                             | 9.2    | 1.4                              | 5.2       | 24.8              | 59.0  |
| Croatia       | 4.8                     | 1.0     | 2.4                     | 8.5              | 1.5                      | 1.3                             | 8.3    | 1.6                              | 5.2       | 14.1              | 48.5  |
| Italy         | 8.1                     | 1.4     | 1.9                     | 6.6              | 1.0                      | 0.5                             | 7.6    | 0.8                              | 4.1       | 23.4              | 55.3  |
| Cyprus        | 6.9                     | 1.8     | 1.7                     | 5.2              | 0.4                      | 1.9                             | 6.4    | 0.7                              | 5.5       | 12.5              | 43.1  |
| Latvia        | 3.7                     | 2.3     | 2.2                     | 7.2              | 0.6                      | 1.0                             | 6.2    | 1.4                              | 5.6       | 13.8              | 44.0  |
| Lithuania     | 3.1                     | 1.8     | 1.3                     | 4.0              | 0.5                      | 0.6                             | 5.9    | 1.2                              | 4.8       | 14.3              | 37.5  |
| Luxembourg    | 4.7                     | 0.4     | 1.2                     | 5.4              | 0.9                      | 0.6                             | 5.4    | 1.2                              | 4.7       | 18.3              | 42.9  |
| Hungary       | 8.0                     | 1.1     | 1.8                     | 9.2              | 0.7                      | 0.8                             | 5.6    | 3.0                              | 5.0       | 13.1              | 48.4  |
| Malta         | 6.3                     | 0.6     | 1.5                     | 9.0              | 1.3                      | 0.5                             | 6.7    | 1.3                              | 5.5       | 11.0              | 43.6  |
| Netherlands   | 3.9                     | 1.3     | 2.0                     | 5.9              | 1.4                      | 0.4                             | 8.7    | 1.3                              | 5.1       | 16.6              | 46.6  |
| Austria       | 5.8                     | 0.6     | 1.4                     | 9.3              | 0.4                      | 0.3                             | 10.1   | 1.2                              | 4.9       | 21.9              | 56.0  |
| Poland        | 4.2                     | 1.6     | 2.2                     | 6.1              | 0.6                      | 0.5                             | 5.8    | 1.2                              | 4.9       | 17.3              | 44.2  |
| Portugal*     | 6.8                     | 0.8     | 1.8                     | 5.5              | 0.8                      | 0.6                             | 7.6    | 1.0                              | 4.6       | 18.3              | 47.8  |
| Romania       | 5.0                     | 1.9     | 2.3                     | 5.8              | 0.7                      | 1.1                             | 5.5    | 0.9                              | 3.2       | 13.3              | 39.8  |
| Slovenia      | 5.2                     | 1.2     | 1.8                     | 6.8              | 0.7                      | 0.5                             | 8.1    | 1.4                              | 5.7       | 17.9              | 49.3  |
| Slovakia      | 5.9                     | 1.3     | 2.3                     | 6.8              | 0.9                      | 0.5                             | 7.0    | 1.0                              | 4.3       | 16.2              | 46.3  |
| Finland       | 8.1                     | 1.2     | 1.2                     | 5.0              | 0.2                      | 0.4                             | 7.7    | 1.5                              | 5.7       | 24.6              | 55.6  |
| Sweden        | 6.7                     | 1.3     | 1.3                     | 4.8              | 0.6                      | 0.7                             | 7.5    | 1.4                              | 6.7       | 18.6              | 49.5  |
| Iceland       | 7.0                     | 0.1     | 1.6                     | 6.0              | 0.7                      | 0.6                             | 8.9    | 3.3                              | 7.7       | 13.2              | 49.2  |
| Norway        | 4.2                     | 1.7     | 1.1                     | 5.9              | 0.9                      | 0.7                             | 8.6    | 1.7                              | 5.0       | 18.6              | 48.3  |
| Switzerland   | 4.3                     | 0.8     | 1.7                     | 4.9              | 0.6                      | 0.2                             | 2.8    | 1.1                              | 5.7       | 14.4              | 36.5  |

Source: Eurostat (gov\_10a\_exp)

\* provisional

eurostat **Table 1: Total general government expenditure by function, 2021 (% of GDP) - Source: Eurostat (gov\_10a\_exp)**

The next most important functions in terms of government expenditure were 'health' and 'economic affairs', amounting to € 1 179 billion or 8.1 % of GDP and € 918 billion or 6.3 % of GDP respectively in the EU in 2021. 'General public services' (€ 875 billion or 6.0 % of GDP) and 'education' (€ 701 billion or 4.8 % of GDP) followed. The remaining functions – 'public order and safety' (€ 253 billion or 1.7 % of GDP), 'defence' (€ 184 billion or 1.3 % of GDP), 'recreation, culture and religion' (€ 172 billion or 1.2 % of GDP), 'environmental protection' (€ 119 billion or 0.8 % of GDP) and 'housing and community amenities' (€ 91 billion or 0.6 % of GDP) - together represented 5.6 % of EU GDP in 2021.

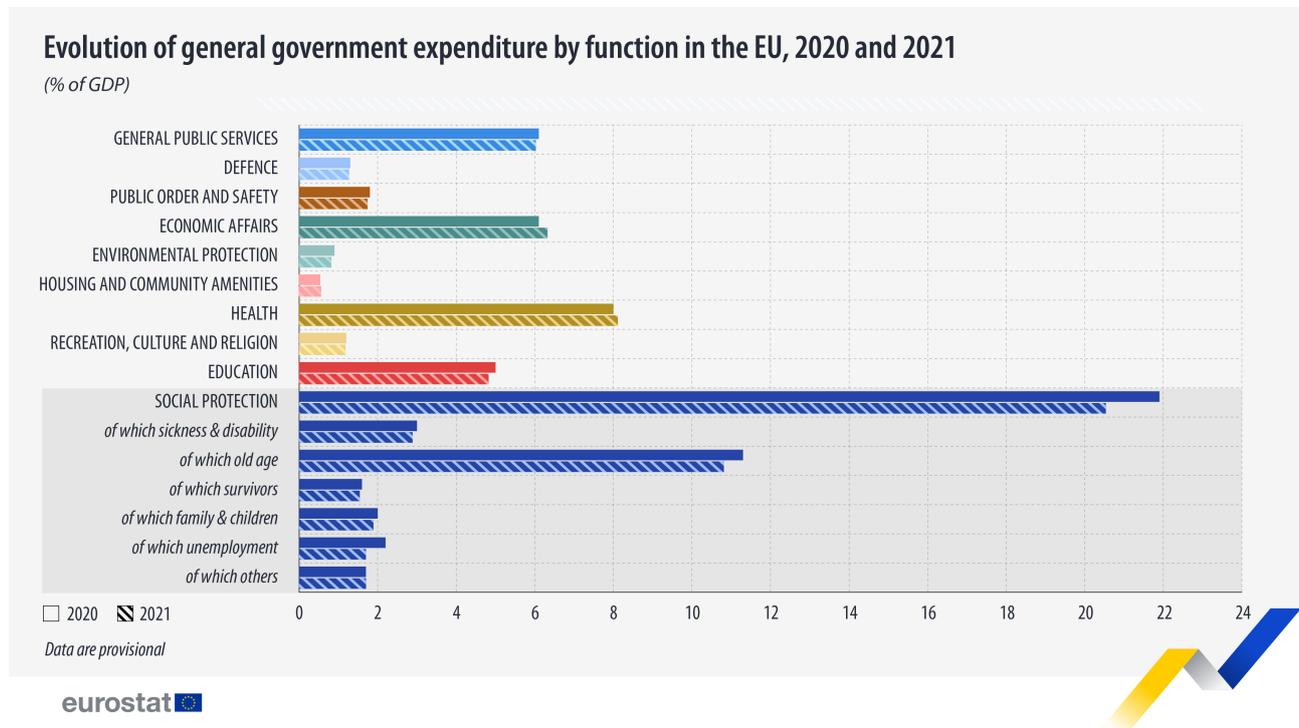
## Evolution of general government total expenditure by function

Between 1995 and 2007, total general government expenditure decreased as a ratio to GDP from 53.2 % of GDP in 1995 to 45.6 % of GDP in 2007. This decrease was mainly reflected in the functions 'general public services' and 'social protection'. During the first three years of the economic and financial crisis (2007-2009), government expenditure as a percentage of GDP grew in the EU. It increased from 45.6 % of GDP in 2007 to 50.7 % in 2009, which was partially due to a lower GDP. Apart from an increase between the years 2011 and 2012 (from 49.2 % of GDP to 49.8 % of GDP), it steadily decreased to 46.5 % of GDP in 2018 and 46.6 % of GDP in 2019. This gradual decrease was partly the result of the fiscal consolidation measures, renewed economic growth and counter-cyclical reactions of government expenditure. In recent years, one-off expenditure to support financial institutions has been decreasing.

Due to the COVID-19 pandemic and government measures to mitigate its effects, total general government expenditure in the EU increased strongly in 2020 (52.8 % of GDP) compared to 2019. This was a consequence of decreases in the GDP between 2019 and 2020 as well as increases in total expenditure. At EU level, in 2020, general government total expenditure increased for all the major functions, but increases were concentrated in 'social protection' (of which a major part for 'unemployment'), 'economic affairs' and 'health'.

At EU level in 2021, total general government expenditure was 51.5 % of GDP, a decrease compared to 2020 and mainly a consequence of increases in GDP, while growth in total expenditure was still observed. At EU level, in 2021, general government total expenditure increased in absolute terms for all the major functions. Still, increases

were concentrated in 'health' (+€ 103 billion), 'economic affairs' (+€ 96 billion) and 'social protection' (+€ 41 billion, with a -€ 50 billion decrease for 'unemployment' being off-set by increases in 'old age' and other detailed functions within social protection).



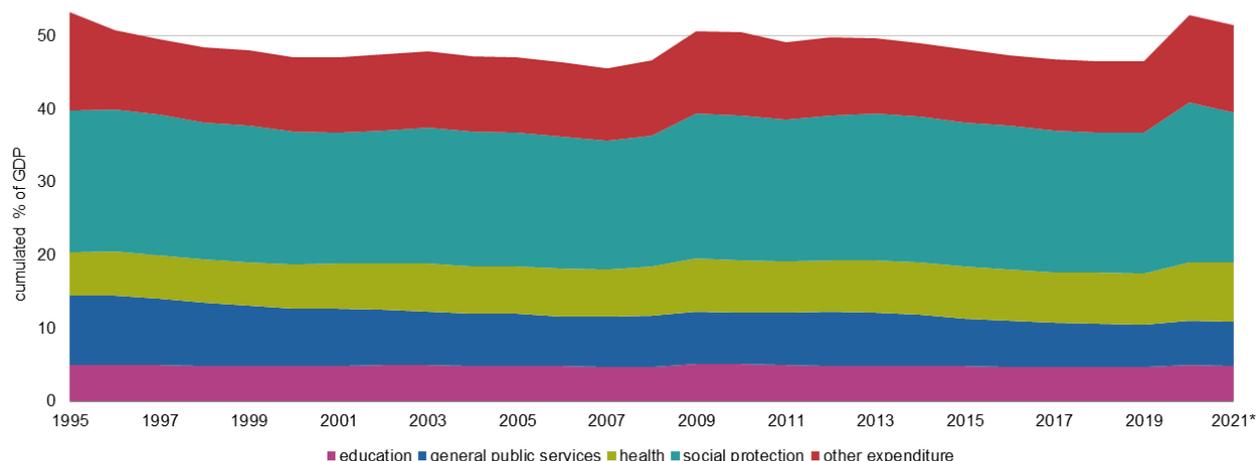
**Figure 2: Evolution of total general government expenditure, EU, 2020-2021, % of GDP - Source: Eurostat (gov\_10a\_exp)**

Not all the functions of government expenditure evolved the same between 2007 and 2021. Some of the functions have a natural tendency to be counter-cyclical, even without a change in policy. For example, government expenditure on unemployment benefits (part of social protection) is more prone to have a natural counter-cyclical evolution than other functions, such as government expenditure on education. During an economic crisis, more people become unemployed, whereas the number of pupils and students is more affected by demographic changes.

Between 2007 and 2009, expenditure on 'unemployment' in the EU increased from 1.5 % of GDP to 1.9 %, decreasing to 1.3 % of GDP in 2019. Due to the COVID-19 pandemic and the government measures to mitigate its economic and social impact, this ratio increased to 2.2 % of GDP in 2020. Between 2019 and 2020, at EU level, expenditure on unemployment increased from € 180 billion to € 297 billion, that is an increase of + € 117 billion. In 2021, at EU level, expenditure on unemployment stood at € 247 billion, compared to 2020 that is a decrease of € 50 billion.

**Social protection** expenditure as a whole increased from 17.6 % of GDP (2007) to 19.8 % (2009). Between 2016 and 2019, social protection expenditure decreased from 19.7 % of GDP in 2016 to 19.3 % of GDP in 2019 - together with the drop in expenditure on general public services (6.3 % of GDP in 2016 decreasing to 5.8 % of GDP in 2019) it is the main driver of the decrease in total expenditure in this period. In terms of the share of total expenditure, the share of 'social protection' expenditure was 38.4 % in 2008 thereafter increasing to 41.7 % of total expenditure in 2016, followed by a gradual decrease to 41.4 % of total expenditure in 2020, and then an important decrease to 39.9 % of total expenditure in 2021. In terms of absolute amounts, EU total expenditure on social protection increased from € 2 942 billion in 2020 to € 2 983 billion in 2021, that is an increase of + € 41 billion.

Evolution of total general government expenditure, EU, 1995-2021, % of GDP



Source: Eurostat  
(gov\_10a\_exp)  
\* provisional



Figure 3: Evolution of total general government expenditure, EU, 1995-2021, % of GDP - Source: Eurostat (gov\_10a\_exp)

Expenditure related to 'economic affairs' peaked in 1995 (13.6 % of total expenditure) due to an assumption of debt relating to a former German holding company. In 2010, the high level of capital transfers to support financial institutions at the height of the financial crisis also contributed to a higher relative share of expenditure on 'economic affairs'(10.9 % of total expenditure). The government measures to mitigate the economic and social impact of the COVID-19 pandemic in the form of subsidies, other current and capital transfers caused the share of general government expenditure on 'economic affairs' in total expenditure to increase to 11.6 % in 2020 and to 12.3 % in 2021. Expenditure on 'economic affairs' increased from € 619 billion in 2019 to € 918 billion in 2021, representing the strongest relative increase among the main functions of government expenditure. In terms of COVID measures, a number of subsidies to support businesses through pandemic related closures as well as some furlough schemes are recorded within this function.

| Evolution of total general government expenditure, EU, 1995-2021, % of GDP and % of total expenditure |  | 1995                           | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021* |     |
|---|--|--------------------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|-------|-----|
| % of GDP  |  | 9.5                            | 9.6  | 9.1  | 8.6  | 8.2  | 7.9  | 7.8  | 7.6  | 7.3  | 7.2  | 7.1  | 6.8  | 6.8  | 7.0  | 7.2  | 7.1  | 7.2  | 7.4  | 7.2  | 7.0  | 6.6  | 6.3  | 6.1  | 6.0  | 5.8  | 6.1  | 6.0   |     |
| general public services   |  | 1.6                            | 1.6  | 1.6  | 1.5  | 1.5  | 1.4  | 1.4  | 1.4  | 1.3  | 1.3  | 1.3  | 1.3  | 1.3  | 1.3  | 1.4  | 1.3  | 1.3  | 1.3  | 1.2  | 1.2  | 1.2  | 1.2  | 1.2  | 1.2  | 1.2  | 1.3  | 1.3   |     |
| defence   |  | 1.6                            | 1.6  | 1.6  | 1.6  | 1.6  | 1.6  | 1.6  | 1.7  | 1.7  | 1.7  | 1.7  | 1.6  | 1.6  | 1.7  | 1.8  | 1.8  | 1.7  | 1.7  | 1.7  | 1.7  | 1.7  | 1.7  | 1.7  | 1.7  | 1.7  | 1.7  | 1.7   |     |
| public order and safety   |  | 7.2                            | 4.9  | 4.5  | 4.6  | 4.5  | 4.6  | 4.6  | 4.6  | 4.5  | 4.5  | 4.5  | 4.5  | 4.3  | 4.6  | 5.1  | 5.5  | 4.8  | 5.0  | 4.7  | 4.6  | 4.6  | 4.3  | 4.4  | 4.4  | 4.4  | 6.1  | 6.3   |     |
| economic affairs  |  | 0.8                            | 0.8  | 0.7  | 0.7  | 0.7  | 0.7  | 0.7  | 0.8  | 0.8  | 0.7  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.9  | 0.8   |     |
| environmental protection  |  | 1.1                            | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  | 0.9  | 0.8  | 0.8  | 0.8  | 0.8  | 0.8  | 0.7  | 0.7  | 0.7  | 0.6  | 0.6  | 0.6  | 0.5  | 0.6  | 0.6  | 0.6  | 0.6   |     |
| housing and community amenities   |  | 5.9                            | 6.0  | 5.9  | 5.9  | 5.9  | 6.1  | 6.2  | 6.4  | 6.5  | 6.6  | 6.5  | 6.6  | 6.5  | 6.7  | 7.3  | 7.2  | 7.1  | 7.1  | 7.1  | 7.1  | 7.1  | 7.0  | 6.9  | 6.9  | 7.0  | 8.0  | 8.1   |     |
| health  |  | 4.9                            | 5.0  | 4.9  | 4.9  | 4.9  | 4.8  | 4.8  | 4.9  | 5.0  | 4.8  | 4.8  | 4.8  | 4.7  | 4.7  | 5.1  | 5.0  | 4.9  | 4.9  | 4.9  | 4.9  | 4.8  | 4.7  | 4.7  | 4.7  | 4.7  | 5.0  | 4.8   |     |
| recreation, culture and religion  |  | 1.0                            | 1.0  | 1.1  | 1.1  | 1.1  | 1.1  | 1.1  | 1.2  | 1.2  | 1.2  | 1.2  | 1.2  | 1.2  | 1.2  | 1.3  | 1.3  | 1.2  | 1.2  | 1.2  | 1.2  | 1.1  | 1.1  | 1.1  | 1.2  | 1.2  | 1.2  | 1.2   |     |
| education   |  | 19.4                           | 19.5 | 19.2 | 18.8 | 18.8 | 18.0 | 18.0 | 18.1 | 18.6 | 18.3 | 18.3 | 18.0 | 17.6 | 17.9 | 19.8 | 19.7 | 19.4 | 19.8 | 20.0 | 19.9 | 19.7 | 19.7 | 19.4 | 19.2 | 19.3 | 21.9 | 20.5  |     |
| social protection   |  | 53.2                           | 50.8 | 49.5 | 48.5 | 48.0 | 47.1 | 47.1 | 47.4 | 47.8 | 47.1 | 47.0 | 46.4 | 45.6 | 46.7 | 50.7 | 50.5 | 49.2 | 49.8 | 49.6 | 49.0 | 48.1 | 47.4 | 46.7 | 46.5 | 46.6 | 52.8 | 51.5  |     |
| total   |  | 9.5                            | 9.6  | 9.1  | 8.6  | 8.2  | 7.9  | 7.8  | 7.6  | 7.3  | 7.2  | 7.1  | 6.8  | 6.8  | 7.0  | 7.2  | 7.1  | 7.2  | 7.4  | 7.2  | 7.0  | 6.6  | 6.3  | 6.1  | 6.0  | 5.8  | 6.1  | 6.0   |     |
| % of total expenditure  |  | 17.9                           | 18.8 | 18.5 | 17.8 | 17.0 | 16.8 | 16.5 | 16.0 | 15.4 | 15.2 | 15.0 | 14.7 | 15.0 | 15.0 | 14.3 | 14.0 | 14.7 | 14.8 | 14.6 | 14.3 | 13.7 | 13.3 | 13.0 | 12.8 | 12.4 | 11.5 | 11.7  |     |
| general public services   |  | 3.1                            | 3.2  | 3.2  | 3.1  | 3.0  | 2.9  | 2.9  | 2.9  | 2.9  | 2.8  | 2.8  | 2.8  | 2.7  | 2.7  | 2.7  | 2.6  | 2.6  | 2.5  | 2.5  | 2.4  | 2.4  | 2.6  | 2.6  | 2.6  | 2.6  | 2.5  | 2.5   |     |
| defence   |  | 3.0                            | 3.2  | 3.3  | 3.4  | 3.4  | 3.4  | 3.4  | 3.5  | 3.5  | 3.5  | 3.5  | 3.5  | 3.6  | 3.6  | 3.5  | 3.5  | 3.5  | 3.4  | 3.5  | 3.5  | 3.5  | 3.5  | 3.5  | 3.5  | 3.6  | 3.6  | 3.4   | 3.4 |
| public order and safety   |  | 13.6                           | 9.6  | 9.1  | 9.5  | 9.5  | 9.8  | 9.7  | 9.6  | 9.5  | 9.6  | 9.6  | 9.8  | 9.5  | 9.8  | 10.0 | 10.9 | 9.7  | 10.0 | 9.5  | 9.4  | 9.6  | 9.0  | 9.3  | 9.5  | 9.5  | 11.6 | 12.3  |     |
| economic affairs  |  | 1.5                            | 1.5  | 1.4  | 1.4  | 1.5  | 1.5  | 1.6  | 1.6  | 1.6  | 1.6  | 1.6  | 1.7  | 1.7  | 1.7  | 1.7  | 1.7  | 1.7  | 1.7  | 1.7  | 1.7  | 1.7  | 1.6  | 1.6  | 1.7  | 1.7  | 1.6  | 1.6   |     |
| environmental protection  |  | 2.1                            | 1.7  | 1.7  | 1.8  | 1.8  | 1.9  | 1.8  | 1.9  | 1.9  | 1.8  | 1.7  | 1.7  | 1.8  | 1.7  | 1.8  | 1.6  | 1.5  | 1.4  | 1.3  | 1.3  | 1.3  | 1.2  | 1.1  | 1.2  | 1.2  | 1.2  | 1.2   |     |
| housing and community amenities   |  | 11.1                           | 11.8 | 11.9 | 12.2 | 12.4 | 12.9 | 13.2 | 13.4 | 13.6 | 13.8 | 14.0 | 14.2 | 14.3 | 14.3 | 14.3 | 14.2 | 14.4 | 14.2 | 14.4 | 14.6 | 14.7 | 14.8 | 14.8 | 14.9 | 15.0 | 15.1 | 15.8  |     |
| health  |  | 2.0                            | 2.1  | 2.1  | 2.2  | 2.3  | 2.4  | 2.5  | 2.4  | 2.5  | 2.5  | 2.5  | 2.5  | 2.6  | 2.6  | 2.5  | 2.5  | 2.5  | 2.4  | 2.4  | 2.4  | 2.4  | 2.4  | 2.4  | 2.4  | 2.5  | 2.5  | 2.3   | 2.3 |
| recreation, culture and religion  |  | 9.2                            | 9.8  | 9.9  | 10.0 | 10.1 | 10.1 | 10.3 | 10.4 | 10.4 | 10.3 | 10.3 | 10.3 | 10.3 | 10.3 | 10.2 | 10.0 | 10.0 | 10.0 | 9.8  | 9.9  | 9.9  | 9.9  | 10.0 | 10.0 | 10.1 | 9.4  | 9.4   |     |
| education   |  | 36.6                           | 38.3 | 38.8 | 38.7 | 39.1 | 38.3 | 38.1 | 38.2 | 38.8 | 38.9 | 38.9 | 38.8 | 38.7 | 38.4 | 39.1 | 39.1 | 39.5 | 39.7 | 40.4 | 40.6 | 40.9 | 41.7 | 41.6 | 41.2 | 41.4 | 41.4 | 39.9  |     |
| social protection   |  | Source: Eurostat (gov_10a_exp) |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |     |
|   |  | * provisional                  |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |      |       |     |



Table 2: Evolution of total general government expenditure, EU, 1995-2021, % of GDP and % of total expenditure - Source: Eurostat (gov\_10a\_exp)

Relatively stable shares of total expenditure over 1995-2021 are noted for 'public order and safety', 'environmental protection' and 'recreation, culture and religion'.

A steady increase over the period from 1995 to 2021 is noted for 'health', where the shares in total expenditure increased from 11.1 % of GDP in 1995 to 15.8 % of total expenditure in 2021. Between 2019 and 2020, EU

expenditure on health increased from € 979 billion in 2019 to € 1 075 billion in 2020 (an increase of + € 97 billion), and in 2021 it stood at € 1 179 billion (an increase of +€ 103 billion compared to 2020).

Expenditure on '**education**' increased from 9.2 % of total expenditure in 1995 to 10.1 % of total expenditure in 2019. However, the relative share of expenditure on 'education' decreased in 2020 and 2021 to 9.4 % of total expenditure due to a lesser impact of the COVID-19 pandemic for this function.

Decreases in the share of total expenditure over 1995 to 2021 are noted for '**defence**' (3.1 % of total expenditure in 1995 and 2.5 % of total expenditure in 2021), '**housing and community amenities**' (2.1 % of total expenditure in 1995 and 1.2 % of total expenditure in 2021) and **general public services** (17.9 % of total expenditure in 1995 and 11.7 % of total expenditure in 2021).

## Detailed data by function

The figures at EU level mask disparate situations in the Member States.

All these different functions are developed in 10 statistical articles as follows:

[Expenditure on 'general public services'](#)

[Expenditure on 'defence'](#)

[Expenditure on 'public order and safety'](#)

[Expenditure on 'economic affairs'](#)

[Expenditure on 'environmental protection'](#)

[Expenditure on 'housing and community amenities'](#)

[Expenditure on 'health'](#)

[Expenditure on 'recreation, culture and religion'](#)

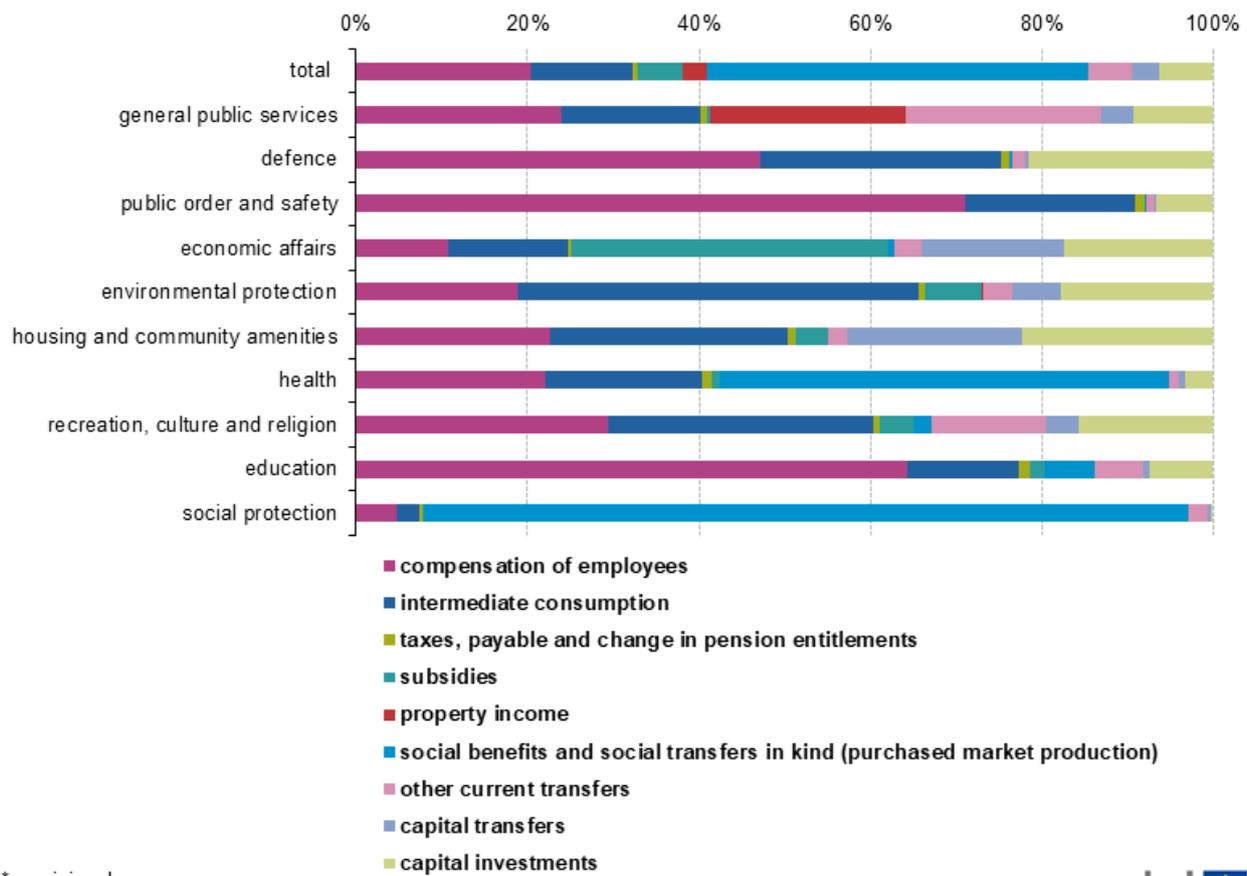
[Expenditure on 'education'](#)

[Expenditure on 'social protection'](#)

## Composition of general government total expenditure by function

The COFOG classification allows for an analysis of general government total expenditure by its socio-economic purpose - in other words "why" government spent money. An analysis by ESA transaction allows for an analysis of how government spent money.

## General government expenditure by function and transaction, EU, 2021\*, % of TE



\* provisional

Source: Eurostat (gov\_10a\_exp)

eurostat

**Figure 4: General government expenditure by function and transaction, EU, 2021, % of TE - Source: Eurostat (gov\_10a\_exp)**

The most important component of government total expenditure are social benefits (in cash) and social transfers in kind ( - purchased market production). Social cash benefits are paid to households in order to relieve them of social risks or needs. Examples of social transfers are pension payments, unemployment benefits and child allowances. In 2021 in the EU, social benefits (in cash) and social transfers in kind ( - purchased market production) made up 44.6 % of government total expenditure or € 3 332 billion. The majority of social transfers in kind are classified in the function 'social protection', with significant amounts also recorded in 'health' and to a lesser extent 'education'.

Compensation of employees made up 20.4 % of government expenditure in the EU in 2021 and amounted to € 1 523 billion. It consists of wages and salaries of government employees as well as employers' social contributions. The largest amounts of compensation of employees were assigned to 'education', followed by 'health', 'general public services' and 'public order and safety'.

Intermediate consumption made up 11.9 % of government expenditure in the EU in 2021 and amounted to € 890 billion. It consists of government purchases of goods and services, excepts where these are regarded as capital formation. Important amounts were assigned to the functions 'health', 'general public services' and 'economic affairs'.

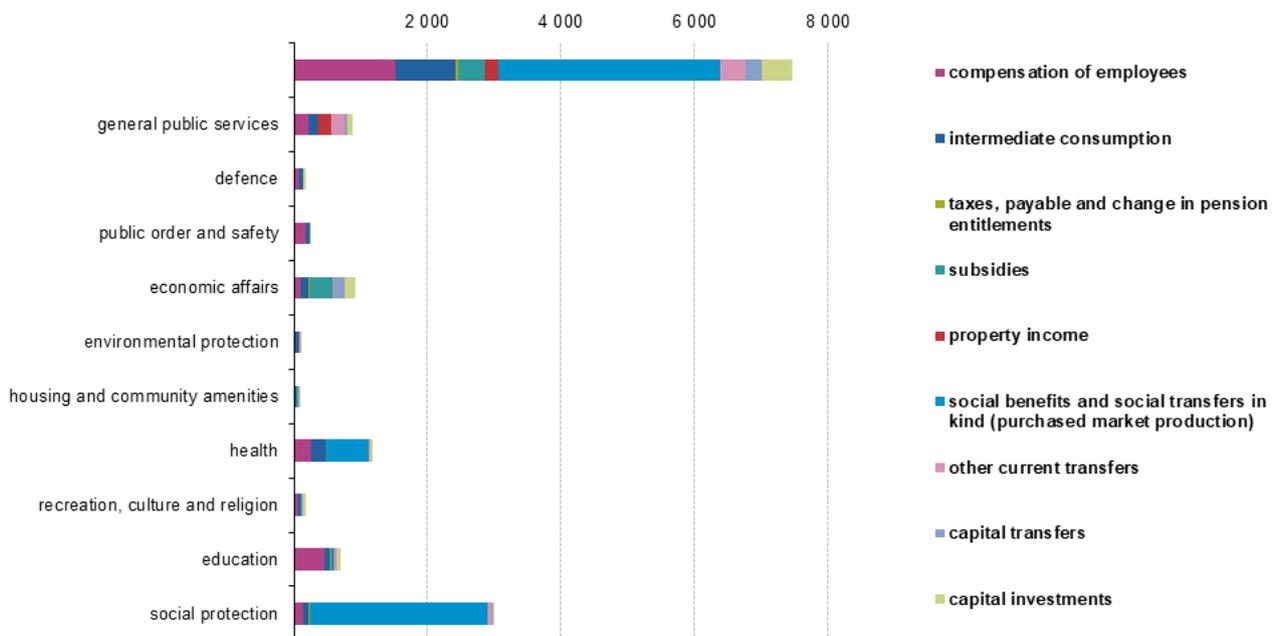
As regards other current transfers expenditure, these made of just over 5 % of total expenditure in the EU in 2021. Two important kinds of other current transfers - current international cooperation as well as the VAT and GNI based own resource contributions to the EU budget are recorded within the function 'general public services'. Important amounts are also allocated to 'social protection' and 'education'.

In 2021, at the level of the EU, subsidies (5.2 % of total expenditure; € 392 billion) and capital transfers - including investment grants – (€ 242 billion; 3.2 % of total expenditure) were concentrated in the function 'economic affairs',

while property income expenditure (€ 201 billion) - consisting mainly of interest payments - was concentrated in the function 'general public services' (and the group 'public debt transactions' in particular).

Capital investments (gross capital formation) made up 6.3 % of general government total expenditure in the EU in 2021. They were concentrated in the division 'economic affairs', which includes notably the group 'transport'.

**General government expenditure by function and transaction, EU, 2021\*, billion of EUR**



\* provisional  
Source: Eurostat (gov\_10a\_exp)



**Figure 5: General government expenditure by function and transaction, EU, 2021, billion of € - Source: Eurostat (gov\_10a\_exp)**

## Source data for tables and graphs

The detailed tables are available [here](#).

## Data sources and availability

### Reporting of data to Eurostat

Annual government finance statistics (GFS) data are collected by Eurostat on the basis of the European System of Accounts (ESA 2010) 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 ESA 2010 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 compulsory basis for the reference years 2001 onwards. The main reference year used in this publication is 2021 as the latest year available at EU level.

Data was extracted on 22 February 2023.

### Provisional data

While a significant effort was undertaken to harmonise the recording of government measures to mitigate the economic and social impact of the COVID-19 pandemic, a full harmonisation of data for the reference years 2020 and 2021 was not yet achieved. The likelihood of future revisions is thus higher than usual and EU and euro area data is provisional for 2021.

Data for the EU and euro area aggregates (2021), Germany (2019-2021), Spain (2021), France (2020-2021) and Portugal (2021) is provisional.

### **Definition of general government and its subsectors**

The data relate to the general government sector of the economy, as defined in ESA 2010, paragraph 2.111: 'The general government sector (S.13) consists of institutional units which are non-market producers whose output is intended for individual and collective consumption, and are financed by compulsory payments made by units belonging to other sectors, and 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**

The provision of COFOG level II data at general government level has become compulsory with the introduction of ESA 2010.

### **Satellite accounts**

Administrative expenditure data is additionally collected in so-called satellite accounts. In general, the amount of expenditure recorded in satellite accounts is expected to exceed the expenditure recorded under the respective COFOG division. More details on the comparability of COFOG data with satellite accounts data can be found in the COFOG manual.

### **Definition of general government total expenditure**

Government total expenditure is defined in ESA 2010, paragraph 8.100 by using as reference a list of ESA 2010 categories.

Government total 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.51g); (b) changes in inventories (P.52); (c) acquisitions less disposals of valuables (P.53); where
- P.51g, '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 2010;
- D.5, 'current taxes on income, wealth, etc, payable';
- D.62, social payments: cover social benefits and pensions paid in cash;
- D.632, 'social transfers in kind - purchased market production';
- D.7, 'other current transfers, payable';
- D.8, 'adjustments for the change in pension entitlements';
- D.9, 'capital transfers payable';
- NP, '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.
- Capital investments includes P.5 and NP.
- Other current expenditure includes D.29, D.5 and D.8.

## Gross Domestic Product

Throughout this publication, the nominal GDP, i.e. GDP at current prices is used. The latest GDP available at time of publication is used.

## Time of recording & symbol

In the ESA 2010 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

"pp" percentage points

## More data and information

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

## Context

In the framework of the European System of National Accounts (ESA 2010), Eurostat collects data on general government expenditure by economic function according to the international Classification of the Functions of Government (COFOG) – see methodological note.

## Other articles

- [Government expenditure by function](#) - online publication
- [Government finance statistics](#)

- [Government finance statistics - quarterly data](#)
- [Structure of government debt](#)
- [Tax revenue statistics](#)

## Main tables

- [Government finance Statistics](#) , see:

Government statistics (t\_gov)

Annual government finance statistics (t\_gov\_10a)

## Database

- [Government finance statistics](#) , see:

Government statistics (gov)

Government finance statistics (EDP and ESA 2010) (gov\_gfs10)

Annual government finance statistics (gov\_10a)

Government revenue, expenditure and main aggregates (gov\_10a\_main)

General government expenditure by function (COFOG) (gov\_10a\_exp)

Main national accounts tax aggregates (gov\_10a\_tax\_ag)

## Dedicated section

- [Government finance statistics](#)

## Methodology

- [Government revenue, expenditure and main aggregates](#) (ESMS metadata file — gov\_10a\_main\_esms)
- [General government expenditure by function \(COFOG\)](#) (ESMS metadata file — gov\_10a\_exp\_esms)
- [Manual on sources and methods for the compilation of COFOG statistics - Classifications of the Functions of Government - 2019 edition](#)
- [Manual on government deficit and debt — implementation of ESA 2010 — 2022 edition](#)

## Legislation

- [European system of accounts - ESA 2010](#)