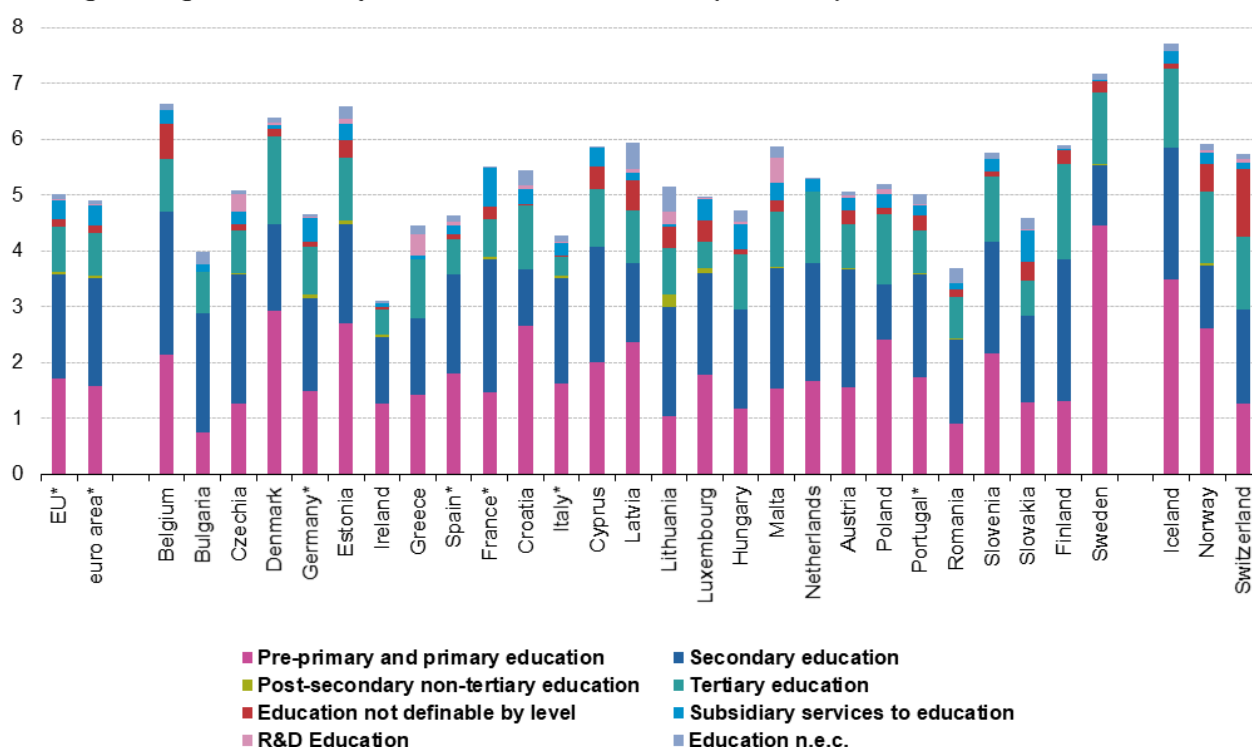


Government expenditure on education

Statistics Explained

Data extracted in February 2022
Planned article update: February 2023

Total general government expenditure on education, 2020 (% of GDP)



* provisional
Source: Eurostat (gov_10a_exp)



Total general government expenditure on education, 2020 (% of GDP) - Source: Eurostat (gov_10a_exp)

This article analyses data on [general government expenditure](#) on 'education' (according to the [Classification of the Functions of Government - COFOG](#)). It is part of a [set of statistical articles](#) based on Government expenditure by function.

[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 \(ESA 2010\)](#).

Expenditure on 'education'

In the COFOG classification in use in national accounts and thus in this publication, expenditure on 'education' is divided into groups based on the ISCED 1997 classification. The following COFOG groups form the education division: 'pre-primary and primary education', 'secondary education', 'post-secondary non-tertiary education', 'tertiary education', 'education not definable by level', 'subsidiary services to education', e.g. expenditure on providing school busses, 'R&D education', i.e. R&D related to education not all R&D undertaken for example in universities and 'education not elsewhere classified'.

Total general government expenditure on education, 2020, % of GDP

	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*	5.0	1.7	1.9	0.0	0.8	0.1	0.3	0.0	0.1
euro area*	4.9	1.6	1.9	0.0	0.8	0.1	0.4	0.0	0.1
Belgium	6.6	2.1	2.5	0.0	0.9	0.6	0.2	0.0	0.1
Bulgaria	4.0	0.8	2.1	0.0	0.7	0.0	0.1	0.0	0.2
Czechia	5.1	1.3	2.3	0.0	0.8	0.1	0.2	0.3	0.1
Denmark	6.4	2.9	1.6	0.0	1.6	0.1	0.1	0.0	0.1
Germany*	4.7	1.5	1.7	0.1	0.8	0.1	0.4	0.0	0.1
Estonia	6.6	2.7	1.8	0.1	1.1	0.3	0.3	0.1	0.2
Ireland	3.1	1.3	1.2	0.0	0.4	0.1	0.1	0.0	0.0
Greece	4.5	1.4	1.4	0.0	1.0	0.0	0.1	0.4	0.2
Spain*	4.6	1.8	1.8	0.0	0.6	0.1	0.1	0.1	0.1
France*	5.5	1.5	2.4	0.0	0.7	0.2	0.7	0.0	0.0
Croatia	5.4	2.6	1.0	0.0	1.1	0.0	0.3	0.1	0.3
Italy*	4.3	1.6	1.9	0.0	0.3	0.0	0.2	0.0	0.1
Cyprus	5.9	2.0	2.1	0.0	1.0	0.4	0.3	0.0	0.0
Latvia	5.9	2.4	1.4	0.0	1.0	0.5	0.1	0.1	0.5
Lithuania	5.2	1.0	2.0	0.2	0.8	0.4	0.0	0.2	0.5
Luxembourg	5.0	1.8	1.8	0.1	0.5	0.4	0.4	0.0	0.0
Hungary	4.7	1.2	1.8	0.0	1.0	0.1	0.5	0.0	0.2
Malta	5.9	1.5	2.2	0.0	1.0	0.2	0.3	0.4	0.2
Netherlands	5.3	1.7	2.1	0.0	1.3	0.0	0.2	0.0	0.0
Austria	5.1	1.6	2.1	0.0	0.8	0.3	0.2	0.0	0.1
Poland	5.2	2.4	1.0	0.0	1.3	0.1	0.3	0.1	0.1
Portugal*	5.0	1.7	1.9	0.0	0.8	0.3	0.2	0.0	0.2
Romania	3.7	0.9	1.5	0.0	0.7	0.1	0.1	0.0	0.3
Slovenia	5.8	2.2	2.0	0.0	1.2	0.1	0.2	0.0	0.1
Slovakia	4.6	1.3	1.5	0.0	0.6	0.3	0.5	0.0	0.2
Finland	5.9	1.3	2.5	0.0	1.7	0.2	0.0	0.0	0.1
Sweden	7.2	4.4	1.1	0.0	1.3	0.2	0.0	0.0	0.1
Iceland	7.7	3.5	2.4	0.0	1.4	0.1	0.2	0.0	0.1
Norway	5.9	2.6	1.1	0.0	1.3	0.5	0.2	0.0	0.1
Switzerland	5.7	1.3	1.7	0.0	1.3	1.2	0.1	0.1	0.1

Source: Eurostat (gov_10a_exp)

* provisional

eurostat 

Table 1: Total general government expenditure on education, 2020 (% of GDP) - Source: Eurostat (gov_10a_exp)

In 2020, general government expenditure on 'education' in the EU amounted to €671 billion or 5.0 % of GDP. Of this, 'pre-primary and primary education' accounted for 1.7 % of GDP and secondary education accounted for 1.9 % of GDP. For tertiary education, 0.8 % of GDP was reported in the EU.

Large differences between countries in the importance of expenditure on education

As a percentage of GDP, the highest amounts were reported by Sweden (7.2 % of GDP), Belgium and Estonia (6.6 % of GDP), followed by Denmark (6.4 % of GDP) as well as by Iceland (7.7 % of GDP).

As a share of total expenditure, general government expenditure on education amounted to 9.4 % of total expenditure in 2020 at the level of the EU. For Estonia (14.3 %), Latvia (13.8 %) and Sweden (13.6 %) as well as Iceland (15.3 %) and Switzerland (15.2 %), education expenditure accounted for relatively high shares of general government total expenditure. The lowest shares of education expenditure in total expenditure were observed for Greece (7.4 % of total expenditure), Italy (7.5 %), Romania and Spain (both 8.8 %), followed by Austria and France (both 8.9 %).

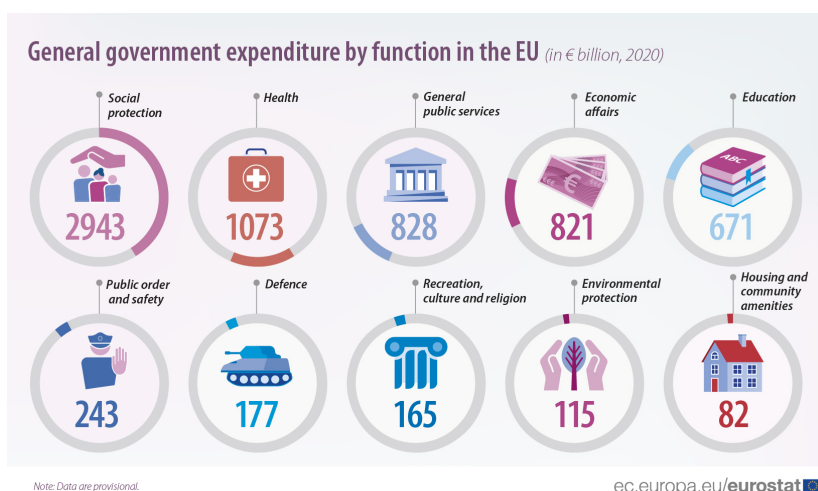
Expenditure on 'education' by type of transaction

In 2020, at the level of the EU, expenditure on education was divided into transactions as follows: around 65 % was in the form of 'compensation of employees', meaning wages, salaries and employers' social contributions for e.g. teachers, 13 % was in the form of 'intermediate consumption', meaning purchases of goods and services, 6 % was in the form of social benefits other than social transfers in kind and social transfers in kind - purchased market production (for example school transport), 6 % was in the form of other current transfers. This latter category contains for example payments to private schools. Capital investments (gross capital formation) for example on school buildings accounted for around 7 % of education expenditure.

Evolution of 'education' expenditure over 1995-2020

At the level of the EU, government expenditure on 'education' as a ratio to GDP ranged between 4.7 % of GDP and 5.1 % of GDP in the period 1995-2020. In 1995, it stood at 4.9 % of GDP, then followed a decreasing trend up to 2007, increased up to 2009 (largely as a result of the decreases in GDP in the financial crisis), and then decreased again to stand at 4.7 % of GDP in 2019 only to increase to 5.0 % of GDP in 2020 (mainly due to a lower GDP).

At the level of the EU, the share of expenditure on education in total expenditure stood at 9.2 % of total expenditure in 1995, increased to 10.4 % of expenditure in 2002 and 2003, then followed a decreasing trend up to 2012 (9.8 % of total expenditure) before increasing again to 10.1 % of total expenditure in 2019. As 'education' expenditure is less impacted by the COVID-19 pandemic compared to other functions of government expenditure, in comparison with 2019, the relative share of education in total government expenditure has decreased by 0.7 percentage point in 2020 to 9.4 % of total expenditure.



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 2020 as the latest year available at EU level.

Data was extracted on 22 February 2022.

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 year 2020 was not yet achieved. The likelihood of future revisions is thus higher than usual and EU and euro area data is provisional.

Data for Germany (2018-2020), Spain (2020), France (2019-2020), Italy (2020) and Portugal (2020) 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).

– For 'education', the groups are

- '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.'

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, nominal GDP, i.e. GDP at current prices 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

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 ESA2010) (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 — 2019 edition](#)

Legislation

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