

Glossary: General government sector

Statistics Explained

In the [European system of accounts \(ESA2010\)](#) , paragraph 2.111 the **general government sector** (S.13) is defined as consisting

- *"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."*

The **general government sector** has four subsectors:

1. [central government](#)
2. [state government](#) , among the reporting [EU Member States](#) and [EFTA countries](#) , this is only applicable in Belgium, Germany, Spain, Austria and Switzerland
3. [local government](#)
4. [social security funds](#) , social security funds are not separately reported in Ireland, Cyprus, Malta and Norway.

The main functions of general government units are :

- to organise or redirect the flows of money, goods and services or other assets among corporations, among households, and between corporations and households; in the purpose of social justice, increased efficiency or other aims legitimised by the citizens; examples are the redistribution of national income and wealth, the corporate income tax paid by companies to finance unemployment benefits, the social contributions paid by employees to finance the pension systems;
- to produce goods and services to satisfy households' needs (e.g. state health care) or to collectively meet the needs of the whole community (e.g. defence, public order and safety).

Further information

- [European system of national and regional accounts - ESA 2010](#) (Background article)

Related concepts

- [European system of national and regional accounts \(ESA 2010\)](#)

Statistical data

- [Government finance statistics](#)