Government expenditure on education

Total general government expenditure on education, 2017 (% of GDP) - Source: Eurostat (gov_10a_exp), see country codes

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 (ESA2010).

Expenditure on 'education'

In the COFOG 99 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 buses, 'R&D education', i.e. R&D related to education not all R&D undertaken.
In 2017, general government expenditure on ‘education’ in the EU-28 amounted to EUR 715 billion or 4.6 % of GDP. Of this, ‘pre-primary and primary education’ accounted for 1.5 % of GDP and secondary education accounted for 1.8 % of GDP. For tertiary education, an average of 0.7 % of GDP was reported.

As a percentage of GDP, the highest amounts were reported by Iceland (7.5% of GDP), Sweden (6.8% of GDP), Denmark (6.5%), followed by Belgium (6.3% of GDP), Estonia and Latvia (both 5.8% of GDP).

For Iceland, Latvia, Cyprus and Switzerland, education expenditure accounted for over 15 % of total expenditure. The lowest ratios of total expenditure were observed for Italy (7.9 % of total expenditure), Greece (8.2 %) and Romania (8.4 %).

Expenditure on ‘education’ by type of transaction

In 2017, at the level of the EU-28, expenditure on education was divided into transactions as follows: Around 62% was in the form of ‘compensation of employees’, meaning wages, salaries and employers’ social contributions for e.g. teachers, 15 % was in the form of ‘intermediate consumption’, 6 % in the form of social benefits other than social transfers in kind and social transfers in kind - purchased market production (for example school transport) and 7 % was in the form of other current transfers. This latter category contains for example payments to private schools. Capital investments (for example on buildings) accounted for around 6 % of education expenditure.
Evolution of ‘education’ expenditure over 2003-2017

At the level of the EU-28, government expenditure on ‘education’ as a ratio to GDP decreased over the 2003-2017 period, decreasing by 0.5 pp. from 5.1 % of GDP in 2003 to 4.6 % of GDP in 2017. Since overall government expenditure as a ratio to GDP decreased by 0.4 pp. (except in the functions ‘social protection’ and ‘health’ which increased), the share of expenditure on education in total expenditure decreased from 11.0 % in 2003 to 10.2 % in 2017.

Source data for tables and graphs

The detailed tables are available [here](https://ec.europa.eu/eurostat).

Data sources

Reporting of data to Eurostat

Annual government finance statistics (GFS) data are collected by Eurostat on the basis of the European System of Accounts (ESA2010) 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 ESA2010 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 2017 as the latest year available for most countries.

Data was extracted on 11 March 2019.

Provisional data

Data for Spain (2017 only), France (2016-2017), the Netherlands (2017), Slovakia (COFOG level II only) and Croatia are labelled provisional. Data for Portugal for 2015-2017 is labelled estimated.

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 has become compulsory with the introduction of ESA2010. 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.

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 ESA2010, paragraph 8.100 by using as reference a list of ESA2010 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',

Government expenditure on education
• 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.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 ESA2010 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

"p" provisional

"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 (ESA2010), 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
- Integrated government finance statistics presentation
- 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)

Legislation

- European system of accounts - ESA 2010