

## Education 2030 Framework for Action Benchmark Indicator

### METADATA

## Government expenditure on education as a percentage of GDP

### Definition

Government expenditure on education (current and capital) expressed as a percentage of the Gross Domestic Product (GDP) in a given financial year.

### Purpose

To assess a government's policy emphasis on education relative to its national economic wealth.

The Education 2030 Framework for Action endorses this indicator as a key benchmark for a government financing of education, allocating at least 4% to 6% of its GDP. The indicator also reflects the commitment of a government to invest in human capital development.

### Calculation method

Government expenditure on education in a given financial year expressed as percentage of the GDP for the same financial year.

$$XGDP\_FSGOV_t = \frac{PXE_t}{GDP_t}$$

Where:

$XGDP\_FSGOV_t$  = Government expenditure on education as a percentage of GDP in financial year  $t$

$PXE_t$  = Total government expenditure on education in financial year  $t$

$GDP_t$  = Gross domestic product in financial year  $t$

### Interpretation

In general, high values of the indicator denote great government policy priority for education.

Values of at least 4% to 6% indicate that the country meets the benchmark endorsed by the Education 2030 Framework for Action.

When disaggregated by level of education, this indicator informs about the emphasis of government policy priority across levels of education.

### **Type of data source**

Administrative data, financial data from ministries of finance or education.

### **Disaggregation**

By level of education.

### **Data required**

Government expenditure on education by level of education, GDP data.

### **Data sources**

Data on education expenditure are received from country governments responding to the annual UIS survey on formal education or to the UNESCO-OECD-Eurostat (UOE) data collection. The data used to fill the questionnaire on education expenditure may come from annual financial reports prepared by the Ministry of Finance or the Ministry of Education, or national accounts books prepared by the National Statistical Office. Data on GDP and also government expenditure can be obtained from the International Monetary Fund's World Economic Outlook database, where data are updated once a year.

### **Quality assurance**

The indicator should be produced based on consistent and actual data on total government expenditures on education and GDP data. Government expenditure on education should include those incurred by all concerned ministries and levels of administration. The fact that the fiscal year and educational year budget periods may be different should also be taken into consideration.

The UIS maintains a global database used to produce this indicator and defines the protocols and standards for data reporting by countries.

### **Limitations and comments**

In some instances, data on government expenditure on education refer only to the Ministry of Education, excluding other ministries that may spend part of their budget on educational activities. Although the IMF aims to publish data on total government expenditure following common definitions based on the Government Finance Statistics Manual, in practice this concept (and what it includes) may differ between countries.