



WHY WE NEED PUBLIC SPENDING

A REPORT FOR EPSU & PSI
BY THE PUBLIC SERVICES INTERNATIONAL
RESEARCH UNIT

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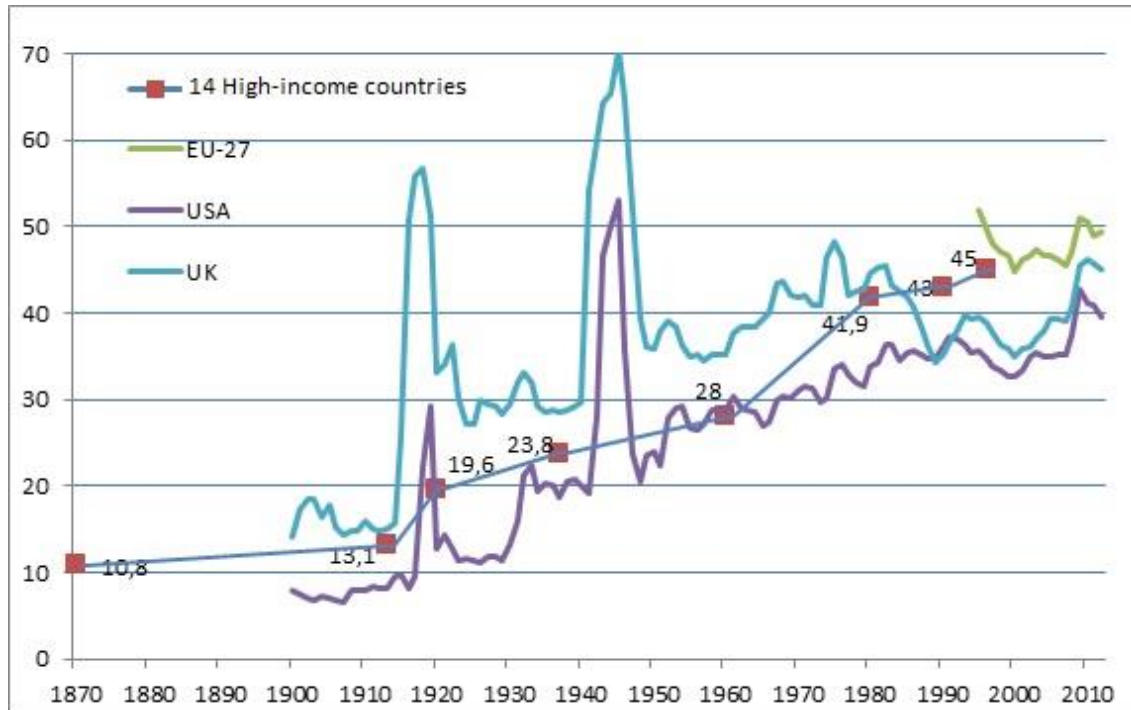
« Why we need public spending »

with David Hall, PSIRU

A. Public spending= growth, austerity = decline:

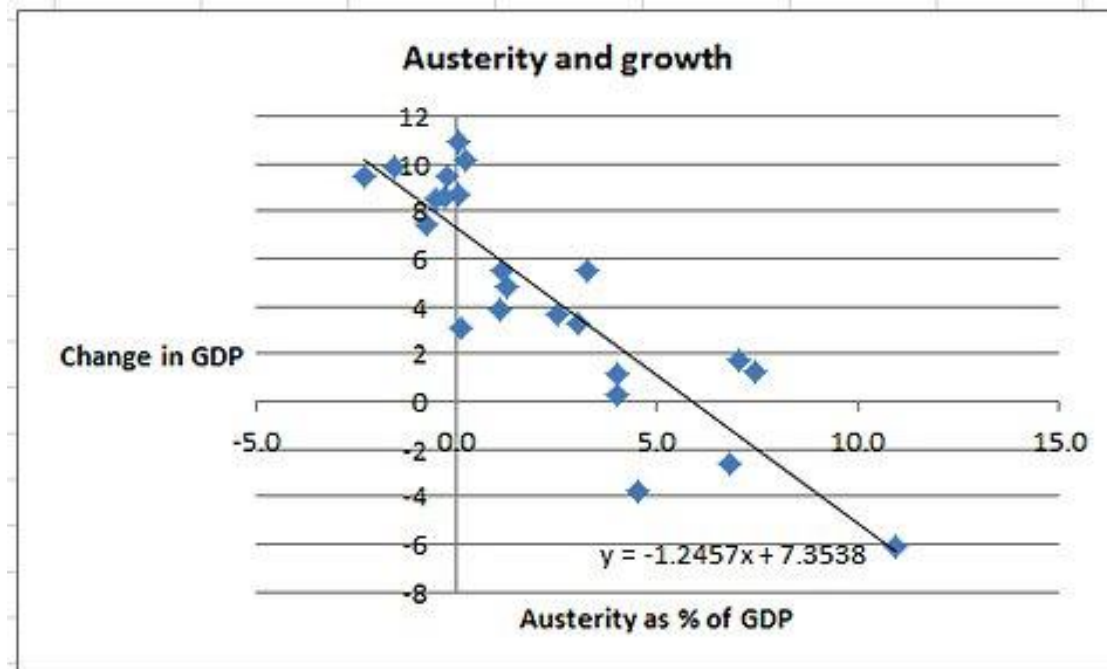
- past present, and future

Chart 2.1: Government spending as % of GDP 1870–2012, high income countries



- A. Public spending= growth, austerity = decline:
- past present, and future

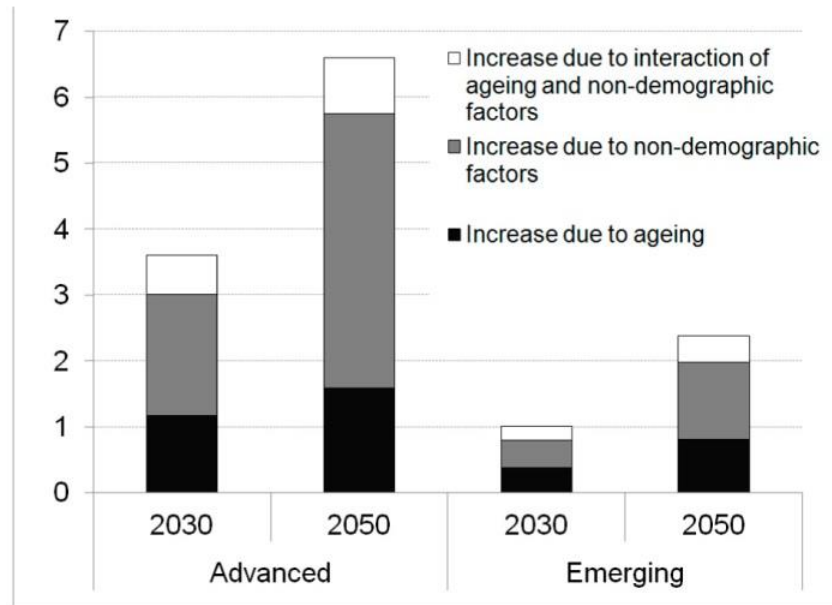
Chart 1.2: Austerity and growth 2009-2011



A. Public spending= growth, austerity = decline:

- past present, and future

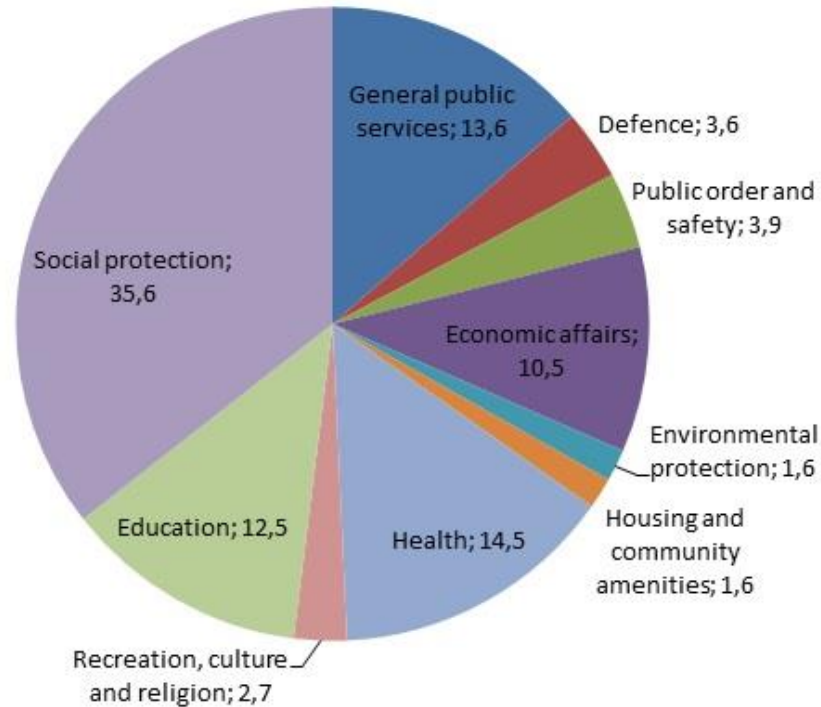
Chart 1.4: Fear of future public spending



Sources: IMF staff estimates; and sources listed in Appendix VI.

B. Public policy and public goods

Chart 2.2: Functions of public spending, OECD countries, 2011



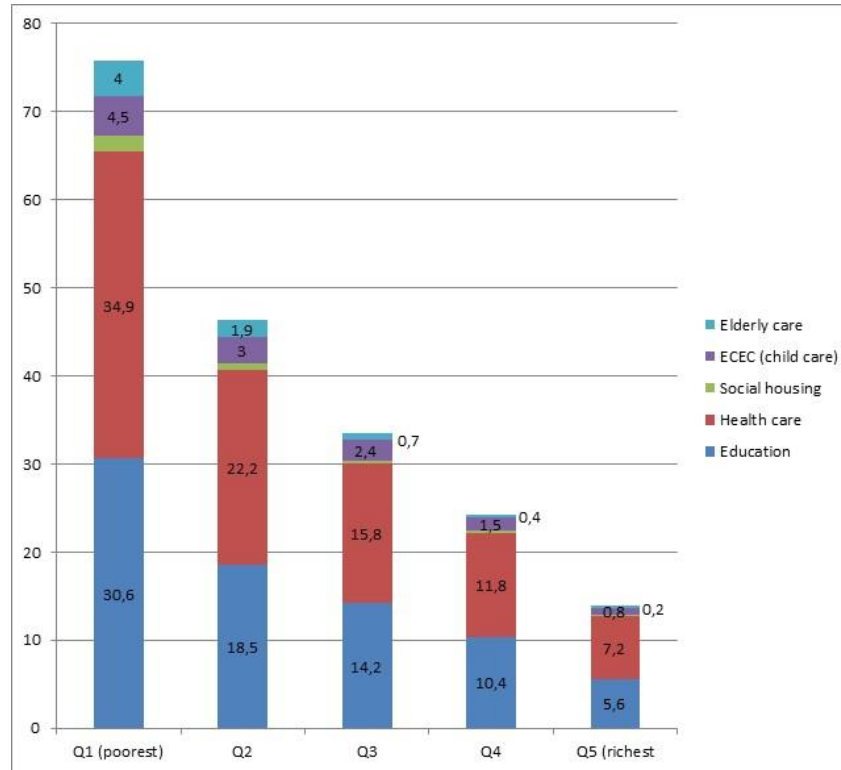
B. Public policy and public goods

Table 4.1: Public and private healthcare spending and outcomes in USA, Belgium, Cuba

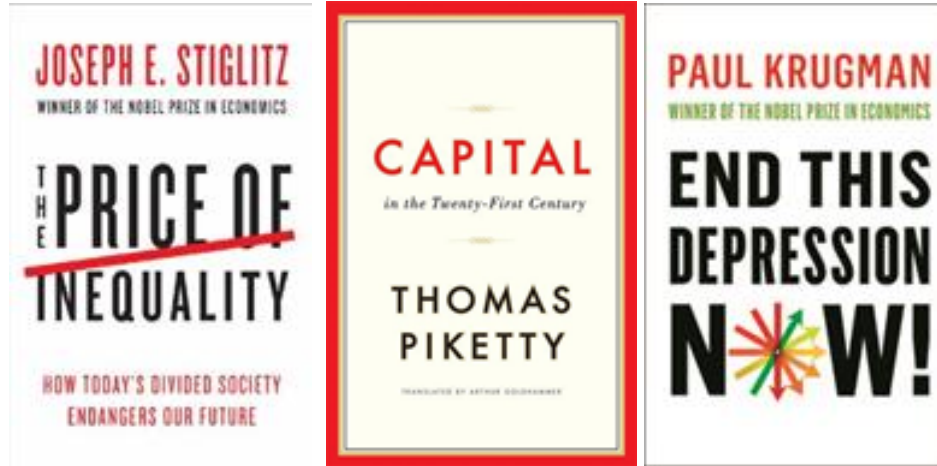
	Public spending on healthcare (% of GDP)	Private spending on healthcare (% of GDP)	Life expectancy at birth (2010)	Infant mortality rate (2011)	GNI per capita US\$(2011)
USA	8.29	9.10	78.2	6.4	48450
Belgium	8.17	2.71	79.9	3.5	46160
Cuba	9.72	0.91	79.0	4.5	5460

C. Equality – the other great form of redistribution

Chart 5.4: Value of public services relative to disposable income, 27 OECD countries

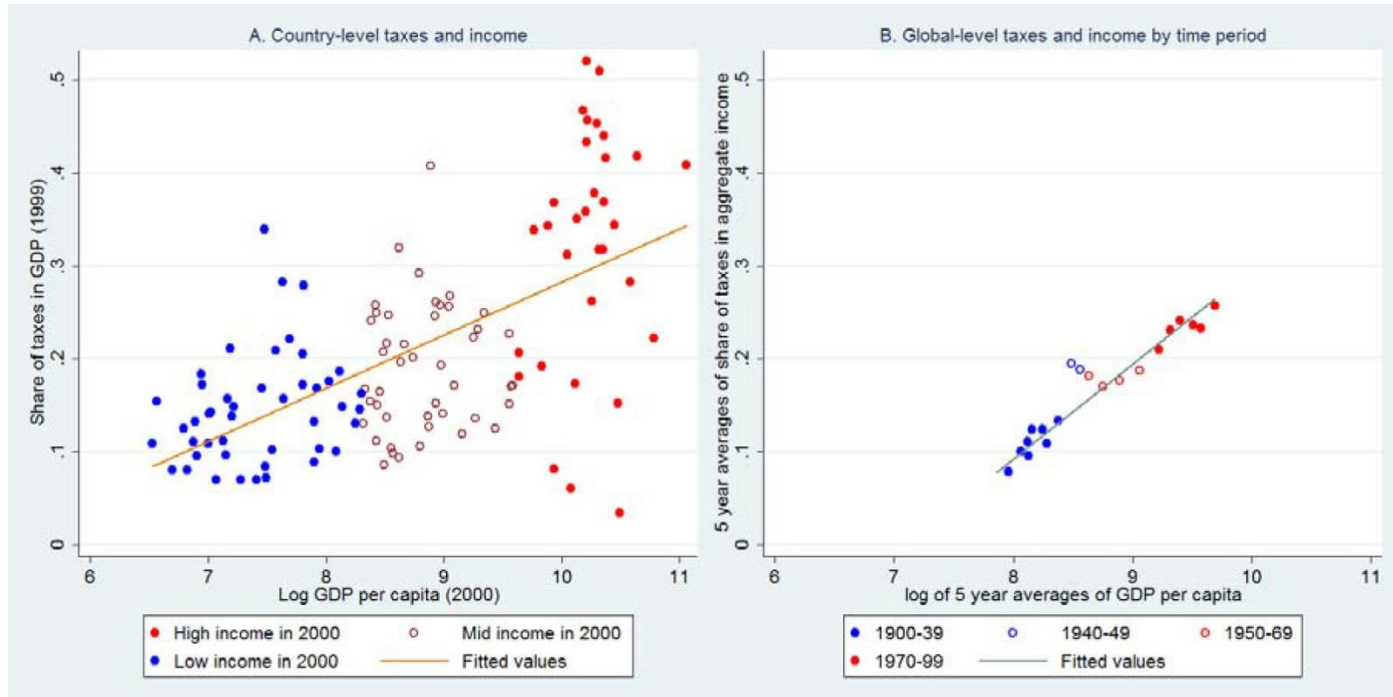


D. Winning the argument?



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Chart 6.1: Higher GDP means higher taxation



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Chart 6.4: Declining corporate tax rates – effective average rates by region

