

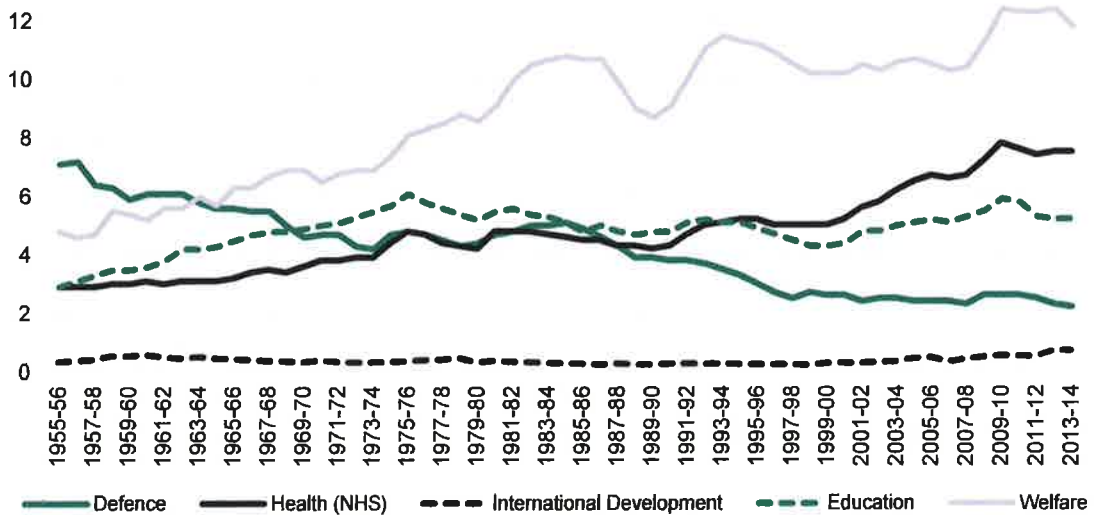
Annex 2: Comparative governmental expenditure analysis

Introduction

Presented below are graphical representations of the historical UK expenditure on Defence, Health (NHS), Education, Welfare and Overseas Development Assistance, as a proportion of GDP.

It can be seen that, since the end of the Cold War at the end of the 1980s, expenditure on Health has almost doubled as a proportion of GDP. Since the end of the 1990s, expenditure on Overseas Development Assistance has more than doubled. Between 1955 and 1975, expenditure on Education also doubled, after which it has remained approximately constant at this enhanced level. By contrast, between 1988 and 2013, Defence expenditure almost halved as a proportion of GDP.

Comparative study of expenditures as a percentage of GDP, 1955–2014



DEFENCE EXPENDITURE AS A SHARE OF GROSS DOMESTIC PRODUCT

Country	Average 1970-1974	Average 1975-1979	Average 1980-1984	Average 1985-1989	Average 1990-1994	Average 1995-1999	Average 2000-2004	Average 2005-2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
France	3.9	3.8	4.0	3.8	3.3	2.9	2.5	2.3	2.0	1.86	1.87	1.86	1.82	1.78	1.79	1.78	1.81
Germany	3.5	3.4	3.3	3.0	2.1	1.6	1.4	1.3	1.4	1.28	1.31	1.22	1.18	1.18	1.20	1.24	1.24
Italy	2.5	2.1	2.2	2.4	2.0	1.9	2.0	1.6	1.4	1.30	1.24	1.20	1.08	1.01	1.12	1.15	1.15
UK	5.1	4.9	5.2	4.6	3.7	2.7	2.3	2.5	2.7	2.40	2.17	2.27	2.17	2.06	2.15	2.11	2.1
NATO Europe	—	—	3.6	3.3	2.5	2.1	1.9	1.8	1.7	1.55	1.52	1.49	1.44	1.42	1.44	1.46	1.50
Canada	2.1	1.9	2.1	2.1	1.8	1.3	1.2	1.3	1.4	1.23	1.10	0.99	1.01	1.20	1.15	1.36	1.23
United States	6.5	5.1	5.8	6.3	4.6	3.3	3.4	4.5	5.4	4.78	4.42	4.08	3.77	3.56	3.56	3.57	3.50
North America	6.1	4.8	5.5	6.0	4.4	3.2	3.2	4.2	5.0	4.43	4.09	3.77	3.50	3.33	3.33	3.35	3.28
NATO Total	—	—	4.7	4.8	3.5	2.7	2.6	2.0	3.4	2.97	2.81	2.64	2.48	2.39	2.40	2.42	2.40

Source: Data extracted from NATO website ([Information on Defence Expenditures](#))

Notes:

(1) The figures for Germany for 1970-1974, 1975-1979, 1980-1984 and 1985-1989 have been calculated without taking into account the expenditures for Berlin.

(2) Figures for 2017 and 2018 are estimates