



Europe's Economic Austerity, You Must Be Kidding

By Steve H. Hanke
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The leading political lights in Europe -- Messrs. Hollande, Valls and Macron in France and Mr. Renzi in Italy -- are raising a big stink about fiscal austerity. They don't like it. And now Greece has jumped on the anti-austerity bandwagon. The pols have plenty of company, too. Yes, they can trot out a host of economists -- from Nobelist Krugman on down -- to carry their water.

But, with Greece's public expenditures at 58.5 percent of GDP, and Italy's and France's at 50.6 percent and 57.1 percent of GDP, respectively -- one can only wonder where all the austerity is (see the accompanying table). Government expenditures cut to the bone? You must be kidding. Even in the United States, where most agree that there is plenty of government largess, the government (federal, plus state and local) only accounts for a whopping 38.1 percent of GDP.

As Europe sinks under the weight of the State, it's austerity, not anti-austerity, that should be on the menu.

Country	Total general government expenditure as % of GDP, 2013
Austria	51.3
Belgium	54.5
Bulgaria	38.7
Croatia	46.1
Cyprus	45.8
Czech Republic	42.3
Denmark	57.2
Estonia	38.3
Finland	58.5
France	57.1
Germany	44.7
Greece	58.5
Hungary	50
Iceland	46.3
Ireland	42.9
Italy	50.6
Latvia	36.1
Lithuania	34.4
Luxembourg	43.5
Malta	43.7
Netherlands	49.8
Norway	44.6
Poland	41.9
Portugal	48.7
Romania	35
Slovakia	38.7
Slovenia	59.4
Spain	44.8
Sweden	52.8
United Kingdom	47.1
United States	38.1

Sources: Eurostat, IMF

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Note: Countries without data are omitted.

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