

For a research project aimed at assessing and comparing, for a representative sample of countries, the size of the public sector, a wide variety of approaches seems to be appropriate. It is not unusual in this context to make use of spending and revenue data available from government budgets. We include the following indicators in our analysis: tax ratios, social expenditure ratios and debt ratios, calculated by expressing taxes and social contributions, social expenditure and public debt as a percentage of GDP. Indicators of this kind, however, are distorted by various institutional and legal arrangements and thus not necessarily suitable for assessing and comparing the overall extent of government intervention. A further analysis must therefore track down those distortions and attempt to make the indicators more comparable.