

Determining Administrative Costs in Greek Public Administration

Odysseas Kopsidas

Aristotle University of Thessaloniki, Thessaloniki, Greece

The purpose of this paper is to approach the administrative costs in the field of education and to answer questions such as: How are administrative costs measured and evaluated? Is it taken into account in the analysis of policy options? Administrative costs affect all areas of public education and absorb a large part of the state budget appropriations intended for education. Through the presentation of the general and specific objectives but also the European participation in the rational management of the management costs of the educational units, we lead to a holistic approach to the operational costs of the education that is part of the social costs.

Keywords: administrative costs, education, operating costs, rational criteria, educational policy

Introduction

The administrative cost of training is a large part of the operating cost of an organization or a company, i.e. the administrative cost occupies a large part of the variable cost of that entity. Like any other form of cost, administrative costs are measurable in financial units. Administrative costs are measurable in financial units and can be assessed in relation to the benefit caused by the services produced (cost—benefit analysis). In order to measure and then evaluate the administrative costs in quantitative units, some methodological tools should be used, among which are the indicators. Indicators determine a quantitative or qualitative quantity based on some parameters on which the change of the size we study depends significantly. Thus, in the determination of administrative costs, we consider administrative costs as a dependent variable and all other parameters are considered as independent variables, for this reason we can consider them as explanatory variables of the quantification of administrative costs (Allais, 1943).

Administrative Costs in the New Era

The digital economy is a model of resource-saving management and advanced technology. When measuring administrative costs, it is worth noting the existence of the digital economy index. The Digital Economy and Society Index (DESI) is being established as a benchmark for measuring the progress of digitization in the EU. The DESI tool is based on various indicators derived from rigorous statistical analysis. The data will also be collected from other sources, including specific surveys. The “Digital Europe” program will be implemented either under direct management, as provided for in the Financial Regulation, or under

Odysseas Kopsidas, postdoctoral researcher, Department of Economics, Aristotle University of Thessaloniki, Thessaloniki, Greece.

Correspondence concerning this article should be addressed to Odysseas Kopsidas, Department of Economics, Aristotle University of Thessaloniki, 54124 Thessaloniki, Greece.

indirect management with the appropriate bodies or entities. A set of indicators will be developed from the existing Digital Economy and Society Index, which will serve as a benchmark for measuring the progress of digitization in the EU (Jong, 1967).

In addition, new indicators will be developed to gather detailed information on impact of the Digital Europe program. Projects that serve the development and optimal use of digital capabilities or interoperability are projects of common interest. In addition, Cost-Benefit Analysis (CBA) can be a major methodological tool for estimating administrative costs. Thus, some indicators related to the measurement, but mainly to the evaluation of administrative costs in the context of cost-benefit analysis, include the following objectives (Boulding, 1966).

The Specific Objectives

Specific Objective 1—High performance computing

1.1 Number of HR infrastructures acquired through joint procurement

1.2 Use of scale and post-scale computers in total and per stakeholder group (universities, media, etc.)

Specific objective 2—Artificial intelligence

2.1 Total amount co-invested in space for experimentation and testing

2.2 Number of companies and organizations that use artificial intelligence

Specific Objective 3—Cyber security and trust

3.1 Number of co-procured infrastructure and / or cyber security tools

3.2 Number of users and user communities gaining access to European cyber security instruments

Specific Objective 4—Advanced digital skills

4.1 Number of trained and employed ICT specialists

4.2 Number of companies finding it difficult to hire ICT specialists

Specific objective 5—Development, optimal use of digital capabilities and interoperability

5.1 Adoption of public digital services

5.2 Businesses with a high degree of digital intensity

5.3 Align national interoperability frameworks with the European Interoperability Framework.

Other methods estimate the amount of money to be spent on service costs. Various methods (analytical, empirical) lead to the determination of this amount. The indicative breakdown of this amount is:

a) up to EUR 2, 698, 240 for Specific Objective 1, High Performance Computing,

b) up to EUR 2,498,369 for Specific Objective 2, Artificial Intelligence,

c) up to 1 998 696 000 EUR for Special Objective 3, Cyber security and Trust,

d) up to 699,543 EUR for Special Objective 4, Advanced Digital Skills,

e) up to 1,299,152 EUR for Special Objective 5, Development, optimal use of digital capabilities and interoperability.

European Participation

The Horizon Europe program also includes administrative support, ensuring minimum administrative costs for the various economic units. Horizon Europe will provide broad support for research, technological development, demonstration, piloting, proof-of-concept, testing and innovation, including the use of innovative digital technologies before their marketing, in particular through: (i) a specific budget for the Global Challenges

pillar in the Digital Technologies and Industry sector for the development of widespread technologies (artificial intelligence and robotics, next-generation internet, high-performance computing, and mass basic digital technologies, combination of digital with other technologies), ii) support for electronic infrastructure under the Open Science pillar, iii) integration of the digital dimension in all global challenges (health, security, energy and mobility, climate , etc.) and iv) support for the development of innovative innovations under the “Open Innovation” pillar (which some of which will combine digital and physical technologies (Auckley, 1961).

The Administrative Cost in Choosing a Policy

To the question of whether administrative costs are taken into account in the analysis of policy options, the answer is: Yes, administrative costs are taken into account in the analysis of policy options for the following reasons: The European Commission has adopted its proposals for the multiannual financial framework for period 2021-2027. To fill the current digital investment gap, the Commission has proposed the Digital Europe program to shape and support the digital transformation of European society and the economy. Public intervention at European Union level plays an important pioneering role in the acquisition of “common goods” and competencies and in facilitating their use to meet societal challenges and to promote innovation and competitiveness. The intervention is justified in areas of education, where the need for funding is so great that no Member State can act - in a timely manner - alone, in areas where there is a need to combine and pool resources which are scattered throughout Europe, as well as in areas in which interoperability is a key element in the development of pan-European services¹².

Improving digital capabilities requires investment in the acquisition of relevant technologies, ensuring their optimal use in an interoperable way across the EU and developing the advanced digital skills necessary for their widespread dissemination. The Digital Europe program complements existing EU programs that cover important aspects of digital technology, mainly in the fields of research and innovation (Horizon Europe) and physical connectivity (Connecting Europe) 2)³⁴.

Conclusions

Generally, administrative costs of education or overheads of administrative support of public sector (overheads): These are costs associated with the execution of administrative and coordination activities. Examples of such costs are: purchases of office supplies (e.g. printing paper, envelopes, labels, etc.), postage or delivery costs, utility costs (e.g. electricity, water, telecommunications), salaries and administrative and support staff fees, legal advisors' fees and insurance costs, subscriptions to technical and professional organizations. Administrative costs or overheads (facilities and administration, rents, electricity, depreciation, telephone, etc.) are indirect costs that cannot be determined for a particular project or operation. However, this is a real cost

¹ Annexes to the proposal for a regulation of the European Parliament and of the Council establishing the Digital Europe program for the period 2021-2027 {SEC (2018) 289 final} - {SWD (2018) 305 final} - {SWD (2018) 306 final}.

² Regulation of the European Parliament and of the Council establishing the Digital Europe Program for the period 2021-2027 {SEC (2018) 289 final, regulatory scrutiny board opinion, Proposal for a Regulation of the European Parliament and of the Council Establishing the Digital Europe program for the period 2021-2027

³ Commission staff working document impact assessment, accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the Digital Europe program for the period 2021-2027

⁴ Working document of the European Commission services, summary of the impact assessment accompanying the document Proposal for a Regulation of the European Parliament and of the Council establishing the Digital Europe program {COM (2018) 434 final} - {SEC (2018) 289 final} - {SWD (2018) 305 final}

borne by the entity implementing the Project. It is usually determined as a percentage of wages and salaries or as a percentage of total direct costs. One method often used to estimate overheads is to divide the annual sum of each item of administrative costs by the annual sum of the “productive time” of the entity’s employees. This way you can calculate an administrative cost price (€/ hour or €/ day) specifically for the entity you belong to, which price you can then multiply by the total human resource time (hours or days) for the specific Project, in order to calculate the total administrative cost of the Project. Another method, which leads to more accurate results but is more difficult to implement, is the estimation of the administrative costs that are expected to arise during the Project period and then its distribution in the Project taking into account the number of employees and the number of facilities that will be participate in the Project.

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