
Aspects of the public administration's contribution to the economy of European Union countries

Petrică Sorin ANGHELUȚĂ, Bucharest University of Economic Studies
Carmen Valentina RĂDULESCU, Bucharest University of Economic Studies
Svetlana Platagea GOMBOS, Bucharest University of Economic Studies
Ion BADEA, Valahia University, Targoviste, Romania

Abstract: The implementation of digital technologies can bring benefits to members of a community, both socially and economically. Public administration is one of the fields that benefit from these measures. The impact of the digitization of this sector of the economy will contribute to increasing labor productivity, but also to the attraction and use of human capital in those activities that exclusively generate value. The article analyzes the average remuneration of public administration staff, as well as the share in which public administration contributes to the production of the EU's total gross value added. Also important is the degree to which a sector of activity absorbs labor in the economy. For this reason, an analysis of employment in public administration from total employment is presented.

Key words: civil servants, public administration

JEL Classification: H20, J01

1. INTRODUCTION

When we discuss sustainable development, we must consider multiple aspects, such as social, economic and human (Profiroiu et al., 2020).

By creating public value, public administration influences people's well-being as well as sustainable economic prosperity. Adaptation to the new economic, political and social realities is imposed by the changes that occur both in the social field and in the technological and economic fields.

Transformations in the public administration sector lead to increased employee productivity (EU, 2021). They make economic growth more meaningful. Digital transformations have created favorable conditions for "the implementation of digital services offered to members of a community" (Scupola and Mergel, 2022). Also, "managerial performance can increase with the help of artificial intelligence" (Rădulescu et al., 2018). The relationship between public administration institutions and members of a community can be improved by applying e-government principles (Burlacu et al., 2021).

It is also believed that providing competitive remuneration can make a sector of activity more attractive (UN, 2020). This is also the case with the public administration sector.

Some of the reasons why the supply of low-skilled workers has been reduced is based on computer technology, but also on employee interest in health and wellness. Conversely, the decline in demand for low-skilled workers would be due to both automation processes and trade (Wolcott, 2021).

The professionalization of public administration employees can make the border situations that may arise to be managed much more efficiently. Attracting competent people in the field of public administration, it imposes specific strategies simultaneously with the transfer of knowledge, but also the possibility of career development.

Any economic activity must consider the labor force (Torres-Martinez et al., 2020). The public administration sector is no exception. The organizational performance of any institution, including public administration institutions, can be improved "with the help of strategic human resources management" (Maria and Ilias, 2021).

The public administration, to the extent that it will implement development strategies based on the capitalization of specific skills, supplemented with digital skills, will be able to face future transformations more easily.

2. RESULTS AND DISCUSSIONS

The management of human resources in central public institutions, centered on the superior training of civil servants, contributes to a high institutional performance. At the level of the European Union, the period 2015-2021, the comparative situation of the number of national civil servants in the central public administration is presented in Table 1.

Table 1. Number of national civil servants in central public administration

Countries	2015	2021
Belgium	28.425	17.615
Bulgaria	33.536	36.068
Czech	18.558	21.889
Denmark	7.832	11.816
Germany	15.437	24.224
Estonia	6.934	6.333
Ireland	24.597	30.369
Greece	67.947	73.242
Spain	40.173	37.685

Countries	2015	2021
France	28.743	260.626
Croatia	12.321	12.632
Italy	153.261	124.851
Cyprus	8.758	10.193
Latvia	4.393	14.091
Lithuania	16.143	13.977
Luxembourg	966	4.011
Hungary	14.727	15.084
Malta	25.273	29.068
Netherlands	109.389	135.437
Austria	20.519	14.892
Poland	22.358	24.161
Portugal	103.460	106.563
Romania	13.191	13.191 (2020)
Slovenia	18.980	20.428
Slovakia	36.553	32.231
Finland	33.386	31.716
Sweden	63.694	69.256

Source: processing according to data published by Eurostat, 2022

It is observed that in 2021, compared to 2015, the number of civil servants in the central public administration decreased in 8 countries, as follows: Italy (-28410 persons), Belgium (-10810 persons), Austria (-5627 persons), Spain (-2488 persons), Slovakia (-4322 persons), Finland (-1670 persons), Lithuania (-2166 persons), Estonia (-601 persons). For the other states in the European Union, the number of civil servants in the central public administration increased. Thus, important increases were seen in: France (+231883 persons), Netherlands (+26048 persons), Latvia (+9698 persons), Germany (8787 persons), Ireland (+5772 persons).

In 2021, the highest number of civil servants in the central public administration were registered in: France (260626 persons), Netherlands (135437 persons), Italy (124851 persons), Portugal (106563 persons), Greece (73242 persons), Sweden (69256 persons). A small number of civil servants in the central public administration are registered in: Luxembourg (4011 persons), Estonia (6333 persons), Cyprus (10193 persons), Denmark (11816 persons), Croatia (12632 persons).

Table 2 presents the comparative situation of the average salary of national civil servants in the central public administration, for the period 2015-2021 (euro).

Table 2. The comparative situation of average remuneration of national civil servants in central public administration, 2015-2021 (euro)

Countries	Average remuneration	
	2015	2021
European Union	2.430	2658 (2020)
Belgium	2.674	2.935
Bulgaria	557	940
Czech	989	2.018
Denmark	2.517	3.816
Germany	3.736	4.758
Estonia	1.807	2.800
Ireland	1.309	2.908
Greece	1.082	1.033
Spain	2.569	2.909
France	2.759	2.464
Croatia	901 (2017)	1.120
Italy	1.619	1.799
Cyprus	2.136	2.327
Latvia	1.190	1.271
Lithuania	806	1.365
Luxembourg	5.623	5.661
Hungary	764	1.117
Malta	1.307	1.510
Netherlands	2.458	2.927
Austria	2.643	3.274
Poland	853	1.083
Portugal	1.467	1.601
Romania	391	907
Slovenia	1.412	1.726
Slovakia	968	1.850
Finland	3.206	3.665
Sweden	2.901	3.080

Source: processing according to data published by Eurostat, 2022

It is observed that in 2021, compared to 2015, the average remuneration of national civil servants in central public administration increased by more than 1000 euros in Ireland (+15999 euros), Denmark (+1299 euros), Czech (+1029 euro), Germany (+1022 euro). Also, in 2021, the highest values were recorded in: Luxembourg (5661

euros), Germany (4758 euros), Denmark (3816 euros), Finland (3665 euros), Austria (3274 euros), Sweden (3080 euros). In 2021, the lowest values for average remuneration of national civil servants in central public administration were recorded in: Romania (907 euros), Bulgaria (940 euros), Greece (1033 euros), Poland (1083 euros), Hungary (1117 euro), Croatia (1120 euro), Latvia (1271 euro), Lithuania (1365 euro).

Figure 1 shows the evolution of the average salaries of national civil servants in the central administration, for the period 2015-2020.

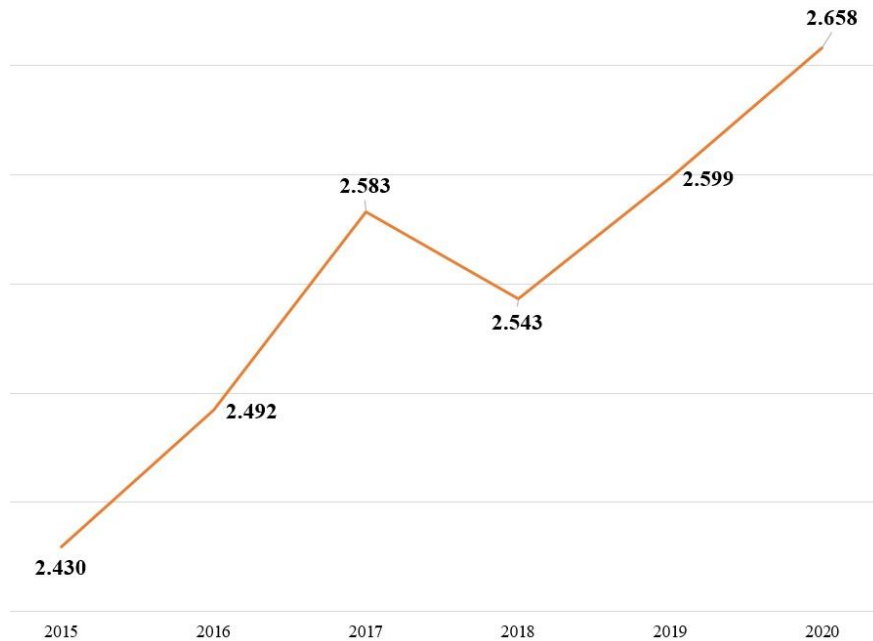


Figure 1. The evolution of average remuneration of national civil servants in central public administration, 2015-2020 (euro)

Source: processing according to data published by Eurostat, 2022

From the data presented, it can be seen that, for the period 2017-2018, the values decreased. For the other periods, a tendency to increase the average salaries of civil servants in the central administration is observed. Regarding the contribution of the public administration to the total gross added value of the European Union, Figure 2 shows the distribution of the gross added value according to the economic activities within the European Union.

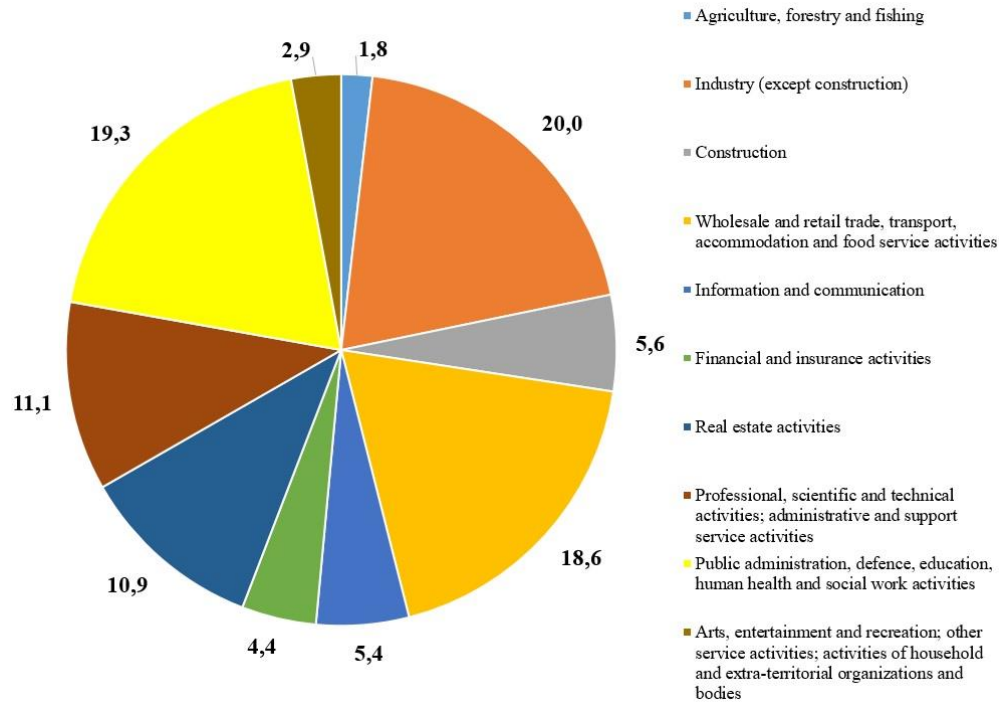


Figure 2. Distribution of gross added value according to economic activities within the European Union, 2021 (%)

Source: processing according to data published by Eurostat, 2022

For the year 2021, it is observed that, in the EU total gross value added, public administration, defense, education, human health and social work activities (19.3%) are the most important economic activities after industrial activities (except construction) (20 %). Also, these activities are followed by wholesale and retail trade, transport, accommodation and food service activities (18.6%).

Table 3. The comparative situation of economic activities in the European Union total gross value added, 2011-2021 (million euro)

NACE activities	2011	2021
Total - all NACE activities	10.147.872,4	12.935.834,2
Agriculture, forestry and fishing	194.336,4	235.444,5
Industry (except construction)	2.036.566,2	2.581.465,4
Construction	568.048,9	729.041,2
Wholesale and retail trade, transport, accommodation and food service activities	1.921.788,1	2.408.892,7

NACE activities	2011	2021
Information and communication	467.634,6	703.323,5
Financial and insurance activities	515.226,9	566.457,1
Real estate activities	1.116.878,3	1.405.636,3
Professional, scientific and technical activities; administrative and support service activities	1.042.522,1	1.434.037,2
Public administration, defense, education, human health and social work activities	1.929.984,7	2.492.890,9
Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies	354.886,3	378.645,4

Source: processing according to data published by Eurostat, 2022

From the data presented in Table 3, it can be seen that, both in 2011 and in 2021, public administration, defense, education, human health and social work activities kept their second place (after industry) in terms of contribution to the EU total gross value added.

At the same time, the degree to which a sector of activity provides jobs is important. For this reason, the following table presents the comparative employment situation for economic activities within the European Union.

Table 4. The comparative situation of employment for economic activities within the European Union, 2011-2021

NACE activities	2011		2021	
	Millions persons	Percentage of total	Millions persons	Percentage of total
Total - all NACE activities	195,9	100,0	208,9	100,0
Agriculture, forestry and fishing	11,2	5,7	9,1	4,4
Industry (except construction)	32,5	16,6	32,9	15,8
Construction	13,4	6,8	13,9	6,7
Wholesale and retail trade, transport, accommodation and food service activities	47,6	24,3	50,0	23,9
Information and communication	5,0	2,6	6,6	3,1
Financial and insurance activities	5,0	2,6	4,8	2,3
Real estate activities	2,0	1,0	2,2	1,0
Professional, scientific and technical activities; administrative and support service activities	22,0	11,2	26,4	12,7

NACE activities	2011		2021	
	Millions persons	Percentage of total	Millions persons	Percentage of total
Public administration, defense, education, human health and social work activities	45,3	23,1	50,6	24,2
Arts, entertainment and recreation; other service activities; activities of household and extra-territorial organizations and bodies	11,8	6,0	12,4	5,9

Source: processing according to data published by Eurostat, 2022

From the data presented, it can be seen that, in 2021, two economic activities provided almost half of the jobs in the European Union: public administration, defense, education, human health and social work activities (24.2%) and wholesale and retail trade, transport, accommodation and food service activities (23.9%).

It is also observed that public administration, defense, education, human health and social work activities occupy the first place in terms of employability. More than 50 million people work in this sector.

3. CONCLUSIONS

Depending on the legislative powers they have, it is necessary for public administration institutions to be equipped with highly qualified personnel and to have the capacity to fulfill the tasks assigned to them. Thus, from the analyzes carried out, it is found that, compared to 2015, in 2021 the number of civil servants in the central public administration decreased in 8 countries. For the other states in the European Union, the number of civil servants in the central public administration increased. In 2021, the highest number of civil servants in the central public administration were registered in: France, Netherlands, Italy, Portugal, Greece, Sweden. A small number of civil servants in the central public administration register in: Luxembourg, Estonia, Cyprus, Denmark, Croatia.

Also, in 2021, the highest values of average remuneration of national civil servants in central public administration were recorded in: Luxembourg, Germany, Denmark, Finland, Austria, Sweden. The lowest values were registered in: Romania and Bulgaria.

For the year 2021, the most important economic activities represented in EU total gross value added are: industrial activities (except construction), respectively public administration, defense, education, human health and social work activities.

It is noted that only two economic activities generate almost half of the jobs in the European Union: public administration activities, defense, education, human health and social assistance and wholesale and retail trade

activities, transport, accommodation and food services. Regarding employability, public administration, defense, education, human health and social assistance activities rank first. Technological change can be seen as the joint result of technical factors and human factors. The new division of labor will involve an interconnection between humans and machines. For this reason, it is necessary for formal education systems to take into account future digital transformations (Kolade and Owoseni, 2022).

REFERENCES

- Burlacu, S., Patarlageanu, S.R., Diaconu, A., & Ciobanu, Gh. (2021). E-government in the Era of Globalization and the Health Crisis caused by the Covid-19 Pandemic, between Standards and Innovation. *Globalization and its Socio-Economic Consequences 2020*, SHS Web of Conferences 92, 08004.
- European Union. (2021). Eurostat regional yearbook. 2021 edition.
- Eurostat (2022). <https://ec.europa.eu/eurostat>
- Kolade, O. and Owoseni, A. (2022). *Employment 5.0: The work of the future and the future of work*, Technology in Society, 71, ISSN 0160-791X, <https://doi.org/10.1016/j.techsoc.2022.102086>.
- Maria, O. and Ilias, K. (2021). The impact of a management model on the continuous positive changes in human capital and the efficiency of public administration in the education sector. *International Journal of Education, Learning and Development*, 9(5), 20-36.
- Profiroiu, M.C., Oancea Negescu, M.D., Angheluță, S.P. and Vasilache, P.C. (2020). The Urbanization in the Context of Sustainable Development. In: R. Pamfilie, V. Dinu, L. Tăchiciu, D. Pleșea, C. Vasiliu eds. *6th BASIQ International Conference on New Trends in Sustainable Business and Consumption*. Messina, Italy, 4-6 June 2020. Bucharest: ASE, pp. 236-243.
- Rădulescu, C.V., Bodislav, D.A. & Burlacu, S. (2018). Demographic explosion and its governance in public institutions. *Managerial Challenges of the Contemporary Society. Proceedings*, 11(1), 18.
- Scupola, A. and Mergel, I. (2022). *Co-production in digital transformation of public administration and public value creation: The case of Denmark*, Government Information Quarterly, 39(1), ISSN 0740-624X, <https://doi.org/10.1016/j.giq.2021.101650>.
- Torres-Martinez, J.A., Dorjderem, B., Mahlkecht, J., 2020. Revisiting groundwater chemical processes in a rapidly urbanizing basin, *Energy Reports*, 6, pp.868–873.
- United Nations Department of Economic and Social Affairs. (2020). United Nations E-government Survey 2020.
- Wolcott, E.L. (2021). *Employment inequality: Why do the low-skilled work less now?*, Journal of Monetary Economics, 118, 161-177, ISSN 0304-3932, <https://doi.org/10.1016/j.jmoneco.2020.09.004>.