Empirical Economics Letters, 25 (5): (May 2026), pp. 1-6 *ISSN 1681 8997*
https://doi.org/10.5281/zenodo.20404545

The Scale-Duration Trade-off: Project Size, Duration and Public Expenditure Absorption in R&D Funding

Evangelos Makryvelios [*] and Theodore Papadogonas [**]

Department of Business Administration
School of Economics and Political Sciences
National and Kapodistrian University of Athens, Athens, Greece

Abstract: This paper examines the systematic association between project characteristics and state spending absorption. Based on the project-level data of 1,400 publicly funded R&D activities applied in the Attica region (2007-2016), we estimate cross-sectional OLS models with heteroscedasticity-robust standard errors to examine the correlation between project size (budget), duration, and absorption rates, defined as the ratio of realised to approved public expenditure. The findings show that project size and project duration are negatively and significantly correlated with absorption. Larger and longer projects are less likely to fully absorb approved public funding, indicating that structural project attributes may influence absorption performance.

Keywords: R&D Projects, Public Expenditure Absorption, Project Size, Project Duration

JEL Classification Number: R11, R58, O22, O32, O38, H43, H54

[*] Corresponding author. Email: vmakrivelios@ba.uoa.gr, [**]Email: thpap@ba.uoa.gr

Acknowledgements: The authors would like to thank the Authority for Research, Technological Development and Innovation Actions (MIA-R.T.D.I.) and the General Secretariat for Research and Innovation for the disposal of data for all R&D project financing actions carried out under the Partnership Agreement for the Development Framework, for the 2007-2013 programming period.