

The Political Economy of Cultural Spending: Evidence from Italian Cities.

Chiara Dalle Nogare¹
University of Brescia

Matteo M. Galizzi
University of Brescia

We investigate the relationship between Italian municipalities' spending on culture in the 1990s and 2000s and a number of political variables - such as a left/right dummy, an election-year dummy and a term-limit indicator - controlling, among other things, for economic and socio-demographic characteristics of the population, the level of human capital and instruction, proxies of social capital, the extent of private financing of cultural provisions and touristic and artistic relevance. We use a panel-data regression analysis and find that, indeed, some determinants of public expenditures on culture are political. In particular, we identify an electoral cycle in which the incumbent spends less on culture in an election year, both in levels and in percentage of the budget. This result is robust for variations of the empirical model accounting for both the persistence and spatial interdependence of cultural expenditures by municipalities, and suggests that the Italian median voter does not evaluate culture very highly. The political cycle is stronger in the South and mainly regards cultural spending for theatres and events.

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¹ * Corresponding author: dallenog@eco.unibs.it, Dipartimento di Scienze Economiche, Università di Brescia, Via San Faustino 74b, 25122 Brescia.