

# The factors that influence local government spending on culture

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This research was conducted by **Michael Getzner** at **Vienna University of Technology, Austria**

## Summary

Public authorities in Austria spend more on culture than the European average. At the time of this paper's publication, Austrian municipalities spent 'about €93 per capita a year for cultural affairs (approximately four per cent of the total municipal expenditure)'. This study sought to understand the factors that determine the level of local government funding for the arts. It found that increases in cultural spending by one municipality cause a small increase in the cultural spending levels of its neighbours, but that more important factors were the size, population density and overall revenue and spending plans of the specific authority in question.

## The research is based on a data set of income and expenditure in about 2,100 Austrian municipalities between 2004 and 2018

This data was analysed alongside the character of the areas: population numbers, education, employment and age profiles, in addition to the political affiliation of local leadership. There was a large amount of variation by the size and density of municipality: 'some larger cities and regional centres spend more than €300 per capita a year, while smaller municipalities spend as low as €1 per resident a year'.

# The larger municipalities would spend heavily to provide cultural goods and services 'not only to their own constituents, but to a larger audience in the surrounding region'

The study revealed a large amount of inefficiency and redundancy that comes from devolved municipal cultural spending. The author urges policymakers to support more 'local and regional co-operation' to 'provide more efficient cultural infrastructures to citizens, and to use cultural funds more effectively'. Specifically, they suggest that local government in low-spending rural areas 'should increase their efforts for co-operation in order to improve the efficiency of cultural spending'.

## Keywords

**funding**

**subsidy**

**Austria**

**policy**

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