The political economy of public procurement

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Politicians and bureaucrats

- Extensive literature looks at the impact of politicians' characteristics and incentives on policy outcomes

  - budget cycle
  - corruption and lobbying
  - rent extraction

- A recent literature looks at the interaction between politicians and bureaucrats/authorities/restrainers

  - discipline economic outcomes (Bellodi at al., 2023)
  - checks-and-balances (Prato and Turner, 2022)
  - information provision (Gerardi et al., 2022)

- Previous literature on the optimal allocation of tasks between politicians and bureaucrats (Alesina and Tabellini, 2007; 2008)

This project

- In this project, we want to study the interaction between bureaucrats and politicians in public procurement...

- ...within the Italian framework and with a focus on municipalities

- Why?

  - ▶ Availability of data (Italian Anticorruption Agency collects information on the universe of public procurement procedures)

  - ▶ Legislative framework provides some interesting variation

  - ▶ Procedures involve a natural interaction between political actors (mayors, municipal council) and bureaucrats (RUPs and DLs)

An example of public procurement at work

- Political actors (e.g., mayors) decide to procure the construction of a building

- Municipalities appoint a R(esponsabile) U(nico) (del) P(rocedimento)

- Call for tender

- Awarding of the procurement work

- Municipality appoints D(irettore) L(avori)

- Procurement works start and outcome variables (suspensions, changes, time overruns, cost overruns) are determined

What we have been doing

- We collected information on the RUPs handling procurement contracts for building and roads in all Italian municipalities with more than 60000 citizens

- We identified through the ANAC database the procurement procedures that RUPs handled in the past

- We are creating measures of expertise (e.g., age, number of procurement procedures handled, amount of procurement procedures handled, number of suspensions and/or appeals)

- RUPs' CVs are also available online (privacy issues)

- We have been discussing with ANAC an agreement to get access to their data and to make them available through AMELIA (Spoke 6 has done most of the work)

Looking ahead

- Finalize the agreement with ANAC concerning the availability of data (we should be almost there...)

- Interact measures of PBs' expertise with standard political economy outcomes

- Supplement this information with information on political actors (mayors)

- Investigate the characteristics of the dyad mayor-RUP that are correlated with good (or bad) procurement outcomes

- Identify relational contracts between firms procuring the work and RUPs or mayors (advantages and drawbacks)