

# The quiet payoff: Mafia Electoral Support and Policy Inaction

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# Introduction

- ▶ **Organized crime** imposes severe **costs** on societies:
  1. **-.2% to -.5%** yearly p.c. GDP  
Pinotti 2015, Bankitalia 2021
  2. Lower social capital, quality of policy and politicians  
Rolla & Justino 2022; Acemoglu et al. 2013; Alesina et al. 2019
  3. **22%** of world homicides in 2021  
UNODC 2023
  
- ▶ Governments might tolerate organized crime due to electoral incentives  
Acemoglu et al. 2013

## Sicilian mafia and politics: empirical evidence so far

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- ▶ **Mafia political influence** Mafia-controlled towns devote disproportionate spending to construction/waste and use violence before (after) local (national) elections. Daniele, Dipoppa 2017; Di Cataldo, Mastrococco 2022; Alesina et al. 2019

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  - Causal evidence of (*national-level*) vote-buying.
  - We identify a new payoff channel through *national* policy.
  - Political competition increases the *value* of votes.

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⇒ Decisions are made by the **Executive Authority**.
- ▶ Destinations are particularly damaging to the Mafia's interests. (Biagi 2025; **Libera** **Ministry of Interior** )

# Data

- ▶ Detailed dataset on Sicilian municipalities, 1992–2022:
  - Universe of confiscations and destinations in Sicily (ANBSC).
  - Municipality-level vote shares at national elections 1979-2022 (Ministry of Interior).
  
- ▶ Dummy for **Mafia presence** is defined based on:
  - Report by the military police submitted to a parliamentary committee (CG. Carabinieri, 1987).
  - A 1994 study by the University of Messina providing a similar census of Mafia presence.
  - Categorise a municipality as free of mafia if it never appears in any census.

Maps

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- ▶  $X = 0 \ \& \ Y > 0 \quad \Rightarrow \quad \lim_{Y \rightarrow +\infty} D = -1$

# Empirical Analysis

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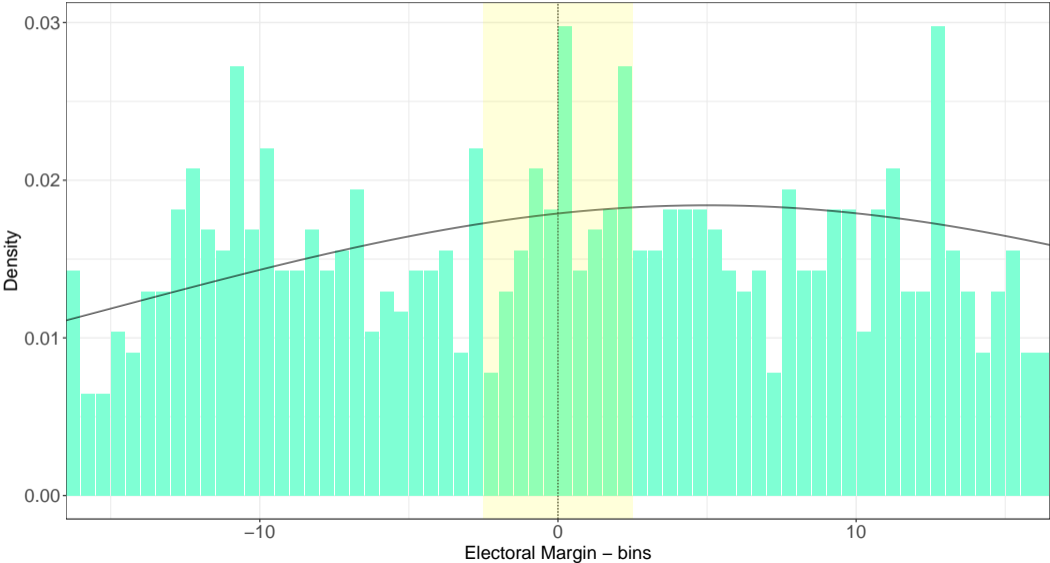
## ”Extensive Margin”:

- ▶ We focus on elections with **majoritarian** rule.
- ▶ During majoritarian rule, the country is divided in Electoral Districts.
- ▶ If a candidate wins the district, she is elected irrespective of the proportional part of the electoral rule.

## Electoral margin

- ▶ We focus on the *municipal-level* electoral margin in nation elections.
- ▶ **Electoral margin**: difference between 1st and 2nd candidate (conditional on Forza Italia's candidate being one of the two))
- ▶ District *net contributors* should be rewarded.
- ▶ Test manipulation in *electoral margin* with **bunching** techniques (Kleven, 2016)

# Vote Manipulation - Bunching - Full sample



# Vote Manipulation - Bunching

Figure:  $\leq 5k$  voters

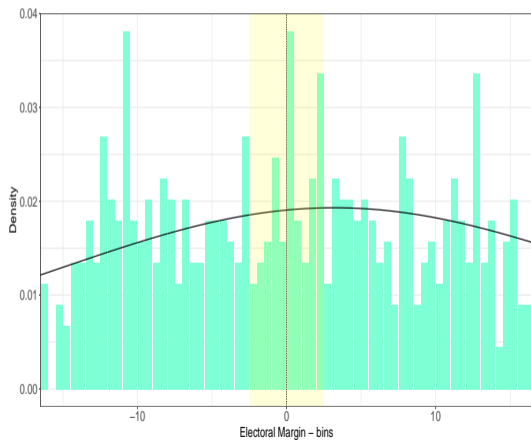
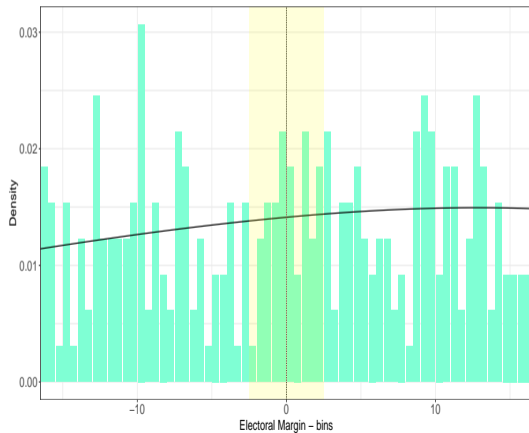


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  - McCrary Test
5. *Interpreting the coefficient as a vote-buying reward*

## Majoritarian system - RDD

- ▶ Focus on **swing municipalities**: those with a narrow vote margin between the 1st and 2nd candidates.  
⇒ Compare municipalities where FI candidate **barely won** vs **barely lost**.

$$Rel.Destinations = \alpha + \tau \cdot FI\ win_i + f(ElectoralMargin_i) + \epsilon_i$$

### Hypotheses:

1. Municipalities which are net contributors to the district victory should be rewarded *discontinuously* more. Why at the municipal level?
2. Politicians do not have any incentives in reducing destinations if not for the mafia.

## Majoritarian system - RDD

	Relative Destinations Indicator			
	(1) Full Sample	(2) Mafia	(3) No Mafia	(4) Mafia & $\geq$ 5k voters
Forza Italia Candidate Win	-0.165** (0.071)	-0.215** (0.090)	-0.106 (0.124)	-0.363*** (0.114)
mean(Y)	-.100	-.093	-.112	-.109
std(Y)	.377	.383	0.394	.409
Observations	1,042	664	378	360
No. Elections	4	4	4	4

Notes: Bandwidth chosen in order to minimize the MSE ([Calonico et al., 2020])

Pre-Treatment Outcome

Plots

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- Mandamentos are mafia's geographical borders, the shocks are likely to be at the mandamento level. [Map](#)
- Using municipality-level variation might lead to spillovers which are difficult to capture.
- Fewer observations, more demanding specification (157 mandamenti and 390 municipalities in Sicily).

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Solutions:

- ▶ **Assumption**: vote-buying capacity is **time-invariant** (coherent with the literature and our model).
- ▶ Use a **proxy** for Mafia's vote-buying capacity (then use it as an instrument).

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- ▶ Totò Riina, "the boss of bosses", became furious at DC and in '87 redirected Mafia-controlled votes away from DC to PSI and PRI. ("Papello", 1992; Andreotti Trial, 1993)
- ▶ The **drop in DC vote shares (1979–1987)** aligns closely with the only existing estimates of Mafia vote-buying capacity (Arlacchi 2010; De Feo & De Luca 2017)

## Cosa Nostra's Shift in Political Support (1987 Elections)

Falcone

*"The meeting was convened by Totò Riina to decide whether Cosa Nostra's votes should go to the Christian Democrats (DC) or the Socialist Party (PSI), as the **Christian Democrats** "were not doing their duty".*

*Riina complained that the DC was not helping the organization regarding the developments of the Maxi-Trial.*

*The meeting concluded with the decision to vote for the PSI, specifically for on. Martelli — not because Martelli had ties to Cosa Nostra, but **to 'give a slap' to the DC.**"*

Source: Processo Andreotti, testimony of Mafia turncoat Baldassare Di Maggio.

# Reduced Form

	Relative Destinations - Properties					
	(1) Full sample	(2) Mafia	(3) No Mafia	(4) Full sample	(5) Mafia	(6) No Mafia
$\Delta ShareDC(1979 - 87) \times$ Berlusconi govt.	-0.011* [0.006]	<b>-0.024***</b> [0.006]	-0.001 [0.008]	-0.011 [0.008]	<b>-0.029***</b> [0.008]	0.012 [0.009]
Mandamento FE	✓	✓	✓	✓	✓	✓
Legislature FE	✓	✓	✓			
Judicial District $\times$ Legislature FE				✓	✓	✓
Observations	1,136	624	512	1,136	624	512
R-squared	0.085	0.125	0.077	0.313	0.436	0.464
Number of mandamento	142	78	64	142	78	64

Municipal level here

## 2SLS Setup

Exploit the variation in FI vote shares which is explained by historical vote-buying capacity

$$Rel.Destinations_{mt} = \beta(Share\ FI(1994 - 2001)_m \times BerlGov_t) + X_m + T_t + \mu_{mt}$$

### Endogenous Variable:

▶  $Share\ FI(1994 - 2001)_m \times BerlGov_t$

### Instrument:

▶  $\Delta ShareDC_m \times BerlGov_t$

## IV results

Panel A: 2nd stage	Relative Destinations - Properties					
	(1) Full sample	(2) Mafia	(3) No Mafia	(4) Full sample	(5) Mafia	(6) No Mafia
Share FI (1994-2001) × Berlusconi Government	-0.019* [.010]	<b>-0.042***</b> [0.016]	-0.002 [0.013]	-0.016 [0.012]	<b>-0.039**</b> [0.002]	0.012 [0.013]
Kleibergen-Paap F statistics	40.946	12.541	32.070	33.516	11.137	19.250
R-squared	0.007	-0.02	0.001	0.318	-0.026	-0.013
Panel B: 1st stage	Share FI (1994-2001) × Berlusconi Government (1st stage)					
Drop DC (1979-87) × Berlusconi Government	0.062*** [0.010]	<b>0.058***</b> [0.016]	0.064*** [0.011]	0.055*** [0.010]	<b>0.050***</b> [0.015]	0.057*** [0.013]
R-squared	0.956	0.951	0.952	0.941	0.940	0.949
Mandamento FE	✓	✓	✓	✓	✓	✓
Legislature FE	✓	✓	✓			
Province × Legislature FE				✓	✓	✓
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# Mechanisms

- ▶ Value of votes
  - Electoral Competition
  
- ▶ Alternative strategies and rewards
  - Local construction sector and waste disposal
  - Violence and corruption
  - Confiscations

# Conclusions

- ▶ The Sicilian Mafia has colluded with Italian politics in recent decades.
- ▶ We model how vote-buying may be rewarded through more lenient anti-Mafia policies.
- ▶ Empirical contributions:
  1. Evidence of reduced asset destinations as an economic reward for vote-buying.
  2. Lower economic opposition to the Mafia during majoritarian elections in districts contributing more to FI victories.
  3. Causal evidence of vote-buying rewards occurring only during Berlusconi's governments.

**Thank you!**

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Calonico, S., Cattaneo, M. D., and Farrell, M. H. (2020).

Optimal bandwidth choice for robust bias-corrected inference in regression discontinuity designs.

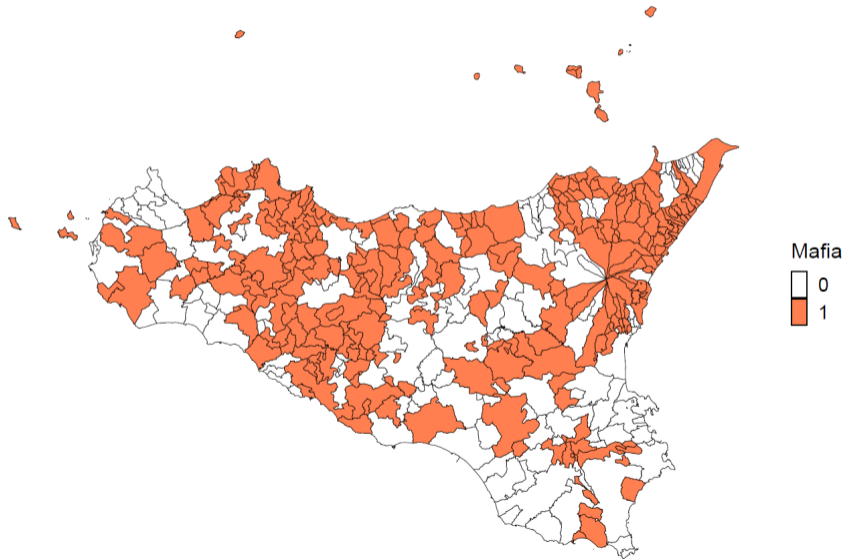
*The Econometrics Journal*, 23(2):192–210.

# Mafia-plagued Municipalities

Mandamento

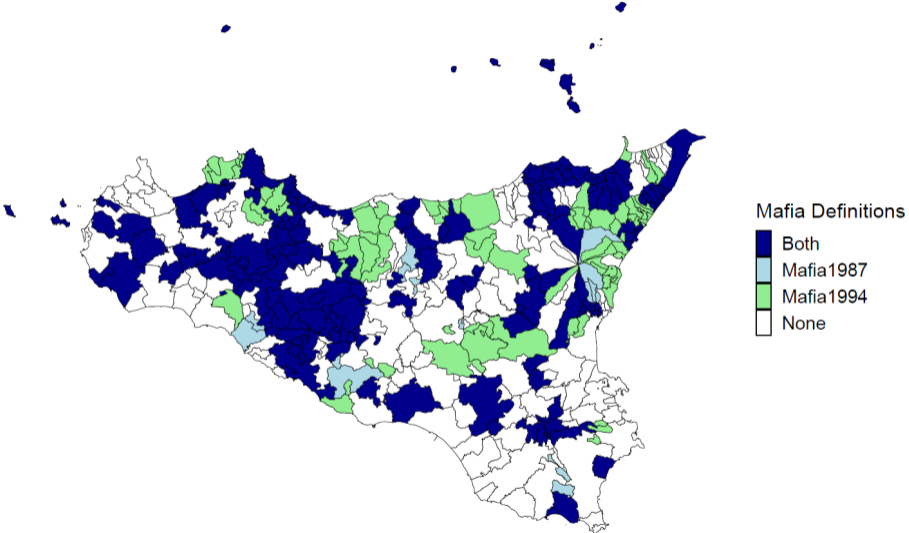
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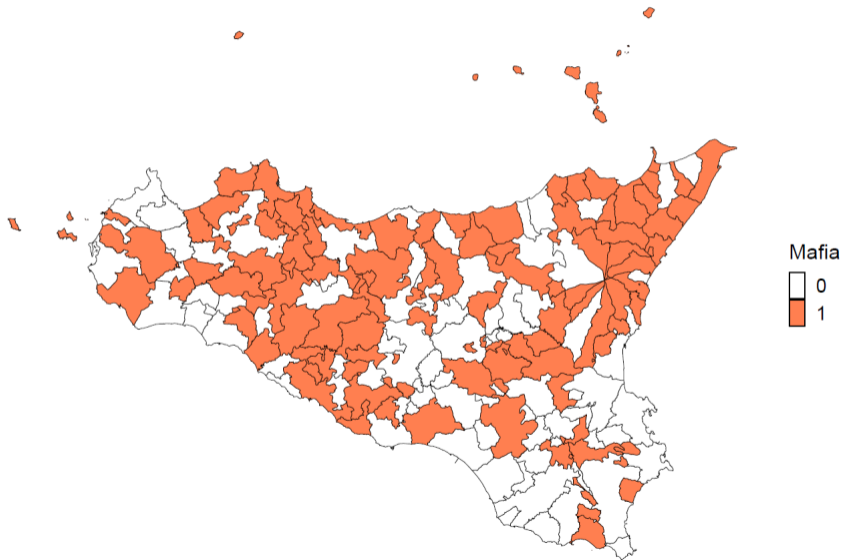
# Mafia Definitions

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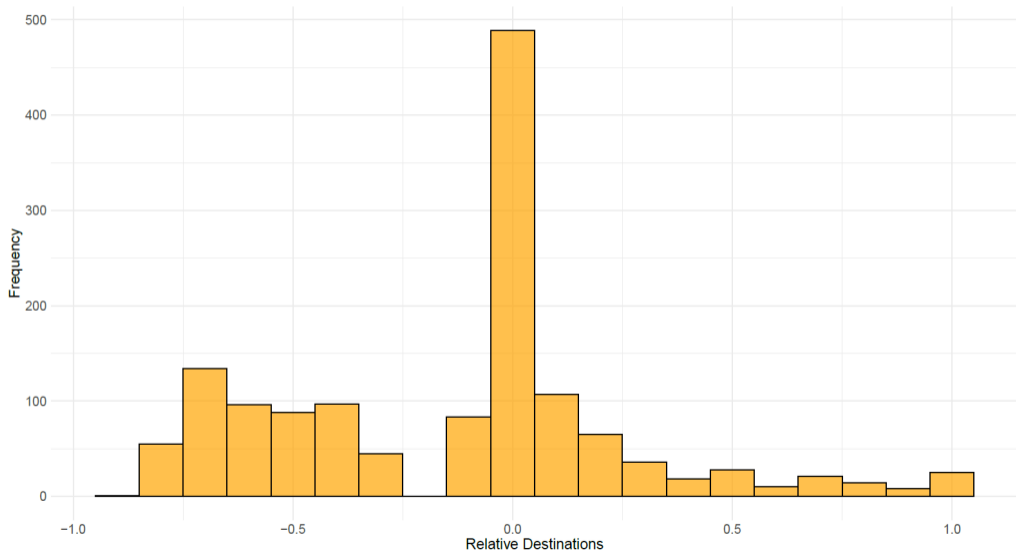
# Mafia-plagued Mandamentos

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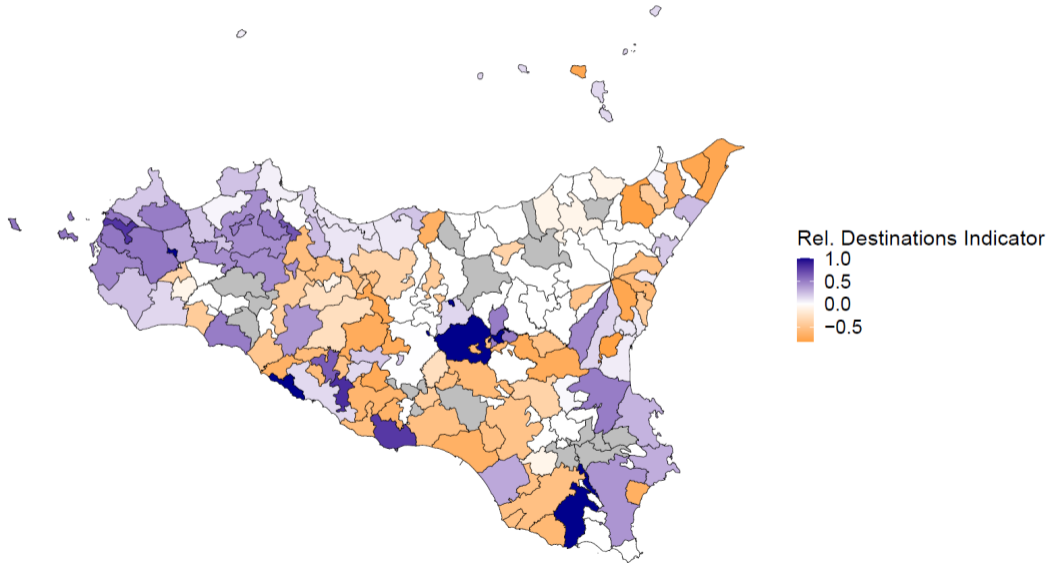
# Relative Destinations Indicator

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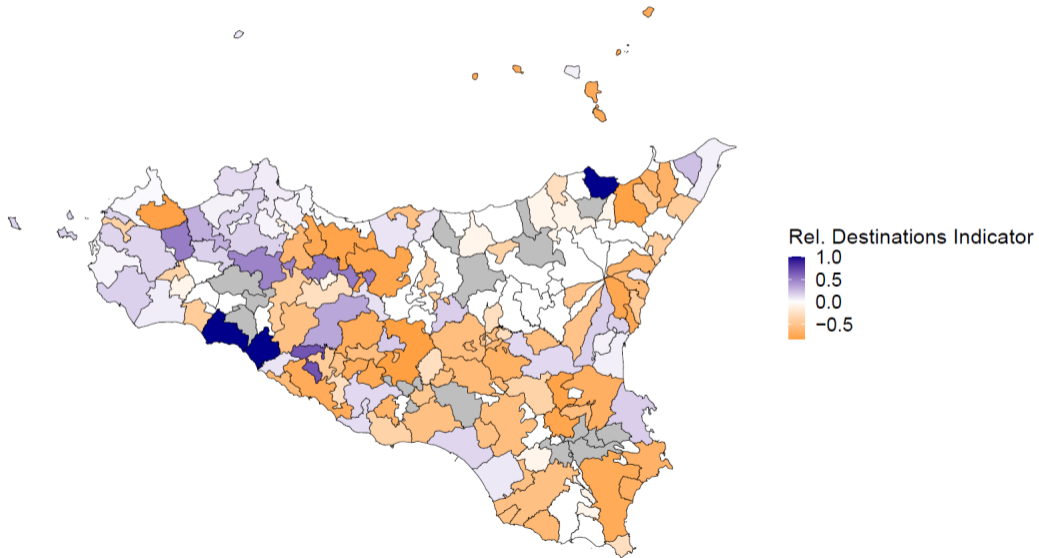
# Relative Destinations - 2001

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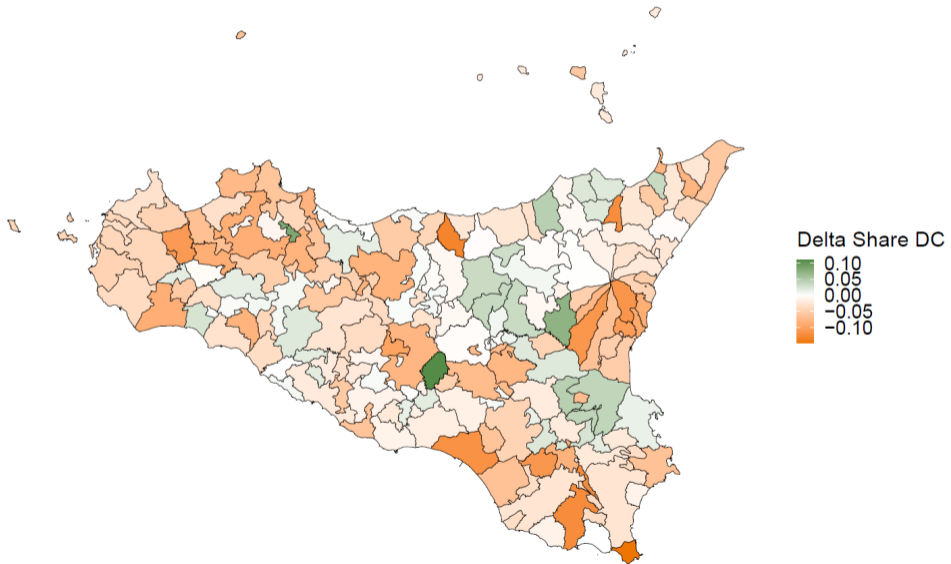
# Relative Destinations - 2006

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# Δ Share votes for DC - 1979/1987

Official Records



# Libera

- ▶ Libera is the largest and most influential non-profit organisation fighting against the Mafia in Italy.
- ▶ It was founded by Don Luigi Ciotti following the tragic Capaci and Via d'Amelio massacres.
- ▶ Played a crucial role in the approval of the Destination Law in 1996, which enabled the repurposing of confiscated Mafia assets.
  
- ▶ Since 2011, more than 1,600 national and local associations, social cooperatives, grassroots organisations, and approximately 4,500 schools have joined Libera's mission to promote democratic legal education in Italy and around the world.





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## **PETIZIONE POPOLARE**



Al Presidente del Senato  
sen. Carlo Scognamiglio

Al Presidente della Camera  
on. Irene Pivetti

Vogliamo che lo Stato sequestri e confischi tutti i beni di provenienza illecita, da quelli dei mafiosi a quelli dei corrotti. Vogliamo che beni mobili e beni immobili

# **UN MILIONE DI FIRME PER CONFISCARE I BENI AI MAFIOSI E AI CORROTTI. USARLI PER CREARE LAVORO, SERVIZI, VIVIBILITA'**

tivi e di aziende; a tale fondo possono accedere enti locali, associazioni, gruppi sulla base di progetti concreti;

# How do Italian elections work?

- ▶ 3 changes of electoral system in the period of focus:
  1. 1992-2005: Mixed majoritarian (75% seats) - proportional (25% seats)
  2. 2005-2016: Proportional
  3. From 2017: Mixed majoritarian (37% seats) - proportional (63% seats)
- ▶ Majoritarian: Italy divided into districts, candidate receiving majority of votes wins
- ▶ Proportional: Parliament seats allocated proportionally based on percentages of votes

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## Hypothesis of Reward to Mafia: Destination of Confiscated Assets

*"Even though the sale of assets confiscated from organised crime—such as properties or businesses—is a residual option used only when social or institutional repurposing is not possible, it must be rigorously regulated to uphold legality and prevent the risk of these assets falling back into the hands of the Mafia, nullifying the State's intervention."*




**"Our goal,"** explains Undersecretary of the Interior Wanda Ferro, responsible for confiscated assets, **"is to prevent the risk of such assets being reclaimed by organised crime."**

Source: Ministry of the Interior - ANBSC and DNA cooperation on confiscated assets, November 2023



# Instrument - Mafia's past vote-buying capacity

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Camera 03/06/1979 ▶ Area ITALIA ▶ Circoscrizione PALERMO-TRAPANI-AGRIGENTO-CALTANISSETTA

Liste/Gruppi	Voti	%	Seggi
 DC	594.739	45,24	12
 PCI	267.975	20,38	5
 PSI	131.567	10,01	3

Camera 14/06/1987 ▶ Area ITALIA ▶ Circoscrizione PALERMO-TRAPANI-AGRIGENTO-CALTANISSETTA

Liste/Gruppi	Voti	%	Seggi
 DC	542.936	39,12	11
 PCI	276.320	19,91	5
 PSI	214.625	15,46	4

## Giovanni Falcone on Vote-buying (1987 Elections)

“The 1987 political elections highlighted massive shifts of votes in the most significant electoral districts [...]. It is evident that it is the Mafia imposing its conditions on politicians, not the other way around [...]. I do not intend to venture into political analyses, but no one should be made to believe that certain political groups did not align with Cosa Nostra — for a clear convergence of interests — in an attempt to influence our still immature democracy by eliminating troublesome individuals for both sides.”

Source: Giovanni Falcone, *Cose di Cosa Nostra*, Rizzoli, 1991.

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# Balance Test

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Pop.density	$\leq 25$	$\geq 65$	Housewives	Pop. (log)	Agric. L.F.	FLFP	Illiterate	Graduated
RD Estimate	79.880 (89.552)	-0.006 (0.005)	0.015 (0.010)	-0.008 (0.007)	0.053 (0.175)	0.002 (0.014)	0.006 (0.006)	-0.002 (0.002)	0.002 (0.003)
Observations	1,823	1,773	1,878	1,773	1,878	1,773	1,773	1,878	1,773

Notes: Bandwidth chosen in order to minimize the MSE ([Calonico et al., 2020])

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## Pre-treatment Outcomes

	Lagged Relative Destinations			
	(1) Full Sample	(2) Mafia	(3) No Mafia	(4) Mafia & > 5k voters
Forza Italia Candidate Win	-0.027 (0.073)	-0.036 (0.108)	0.007 (0.097)	-0.014 (0.190)
mean(Y)	-.04	-.03	-.06	-.03
std(Y)	0.41	0.42	.40	.44
Observations	782	498	284	264
No. Elections	4	4	4	4

Notes: Bandwidth chosen in order to minimize the MSE ([Calonico et al., 2020])

# McCrary Test

	McCrary test			
	(1)	(2)	(3)	(4)
	Full Sample	Mafia	No Mafia	Mafia & > 5k voters
T-test	0.99	1.16	0.45	0.74
P-values	0.32	0.25	0.65	0.46
Observations	1544	1036	508	376
No. Elections	4	4	4	4

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# Vote Manipulation - Bunching

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Figure: No mafia

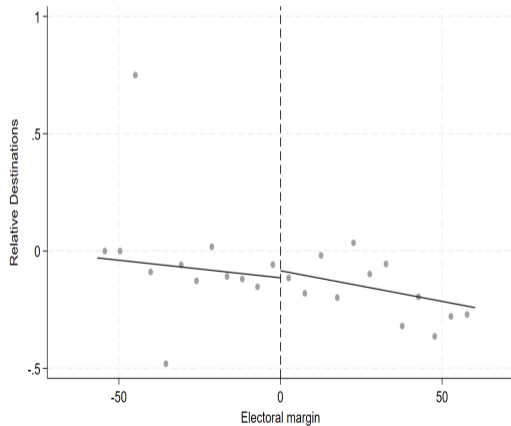
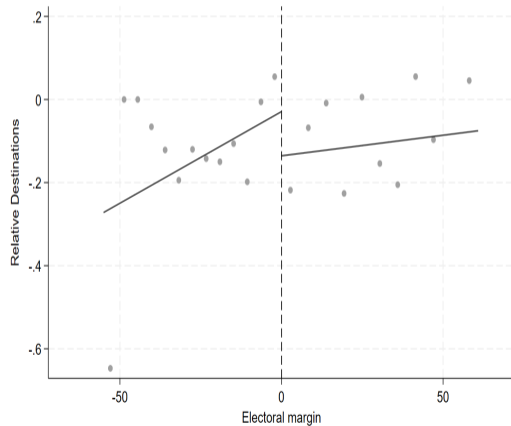


Figure: Mafia -  $\geq 5k$  voters



## Mechanisms: Electoral Competition

	Rel. Destinations		Sh. FI	Rel. Destinations		Sh. FI
	(1)	(2)	(3)	(4)	(5)	(6)
Governments:	Berlusconi	Centre-left	Full sample	Berlusconi	Centre-left	Full sample
Drop DC (79-87) × Elect. competition	-0.207** [0.088]	-0.787 [.603]	-0.014*** [0.042]	-0.160* [0.085]	-0.817 [0.654]	-0.013*** [0.048]
Mandamento FE	✓	✓	✓	✓	✓	✓
Legislature FE	✓	✓	✓			
Province × Legislature FE				✓	✓	✓
Observations	426	426	933	426	426	933
R-squared	0.033	0.146	0.778	0.179	0.241	0.818
Number of mandamento	142	142	157	142	142	157

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## Mechanisms: Alternative strategies and rewards

Y = Fraction of Spending in	Construction		Waste disposal		Construction	Waste disposal
	(1) OLS	(2) IV	(3) OLS	(4) IV	(5) OLS	(6) OLS
Drop DC (1979–87) × Berlusconi Govt.	-0.002 [0.017]		-0.057 [0.040]			
Share FI (1994–2001) × Berlusconi Govt.		-0.004 [0.029]		-0.097 [0.069]		
Mayor FI					0.004** [0.002]	-0.006 [0.004]
Legislature FE	✓	✓	✓	✓	✓	✓
Mandamento FE	✓	✓	✓	✓		
Municipality FE					✓	✓
Observations	785	785	785	785	2,344	2,344
R-squared	0.120	0.000	0.484	0.207	0.060	0.315
Number of Mandamento	157	157	157	157		
Number of municipalities					389	389

## Mechanisms: Plata o Plomo

	Munic. dissolution		Rel. Destinations	Mafia murders		Rel. Destinations
	(1)	(2)	(3)	(4)	(5)	(6)
Drop DC (79-87) × Berlusconi govt.	0.002 [0.003]			0.006 [0.006]		
Share FI (94-2001) × Berlusconi govt.		0.153 [0.208]			0.365 [0.404]	
Municipalities dissolution			-0.045 [0.058]			
Mafia murders						0.021 [0.038]
Mandamento FE	✓	✓	✓	✓	✓	✓
Judicial district × Legislature FE	✓	✓	✓	✓	✓	✓
Observations	1256	1247	1136	1256	1247	1136
R-squared	0.206	0.208	0.312	0.390	0.392	0.311
Number of mandamento	157	157	142	157	157	142

## Alternative rewards through confiscations (1)

Total Confiscations	(1) Full Sample	(2) Mafia	(3) No Mafia	(4) Mafia & $\geq 5k$ voters
Forza Italia's candidate win	-0.416 (2.619)	-1.161 (4.025)	0.464 (3.134)	-3.045 (8.169)
mean(Y)	-.10	-.09	-.11	-.11
std(Y)	.38	.38	.39	.41
Observations	1,042	664	378	351
No. Elections	4	4	4	4

## Alternative rewards through confiscations (2)

Total Properties Confiscations	(1) Full sample	(2) Mafia	(3) No Mafia	(4) IV – Full sample	(5) IV – Mafia	(6) IV – No Mafia
Drop DC (1979-87) × Berlusconi govt.	-46.999 [30.269]	-60.606 [60.715]	-36.216 [25.509]			
Share FI (1994-2001) × Berlusconi govt.				-76.488 [48.754]	-104.911 [103.746]	-56.494 [39.805]
Observations	1,136	624	512	1,136	624	512
R-squared	0.413	0.417	0.395	0.007	0.007	0.015
Mandamento FE	✓	✓	✓	✓	✓	✓
Legislature FE	✓	✓	✓	✓	✓	✓

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## Why Reward at the *Municipality*, not the District? [Back](#)

- ▶ **Multiple Mafia territories per district.** Each single-member district contains either 2 or 3 *mandamenti*— (separate Mafia families), so district-wide coordination is neither obvious nor verifiable.
- ▶ **Central government sees only net contributors.** Rome observes towns that *add* or *owe* votes, but cannot tell whether a deficit reflects strategy or free-riding. Rewarding every town in a winning district would pay free-riders and waste resources.
- ▶ **Reward rule observable margin.** Tying pay-offs to the *municipal* vote surplus is incentive-compatible and implementable with the Cabinet's noisy information set. The policy discontinuity lies at the municipal margin, not the district tally.

**Beyond the Cut-off.** Larger municipal surpluses predict proportionally larger shortfalls in asset reallocations—confirming that rewards scale with the margin and are allocated town-by-town.

## District contributions

$$RelDestinations_{i,t} = \alpha_1 ShareFI_{i,t} + \alpha_2 ContributionDistrict_{i,t} + \Theta_{i,t} + \epsilon_{i,t}$$

- ▶  $ShareFI_{i,t}$ : number of votes that municipality  $i$  gave to the Forza Italia candidate
- ▶  $ContributionDistrict_{i,t}$  Forza Italia vote share in municipality  $i$  with respect to all Forza Italia votes in the district

Table: Contribution to district and Relative Destinations

VARIABLES	Full Sample Rel.Destinations	Mafia Rel.Destinations	No Mafia Rel.Destinations
Tot.Votes FI	0.024* [0.012]	0.025 [0.022]	0.025 [0.017]
District Contribution (%)	-0.011*** [0.004]	-0.013** [0.006]	-0.005 [0.005]
Observations	1,319	588	731
R-squared	0.245	0.390	0.362
Number of municipalities	270	118	152
Municipality FE	✓	✓	✓
District × Year FE	✓	✓	✓

## Reduced form at the municipal level

	Relative Destinations - Properties					
	(1) Full sample	(2) Mafia	(3) No Mafia	(4) Full sample	(5) Mafia	(6) No Mafia
Drop DC (1979-87) × Berlusconi govt.	-0.008*** [0.002]	<b>-0.008***</b> [0.002]	-0.006 [0.005]	-0.006** [0.002]	<b>-0.005*</b> [0.002]	-0.002 [0.005]
Municipality FE	✓	✓	✓	✓	✓	✓
Legislature FE	✓	✓	✓			
Province × Legislature FE				✓	✓	✓
Observations	2,903	1,996	907	2,903	1,996	907
R-squared	0.223	0.247	0.189	0.306	0.368	0.378
Number of municipalities	360	248	112	360	248	112

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