



Organized crime and electoral outcomes. Evidence from Sicily at the turn of the XXI century



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ARTICLE INFO

Article history:

Received 24 February 2015

Received in revised form 5 November 2015

Accepted 6 November 2015

Available online 23 November 2015

JEL codes:

D72

H11

Keywords:

Elections

Mafia-type organizations

ABSTRACT

This paper investigates the relationship between Sicilian mafia and politics by focusing on municipality-level results of national political elections. It exploits the fact that in the early 1990s the Italian party system collapsed, new parties emerged and mafia families had to look for new political allies. It presents evidence, based on disaggregated data from the Italian region of Sicily, that between 1994 and 2013 Silvio Berlusconi's party, Forza Italia, obtained higher vote shares at national elections in municipalities plagued by mafia. The result is robust to the use of different measures of mafia presence, both contemporary and historical, to the inclusion of different sets of controls and to spatial analysis. Instrumenting mafia presence by determinants of its early diffusion in the late XIX century suggests that the correlation reflects a causal link.

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1. Introduction

The relationship between mafia and politics is a crucial but empirically under-investigated issue. In this paper we explore the connection between mafia presence and party vote shares at national political elections, employing municipality level data from the mafia-plagued Italian region of Sicily.

There is evidence that mafia activities exert a negative effect on development. For instance, for the case of Italy, Pinotti (2015) finds that organized crime is responsible for a 16% loss in GDP per capita over a 30 year period, Daniele and Geys (2015) show that mafia infiltration reduces the quality of local politicians (measured by their average education level), Barone and Narciso (2014) document mafia's ability to divert a substantial amount of public funds assigned to poor areas, and Daniele and Marani (2011) find that mafia presence is associated to lower FDI. A majority of voters might then in principle support a successful fight against the mafia, if this is not too costly. Yet mafia's persistence (documented for the Italian case, among others, by Buonanno et al., 2015), suggests that either at some point further fighting organized crime has higher social costs than benefits, or that, even when the reverse is true, something in the political process prevents the majority that would benefit from a sharp fight against the mafia from giving rise to effective policies in such direction.

One possible reason, which is in line with theoretical results as well as with anecdotal, judicial and empirical evidence, is that mafia organizations distort electoral outcomes by intervening in the market for votes. As emphasized by Gambetta (1993), transactions in such market are typically illegal, so mafia-type organizations may step in, collect votes (through either threats or

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rewards to citizens) and supply them to politicians in exchange for favors, with the latter ranging from diversion of public funds and procurement contracts to favorable legislation and lenient prosecution.

The political economic literature has considered vote buying from different perspectives, ranging from an individualized market for votes (Piketty, 1999, 2000; Dekel et al., 2008) to bribes (Snyder, 1991) and to campaign contributions by lobbies (Grossman and Helpman, 1996), but these studies are only indirectly related to mafia's intervention in the market for votes. More directly related are contributions that look at how interest groups condition politicians' choices and, most importantly, how they control citizens' votes. Esteban and Ray (2006) notice that lobbies' willingness to pay to influence politicians depends both on the relevance of their interests and on their wealth. From this point of view, mafia's wealth may render it politically influential even when its interests are socially harmful. Baland and Robinson (2008) develop a model in which landlords control their workers' vote and show that before the introduction of the secret ballot in Chile, right-wing parties representing the interests of landed aristocracy received more votes where patron–client relationships were stronger. Their model may be useful in the present context because one of the ways in which the mafia controls votes is through patron–client relationships, which are particularly strong in areas in which it exercises an almost monopsonistic role in the labor market, thus being an employer to which citizens have only few and costly alternatives. Acemoglu et al. (2013) propose a model in which non-state armed actors bring votes to politicians, who therefore have a lower incentive to fight them. They also provide empirical evidence on the influence of paramilitaries on elections in Colombia, which is relevant here because violence or its threat is yet another way in which mafia controls votes and thereby buy active support or at least tolerance by politicians.

Most closely related to the present investigation are De Feo and De Luca (2013), who formalize a probabilistic voting model in which mafia sells votes to the party that has more core supporters and is thus expected to win. The reason is that such party needs to offer less public goods to convince swing voters and is thus able to retain higher rents from being in office, so its willingness to pay for votes is higher. They also show empirical evidence from Sicily, according to which after 1970 the Christian Democrats (the majority party until 1992) obtained more votes in Sicilian municipalities plagued by mafia. Their findings are in accordance with judicial evidence of organic relationships between the Sicilian mafia and several Italian politicians. To pick up just two prominent examples from the Christian Democrats, Vito Ciancimino, mayor of Palermo (Sicily's capital city) in the early 1970s, was later sentenced to eight years of prison for mafia association, and Giulio Andreotti, several times Prime Minister of Italy, was not convicted due to prescription, but according to the court maintained stable relationships with the mafia until 1980.

Documenting empirically mafia's intervention in the market for votes is difficult, as the involved transactions are obviously hidden. We exploit the reshuffling that took place in Italian politics in the early 1990s, which set the stage for a potential search for a new partnership between organized crime and political actors.³ The mid 1990s witnessed the emergence of new political leaders and of new mafia lords, who had to find a new balance between fighting each other and collaborating with each other. The most important of the new political leaders, Silvio Berlusconi, founded his Forza Italia party in 1993 and became Italy's prime minister in 1994. Forza Italia and the center-right coalition always won a majority at political elections in Sicily between 1994 and 2013.⁴ Berlusconi's connections with the mafia were often discussed by the press and in courts, giving rise to both judicial and anecdotal evidence.⁵

This evidence motivates our research question: using disaggregated data on mafia diffusion in Sicily and on vote shares at national elections between 1994 and 2013, can we find evidence of a systematic link between the Sicilian mafia and party vote shares at national political elections? If the answer is positive, can we interpret any such correlation as evidence of mafia's intervention in the market for votes?

To answer these questions, we employ party vote shares pooled across electoral years (because we look for stable connections) and we exploit information on firms and real estate properties seized to the mafia to measure its presence. Our first finding is that in mafia-plagued municipalities Berlusconi's party and coalition obtained significantly higher vote shares, whereas the center-left coalition obtained significantly lower vote shares. Of course, while interesting, a correlation is by no means a proof of collusion. An important issue is that contemporaneous mafia measures may be endogenous, either because they are driven by omitted variables correlated with vote shares, or because they are influenced by the political activity of the different parties and hence by their vote shares.

To address endogeneity we employ two strategies. First, we use lagged rather than contemporaneous measures of mafia presence. Second, we instrument current mafia presence by its historical determinants. The first lagged measure dates back to 1987. It is taken from De Feo and De Luca (2013) and it is based on a report by the military police (Carabinieri) to a parliamentary committee

³ Due to widespread corruption scandals and to changes in international affairs, in the early 1990s the Italian political landscape experienced an earthquake. All major parties, including the Christian Democrats, disappeared, broke down into several minor parties or changed name. At the same time, mafia's fight against its enemies inside the state reached its peak of violence with the assassination in 1992 of two judges, Giovanni Falcone and Paolo Borsellino, who had been responsible for a maxi-trial against the mafia in the late 1980s. In response to such assassinations, many major mafia lords were captured and sentenced.

⁴ In 2001 they won in each and every electoral district, obtaining all of Sicily's 61 parliamentary seats and leaving none to the center-left coalition.

⁵ In 2014 the Italian Supreme Court convicted Marcello Dell'Utri, one of Berlusconi's closest collaborators and co-founder of Forza Italia, to seven years of jail for mafia connections: between 1974 and 1992, he acted as a mediator between the Sicilian mafia and Milan business elite, including Berlusconi (Reuters, "Italy court upholds mafia conviction against Berlusconi adviser", 9 May 2014). In the 1970s Berlusconi hired a Sicilian mafioso with a known previous criminal record, Vittorio Mangano, introduced to him by Dell'Utri, to tend his horses. During Dell'Utri's trial Antonino Guffrè, a mafia boss turned investigators' informer, testified that in the same period Berlusconi paid mafia for protection, fearing the kidnapping of his son: hiring Mangano was instrumental to reduce such risk (BBC News, "Berlusconi accused of Mafia links", 8 January 2003). According to Guffrè, the Sicilian mafia supported Forza Italia since 1993, in exchange for help in resolving its judicial problems (The Guardian, "Berlusconi implicated in deal with godfathers", 5 December 2002).

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