# Trust Issues: How Unveiling Organized Crime Infiltration in Politics Increases Abstention

Preliminary Draft: Please do not circulate.

Mattia Albertini\* Andrea Ghisletta<sup>†</sup>
October 24, 2024

Click here for the latest version

#### Abstract

This paper investigates how the unveiling of infiltration by the organized crime in Italian municipalities influences voter participation. We claim that the public disclosure of the infiltration represents an informational shock for the local voters, affecting their level of trust in political institutions and – in turn – their level of political participation. We leverage the timing of dismissal of the infiltrated city councils in an event-study design and estimate its effect on turnout in elections at national and regional level. We find that, on average, turnout drops by about 2 percentage points in municipalities where the city council was dismissed for infiltrations by the organized crime. This effect is registered in following 12 months from the dissolution and persists up to 4 years. The effects are intensified in more recent years, reflecting a higher salience of mafia crimes following early 2000s. We finally document relevant spillover of the policy in neighboring municipalities, that display similar reductions in voter's turnout. In sum, our findings suggest that the public disclosure of anti-mafia interventions, regardless of the evident benefits, also carry unintended consequences for political engagement. The public revelation of the depth of organized crime's infiltration into local governance likely leads to widespread disillusionment, reducing voter participation.

Keywords: Organized Crime, Government Trust, Voter Behavior

JEL Classification: D72, D73, K42

<sup>\*</sup>Università della Svizzera italiana, Via Giuseppe Buffi 6, 6900 Lugano, mattia.albertini@usi.ch. †University of Basel, Peter Merian-Weg 6, 4002 Basel, andrea.ghisletta@unibas.ch.

# 1 Introduction

Voter participation in developed democracies has steadily declined in recent decades. The average turnout for national parliamentary elections in OECD countries was around 80% in 1980 and has fallen by at least 10 percentage points since then (see figure 1). This decrease in voter turnout has raised concerns of being connected to political inequality, endangering the representativeness and the legitimacy of electoral outcomes (Lijphart, 1997; Gallego, 2015). Besides, the reasons behind this decline are unclear. In particular, this evolution appears even more puzzling when considering that in these countries the practical costs of participation have declined and individual factors positively correlated to turnout – such as age, education and income – have generally increased. Many hypotheses have competed to explain this trend: declining group mobilization of trade unions and labor parties (Gray and Caul, 2000), generational changes (Blais and Rubenson, 2013; Kostelka and Blais, 2021), the rise in the number of elective institutions (Kostelka and Blais, 2021).

We explore the role of trust in political institutions as a driver of political participation. Trust in political institutions may affect the benefit side of the typical Downsian voting equation (Riker and Ordeshook, 1968), as the lack of credibility in institutions lowers the expected return of the preferred electoral outcomes as well as the expressive benefit from the act of voting. Similarly to voter turnout, trust in governmental institutions has declined in advanced democracies since the 1980s. Also, the association of lower turnouts and losses in trust towards political institutions is a common narrative in the media. Despite that, the synchronized erosion of turnout and trust may be the joint result of other processes, which does not allow to establish a causal interpretation.

This paper investigates how the unveiling of infiltration by the organized crime in Italian municipalities influences voter participation. We claim that the public disclosure of the infiltration represents an informational shock for the local voters, affecting their level of trust in political institutions and – in turn – their level of political participation. We leverage the timing of dismissal of the infiltrated city councils in an event-study design and estimate its effect on turnout. To avoid contamination from other consequences of the dismissal within the concerned municipality, we measure turnout at higher institutional level – i.e. in provincial, regional and national elections.

We construct a dataset containing information on center-south italian municipalities over the period 1991–2020. First we gather data on italian municipal councils "Anagrafe degli Amministratori Locali e Regionali", which also reports the year and the reason for which a municipality was under compulsory administration. We merge this dataset with data voter turnout from the Department of Internal and Territorial Affairs containing turnout in each year and for each municipality at municipal, provincial, regional, national, and european elections turnout levels. We exclude municipality elections from the sample to avoid problems with municipal turnout being endogenous with the municipal dissolution. We finally complete the dataset by merging these data with census data from ISTAT for the years 1991, 2001, 2011 and 2021 which contain information on population, age and gender distribution, educational level, and unemployment. The final dataset consists of 44'399 municipality-year observations. The municipalities under compulsory administration following mafia inflitrations consist of about 2.2% of the sample.

Using a staggered difference-in-differences design, we find that, on average, turnout drops by about 2 percentage points in municipalities where the city council was dismissed for infiltrations by the organized crime. This effect is registered suddenly in the year following the dissolution and persists up to 4 years and it is robust to a variety of specifications.

When we focus on a smaller sample of cohorts from year 2000, we find that the effects are exacerbated, peaking at 4% decrease in turnout, yet showing a similar degree of reversion toward 0 in later years. We impute this effect to the higher saliency of mafia crimes after the year 2000, when the fight against Mafia of the Italian government had significantly increased. We also disentangle the effect of the municipality dissolution on turnout by looking at the effect on municipalities dissoluted for other reasons, where we find no effect on turnout of the policy. Finally, coherently with findings in this literature (Galletta, 2017), we also document important spillover effects: neighbouring municipalities display a similar reduction in voter turnout. Indicating that the information of the infiltration spills across the treated municipalities to the neighbouring ones, affecting their outcomes. In sum, our findings suggest that the public disclosure of anti-mafia interventions, regardless of the evident benefits, also carry unintended consequences for political engagement. The public revelation of the depth of organized crime's infiltration into local governance likely leads to widespread disillusionment, reducing voter participation.

We contribute to the literature on the electoral consequences of the organized crime. This literature is vast and growing, as summarised by Accardo et al. (2022). More specifically, we add to the literature started by Accordia et al. (2014) on the study of the effects of infiltrated city council dismissals. City council dismissals for organized crime infiltrations have been introduced in Italy in 1991 (law act 164/1991). So far, the literature found positive effects of this policy. City council dismissals generate large economic returns (Fenizia and Saggio, 2024), encourage positive demand-driven political turnover at local level (Daniele and Geys, 2015; Baraldi et al., 2022; Fenizia and Saggio, 2024)<sup>1</sup>, reduce violent intimidations against politicians (Baraldi et al., 2023), and improve the tax collection and the public funds' allocation (Di Cataldo and Mastrorocco, 2022). Our paper shows that city council dismissals also trigger disaffection towards the political system, supposedly by unveiling the presence of relations between politics and organized crime. This result appears even stronger when conjugated to the documented beneficial effects that the dissolution generates at local level, and when thinking that the high-level political system is involved in the dissolution of the connection between local political power and organized crime. Potentially, voters could welcome this policy by increasing trust in higher level politics.

We contribute to the literature on the electoral consequences of political scandals. The closest strand of literature has connected corruption scandals with decreased voter participation in Mexico (Chong et al., 2015), Italy (Giommoni, 2021), and Spain (Costas-Pérez, 2014; Ares and Hernández, 2017). Differently to most of the literature, we focus on elections at higher level (regions, national parliament) than the level in which the scandal happens (municipality) – this allows to disentangle electoral dynamics from effects on political trust.

The remainder of this paper is organized as follows. Section 2 presents the background context on municipality dismissals following infiltration from the organized crime, Section 3 describes the used data, Section 4 discusses the research design, Section 5 presents the results, and Section 6 concludes.

# 2 Background

### 2.1 Italian Elections

Italy is a representative democracy, organized on different institutional levels. Besides the national level, Italy has three levels of local government: as of 1 January 2024, Italy

<sup>&</sup>lt;sup>1</sup> After the council dismissal, elected politicians tend to be more educated, younger, are more likely to

was divided into 20 regions (*Regioni*), 107 provinces (*Province*), and 7,900 municipalities (*Comuni*).

At the lowest institutional level, Italian municipalities handle local affairs such as urban planning and proximity public services (e.g. primary schools and waste management). Italian citizens choose representatives of the legislative municipal councils (*Consigli Comunali*) through a proportional system, as well as the mayor (*Sindaca/o*) through a two-round system. Mayors then construct executive bodies called *Giunte comunali*.

At the intermediary local institutional level, Italian provinces handle principally local planning of transportation and school networks. Their function has decreased in the years. Moreover, since the law 56/2014, provinces are not elected anymore by the voters but are elected indirectly by local municipal councils and mayors. At the highest local institutional level, Italian regions are divided into 15 ordinary statute *Statuto Ordinario*) and 5 special statute (*Statuto Speciale*) regions. Usually, Italian citizens choose representatives of the regional councils (*Consigli Regionali*) through a proportional system, as well as the president (*Presidente della Regione*) through a two-round system.

At the national level, Italian citizens choose representatives in the two chambers of the parliament, the Chamber of Deputies (Camera dei Deputati) and the Senate of the Republic (Senato della Repubblica). The parliament constitutes the legislative power of the State, nominates (supported by a selection of regional representatives) the President of the Republic (Presidente della Repubblica) every 7 years, and its confidence is required for the appointment and stability of the Government (Consiglio dei Ministri). In recent decades, both the electoral system as well as the electoral formula for parliamentary elections changed several times. Both chambers are now elected through a mixed-member proportional system, with the majority of the seats assigned through a first-past-the-post system and a minority through a proportional representation system.

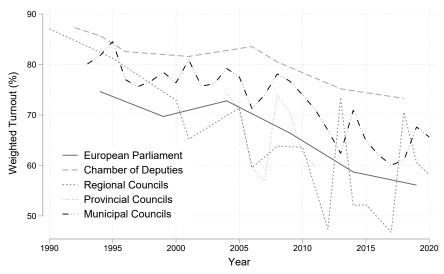
Finally, Italian citizens choose representatives in the European Parliament on 5-years basis. Seats are assigned to parties on the nation-wide performance, and then distributed proportionally to the most voted candidates of 5 different constituencies.

Figure 1 shows the evolution of turnout levels for every type of legislative election since 1990, weighting turnouts at municipal level by the number of electors.<sup>2</sup> Regardless from the election type, turnout constantly declined in the observed period. Notice that municipal, regional and provincial elections are held at different timings in different regions, and therefore display jumping turnouts as a consequence of different samples (Figure A1 solves the sample selection by showing linear trends over the observed period). As shown in Figure A2 for the 2013 election of the Chamber of deputies, there is also some variation at regional level: generally, turnout is lower in the southern part of Italy.

be first-runners and female – all categories negatively associated with corruption. Notice that this selection is driven by voters' preferences, as the dismissal does not affect the supply of candidates.

<sup>&</sup>lt;sup>2</sup> Turnout in elections for mayors, regional presidents, and Senate of the Republic are not shown, as they are very similar to the turnouts in elections of the Municipal councils, the Regional councils and the Chamber of Deputies, respectively.

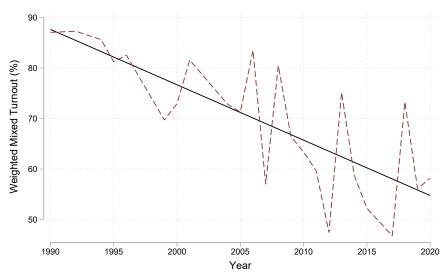
Figure 1: Average Turnout by Election Type and Year, 1990-2020.



Source: Eligendo.

In order to use the most number of votes in single municipalities over time, we aggregate different elections in an aggregated turnout measure. We consider elections for the Chamber of Deputies, the Regional Councils and the Provincial Councils – excluding elections for the European Parliament, which may capture a different sphere of institutional trust. In case multiple elections were held in the same time unit, we hierarchically chose the turnout in the election at higher geographical level. Figure 2 shows the evolution of this form of aggregated turnout between 1990 and 2020. As expected, this measure declines constantly through the observed period.

Figure 2: Average Aggregated Turnout by Year with Linear Fit, 1990-2020.



Source: Eligendo.

# 2.2 Organized Crime in Italy

The Mafia in Italy has undergone significant transformations, with 1993 marking a turning point in its history. Initially, mafia organizations like Cosa Nostra in Sicily, the Camorra in Naples, and the 'Ndrangheta in Calabria developed as local power structures, deeply embedded in the political and economic fabric of southern Italy. Historically, they wielded influence through a combination of violence, political connections, and infiltration of the local economy (Paoli, 2003). In the 1980s and early 1990s, the Mafia's power was challenged by the Italian state, most notably during the Palermo Maxi Trials (1986–1992), which saw over 400 Mafia members convicted. This state-led crackdown was met with brutal retaliations, culminating in the assassinations of anti-Mafia magistrates Giovanni Falcone and Paolo Borsellino in 1992 (also known as Strage di Capaci). The murders, followed by a bombing campaign in 1993, created widespread public outrage and pushed the Italian government to intensify its anti-Mafia efforts.

After this massacre, as a part of a broader shift in Italy's anti-Mafia strategy, on August 7 1992, the Italian government enforced the decree n. 356, or Martelli-Scotti decree, implementing tougher prison conditions for Mafia members under the "41-bis" law regime. The decree determined a turning point in the in Italy's fight against organized crime, particularly because of its success in encouraging Mafia defections and breaking the Mafia's code of silence (omertà).

As a result, Mafia related crimes in Italy have been decreasing ever since. Evidence is furnished in Figure 3, which depicts Mafia homicides rates per 10'000 people. The trend in homicides decreased by about 70% since 1991, and stabilizing at a lower level after the year 2000.

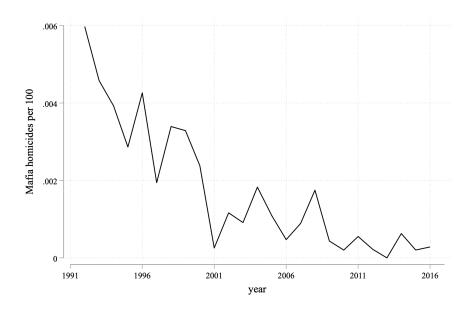


Figure 3: Council's Dissolutions over the Years

<sup>&</sup>lt;sup>3</sup> So-called *Decreto antimafia Martelli-Scotti* on June 8 1992 n.356 enforced in law on August 7 1992 provides witness protection to collaborators of justice, tougher sentences and special detention regimes, seizure of mafia assets, strengthening the role of anti-mafia magistrates and police.

### 2.3 Council Dismissals

On May 31, 1991, the Italian Parliament approved the Decree-Law No. 164, which introduced the possibility of dismissing municipal councils with proven links to the organized crime. The dismissal of city councils is an aggressive policy, and is subject to a strict procedure, which is entirely conducted without dislosing any public information. The process starts with a police investigation that identifies the existence of contacts between municipal officials and organized crime. It is important to notice that, most investigations are not initiated due to suspects of mafia infiltration.<sup>4</sup> The police allegations are communicated to the head of the provincial authority (the *prefetto*), which forms an investigating commission and reports to the Ministry of Interior within four months. The Ministry of Interior then decides on the dismissal, in consultation with the Cabinet. In case of positive dismissal, the whole procedure is confirmed by decree by the President of the Republic and revealed to the public. At this point, the mayor, the executive body, and the legislative municipal council are replaced by unelected commissioners who administer the municipality for a transitional phase that can last up to 18 months, until new elections are held.

Figure 4 depicts the number council dissolutions by year since the introduction of the policy. Between 1991 and 2020, up to 280 municipalities have been dissolved. More than 70 dissolutions were ordered in the first three years of the policy, but dissolutions have continued into recent years. The sharp discontinuity after 1993 can be attributed to several factors. One worth mentioning is the aforementioned decree *Martelli-Scotti* that introduced tougher sentences for crimes suspected to be associated with Mafia.

More than 90% of the dissolutions occured in center-south of Italy. Figure 5 shows the spatial distribution of the dissolutions in the center-south. Calabria and Sicily stand out with the highest share of dissoluted municipalities over time. The figure also displays a degree of concentration of dissolutions in within certain areas, suggesting even more that mafia infiltration in municipal councils is geographically concentrated.

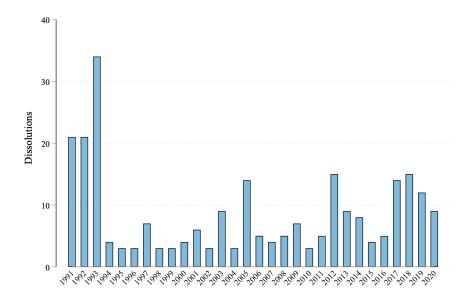


Figure 4: Council's Dissolutions over the Years

<sup>&</sup>lt;sup>4</sup> Commissione parlamentare d'inchiesta sul fenomeno delle mafie e sulle altre associazioni criminali, anche straniere, 2005.

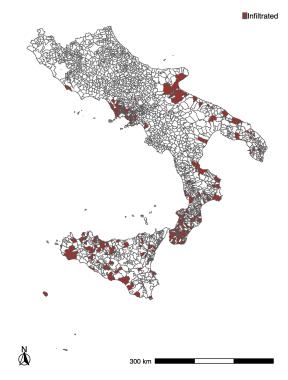


Figure 5: Council's Dissolutions over Space, South Italy

## 3 Data

In this study, we collect data from three sources between the period from 1991 to 2020. We focus on cohorts treated up to 2017 to ensure that we observe treated municipalities for at least 3 years after the shock.

We collect data on voter turnout in every election type, disaggregated at municipal level through Eligendo, the historic archive of the Department of Internal and Territorial Affairs (Dipartimento per gli Affari Interni e Territoriali) in the 1990-2020 period.<sup>5</sup> The archive collects data of all elections in the used period, with the exception of regional elections in special statute regions (Aosta Valley, Friuli-Venezia Giulia, Sardinia, Sicily, Trentino Alto Adige). We collect Sicilian regional election data between 2006 and 2016 from the website of the Sicilian Electoral Service.<sup>6</sup> In the observed period, municipalities had the median number of elections of 6 for european-, 8 for national-, 7 for regional-, 2 for provincial- and 6 for legislative elections.

We merge these dataset with the data from the Interior Ministry's "Anagrafe degli Amministratori Locali e Regionali", which reports the year in which the municipality was under compulsory administration due to mafia infiltration. The dataset also reports all compulsory administrations due to other reasons (e.g. mayor's death). It also reports demographic characteristics of the mayors (age, gender, education), affilitated party (right wing, left wing, civic list), type of voting system (proportional/majoritarian) and the duration of the

<sup>&</sup>lt;sup>5</sup> In the rare cases where elections took place at a level lower than municipality, such as in some big cities for national elections, we aggregate results at the municipal level. In mixed proportional and uninominal elections, we focus on turnout levels referred to the proportional seats. This excludes from the sample municipalities from the Aosta Valley in the Chamber of Deputy elections between 1994 and 2001.

<sup>&</sup>lt;sup>6</sup> For conciseness, in figures we refer to these data with the source "Eligendo".

charge. From this dataset we are able to construct identifiers for municipality dissolutions for Mafia and due to other reasons (listed in Table A2).

Finally, we collect census data from ISTAT for the years 1991, 2001, 2011, and 2021. The censuses contains a large amount of information for each municipality on the resident population, such as number of residents, foreigners, theage/gender distribution, education levels, (un-)employment. We mainly use these variables as controls in our regression and to construct a matched sample that we use in the robustness.

# 4 Research Design

### 4.1 Sample Selection

To study the effect that a municipal dissolution had on trust, that we observe through voter's turnout, we first focus on turnouts at higher geographical level than the municipal level. In fact, municipal level's turnout may mechanically be affected by the council's dismissal for reasons other than trust. For example, since the dissoluted council cannot be admitted to the next municipal election, the loss of candidates may by construction decrease the participation at the elections. Therefore, we focus on parliamentary, regional and provincial elections to capture a dimension of political participation not directly affected by the municipality dissolution by other means than trust.

To improve identification, we focus only on center/south regions to avoid bad comparisons in terms of turnout. In fact, as shown in appendix, Figure A2 depicts the geographical distribution of voter turnout. From the graph we can see that on average in the south there is a smaller participation in the political activity, therefore focusing on the center/south regions mitigates concerns of bad comparisons. We also record municipalities that are neighboring with our main treatment group, to investigate spillover effect of the mafia infiltration on voter's turnout.

To ensure we can observe treated cohorts for at least three years after the dissolution, we focus on cohorts until 2017 both in our main sample of dissoluted municipalities, in the sample with other dissolutions, and in the sample with neighbours. This ensures that we observe all treated cohorts at least in the first three years after the dissolution. This mitigates a potential bias driven by a cohort composition effect.

The summary statistics for the main outcomes and characteristics used in the final regression are reported in Table 1.

Table 1: Summary Statistics

	Observations	Mean	SD	Min	Max
Panel A: Dissolutions					
Infiltrated	44'399	0.022	0.145	0	1
Bordering Infiltrated	44'399	0.153	0.36	0	1
Other dissolutions	44'399	0.471	0.499	0	1
Panel B: Elections					
Turnout	44'399	0.722	0.135	0.004	1
Turnout Camera	24'817	0.76	0.103	0.051	1
Turnout Regionali	17'363	0.661	0.158	0.004	1
Turnout Provinciali	5'290	0.69	0.125	0.218	0.999
Voters	44'399	6'844.42	38'061.24	67	2'347'455
Blank ballot	44'399	149.96	449.85	0	29'980
N. elections-year	44'399	1.414	0.614	1	4
N. elections-day	44'399	1.249	0.527	1	3
Election type	44'399	1.782	0.923	1	3
Panel C: Census					
Population by Km <sup>2</sup>	44'399	0.00025	0.0007	$2.56e^{-06}$	0.015
Unemployment rate	44'399	0.098	0.052	0	0.49
Old age ratio	44'399	0.37	0.141	0.081	1.79
High Education	44'399	0.247	0.099	0.023	0.721
Middle Education	44'399	0.287	0.044	0.056	0.51
Low Education	44'399	0.284	0.066	0.08	0.746

# 4.2 Estimating Equation

To estimate the effect of mafia infiltration on turnout we exploit variation in the staggered dissolution of municipalities in Italy between 1991 and 2017. In practice, we use the following difference-in-difference regression,

$$Y_{it} = \sum_{k=-4}^{5} \gamma_k \cdot \text{Dissoluted}_{i,t-k} + \delta x_{it} + \theta_t + \theta_i + \varepsilon_{it}$$
 (1)

Where  $Y_{it}$  represents the turnout at the election in municipality i at time t, Dissoluted<sub>i,k</sub> is an identifier for municipality i whose municipality council was dissoluted due to mafia infiltration at time k=0. Notice that event time k is represented in terms of a 12 months from the dissolution rather than the year after the dissolution. Time varying controls at election level are represented by  $x_{i,t}$ . These controls include election type and interactions between elections on same day at the pools. Equation (1) also includes  $\theta_t$  and  $\theta_i$  represent respectively time and municipality fixed effects. The coefficient of interest is represented by  $\gamma_k$ : this identifies the difference in turnout between dissoluted municipalities and undissoluted municipalities at  $k \neq -1$ . Standard Errors are clustered at municipality level to account for potential autocorrelation on turnouts within the same municipality.

The validity for difference-in-differences generally relies on two core assumptions: (i) Parallel trends; (ii) No anticipation effect (Angrist and Krueger, 1991; Card and Krueger, 1994). In the context of our study, these assumptions imply that, in the absence of the dissolution, the treated and control units would have followed similar trajectories, and that the dissolution was unforeseen by the agents. On one hand, while it is challenging to perfectly validate the parallel trends assumption, we employ a dynamic DiD approach to provide statistical evidence on its satisfaction. Specifically, we examine the  $\gamma_k$  coefficients

in the pre-treatment period to assess whether treated and control municipalities displayed comparable trends prior to the 2015 shock. On the other hand, while we cannot provide empirical evidence on the satisfaction of the no-anticipation assumption, the framework presented in Section 2.3on the secret investigation upon the dismissal, mitigates the risk of a foreseen presence of Mafia in the municipal council.

On top of the standard identifying assumption, staggered designs also require treatment homogeneity for identifying an average treatment effect (Sun and Abraham, 2021). In our context, this implies that voter turnout reacts homogeneously across treated cohorts, otherwise the result could be driven by contamination of pre-period and post-period estimate on the coefficient of interest. To tackle this issue, we provide an alternative specification in which we restrict the sample to years 2000–2017 and we also use the interaction weighted estimator proposed by (Sun and Abraham, 2021). The results are qualitatively similar to the ones in the main specification, mitigating treatment heterogeneity concerns.

## 5 Results

In Figure 6 we plot the  $\gamma_k$  coefficients of Equation (1). We estimate that turnout at higher geographical level drops of about 2 percentage points at event time k=0, which represents the turnout within 12 months from the dissolution. The effect is significant over the following years after the policy intervention, however over time the effect seem to be regressing toward zero. The pre period coefficients are close to 0 and not significant, highlighting that treated municipalities were similar in terms of turnout to control municipalities.

To mitigate the effect of cohort heterogeneity in the response we analyze robustness of our results by using the iteraction weighted estimator (Sun and Abraham (2021)). Figure A4 in appendix reports that the effect is robust to this specification, but the magnitude is slightly smaller.

For robustness, in Figure A5 in the Appendix we confirm the result using the same regression where we matched the municipalities in the control using turnout in the year previous to the dissolution, the average turnout over the previous 5 and 10 years to the dissolution, population and unemployment rate. Table A1 in Appendix also presents the standardized differences between the treatment, the control group and the matched control group.

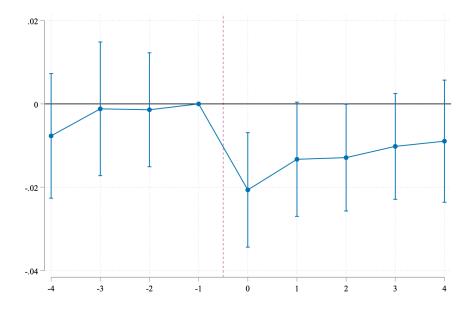


Figure 6: Turnout

Notes: For each year, the Figure displays the estimate of the  $\gamma_k$  coefficients reported in Equation (1), namely the estimated difference in the turnout at election in Italy between dissoluted municipalities at the shock. The total number of observations is 44'399. We control for municipality and year-fixed effects. We also report 95% level confidence intervals clustered at the municipality level. Source: Our elaboration on Eligendo data.

We also use the same specification on a subsample of municipalities dissoluted between the year 2000 and 2017 to attenuate treatment heterogeneity concerns and to underline the saliency of Mafia crimes in the years after 2000. Figure 7 shows that, when we restrict the sample to cohorts treated in 2000–2017 the effects are exacerbated reaching a 4% decrease in turnout. This evidence suggests that the saliency, due to heightened public attention on organized crime during this period, increased in later years, consistent with lower levels of mafia related crimes after year 2000.

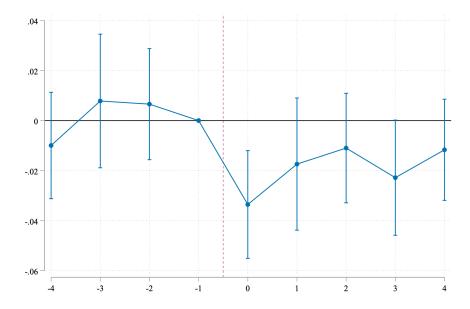


Figure 7: Turnout Cohort 2000-2018

Notes: For each year, the Figure displays the estimate of the  $\gamma_k$  coefficients using Sun & Abrahams's command. The Figure reports the estimated difference in the turnout at election in Italy between dissoluted municipalities at the shock. The total number of observations is 43'954. We control for municipality and year-fixed effects. We also report 95% level confidence intervals clustered at the municipality level. Source: Our elaboration on Eligendo data.

While Figure 6 provides evidence on reduction in turnout following the municipality dissolution, it is difficult to disentangle the effect on turnout from the municipal dissolution or from the information on the mafia infiltration. To address this concern, we use a placebo test where we compare the effect of turnout for municipality dissolutions occurred for other reasons. Figure 8 plots the event time coefficients for other reasons for dissolutions. We find that no effect significantly different from zero. These results suggest that the effect is driven by the mafia infiltration rather than the municipal dissolution, therefore it is more likely that effect passes through the disclosure of the information, and therefore affecting voters' trust in institutions.

<sup>&</sup>lt;sup>7</sup> A full list of reasons for dissolution is available in Table A2 of the Appendix.

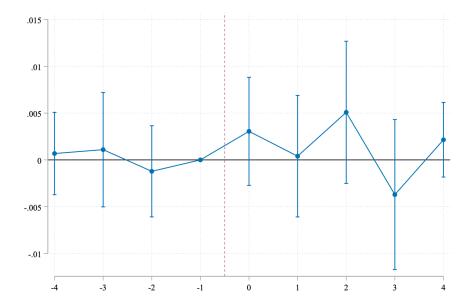


Figure 8: Turnout other dissolutions

Notes: For each year, the Figure displays the estimate of the  $\gamma_k$  coefficients reported in Equation (1), namely the estimated difference in the turnout at election in Italy between dissoluted municipalities for other reasons at the shock. The total number of observations is 44'399. We control for municipality and year-fixed effects. We also report 95% level confidence intervals clustered at the municipality level. Source: Our elaboration on Eligendo data.

Figure 6 provide evidence that a municipal dissolution due to mafia infiltration affects voters turnout and Figure 8 suggest that trust in institution is likely one of the driving mechanisms.

To isolate the effect of trust, we try to analyze whether the municipal dissolution has spillover effects in terms of turnout in the nearby municipalities. Galletta (2017) finds indeed that there are significant spillover effects of the observed outcomes on neighboring municipalities. In our case, if the effect of turnout passes through trust we would expect the news to be circulating in nearby municipalities, which would in turn be affected by their neighbors' treatment.

To investigate this dynamic, we identify as neighbors the municipalities that shares the same borders with the dissoluted municipality. We then assign them as shock the municipal dissolution of the the neighbor municipality and we run the specification of Equation (1), removing the actual dissoluted municipalities to avoid the spillover effect to be contaminated by the main effect. Figure 9 reports these results. Neighboring municipalities experience a reduction in turnout of approximately the same magnitude. This suggest that the information on the mafia infiltration has geographical spillovers.

Since these municipalities are part of our main control group and display a treatment effect, this would lead to bias for the main estimates in Figure 1. For this reason Figure A3 estimates 1 removing from the control group neighboring municipalities. We find that the effects are qualitatively similar to the main estimates, but slighlty less precise.

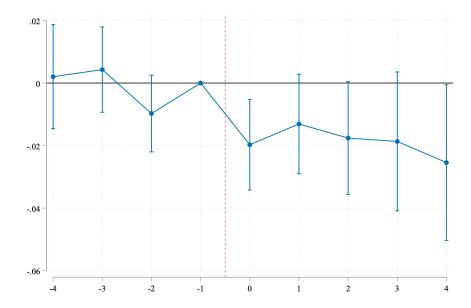


Figure 9: Turnout in border municipalities

Notes: For each year, the Figure displays the estimate of the  $\gamma_k$  coefficients reported in Equation (1), namely the estimated difference in the turnout at election in Italy between bordering dissoluted municipalities at the shock. The total number of observations is 44'399. We control for municipality and year-fixed effects. We also report 95% level confidence intervals clustered at the municipality level. Source: Our elaboration on Eligendo data.

## 6 Conclusion

This paper investigates the effect of organized crime infiltrations in Italian municipalities on voter participation, providing an understanding of how mafia-related corruption in local councils influences electoral behavior. Our central argument is that the public exposure of these infiltrations acts as an informational shock, reducing trust in political institutions and diminishing voters' perceived benefits from participating in elections. We use an event-study design, leveraging the timing of the dismissals of infiltrated city councils to estimate their impact on turnout. By measuring voter turnout at the provincial, regional, and national levels, we avoided potential contamination from local political dynamics, particularly those specific to municipal elections.

The results show a significant decline in voter turnout, with an average decrease of 2 percentage points in municipalities where city councils were dismissed due to organized crime. This effect is more pronounced within the first 12 months from the shock and persists for up to four years. We exclude that the effect passes through the municipality dissolution by looking at the effect on municipalities dissoluted for other reasons, which display no treatment effect. Notably, the decline is more pronounced for elections after the year 2000, where the decrease in voter turnout peaks at 4 percentage points. The higher effects for this subsample can be attributed to an increasing salience of mafia-related crimes after 2000 in the public debate.

Additionally, we found evidence of spillover effects: neighboring municipalities, which were not directly affected by the infiltrations, also exhibited a significant reduction in turnout. This suggests that information about the mafia's influence permeates beyond the borders of the dissoluted municipalities, diminishing political engagement more broadly around

regions.

Our findings add to the growing literature on the electoral consequences of organized crime, complementing the work of Acconcia et al. (2014) on the effects of city council dismissals for mafia infiltration. While prior studies have highlighted the positive economic and governance benefits of dismissing mafia-infiltrated councils our results provide a more complex picture by demonstrating that these interventions can also erode voter trust in the political system. Specifically, while such dismissals may improve local governance, they simultaneously uncover the extent of corruption, contributing to political disillusionment and voter disengagement.

Furthermore, we contribute to broader discussions on the relationship between political scandals and electoral participation, resonating with findings from other contexts, such as Mexico (Chong et al., 2015), Spain (Costas-Pérez, 2014), and Italy itself (Giommoni, 2021). However, our study differentiates the results by focusing on higher-level elections, such as provincial, regional, and national elections, rather than municipal elections where the corruption occurs. This allows us to disentangle the electoral dynamics of trust from those related to local political contexts, contributing to a more comprehensive understanding of how institutional trust operates across different electoral levels.

In sum, while anti-mafia interventions have demonstrable governance benefits, our findings suggest that they also carry unintended consequences for political engagement. The public revelation of the depth of organized crime's infiltration into local governance likely leads to widespread disillusionment, reducing voter participation. Therefore, future anti-corruption policies should consider strategies to mitigate this loss of trust, ensuring that governance reforms do not inadvertently alienate voters from the political process.

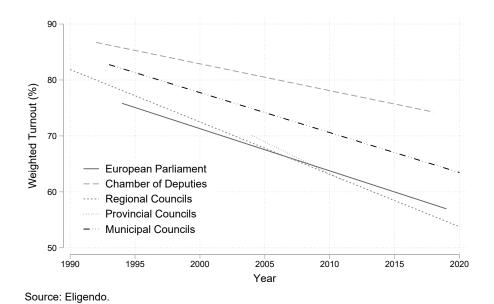
# References

- Accardo, Pasquale, Giuseppe De Feo, and Giacomo De Luca, "Organised crime, elections and public policies," in Paolo Buonanno, Paolo Vanin, and Juan Vargas, eds., A Modern Guide to the Economics of Crime, Chapters, Edward Elgar Publishing, 2022, chapter 15, pp. 320–344.
- Acconcia, Antonio, Giancarlo Corsetti, and Saverio Simonelli, "Mafia and public spending: Evidence on the fiscal multiplier from a quasi-experiment," American Economic Review, 2014, 104 (7), 2185–2209.
- Angrist, J D and A B Krueger, "Does Compulsory School Attendance Affect Schooling and Earnings?," The Quarterly Journal of Economics, 1991, 106 (4), 979–1014.
- Ares, Macarena and Enrique Hernández, "The corrosive effect of corruption on trust in politicians: Evidence from a natural experiment," Research & Politics, 2017, 4 (2), 2053168017714185.
- Baraldi, Anna Laura, Erasmo Papagni, and Marco Stimolo, "Neutralizing the Tentacles of Organized Crime. Assessment of the Impact of an Anti-Crime Measure on Mafia Violence in Italy," 2023.
- \_ , Giovanni Immordino, and Marco Stimolo, "Self-selecting candidates or compelling voters: How organized crime affects political selection," European Journal of Political Economy, 2022, 71, 102133.
- Blais, André and Daniel Rubenson, "The source of turnout decline: New values or new contexts?," *Comparative Political Studies*, 2013, 46 (1), 95–117.
- Card, D and A B Krueger, "Minimum Wages and Employment: A Case Study of the Fast-Food Industry in New Jersey and Pennsylvania," *The American Economic Review*, 1994, 84 (4), 772–793.
- Cataldo, Marco Di and Nicola Mastrorocco, "Organized crime, captured politicians, and the allocation of public resources," *The Journal of Law, Economics, and Organization*, 2022, 38 (3), 774–839.
- Chong, Alberto, Ana L De La O, Dean Karlan, and Leonard Wantchekon, "Does corruption information inspire the fight or quash the hope? A field experiment in Mexico on voter turnout, choice, and party identification," *The Journal of Politics*, 2015, 77 (1), 55–71.
- Costas-Pérez, E, "Political corruption on turnout: Mobilization or disaffection," Technical Report, Working paper 2014/27, Institut d'Economia de Barcelona (IEB) 2014.
- **Daniele, Gianmarco and Benny Geys**, "Organised crime, institutions and political quality: Empirical evidence from italian municipalities," *The Economic Journal*, 2015, 125 (586), F233–F255.
- Fenizia, Alessandra and Raffaele Saggio, "Organized crime and economic growth: evidence from municipalities infiltrated by the mafia," Technical Report, National Bureau of Economic Research 2024.
- Gallego, Aina, Unequal political participation worldwide, Cambridge University Press, 2015.

- Galletta, Sergio, "Law enforcement, municipal budgets and spillover effects: Evidence from a quasi-experiment in Italy," *Journal of Urban Economics*, 2017, 101, 90–105.
- **Giommoni**, **Tommaso**, "Exposure to corruption and political participation: Evidence from Italian municipalities," *European Journal of Political Economy*, 2021, 68, 102000.
- **Gray, Mark and Miki Caul**, "Declining voter turnout in advanced industrial democracies, 1950 to 1997: The effects of declining group mobilization," *Comparative political studies*, 2000, 33 (9), 1091–1122.
- Kostelka, Filip and André Blais, "The generational and institutional sources of the global decline in voter turnout," World Politics, 2021, 73 (4), 629–667.
- **Lijphart, Arend**, "Unequal participation: Democracy's unresolved dilemma presidential address, American Political Science Association, 1996," *American political science review*, 1997, 91 (1), 1–14.
- Paoli, Letizia, "Mafia Brotherhoods: Organized Crime, Italian Style," Tonry, Michael; Morris, Norval, Studies in Crime and Public Policy (2003), 01 2003.
- Riker, William H and Peter C Ordeshook, "A Theory of the Calculus of Voting," American political science review, 1968, 62 (1), 25–42.
- Sun, Liyang and Sarah Abraham, "Estimating dynamic treatment effects in event studies with heterogeneous treatment effects," *Journal of Econometrics*, 12 2021, 225, 175–199.

# 7 Appendix

Figure A1: Linear Fit of the Average Turnout by Election Type and Year, 1990-2020.



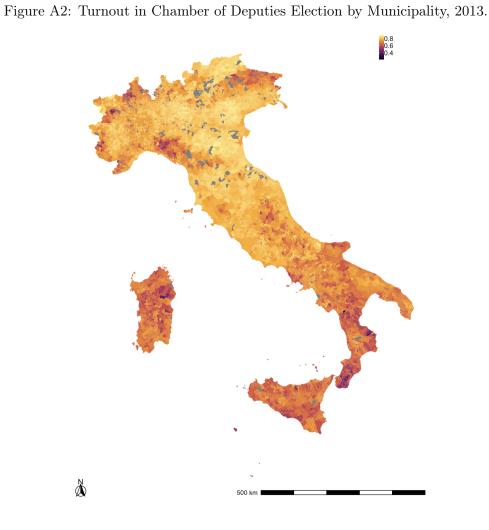
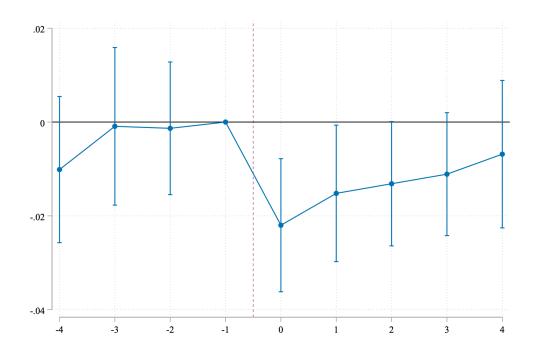


Figure A3: Turnout without border municipalities



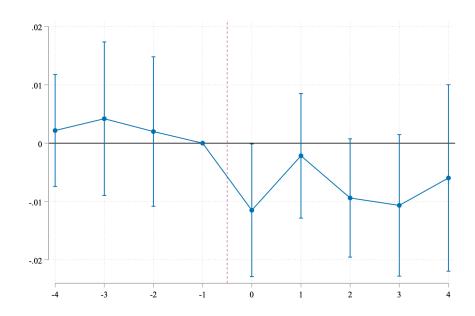


Figure A4: Turnout Sun & Abrahams

Notes: For each year, the Figure displays the estimate of the  $\gamma_k$  coefficients using Sun & Abrahams's command. The Figure reports the estimated difference in the turnout at election in Italy between dissoluted municipalities at the shock. The total number of observations is 44'399. We control for municipality and year-fixed effects. We also report 95% level confidence intervals clustered at the municipality level. Source: Our elaboration on Eligendo data.

Figure A5: Turnout, matched municipalities

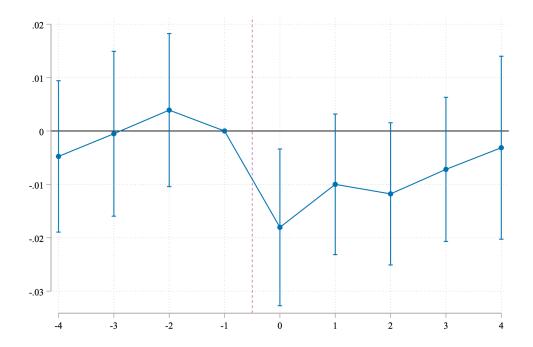


Table A1: Balancing Table: Uconditional Control and Matched Control

	Treatment	Control	Matched Control	Std.Diff T-C	Std.Diff T-MC
Turnout	0.72	0.71	0.71	0.05	0.08
Turnout Camera	0.74	0.75	0.74	-0.04	-0.00
Duration Mayor (Years)	4.14	4.6	4.57	-0.32*	-0.29*
People by ${\rm Km}^2$	0.00	0.00	0.00	-0.40*	-0.29*
Unemp. Rate	0.14	0.11	0.12	0.30*	0.16*
Old Age Dep. Ratio	0.25	0.34	0.29	0.55*	0.16*
$High\ School\ +$	0.23	0.29	0.25	-0.14*	-0.15*
Mid School	0.31	0.29	0.30	0.39*	0.15*
Elementary School	0.26	0.27	0.26	-0.39*	-0.11*
Voting Sys	0.30	0.11	0.17	0.34*	0.21*
Age mayor	47.44	47.36	47.66	0.01	-0.02
Female mayor	0.03	0.05	0.04	-0.07	-0.05
N	186	1'847	530		

Notes: \*std. Diff > 0.1

Table A2: Reasons for Muncipal Dissolutions

Death of the mayor or serious impediment	Vote at the first eligible date.
Remotion of the mayor	A mayor is removed if she/he pursues other activities incompatible with the political role (position in local healthcare company), accepts another political role (regional council, parliamentary positions), serious reasons of public order as well as for serious failure to comply with the relevant obligations, has a serious conviction (other than mafia). The municipality go to vote at the first eligible date.
Dismissal of the mayor	Dismissal include similar reasons as for the remotion, plus other personal incompatibilities. Once the dismissal letter is presented, after 20 days it is enforced. The municipality go to vote at the first eligible date.
Motion of no confidence	The absolute majority of the councillors votes against the mayor or against the financial law. The municipality is commissioned and elections are held after 18 months in general.
Resignation of the majority of municipal councillors	The absolute majority of the councillors resigns.  The municipality is commissioned and elections are held after 18 months in general.
Mafia Inflitration	When concrete evidence of association between the mayors and/or the councils and mafia. The municipality is commissioned and elections are held after 18 months in general.