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Executive summary

This Report deals with policy evaluation of measures aimed to contrast crime and criminal infiltrations. Policy evaluation assesses the effectiveness, efficiency, and impact of policies, aiming to inform decision-makers, improve existing measures, and guide future developments. Through evaluation, governments ensure efficient resource allocation and adapt policies to better meet public needs.

The report examines policies combating organized crime in Italy, particularly targeting mafia groups. The focus is on understanding the causal effects of interventions, such as asset forfeiture and the dissolution of city councils infiltrated by organized crime. Asset forfeiture weakens criminal networks by seizing their financial assets, while dissolving local councils aims to restore integrity and public trust in governance.

However, these measures alone may not address the root causes of crime. The report suggests improving policies by tackling underlying socioeconomic factors, strengthening law enforcement, and promoting social cohesion, especially in areas vulnerable to organized crime. In southern Italy, addressing poverty, unemployment, and lack of opportunities is key. Policies should focus on job creation, education, and social inclusion programs to prevent youth from turning to crime and to foster resilience against criminal influences.

TABLE OF CONTENTS

1 Introduction

Policy evaluation is a process through which policies are examined to determine their effectiveness, efficiency, and impact. The goal of policy evaluation is to inform decision-makers, improve existing policies, and guide future policy development. It typically includes both quantitative and qualitative assessments, considering factors such as costs, benefits, unintended consequences, and equity. By evaluating policies, governments and organizations can ensure that public resources are allocated efficiently and that policies are adapted to better meet public needs and address emerging challenges.

This report focuses on the effectiveness of measures adopted in combating organized crime, particularly mafia groups, in Italy. As for any policy evaluation, the focus is on the understanding of the causal effects of the intervention. We are interested in how the manipulation of a variable affected by the policy changes the main outcome of interest and not in how the variable affected by the policy and the outcome co-vary for other reasons. Distinguishing correlation from causation is, therefore, the main challenge.

The main policies examined are confiscation and seizure of assets and dissolution of local councils. Asset forfeiture aims to disrupt criminal networks, weaken their financial power, and deter future criminal activities. Whereas, the dismissal of city councils infiltrated by organized crime is a policy aimed at restoring integrity and public trust in local governance. This policy serves as both a preventive and corrective measure, targeting the influence of criminal organizations, such as the mafia, on political institutions. While essential, these two policy measures may be insufficient to address the causes of crime. Based on existing and ongoing research, this report explores how the policies can be enhanced by addressing underlying socioeconomic factors, strengthening law enforcement, and promoting social cohesion, particularly in regions vulnerable to organized crime.

Addressing the socioeconomic factors that contribute to crime, particularly in southern Italy where poverty, unemployment, and lack of opportunity are

more prevalent, is essential. Policies should focus on job creation, especially for young people, and improving education to break the cycle of poverty that often feeds into criminal behavior. Promoting social inclusion through educational and cultural programs that engage youth and foster resilience against criminal influences, particularly in at-risk communities, can be a long-term solution to reducing crime rates.

2 Policy evaluations: methods and approaches

Sociopolitical and economic outcomes of countries strictly rely on the efficacy of the public policy they adopt. Public policy serves as the mechanism through which governments address societal challenges, allocate resources, and shape individual behavior within the community. Effective public policies are pivotal to prompt economic growth, reduce inequality, and foster social stability, while poorly designed or implemented policies can exacerbate existing problems and lead to stagnation, social conflicts or political instability. For these reasons, policy evaluations are crucial to determine the effectiveness, efficiency, equity, and sustainability of policy interventions and guide decision-making. They provide an objective assessment of the design, and the outcomes of public policies and can involve future, current or completed policy initiatives. The process involves analyzing whether the policy goals are met, identifying potential and unintended spillover effects, and providing evidence-based recommendations for improvement (Nachmias, 1980).

Depending on the stage of the policy, goals, and resources available, it could be implemented formative, summative or impact evaluations (Weiss, 1998). Specifically, formative evaluations provide feedback in the early stage of the policy and help improve ongoing processes and adjust political strategies. This method identifies and addresses challenges or inefficiencies

during the implementation stage and allows for iterative improvements during implementation. However, such a method requires the implementation of significant time and resources to guarantee continuous monitoring and frequent adjustments and it also brings on the risk of over-intervention due to excessive changes based on early findings. Summative evaluations occur after a policy or program has been implemented. They provide an assessment of the policy's outcomes and success in achieving the stated goals, focusing on effectiveness and overall performance. They also ensure transparency and justification on the use of the resources and are essential in deciding whether to replicate or expand a policy based on results. Summative evaluations do not allow though to isolate potential contamination effects from external factors and, given the stage at which they are conducted, limit the possibility to address problems during im- implementation. Finally, impact evaluations focus on establish causal relationships between interventions and observed effects, isolating the policy's specific contribution to observed changes by controlling for confounding variables. This approach often involves rigorous methods like Randomized Controlled Trials or Difference-in-Differences methods or quasi-experimental designs (Banerjee and Duflo, 2009). Although these evaluations are crucial in supporting evidence-based decision-making, they require substantial financial and technical investments, making them difficult to implement for small programs or in territorial contexts with tight budget constraints (Deaton and Cartwright, 2018). Yet, if on the one hand the developed techniques for data analysis enable real-time evaluations and favor on-going monitoring, the lack of unified standards across data providers reduces the com- parability of findings across programs or countries, creates discrepancies in interpretations or give rise to conflicting data, which may compromise the reliability of the evaluations (McLaughlin and Jordan, 2015).

Considering the advantages and disadvantages, these approaches are complementary rather than mutually exclusive, providing a comprehensive understanding of a policy's effectiveness across its various stages. However, their application is heavily dependent on the availability of national or regional resources.

2.1 Legal frameworks across countries

The implementation of policy evaluations differs significantly across nations, as it depends on governance systems, institutional capacities, political dynamics, and external influences. In the United States, policy evaluation has particularly been adopted within federal initiatives in sectors such as education, healthcare, and welfare. During the 1960s, evaluation practices were mainly dedicated to assessments in areas like job training, crime prevention, and substance abuse programs (Shadish et al., 1991). In the mid-1990s, the Government Performance and Results Act (GPRA) emphasized the importance of measuring the outcomes and impacts of federal programs. Complementary legislation, such as the Paperwork Reduction Act and the Information Quality Act, also influenced evaluation practices by defining data collection standards and imposing limitations on the scope of information gathering (Chenok and Hart, 2020; Hart and Mark, 2022). Nowadays, policy evaluation is embedded in the 2010 GPRA. This act emphasizes the establishment of clear priorities through major goals and performance indicators while ensuring transparency by providing accessible and comprehensible information to both the public and decision-makers. Organizations like the Government Accountability Office (GAO) and Congressional Budget Office (CBO) play critical roles in evaluating U.S. policies and informing legislative decisions. Among others, the GAO evaluates federal programs and policies, identifying potential waste of public monies, proposing cost-effectively methods to achieve program goals, and ensuring the adequacy of accounting systems to prevent the misuse or illegal expenditure of funds. Whereas, the CBO mainly estimates the impact of proposed policies on the federal budget, and offers projections on economic indicators like GDP growth, unemployment, inflation, and the national debt, helping policymakers anticipate economic challenges and formulate long-term strategies. These two independent entities are thus designed to provide evidence-based analyses, ensure accountability, and enhance transparency. Indeed, reports from both organizations are publicly available, enabling public understanding of policy impacts.

Another country with strong foundations in policy evaluation is the United Kingdom. Policy evaluation practices in the UK are a critical part of the policymaking process, designed to assess the successful achievement of government goals, offer value for money, and guide future policy decisions. Institutions like the What Works Network have similar tasks to the U.S. GAO and CBO, advancing evidence-based policymaking, ensuring that government programs and policies are informed by rigorous evaluation and data. Two key and complementary documents provide evaluation guidance: the Green Book and the Magenta Book. The Green Book focuses on appraisal, monitoring, and evaluation, primarily supporting decision-making earlier in the policy cycle by guiding the development of business cases and Regulatory Impact Assessments. Whereas, the Magenta Book provides more detailed and specific guidance on ex-post evaluations. Central guidance also plays a role in standardizing practices and reporting, fostering greater consistency and enabling better comparison across outputs and the appraisal of options available to decision-makers (Bicket et al., 2021).

While the United States and United Kingdom are leading examples in the implementation of evaluation policies, several European countries, such as Sweden, the Netherlands, Germany, Denmark, and Finland, have also taken some steps towards the adoption of evaluation mechanisms, reflecting their commitment to institutionalizing evaluation practices (Wollmann, 2017).

Evaluations across countries offer valuable opportunities for mutual learning and improving governance but require careful consideration of contextual differences, harmonized methodologies, and robust data systems to ensure meaningful and actionable insights. Policies are often context-depending as those succeeding in one country may fail in another due to differing economic conditions, social structures, or institutional systems.

3 Criminal organizations at a glance

Sociopolitical and economic dynamics within countries are shaped not only by government legislation and policies but also by the activities of non-state institutions, such as organizations, interest groups, and social movements. These entities possess a considerable ability to influence political decision-making and economic trends, especially in territorial contexts characterized by low social capital, political distrust, and instability.

In such environments, non-state actors often exploit the gap left by the state, taking over the provision of essential public services like security and employment. This results in a power shift from the state to informal organizations with rent-seeking behavior, which gain significant influence over the population, undermining state authority and control. Yet, the rent-seeking motive might come at the expenses of citizens' welfare or economic and political stability. In some instances, the goals of such groups can be illegal, with their methods characterized by exploitation and violence, leading to significant harm to the socioeconomic structure.

In Italy, criminal organizations stand out as a notable example of such non-institutional actors. Under Italian law, a mafia-type organization is defined as a criminal syndicate, characterized by a formalized structure and a rigid internal hierarchy. These groups engage in a wide range of illicit economic activities, including racketeering, drug trafficking, money laundering, manipulation of public funds, and exerting informal control over legitimate businesses. Their influence is maintained through traditional tactics such as violence, intimidation, and corruption.

Over the past decades, successive Italian governments have made substantial efforts to combat mafia infiltration at the local level. Indeed, at European level, Italy was the first to address organized crime legislatively. Early efforts, such as Law 575/1965, imposed restrictions on convicted mafia members but lacked a formal definition of the mafia. The Rognoni-La Torre

Act (Law 646/1982) later introduced the crime of mafia-type association and implemented measures like asset seizure to strengthen the fight against organized crime. In the 1990s, in response to mafia violence acts, the Law 221/1991 introduced the dissolution of municipal councils whenever evidence of mafia infiltration was uncovered. Integrating traditional prosecutorial methods with innovative strategies tailored to combating financial crimes, Italy's anti-mafia legislative framework is a leading example for other countries engaged in the fight against criminal organizations (Kilchling, 2014).

The evaluation of anti-mafia policies has garnered increasing attention in empirical economics, with a growing body of research aiming to analyze the impact of these measures across various aspects of the socioeconomic and political landscape.

4 Anti-mafia legislation

Anti-mafia policies can be either direct or indirect. Direct policies focus primarily on law enforcement, emphasizing repression and punitive measures. In contrast, indirect policies target civil society and public administration, encompassing actions such as the dissolution of local councils infiltrated by the mafia, and initiatives designed to foster a "culture of legality" and enhance security, particularly in southern Italy (La Spina, 2004).

The Rognoni-La Torre Act represents the most important law in the fight against organized crime. In addition to introducing the offense of mafia-type association, the law established preventive measures targeting the accumulation of illicit assets. Complemented by Decree 159/2011 (Codice Antimafia), this framework authorizes the confiscation of as- sets from individuals who, based on concrete evidence, are involved in criminal activities or whose standard of living suggests reliance, even partially, on the proceeds of such activities. A crucial aspect of this legislation is the reallocation and repurposing of confiscated assets, a process further enhanced by Law 109/1996, which broadened the range of potential uses for these assets,

reinforcing their role in undermining criminal enterprises and supporting societal development. To counteract the political power of such organizations, the decree Law 164/1991, later converted into Law 221/1991 authorizes the dissolution of municipal councils when there is evidence of connections between council members and organized crime or when undue influence compromises the well-functioning of elected bodies, the administration's efficiency, or the proper delivery of public services, posing significant and enduring risks to public safety. This provision is now codified in Article 143 of the *Testo Unico degli Enti Locali*.

Overall, efforts to combat mafia infiltration in local governments, combined with the implementation of patrimonial measures and the strategic repurposing of seized assets, appear to have yielded largely positive outcomes.

4.1 Confiscation and Seizure Policies

Asset confiscation and seizure are intricate legal processes carried out through two main approaches. Repressive measures, which requires a criminal conviction, necessitating the state to prove beyond "a reasonable doubt" that the assets were obtained through criminal activities; upon conviction, the courts can order asset confiscation as part of sentencing. Preventive measures, on the other hand, allows authorities in some jurisdictions to seize assets without a criminal conviction, applying a lower standard of proof (e.g., "balance of probabilities"). This approach is particularly useful when prosecution is impractical, such as cases where the property owner is unknown, has escaped, or is deceased (Paoli, 1997).

Together, these approaches complement each other: preventive actions weaken the mafia's operational capacity, while repressive measures provide restitution and moral redress. The success of this strategy hinges on transparent legal processes, respect for individual rights, and the effective repurposing of seized assets to benefit communities, fostering resilience against organized crime. However, the effects of the seizure policy can vary depending on the type of confiscated asset.

Operti (2018) distinguishes between economic and operational assets.

Specifically, economic assets include a range of financial resources, while operational assets consist of tools essential for the execution of illicit activities. The study shows that the seizure of economic assets has a positive impact on the number of new firms entering the market in each Italian province, while the seizure of operational assets has a negative effect. Confiscating economic resources weakens the financial position of organized crime, encouraging the entry of legitimate actors into the market. Conversely, seizing operational assets removes a crucial tool for mafia groups to maintain territorial control, creating a power vacuum that increases uncertainty and reduces the attractiveness of starting new businesses.

While asset seizure is a powerful tool, it faces several significant challenges. First of all, the burden of proof and due process. Preventive confiscation allows authorities to seize assets linked to suspected criminal activity without requiring a criminal conviction, relying on principles like disproportionality between assets and legal income. While effective in disrupting mafia operations, this lower burden of proof has raised concerns about property rights and presumption of innocence.

A notable approach, particularly in Italy, involves reallocating confiscated mafia assets to the community. Confiscated properties are often converted into community centers, educational facilities, or social enterprises, turning crime profits into public goods. However, managing and repurposing confiscated assets requires efficient administrative systems. Properties need to be maintained, and businesses need to be managed or sold. If improperly handled, seized assets can become burdensome for the state and may even lose value, defeating the purpose of confiscation.

4.2 Dissolution of municipal councils

The dismissal of councils involved in mafia activities ensures that public institutions are   not compromised. Indeed, by removing corrupt officials, the policy prevents further misuse of public funds, coercion, and the erosion of civic institutions. Temporary administrators are appointed to manage the municipality until new elections are held.

However, the policy often provides only a short-term remedy as it

addresses symptoms rather than causes of mafia infiltration, such as socio-economic inequality, lack of oversight, and systemic corruption. As a reaction, criminal organizations may adapt to such a measure by shifting their strategies to infiltrate other levels of government or sectors. After the reinstatement of normal governance, criminal networks may resume their activities unless systemic reforms are implemented. Yet, the council dismissal can lead to administrative delays and economic disruptions, especially if large public projects or essential services are delayed during investigations and can hurt honest businesses that collaborated unknowingly with mafia-linked councils. Limited public resources are also crucial for the effectiveness of the policy. Acconcia et al. (2014) investigate the relationship between changes in public spending and economic activity in Italian provinces from 1990 to 1999. They leverage instances of dismissal policy implementation—frequently associated with reductions in local public spending—as an instrumental variable to estimate the fiscal multiplier robustly. Their findings indicate that reductions in public spending, driven by the enactment of anti-mafia policies, negatively affect provincial output in the short term. Similarly, Galletta (2017) observes that the implementation of a city council dissolution policy reduces public investments not only in the affected municipality but also in neighboring cities, although the latter experience the effect only three years after the measure is enacted.

Notably, these spillover effects are absent in municipalities with high mafia presence if the neighboring council's dismissal occurs for reasons unrelated to mafia infiltration. This suggests that in areas influenced by criminal organizations, reinforcing anti-mafia enforcement specifically can play a crucial role in ensuring a more efficient allocation of public resources.

5 Recommendations

The concept of a mafia index has been proposed as a valuable tool for research, policy- making, and governance. However, the lack of a standardized measure to quantify the presence, influence, and activities of

mafia organizations presents significant challenges for effectively addressing organized crime. To improve the assessment and management of mafia-related risks, it is recommended that governments develop and implement a unique, multidimensional mafia index to quantify the scope and intensity of mafia activities across various regions and sectors.

In Italy, the confiscation of mafia assets or the dissolution of a city council infiltrated by the mafia have largely been used as measure of the Mafia Penetration Index to assess mafia influence in specific regions, but also the number of mafia murders, mafia-type criminal associations, illegal economic activities and mafia-politics vote-trading (Calderoni, 2011; De Feo and De Luca, 2017). While valuable, these measures fall short in capturing the full complexity of mafia activity, particularly its more covert forms of influence. To address this issue, a multi-dimensional mafia index, combining criminal, economic, political, and social indicators, could provide a more comprehensive understanding of the impact of organized crime. A standardized mafia index would provide a benchmark for evaluating the effectiveness of anti-mafia strategies over time, offering insights into the economic, political, and social impact of organized crime.

Another key issue is that due to the concealed nature of organized crime and inconsistent reporting, many regions lack reliable and up-to-date data on mafia activities, making resource allocation arbitrary and potentially inadequate, particularly in vulnerable communities. Furthermore, limited resources often constrain the effectiveness of anti-mafia measures, especially in regions with high levels of organized crime and low law enforcement budgets. Governments should invest in robust data collection systems, including mandatory reporting of mafia-related activities, to ensure accurate and comprehensive data on organized crime. Also, collaboration with civil society, academia, and international organizations should be fostered to fill data gaps, enhance the credibility of the mafia index, and ensure that data collection systems are comprehensive and updated regularly.

Critical aspects related to the seizure of mafia assets are related to the fact that confiscated assets often remain unused for extended periods due to bureaucratic inefficiencies, legal disputes, or lack of clear guidelines for reassignment. This delay undermines the objective of the policy of reintegrating

these assets into the legal economy and can lead to public disillusionment with anti-mafia efforts. In regions with strong mafia influence, there is a risk that reassigned assets could fall back under criminal control through corruption, intimidation, or manipulation of legal loopholes. Simplify legal and administrative procedures for confiscation and reassignment to minimize delays would play a key role in the effectiveness of the policy to ensure that assets are used as intended.

For the dismissal of city council, a critical aspect involves ensuring that the removal of mafia-infiltrated councils or officials is followed by preventive measures to avoid re-infiltration. Strengthening local governance structures, providing training for new officials, and ensuring long-term monitoring and accountability are necessary to maintain the integrity of local administrations. Further research on the long-term social impact of asset confiscation, as well as the role of technology in monitoring organized crime, would enhance policy development. More importantly, a national infrastructure allowing data collection and analysis and collaboration among the policy actors involved and researchers is needed to establish the policy impact of interventions aimed at combating organized crime.

Finally, as organized crime often transcends national borders, with assets hidden in foreign banks, shell companies, or offshore structures, international cooperation is crucial for successful asset seizure and the dismantling of mafia networks. Efforts should be focused on harmonizing legal frameworks, improving data-sharing policies, and fostering international collaboration to ensure effective enforcement.

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