Special Session Proposal

Corruption and Local Performance: Identification, Mechanisms, and Policy Responses

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Abstract

Corruption is a persistent barrier to economic growth (Mauro, 1995). Corrupted institutions often indicate the presence of criminal organizations. They hinder the accumulation of physical and human capital in the short term (Coniglio et al., 2010; Daniele, 2019; Pinotti et al., 2013) and impede investments and growth in the long run (Pinotti, 2011). When involving public officials, corruption distorts the efficient allocation of resources (Di Cataldo and Mastrorocco, 2022; Ravenda et al., 2020). Also, it erodes trust within society and exacerbates income inequality (Del Monte and Papagni, 2001; Caglayan et al., 2021; Corrado and Rossetti, 2018; Pinotti, 2011). Literature has studied the nexus between corruption, crime and human capital. While politicians with lower levels of human capital are more prone to scandals and links with criminal organizations, evidence also suggests that education acts as a powerful deterrent to corruption (Machin et al., 2011; Pinotti et al., 2013; Nese and Troisi, 2019; Baraldi et al., 2022).

This special session aims to provide a platform for researchers to analyze the interplay between corruption, crime, and local institutions. Particular attention will be paid to the relationship between illicit activities and institutional performance. The session will focus on measuring corruption, analyzing resource misallocation, evaluating procurement performance under mafia infiltration, and understanding the role of human and social capital in deterring illegal practices.

Theoretical and empirical frameworks are equally welcome. primary research areas of this Special Session include, but are not limited to, novel advances in the following topics:

- The economic impact of crime and corruption on local institutions and communities
- The role of human capital in deterring criminal activities
- The complex relationship between crime, corruption and human capital
- Mafia infiltration and performance of local institution
- Public procurement performance in compromised environments
- New indicators of corrupted practices at local level