

The effectiveness of a legality certification. Evidence from Italian firms

by Alessandro De Iudicibus | Claudia Cantabenete | Maria Rosaria Alfano | Università degli Studi della Campania "Luigi Vanvitelli" | Università degli Studi della Campania "Luigi Vanvitelli" | Università degli Studi della Campania "Luigi Vanvitelli"

Abstract ID: 207

Inviato: 11/04/2023

Evento: XXI Workshop Annuale SIEPI

Argomento: 5. Governance, organizzazione, capitale umano e produttività

Parole chiave: Certification, Organized crime, Reputation, Staggered DID, White List

During the last decade, Italy has implemented different measures to fight organized crime. The white lists, established in every Italian prefecture, are a tool aimed at preventing mafia infiltration in companies operating in the most vulnerable sectors. By replacing anti-mafia documentation, the tool generates confidence in the legality of enterprises among potential customers, suppliers and banks. We provide original firm-level evidence of the impact of such certification on firm's access to credit and profitability indicator in reference to a large sample of companies from across the country. PSM techniques are employed to select a control group of enterprises not enrolled in the White List (not WL) to compare with the White List (WL) firms. Using a generalized DID design, we find evidence that certification leads to a better performance by firms. Moreover, it affects companies' banking indebtedness especially in areas where there is large crime presence as in the South of Italy