

RINSE

Research and INFORMATION Sharing on freezing and confiscation orders in European Union

RINSE Talks about Confiscating Assets in the EU.

The Podcast that Follows Dirty Money

EP. 3 - Social economy as an antidote to criminal economy

- Speaker 1 : Michele Mosca, Associate Professor of Political Economy
- Speaker 2 : Mauro Baldascino, Expert in social economy and the use of assets confiscated

INTRO. Italy has a strong tradition in fighting organised crime of a mafia nature. However, the fight against the mafia is not only carried out through repression but also by enhancing social capital and promoting a new culture of legality. Returning confiscated assets to the community, which was deprived of them by criminal organisations, is a useful tool for enhancing social capital, impacting local culture, and conducting a more effective battle against crime. The reuse of assets for social and institutional purposes is a topic that has also generated significant interest at the European level; the Proposal for a new Directive by the European Parliament and of the Council on asset recovery and confiscation is proof of this.

The text, pending adoption¹, states that countries must adopt a national strategic plan for asset recovery to have a clearer governance framework and facilitate the activities of the third sector that can benefit from these resources.

Will discuss this and more Michele Mosca, Associate Professor of Economic Policy at the Department of Political Science of the University of Naples “Federico II,” and head of the second-level Master’s program in Analysis, Prevention, and Combating of Organized Crime and Corruption. Joining him will be Dr. Mauro Baldascino, expert in social economy and the use of assets confiscated from mafia organizations, as well as one of the founders of the Don Peppe Diana Committee, a social promotion association established in memory of Don Peppe Diana, a priest murdered for openly challenging the Camorra. The Committee manages the confiscated property in Casal di Principe (Caserta) previously held by criminal organizations.

¹ Directive (EU) 2024/1260 of the European Parliament and of the Council of 24 April 2024 on asset recovery and confiscation was published in the Official Journal; it entered into force on 22 May 2024.

Don Pepe Diana Committee is a second-level organization that brings together various entities; it was established on April 25, 2006, with the specific intention of honoring the memory of the priest who was murdered on March 19, 1994, in his church while he was about to celebrate Mass.

[00:03:49] QUESTION 1

Could you help us understand the historical context in which the Committee was born? What was the situation in the area during that period?

[00:04:03] ANSWER 1

Casal di Principe is often labelled as the land of the Casalesi clan. In those years (1994), a priest was murdered in his church while celebrating Mass. This proves the absolute dominance of organised crime, which controlled everything that happened in the area and, in a way, replaced a weak State, subservient to the social and economic dynamics of the region. The Casalesi Camorra is an entrepreneurial mafia-type organisation, a criminal organisation that immediately became an economic force due to its ability to monopolise broad sectors of the national economy, not just locally but also regionally and nationally. The atmosphere was one of great fear, and a priest who began to speak from the pulpit, saying that such logic and dynamics could no longer be accepted, started to become a nuisance.

[00:05:11] QUESTION 2

In your opinion, has the Committee's work in this area over the years yielded results that have ignited a change in the civic's consciousness? This is a region that has been ravaged for decades by one of the most ruthless Camorra clans. However, has this martyrdom served any purpose? Has the man, slain on a significant day at the church altar while preparing to celebrate morning Mass on his name day, truly instigated a shift in the awareness and behavior of the people?

[00:05:50] ANSWER 2

When we established this organisation, our primary intent was to honor the memory of this murdered priest, in response to a criminal strategy aimed at delegitimizing his figure. It is enough to consider that the trial of Don Pepe Diana's murderers turned into a sort of trial against the priest himself; this is a strategy that mafia organisations often use to delegitimise their victims. Therefore, our intent was to remember, but we soon realised that our goal had to be broader: to carry forward the legacy left by Don Pepe, namely, to strive for communities free from the Camorra. What immediately struck us as a significant indicator of whether our actions were yielding results was the use of confiscated properties in our area. Using confiscated properties meant demonstrating to ourselves and others that change was indeed happening because using such properties for social purposes requires a true cultural transformation. Thus, the measure of our commitment likely lies in the quantity and manner in which properties confiscated from the Camorra have been used.

[00:07:50] QUESTION 3

Can the social reuse of confiscated assets be seen as a weapon to counter organised crime? A weapon that transforms the social capital from mafioso into pure social capital, thus useful for triggering grassroots development inspired by the social economy? What you have stated so far is that it is possible to build an economy that contrasts with the criminal one. Combating the mafias today certainly means suppressing them with the strong action of the State (repressive measures), but it also means acting on people's consciousness and transforming social capital. Acting on human capital by equipping it with different skills, helping it to grow, and generating that emancipation and local empowerment that the mafias inherently fear and seek to undermine.

[00:08.56] ANSWER 3

We are aware that the fundamental action to counter organised crime is, first and foremost, repressive. Without such intervention, the climate of fear in certain areas becomes difficult to dismantle. However, it is equally necessary to rebuild trust in institutions which evidently requires an intervention by the State beyond mere repression to establish a different relationship between citizens and institutions. In this regard, the social reuse of confiscated assets is undoubtedly an extremely effective tool. Using a confiscated asset first and foremost requires breaking a taboo and ensuring that all the individuals and resources within the communities find the strength and ability to come together. Through this cohesion, a culture alternative to that of oppression and violence, which characterises the mafias, is built. From our experience, we have also observed that reuse projects must be sustainable, meaning they need to endure over time. This realisation leads us to consider alternative forms of economy, with the social economy being one such form that prioritises human beings and the common good. This economy can be realised through the extraordinary resources that confiscated assets represent - land, villas, buildings that can be given new life. What were once symbols of death, as they belonged to the criminals, become symbols of life and provide job opportunities for the youth and people of the area. This is a new, small revolution taking place in our territories precisely thanks to these resources, which are becoming incredibly useful for active labour policies. This is the new frontier that needs to be explored. In summary, the roots of the social economy lie in the reuse of confiscated properties not only to create new forms of welfare but also to pursue active labour policies.

[00:11:28] QUESTION 4

Can you help us understand how a strategy based on the social reuse of confiscated assets can be utilized as a tool for local development? Specifically, in Casal di Principe, a model of placing the individual at the centre of the economic system has developed thanks to the social reuse of confiscated assets. How has the Don Pepe Diana Committee been able to strengthen this model, regenerating the confiscated assets and reaching people through active labour policies?

[00:12:22] ANSWER 4

First of all, it is essential to understand that the use of confiscated assets serves a greater purpose; they are valuable resources if one aims to implement strategies and policies that build communities alternative to the mafia culture and practices. It is evident that a community free from mafias centres around values and practices that are entirely different from those promoted by criminal organisations.

One characteristic application of this reuse model is the “health budget”, where financial resources and professional skills are centred on implementing life projects for individuals with various vulnerabilities. These individuals become central to the projects using confiscated assets, becoming members of social cooperatives and key players in the entrepreneurial projects they themselves lead. Many of the confiscated assets are managed by social cooperatives where these individuals are the main actors.

[00:13:55] QUESTION 5

This is a different way of doing economics, focusing on the public interest of a territory devastated by organised crime. It creates jobs for disadvantaged people, and in this direction, the Committee has paved the way and strengthened it over its existence. But how can third-sector organisations like the Committee avoid acting as substitutes for public institutions? What has been the Committee’s strategy, and how has it managed over the years to form alliances or prompt interventions from public institutions?

[00:14:52] ANSWER 5

The role of the Committee is to support local institutions as much as possible. In the effort to reconstruct cultural models and alternative practices to criminal activities, we have collaborated with local authorities, schools, and other local entities. This collaboration aimed not to replace but rather to cooperate and complement with local and national authorities. Recognising the past dominance of criminal organisations, we understood the need to promote innovations. Consequently, confiscated assets have become a focal point, a catalyst that brought together institutional actors obligated by their roles to use these assets, alongside individuals who, driven by social objectives, supported them to achieve our goals. Thus, close collaboration between the public sector and the third-sector is crucial, demonstrating that together we can fight cultures rooted in violence and oppression.

[00:16:26] QUESTION 6

Mauro, from what you’ve said so far, we understand that the Committee has pursued a strategy over the years that has clearly diverged from past practices. Among all the national and international projects undertaken by the Committee, in your opinion, which one has actually represented a turning point compared to the past and what impact has it left on the ground in the fight against organised crime?

[00:17:41] ANSWER 6

Where the Camorra has operated as an entrepreneurial entity, marking a particular economic approach, undoubtedly the most significant action, in my opinion, has been attempting to build a network of social economy starting from the reuse of confiscated assets. This initiative transforms resources like land, villas, apartments, and even businesses into foundational elements for an alternative economic model. Taking illicit-gotten gains and turning them into the basis for a different way of doing economics, a model that inherently fosters social change and innovation, is crucial. In a region characterized as such, producing meaningful results necessitates either a change or innovation

in approach. Therefore, building a social economy network has certainly been the most impactful action. The province of Caserta has become a small laboratory for social economy, with dozens of cooperatives not only producing various agricultural products but also networking with the for-profit sector. This collaboration acts as a barrier against entrepreneurs unwilling to engage in criminal economic activities.

[00:19:37] QUESTION 7

The Committee is headquartered in a confiscated property dedicated to Don Peppe Diana, known as Casa Don Diana. This place serves not only as a laboratory for developing innovative ideas in social innovation but also as a forge for new ideas, expertise, and skills. Who are the main contributors to this project, and how is it carried forward?

[00:20:07] ANSWER 7

Our project is named “Fucina” which embodies the idea of establishing a fab-lab within this confiscated property. The aim is to ensure that new technology meets the needs of the community and engages young people, starting with high school students with whom we are forming partnerships. We believe that starting with the youth is essential, providing them with the necessary skills to face the future using technologies that foster social innovation, technologies that aim to change and improve the community in which they live and operate. Transferring these skills to younger generations means building a social economy of innovation that we believe can serve as an antidote to the criminal economy that has plagued our territory for too long.

[00:21:18] QUESTION 8

Therefore, the Committee not only proposes models for local development at the territorial level but also fosters agreements and collaborations internationally. Specifically, can you tell us about the strategy to strengthen collaboration networks with entities outside Italy?

[00:21:52] ANSWER 8

We realised early that the major challenge is the tendency to view these criminal phenomena as localised issues confined to Southern Italy or specific European states. This misconception has been a significant limitation because it fails to recognise the scope of these criminal organizations, which from their inception have operated internationally. With the financialisation of the economy, these criminal entities can easily move capital around the world. This transnational dimension has long been underestimated, but from the outset of our actions, we have believed that this European and then international dimension must become a fundamental consideration. For instance, we have contributed to the establishment of a European association called “Cultura Contro Camorra,” which brings together third-sector entities from various European countries. This initiative aims to illustrate how these criminal organisations operate seamlessly in other countries, especially where awareness of the risks of infiltration into the economy by criminal capital is lacking. We engage in numerous exchanges with organizations from France, Belgium, Germany, among others, who visit us to collaborate on strategies. These gatherings also serve as opportunities to discuss the introduction of legislative

measures to combat organised crime. The ease with which these organisations operate across Europe and beyond poses a significant threat not only to the economy but also to democratic principles.

[00:24:29] QUESTION 9

Within the framework of the RINSE project, which aims to promote mutual recognition of freezing and confiscation orders in the European Union, what contribution do you think Italy can make? Specifically, how can it contribute to promoting the social reuse of confiscated assets and addressing concerns that selling these assets, which is common practice in other European countries, could return the assets to criminal hands?

[00:25:19] ANSWER 9

Italy has extremely effective laws that have been written with the blood of those killed, paying with their lives for such objectives. These provisions have evolved through political and social thought: initially, there was denial of the presence of mafias in Italy; subsequently, recognition of these organisations and the dangers they pose led to the implementation of legislative instruments and strategies to tackle this type of crime. This maturation process has not occurred in other European countries. In some countries, they may still be in the first phase, denying the existence of these organizations and their impact on legitimate economies and democratic life. We are therefore offering advanced and mature legislation to European states, despite a lack of awareness in these other States. This poses a significant risk as it does not convey the importance and effectiveness of these legal instruments fighting organised crime. Efforts must focus on helping all European citizens understand that criminal organisations operate internationally and that States not recognising this are risking considerable harm while inadvertently strengthening these organisations.

[00:27:30] QUESTION 10

Recently, both the European Commission and the Council of Ministers for Employment and Social Policies² have recognised social economy as deserving of attention, recommending that Member States support social economy entities such as the Committee, non-profit organizations, and social cooperatives. This recognition is crucial at the European level, emphasizing that support for these initiatives does not constitute state aid. However, there exists a contradiction within the European context. While social economy is acknowledged for its role in reducing social and territorial disparities, there are apparent inconsistencies in its support across various European policies. In light of this, what are your thoughts on this matter? What more can be done to foster collaboration between third-sector organizations and national and international public institutions?

[00:28:48] ANSWER 10

I can only highlight that there are significant contradictions. On one hand, we are pleased that Europe is promoting a social economy development plan as a robust antidote to criminal economy. However, we must also acknowledge how these contradictions are apparent: there are still tax havens where

² Employment, Social Policy, Health and Consumer Affairs Council (Employment and social policy), 9 October 2023

money laundering happens easily, and many states still turn a blind eye to these organisations that invest or, rather, launder their money. Europe's actions remain highly contradictory; it is acquiring powerful tools without fully understanding their implications. Therefore, it must grasp the sense that Europe, which is based on the primacy of fair competition, cannot fail to recognise mafias as a form of unfair competition, a false competition, a distortion of market dynamics.

HIGHLIGHT

Don Pepe Diana Committee is an organization that has played a fundamental role in the redemption of an area devastated by organised crime. In 1994, the year of Don Pepe Diana's murder in Casal di Principe, province of Caserta, organised crime dominated. In some Italian regions, the State was playing a secondary and subservient role, not only from a social and cultural perspective but also economically. In fact, the Casalese Camorra emerged and developed as an entrepreneurial phenomenon, capable of infiltrating and altering the country's legal economy, not only at a local but also regional and national level.

The results produced by the Don Pepe Diana Committee over the years are exceptional. It has created an alternative community free from the Camorra and has developed a plan of social economy as an antidote to criminal economy.

The use of confiscated assets in the territory has been the initial indicator of the success of the Committee's action in this land. Utilising confiscated assets signifies demonstrating that change is possible because when the community reappropriates an illegally obtained asset, it indicates that there has already been a genuine cultural transformation. The measure of commitment and success in the fight against criminal economy lies precisely in the quantity and manner in which confiscated assets are used.

The social reuse of confiscated assets is thus a strategy to counteract the mafias through the transformation of social capital from mafia-related to pure capital, useful for triggering legitimate development of the territory. Fighting the mafias today means not only repressing and punish them with the force of the State through laws and sanctions but also acting on consciences, acting on human capital by helping it develop the abilities that then allow emancipation from the criminal culture. This serves to rebuild mutual trust between people and institutions: the confiscated asset returned to the community becomes a sort of magnet for the country's positive energies and allows breaking the taboo of violence and oppression, typical of criminal culture.

Reuse projects must be sustainable, so they must endure over time. Thus, alternative forms of economy are called "social economy" because they focus on the human person and public interests. Lands, villas, buildings, companies are fundamental resources and opportunities for active employment. An example is represented by "health budgets", meaning economic and professional endowments directed towards fragile individuals.

It is essential to realize that today, mafias are phenomena with a transnational nature capable of circulating large capital across different states. Compared to Italy, which has evolved and mature legislation, in other states, there is still a general denial of the presence of organised crime in their own

economy. In this, “social economy” can play a fundamental role, also because the support that the state gives to these initiatives is not recognized as state aid.

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