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***HOW MAFIAS MIGRATE: THE CASE OF THE
'NDRANGHETA IN NORTHERN ITALY***

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HOW MAFIAS MIGRATE: THE CASE OF THE `NDRANGHETA IN NORTHERN ITALY

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Abstract

What are the conditions conducive to long-term transplantation of mafia groups in new territories? This paper systematically reviews a number of factors that facilitate such an outcome, including: migration from territories with high mafia density; the policy of forcing criminals to resettle outside their region of origin; the existence of mafia wars; two different systems of recruitment into mafia families (merit- and kin-based recruitment); the level of interpersonal trust in the new territory; and the demand for criminal protection. The paper then explores two attempts at transplantation by members of the Calabria-based mafia group `Ndrangheta to the town of Bardonecchia (Piedmont region) and to Verona (Veneto region). While the former case was successful, the latter failed. The paper concludes that features of the local economy – the presence of significant sectors of the economy unprotected by the state and a local rather than export orientation – generate a demand for criminal protection, especially protection against competition, and a demand for services of dispute settlement. Successful transplantation occurs in the presence of such a demand. Generalized migration or forced resettlement of mafiosi are not sufficient to predict transplantation. The paper shows that a high level of interpersonal trust among local law-abiding residents is not sufficient to hinder mafia transplantation, contrary to established theories of social capital and trust.

1. Introduction

Several recent studies have established that a number of criminal organizations – the Sicilian mafia, the Hong Kong Triads, the Russian mafia, and the Japanese Yakuza – are part of the same species, collectively referred to as “mafias” (Gambetta 1993; Chu 2000; Varese 2001; Hill 2003). Contrary to the view prominent until the early 1990s that these organizations were the product of social and economic backwardness and chaos (Hess 1973; Dalla Chiesa 1983; Ferracuti 1988; Abadinsky 1990),¹ this body of research has shown that mafias emerge in modernizing societies that are undergoing economic expansion, but lack a legal structure that reliably protects property rights or settles business disputes. For instance, the origin of the Sicilian mafia is best explained as a perverse response to modernization and the emergence of a market economy in a context where the state failed to protect property rights and a supply of individuals trained in the use of violence was available to offer alternative, non-state enforcement (Gambetta 1993). This revised perspective has been applied to other cases, such as Japan and post-Soviet Russia, to explain how mafias might emerge in times of rapid but flawed transitions to the market economy (Milhaupt & West 2000; Varese 2001).

Although these groups do engage in extortion – the forced extraction of resources in exchange for services that are promised but *not* provided – such behavior is not their defining feature.² Rather, they are groups specializing in providing criminal protection to

Many people and institutions facilitated the collection of data for this paper: the editors of *La Luna Nuova* granted me access to their archive, the staff of the Library of the Camera di Commercio di Ferrara retrieved several volumes of the Italian census, and staff of the Sona (Verona) city library helped me obtain a hard-to-find publication. Frank Heins has been kind enough to send me tables from the 1971 and 1991 Italian censuses that do not appear in the printed version. I am indebted for comments on an earlier version of this paper to Mark Galeotti, Diego Gambetta, Aditi Gowri, Peter Hill, Jim Nolan, Avner Offer, Marc Stears, Damian Tambini, Richard Young, and Aidan Wilcox. I am especially thankful to a member of the Editorial Board, the Editor, and three anonymous referees for their insightful comments and constructive suggestions.

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¹ A notable exception is the classic inquiry by Franchetti ([1876] 1993).

² Extortion is often confused with other phenomena, such as the *imposition* of a tribute and *overcharging* for a service. In fact, protection is subject to economies of scale. If a group has the resources to protect client X, and to scare his enemies away, the same group must have all the qualities it takes to protect other people as well. This leads protectors to impose their protection on others. Just as states force their protection on their subjects, so do mafias, although it does not follow that the service provided by either is bogus. Protection is also a natural monopoly. As a monopolist, the protector charges a monopoly price and obtains a monopoly profit. Just as states charge more

both the underworld and the “upper world”, and in several ways their actions parallel state action (Tilly, 1985). They can supply genuine services like protection against extortion (Arlacchi 1992: 110–11; Gambetta 1993: 174–9; *New York Times* 29/VIII/1999); protection against theft and police harassment (Sabetti 1984: 90–1; Gambetta 1993: 171–4, 190; Chu 2000: 43–53; Varese 2001: 69–72, 112–13, 119); protection of thieves (Gambetta 1993: 190–2); protection in relation to informally obtained credit and the retrieval of loans (Varese 2001: 110–12); elimination of competitors (Chu 2000: 53–76; Varese 2001: 115–17); intimidation of customers, workers, and trade unionists for the benefit of employers (Bell [1953] 1988: 131; Block 1983: 43; Gambetta 1993: 93–4, 197; Varese 2001: 71; Chu 2000: 71–2, 153–4); intimidation of lawful right-holders (Chu 2000: 69–71); and the settlement of a variety of disputes (Reuter 1995: 90; Chu 2000: 77–80; Varese 2001: 102–5, 117). In his classic study of Chicago organized crime, Landesco was the first to highlight the enforcement of cartel agreements as a service provided by mafia groups. Producers have an incentive to enter into cartel agreements but also to undercut fellow conspirators, placing themselves in a classic Prisoner’s Dilemma. The mafia offers to enforce the cartel agreement among producers, thereby deterring conspirators from cheating on the deal (Landesco [1929] 1968; Reuter 1987; Gambetta 1993: 195–225; Gambetta & Reuter 1995).³

Mafia protection remains a social evil. In the economic sphere, it promotes inefficiency and reduces competition. By protecting thieves and other criminals, it also promotes further crime. The mafia operates without consideration for justice, fairness, or the wellbeing of society at large. In the world run by the mafia, there is no such thing as a “right” to the protection for which one has paid. Mafiosi can ask for more favours or

for their protection services than what it cost to produce them, so do mafias. For a broader discussion of the economics of protection, see Lane 1958.

³ Nonetheless, extortion and protection are closely related in practice. What constitutes extortion and the consequent possible financial ruin for one victim of the mafia, might well amount to genuine criminal protection for another mafia protégé. This is exemplified by a story narrated by mafioso Tonino Calderone. In the mid-1950s he placed a bomb in the chimney of the offices of the Rendo construction company, the main competitors of the Costanzos, who were then protected by his family. “The goal”, he writes, “was to do the Costanzo brothers a favour”. After the bomb was placed, “the usual phone call asking for money was made” (Arlacchi 1993: 53). What were extortionary demands on the Rendo amounted to protection against competition for the Costanzos. From a dynamic perspective, external factors might turn protection into extortion. For instance, the shorter the time horizon of the group, the more likely it will be to harass customers with purely extortionary demands. The view that extortion is the defining feature of the mafia might be a consequence of selection-bias in the evidence filtering out from the underworld: extortion is more likely to require the use of violence. In turn, violent conflicts leave behind more evidence and are more easily reported. For a discussion of these themes, see Gambetta 1993.

more money and then turn against their dutifully paying clients, and there is no higher authority to which a mafia victim can appeal.

Mafia Transplantation

This paper focuses on an empirical conundrum that has attracted comparatively little attention, namely, why some *advanced* market societies experience the transplantation of functioning mafias. If mafias emerge at a time of transition to the market economy, why would an advanced market economy experience the entrenchment of mafia groups from the outside? The motivations for this research, however, go well beyond a debate limited to the literature on organized crime. First, an increasing fear of economic integration and human mobility characterizes the public debate, especially in Europe. Such fear is in part predicated on the assumption that greater integration will inevitably bring crime from other regions, most notably Eastern and Southern Europe. Such fears have been fuelled by under-theorized discussions of the emergence of a “global criminal economy” (e.g., Castells, 2000: 171–211). In contrast, this paper offers a sober analysis of the risk that increased mobility and integration will herald violence, crime and, most specifically, the entrenchment of foreign mafias. Second, the paper shows that state failures at the time of significant changes in the economy can open up opportunities for governance-type activities on the part of the mafia, including protection, regulation, dispute resolution, and taxation. Third, the paper contributes to the debate on trust and social capital generated by Putnam (1993).

I take “transplantation” to mean the ability of a mafia group to offer criminal protection over a sustained period of time outside its region of origin and routine operation.⁴ Although in principle the new territory could be contiguous or far away, I will focus on territories that are not contiguous (a better word for transplantation in contiguous territories might be “expansion”). The actors involved are “made” members of the organization of origin; in other words, they are *bona fide* mafiosi who have gone through an initiation ritual in the territory of origin. As transplantation succeeds, such rituals may then be performed in the new locale and recognized by the group of origin. Mafiosi might find themselves in the new territory by an accident of history, such as migration, or because they have been forced to reside there by a court order. In such cases, their presence is due to exogenous factors rather than an explicit *ex ante* plan to set up shop in a new region. Alternatively, or in addition, the mafia of origin might consciously decide to open a subsidiary branch in a new land. In both scenarios, the “foreign” mafiosi actively

⁴ A word often used in Italian is “colonization” (see Massari 2001: 15). Galeotti (2000: 38) calls it “hard” penetration.

work at creating a new group, relying on the skills acquired beforehand. The new entity or “family” is either affiliated with or is a branch of an established existing mafia “family”. A rather crude indicator of the phenomenon is whether the mafiosi in question reside in the new territory, although they might be seen occasionally to travel back “home”. The empirical questions addressed by this paper are whether the group succeeds in transplanting itself and whether the protection it offers turns out to be genuine or bogus. A most important aspect of transplantation that is not discussed in this paper is whether over time the branch organization drifts away from the original “firm” and becomes fully autonomous.

The above definition helps distinguish transplantation proper from several phenomena that are often lumped together in the category of “transnational organized crime”. Members of mafia groups traveling, investing the proceeds of their crimes in foreign countries, and even occasionally harassing their nationals abroad, do not constitute transplantation of the group. Furthermore, this study does not examine mafiosi conspiring with foreign criminals to smuggle workers, drugs, weapons, and other illegal commodities either into or out of their country.

Does transplantation ever take place? It is often difficult to gauge what the police, judicial authorities, or press reports mean when they claim, for example, that the Russian mafia is active in at least 26 foreign countries, or that the Calabrese ‘Ndrangheta is present in almost 20 countries (*Itar-TASS* 21/VII/1998; Paoli, 2003: 32). From the few academic studies that mention the phenomenon, we know that mafias are rather stationary. In *The Sicilian Mafia*, Gambetta writes that “not only did the [Sicilian] mafia grow mainly in Western Sicily, but, with the exception of Catania, it has remained there to this very day” (1993: 249). Similarly, Yiu Kong Chu argues that “Hong Kong Triads are localized and they are not international illegal entrepreneurs whose wealth and connections may enable them to emigrate to Western countries.” Although Hong Kong Triads might be involved in international crime, writes Chu, they “are not likely to be the key organizers” (Chu 2000: 130). Hill marks the 1970s as the beginning of the foreign activities of the Yakuza, when the Ishii Susumu branch of the Tokyo-based Inagawa-kai started to organize gambling trips for wealthy Japanese. “A few years later, he adds, corporate racketeers started to target Japanese companies abroad”. More often, however, “foreign travel has been recreational or to invest either in real estate (usually very unsuccessfully) or weaponry. At no time have the *yakuza* managed to extend their core protective role beyond a native Japanese market” (Hill 2002: 53). Furthermore, the opposite claim that a Chinese mafia is invading traditional Yakuza turfs is, for the moment, incorrect and politically motivated (Hill 2004: 111).

Still, transplantation does take place. In his memoirs, former mafioso Antonio Calderone writes that after WWII there were two recognized branches of Sicilian mafia fami-

lies in central and northern Italy. Another family operated for a while in Tunis, its existence having been recorded since at least 1937 (Arlacchi 1993: 28). In the only book-length study of southern Italian mafias' expansion and entrenchment in non-traditional territories, Sciarrone shows how a concatenation of mechanisms accounts for the expansion of the Neapolitan Camorra in the neighboring region of Apulia in the late 1970s and the early 1980s. First, a number of Camorristi had been incarcerated or forced to resettle in Apulia. Furthermore, by the 1980s a new smuggling route from Yugoslavia had been opened, and Apulia had become a crucial juncture of this trade. As the war in the former Yugoslavia worsened, Apulia offered even greater criminal opportunities for smuggling drugs and people from the ruins of the former Communist bloc. Finally, the leader of the Neapolitan Camorra, Raffaele Cutolo, rationally decided to expand into Apulia, putting into action a long-term plan that included establishing relations with corrupt officials. The final outcome was not what Cutolo had planned: soon the local criminals tried to free themselves from their masters and founded the Sacra Corona Unita, a new mafia that invoked the regional Pugliese identity against the intrusion of the foreign Neapolitans (Sciarrone 1998: 155–212).

Although Triads might not be “invading” North America, transplantation may be occurring in China. Chu reports that, “more than half of the entertainment establishments in Shenzhen are owned by Triads, mainly from Hong Kong. It is also said that some Hong Kong Triad members collaborate with relatives of prominent Chinese government officials to run entertainment businesses in major cities in China” (Chu 2000: 132). Reportedly, the reign of Yevgenii Petrovich Vasin, a Russian boss of the Far East, appears to have been succeeded by that of a Triad chief, Lao Da, now “the main organized crime figure in Vladivostok” (Linter 2000: 93). Russians, however, do move westward. The Moscow-based crime group Solntsevo tried to create subsidiaries in both Rome and Budapest. It failed in the former case, but succeeded in the latter (Varese 2004). Although Hill downplays the presence of the Yakuza abroad, he reports that “many ‘Yakuza’ in places like the Philippines are, in fact, ex members who have been expelled from their gangs”, and, although foreign criminals are not currently a significant force, “the presence of non-Japanese criminals in Japan is likely to become more significant in the future” (Hill 2004: 111–12).

2. Factors accounting for mafia transplantation

Why do mafias succeed in some cases in setting up a branch of the organization in a new territory, but fail in others? Of the likely key factors listed below, migration is perhaps the most important explanatory variable. Assuming criminals make up a certain proportion of a given population, the greater the movement of individuals, the larger the influx of criminals to a new territory. Moreover, if migration is a general ongoing trend from established mafia territories, it is likely that some mafiosi will also migrate (CRP 1983: 54, 68–9; CPA 1994: 854). The large migration from southern Italy to the USA at the end of the nineteenth century included individuals with “the necessary skills for organizing a protection market” (Gambetta 1993: 251). The view that links migration to mafia transplantation can take simplistic and crude forms. Within Italy itself, the xenophobic Northern League labels all southerners as a potential crime threat and has called for controls over south-north migration in order to prevent the spread of organized crime (Gold 2003: 83; Tambini 2001: 103). The notion that the Italian-American mafia was the offspring of Italian migrants to the USA is part and parcel of the now discredited alien conspiracy theory of organized crime (Kefauver 1951; Cressey 1969). The presence of migrants from mafia territories, although clearly a contributing factor, is not *sufficient* for the establishment of new mafias. If it were, we would find mafias in every country to which southern Italians have migrated in the past.

A specific boost to mafia transplantation within Italy was the policy of punishing convicted mafiosi by forcing them to relocate outside their area of origin. Based on a naïve view of the mafia as a product of backward societies, forced resettlement (*soggiorno obbligato*) started in 1956 and was predicated on the assumption that, away from their home base and immersed in the civic, law-abiding culture of the north, mafiosi from the south would abandon their old ways. Since the mid-1950s, this policy has brought hard-nosed lawbreakers to northern regions of Italy, such as Lombardy, Piedmont, and Emilia-Romagna. The mafioso-turned-state-witness Gaspare Mutolo commented that the policy of forced resettlement “has been a good thing, since it allowed us to contact other people, to discover new places, new cities” (quoted in Massari 2001: 12). In selecting individuals with mafia skills for forced migration, the *soggiorno obbligato* unintentionally enabled them to expand their networks and knowledge.

Criminals, including members of mafia groups, are also pushed to migrate in order to escape mafia wars in their areas of origin. Such cases abound in the history of mafias. For instance, Stefano Magaddino set up the Buffalo “family” after escaping there to avoid being murdered in New York in the 1920s. Yurii Esin, the Solntsevo envoy to Rome, was eager to move from Moscow to Italy because he was afraid of being killed by fellow members of the Solntsevo ruling elite (Varese 2004). As mentioned above, Ya-

kuza members active in the Philippines are, in fact, former members sent into exile from their group.

Organizational features of the mafia of origin itself might also facilitate transplantation. As shown in greater detail below (§2), two systems of recruitment exist for mafia groups. The first is essentially based on kin: members of a given blood family are automatically accepted into the mafia group, although outsiders may also be accepted. The second system discourages kinship and accepts members on the basis of skill and experience. The former system is used by the `Ndrangheta, while the Sicilian and the Russian mafias have adopted the latter. Each system has its strengths and weaknesses that cannot be fully explored here. The kin-based system of recruitment facilitates transplantation when an entire blood family migrates: in these instances, the criminal group will automatically reconstitute itself in the new locale. By contrast, the mafias selecting members on the basis of skill are less likely to transplant as effectively (although they might over time), because it is improbable that most members, who are non-kin by definition, will happen to all migrate to the same destination at the same time. It is more plausible that some will migrate to a given destination, and some will not.

The factors we have reviewed so far are unintentional (migration, forced resettlement, fear, and the interplay of migration and organizational features). In other words, mafiosi have found themselves in the new territory as a result of a deliberate strategy. Sciarrone (1998: 288) reports that some members of crime groups in Sicily and Calabria did have explicit strategies to expand (see above for the Camorra's move to Apulia). Another example of a deliberate decision to open a branch organization is the attempt of the Russian group Solntsevo to establish itself in Rome in the early 1990s. At a meeting held in Miami in November 1993, the governing council of the Solntsevo decided to open a branch in Italy. Yurii Esin, a high-ranking member of the Solntsevo crime group, was entrusted with opening the Italian branch (Varese, 2004: 154). Some Yakuza operating in dense mafia territories decided to seek business in new territories so as not to encroach on fellow mafiosi's turf (Peter Hill, personal communication).

Once mafiosi find themselves in the new territory, under what conditions do they succeed in setting up a new "family"? A demand for criminal protection is a key factor that prompts both the birth of local mafias and the migration of established mafias. Such a demand might originate in legal or illegal spheres. In legal markets, the more incapable a state of protecting its citizens and settling disputes among actors in the economy, the greater the demand for alternative sources of protection. Furthermore, entrepreneurs of legal commodities might want to scare off competitors or to organize cartel agreements with mafia support. The successful expansion of the Solntsevo crime group into Hungary is a case in point. The sudden expansion of market opportunities in the legal economy, the absence of any effective state suppression of anti-competitive practices and of a

swift and effective system to settle business disputes created a demand for criminal, non-state protection that was met by a contingent of mafiosi from Russia (Varese 2004).

Demand for protection of property rights in illegal markets is rife. Not only state protection is absent by definition in illegal markets. Illegal actors are also subject to state action aimed at arresting them and at confiscating their “property” [One young purse-snatcher in Palermo told a journalist, “If someone owes you money you can turn to the authorities and call the police. But what can we do?” (*Il Manifesto* 28/II/1988).] As a consequence, illegal assets are highly vulnerable to lawful seizure and theft, and property rights are disputed to a much greater extent than in legal markets. Moreover, in illegal markets, information about the quality of goods, and the identities and whereabouts of the actors is particularly poor. Entrepreneurs in these markets cannot freely advertise their good reputation, creditors disappear, informants consort with the police, and undercover agents try to pass themselves off as *bona fide* fellow criminals. Mafias offer protection to criminals in the underworld and, by so doing, they make illegal markets run more smoothly. The larger illegal markets, the greater the demand for protection, and the higher the incentives for mafiosi to set up a protection firm. When there is a time lag between the emergence of a demand for protection and the provision of a suitable local supply, groups from outside may seize the opportunity to supply mafia services.

Time might, however, work against new mafias. Gambetta offers several insights into the costs mafia groups face when they want to operate in new territories. He suggests that limited ability to collect reliable information in unfamiliar regions is a major factor that hinders expansion (Gambetta 1993: 249). A criminal organization involved in the protection of illegal transactions must understand the nature of the transactions it aims to protect, as well as the reliability of the actors involved. Information costs increase with the number of people, the number of institutional arenas, and the space and cultural diversity in which a mafia group operates. The simpler the transactions that a group protects and the smaller their range, the easier the enforcement of illegal transactions. That is to say, it might take several years for an incoming mafia to forge the connections that will enable it to collect reliable information to run the “firm”.

The response of the local population (both criminal and law-abiding) to the newly arrived mafia is key to the success, or otherwise, of transplantation. Clearly, the incoming mafiosi must be able to convince the local population that they truly belong to a menacing established mafia (Sciarrone 1998: 252, 287 and Smith & Varese 2001 discuss cases of individuals faking such a membership). Furthermore, the level of inter-personal trust in the new locale is likely to be a key factor. James Coleman has pointed out that a low level of trust reduces actors’ ability to cooperate and communicate, inhibiting collective action (Coleman 1990: 302). The less the trust among law-abiders, the less

likely that civil society will organize to oppose the entrenchment of a mafia group. One can further predict that the less the trust among lawbreakers, the higher their demand for protection services: a mafia facilitates exchanges among criminals who distrust each other by offering enforcement of deals and promises. We therefore expect that mafias are more likely to transplant successfully to regions with little trust among law-abiders and lawbreakers (each condition is independent of the other). Although the Russian mafia succeeded in opening a branch in Budapest (a low-trust society), the failure to do so in Rome (also a low-trust society) suggests that further research is needed to ground this hypothesis empirically.

Putnam's study of civic culture in Italy speaks (albeit indirectly) to the issue of transplantation. Putnam shows that southern Italy is trapped in a vicious, long-term cycle of lack of trust and of civic virtue, whereas such virtue is robust in the north. Regions such as Sicily, Campania, Calabria, and Basilicata consistently score the lowest in terms of social capital, while Piedmont, Emilia, Veneto, and Lombardy score the highest. As Putnam explains, "in the most civic regions [...] citizens are actively involved in all sorts of local associations – literary guilds, local bands, hunting clubs, cooperatives and so on. They follow civic affairs avidly in the press, and they engage in politics out of programmatic conviction" (Putnam 1993: 97). By contrast, in the less civic-minded regions such as Calabria, citizens take part in the political process primarily because they are motivated by particularist short-term individual benefits, rather than an interest in general issues. "An absence of civic associations and a paucity of local media in these latter regions mean that citizens there are rarely drawn into community affairs" (Putnam 1993: 97).

Putnam traces levels of "civic-ness" in Italy back to medieval times and finds a remarkable stability over the centuries, for which comparable data are available (Putnam 1993: 97, 149). The explanation he offers relies heavily on the weight of the distant medieval past, and in particular on the republican tradition of the city-states in the north and the Norman centralized, autocratic rule in the south: "Social patterns plainly traceable from early medieval Italy to today turn out to be decisive in explaining why, on the verge of the twenty-first century, some communities are better able than others to manage collective life and sustain effective institutions" (Putnam 1993: 121).

Since levels of trust and civic culture are highly stable across the centuries, and organized crime is correlated with low levels of trust and social capital, Putnam's work suggests that mafia transplantation to an area that traditionally experiences high levels of social capital is *ceteris paribus* harder to achieve. Thus, areas of the north that historically have high levels of trust and social capital and no mafia should be more resistant to mafia transplantation. High levels of trust reduce the demand for private dispute settle-

ment, and local civil society would be more likely to mobilize to prevent the supply of such services.

The facilitating factors listed above can be organized along two key dimensions and are summarized in Table 1, as follows: those that influence the pres-

Table 1. Factors facilitating mafia transplantation

<i>Supply of mafiosi:</i>	Migration
	<i>Soggiorno Obbligato</i>
	Mafia wars
	Explicit expansionist strategies of established mafia groups
	Kin-based recruitment
<i>Demand for mafia protection:</i>	Lack of trust
	Inability of the state to define and protect property rights
	Incentives to form cartel agreements in the legal economy
	Large illegal markets

ence of mafiosi in the new territory – what we call “the supply” – and those that affect the “demand” for mafia protection in the new territory. Only empirical investigation can establish whether these factors are indeed conducive to transplantation.

In order to evaluate empirically the relative importance of each factor listed in Table 1, this paper considers the successful transplantation of the Calabrese `Ndrangheta in the town of Bardonecchia, near Turin, from a comparative perspective. This case is contrasted with the failed attempt of the same criminal group to create a mafia in the city of Verona. By presenting variation on the dependent variable, we aim to identify the factors that are most likely to cause transplantation. The two cases are broadly comparable: in both cases, the same mafia attempted transplantation to the same northern part of the same country and in both cases the mafiosi were full members of their mafia of origin and could rely on its sinister reputation. We can assume that the “skills” of the mafiosi involved were broadly similar, as they all had been deemed competent enough to enter the same mafia of origin. The time frame is also similar: one attempt occurred in the late 1960s, the second in the early 1970s, and by 2005 it was clear which one had failed and which one had succeeded. Moreover, the negative case we explore conforms to the “possibility principle” recently advocated by Mahoney and Goertz (2004) as key in the selection of such cases.

The comparison shows that supply on its own is not sufficient for transplantation to be successful. It is only when supply combines with the presence of a local demand for criminal protection that mafias are able to create new branches outside their original territory. Such a demand emerges as a consequence of specific features of the local economy and the inability of the state to govern economic transformation. Ultimately, transplantation is a by-product of state failures. Although Piedmont is a region with high levels of trust, trust as such was not sufficient to prevent transplantation of the `Ndrangheta mafia group. Indeed, levels of trust decreased as a consequence of the events described below. High information costs also did not prevent the group from taking root; and the *soggiorno obbligato* policy, when compared with the unsuccessful case of transplantation in the Veneto region, was on its own insufficient to predict transplantation.



Map 1. Trajectory of the `Ndrangheta: from Calabria to Bardonecchia (Piedmont) and Verona (Veneto)

The data upon which this paper is based are the investigations of the Italian Parliamentary Anti-Mafia Commission; reports by the Ministry of the Interior, Chamber of Commerce, local and regional governments, non-governmental organizations and political parties; census data; reports in local and national newspapers over a period of some twenty years for each case; relevant scholarly literature; and two field trips undertaken in 2004.

The paper proceeds as follows. Section 3 briefly presents background and structural information on the `Ndrangheta, while Section 4 examines the case of attempted transplantation to Piedmont. Section 5 discusses the attempt of the `Ndrangheta to establish itself in the city of Verona. Section 6 concludes.

3. The `Ndrangheta

The `Ndrangheta is a specific confederation of mafia “families” that is located mostly in Southern Calabria and has been documented since the late nineteenth century (Ciconte 1992: 5–6; Paoli 2004: 37). Most of the groups (86) operate in the province of Reggio Calabria, although a portion of the recorded 70 criminal groups based in the Calabrian provinces Catanzaro and Cosenza also appears to be formally affiliated with the `Ndrangheta (CPA 1993a: 705). This mafia has systematically run protection rackets in the region, corrupted officials and penetrated politics (CPA 2000a: 24, 37 and CPA 1993a: 702). Politicians have been threatened, wounded, and killed, while mafia bosses have successfully stood in local elections. In the 1990s, the Italian government disbanded 18 city councils due to the `Ndrangheta’s ability to pervert local electoral processes (CPA 1993a: 702, 709; CPA 2000a: 25–7, 35).

The *`ndrina* (the word derives from the Greek, meaning “a man who does not bend”) is the basic organizational unit and is the equivalent of the Sicilian mafia’s “family” or *cosca* (Ciconte 1992: 20). Each *`ndrina* is “autonomous on its territory and no formal authority stands above the *`ndrina* boss” (CPA 2000a: 94; see also CPA 1993a: 700; CPA 2000a: 92, 97). The *`ndrina* is usually in control of a small town or a neighborhood. If more than one *`ndrina* operates in the same town, they form a *locale*. In some cases, *sotto `ndrine* have been established.

From at least the 1950s, the chiefs of the `Ndrangheta have held annual meetings, called *crimini*, at The Sanctuary of Our Lady of Polsi on the Aspromonte Mountains between September and October (the exact date is constantly changing) (CPA 2000a: 94–5). Cesare Polifroni, a former member, has explained that, at these meetings, every boss “must give account of all the activities carried out during the year and of all the most important facts taking place in his territory such as kidnappings, homicides, etc.” (quoted in Paoli 2004: 59). The *capo crimine*, who is elected every year, is in charge of convening these meetings, but, far from being “the boss of the bosses”, actually has comparatively little authority to interfere in family feuds or to control the level of inter-family violence (CPA 2000a: 94–5).

Bosses from outside Calabria, from as far as Canada and Australia, regularly attend the fall meetings at the Sanctuary of Polsi (CPA 2000a: 96), an indication that the *`ndrine* around the world perceive themselves as being part of the same collective entity (Paoli 2004: 32). Nonetheless, and as in the case of other mafias, separate units have often been at war with each other (CPA 2000a: 98; DIA 2002: 85). From 1991, attempts at creating a Sicilian mafia-style regional commission have been undertaken, although loose mechanisms of communication, co-ordination and dispute settlement have existed

since the end of the nineteenth century (CPA 1993a: 704–5; CPA 2000a: 98; Paoli 2003: 59; Ciconte 1992: 118–27).

The key difference between the `Ndrangheta and mafias from Sicily, America, Russia, and Hong Kong is the role of kin. While other mafias try to minimize the number of blood relatives within each family, blood family and membership of the crime family overlap to a great extent within the `Ndrangheta. By far and large, the *`ndrine* consist of men belonging to the same family lineage (CPA 1993a: 700). An anti-mafia prosecutor in Reggio Calabria, Salvatore Boemi, told the Italian Parliamentary Commission that “one becomes a member for the simple fact of being born in a mafia family”, although other reasons might attract a young man to seek membership and non-kin have also been admitted (CPA 2000a: 92). Marriages help to cement relations within each *`ndrina* and to expand membership. As a result, a few blood families constitute each group, hence “a high number of people with the same last name often end up being prosecuted for membership of a given *`ndrina*” (CPA 1993a: 700). Indeed, since there is no limit to the membership of a single unit, bosses try to maximize descendents (see Arlacchi 1983: 157; CPA 1993a: 701).⁵

The overlap of blood and mafia family seems to have helped the `Ndrangheta expand beyond its traditional territory: “The familial bond has not only worked as a shield to protect secrets and enhance security, but also helped to maintain identity in the territory of origin and reproduce it in territories where the family has migrated” (CPA 2000a: 102). Certainly, the `Ndrangheta has had a remarkable ability to establish branches abroad. *`Ndrine* are reported to be operating in Northern Italy, Germany, Belgium, Holland, France, Eastern Europe, the USA, Canada, and Australia (Ciconte 1996: 160–98). According to the Anti-Mafia Commission of the Italian Parliament, the dependency of the subsidiary groups is significant: a subsidiary “is an outpost of the original *cosca* and depends on it to function” (CPA 1993a: 703). Still, the activities of these subsidiaries vary, and more research is necessary to detail the relations between groups. Prosecutors who testified in 2000 to the Anti-Mafia Commission pointed out that Germany, Eastern Europe, and Australia are areas in which the `Ndrangheta invests

⁵ Since the ability to keep secrets is a key feature of successful mafia organization, a high degree of dependence rather than just skills and merit may be a rational criterion for selecting recruits. As it is more likely that dependence is higher among members of blood families, one should expect members of `Ndrangheta crime groups to have fewer defectors. In fact, the `Ndrangheta has experienced significantly fewer *pentiti* (former members who turned state witnesses) than the Sicilian mafia: 2.6 percent of the estimated 1994 membership as opposed to 6.9 percent of the 1995 membership of the Sicilian mafia (CPA 1993a: 700–1; CPA, 1993b; CPA 2000a: 13, 101–2 CPA, 2000b).

the proceeds of its illegal activities rather than aspires to establish a control over the territory (CPA 2000*a*: 112, 59–60).

4. The `Ndrangheta in Bardonecchia (Valsusa Valley, Piedmont)

This section explores the `Ndrangheta's attempt to impose its rule over sectors of both the "upper world" and the underworld in Bardonecchia. The discussion is organized as a systematic review of the factors highlighted in Section 2, namely, level of trust, migration, and presence of mafiosi due to the *soggiorno obbligato* policy. It also details how changes in the local economy led to the emergence of a demand for criminal protection. As this was a case of successful transplantation, we are also able to chart the development of the group by reviewing in some detail the level of violence, the penetration into local politics, and the emergence of a code of *omertà* and mafia symbolism traditionally associated with territories of high mafia density.

Piedmont is a region in north-west Italy, bordering France to the west and Switzerland to the north. It is one of the most industrialized areas of the country. Home to the Fiat car manufacturing company, it scores among the most "civic" regions in the country, with a high level of interpersonal trust and highly effective local institutions, according to Robert Putnam's Civic Community Index. Putnam's historical index of "civic traditions" for the period 1860–1920 has Piedmont scoring even more favorably, second only to Emilia Romagna as the most civic region of Italy (Putnam 1993: 97, 149–50).

Since the 1950s, Piedmont has experienced a significant influx of immigrants who have dramatically changed its demographic composition. Between 1951 and 1961, 440,040 immigrants moved to Turin (the largest city in the region), increasing its population by 42% (CRP 1983: 70–1; ASC-CT 2001: Table 1). Overall, in the 1950s and 1960s, some four million people migrated from the south of Italy to the north (Bonguidi 1985). The share of the population born outside the region more than doubled from 1951 to 1971. It should be noted that other cities, such as Rome and Milan, also experienced dramatic increases in population, yet did not succumb to mafia entrenchment (for a discussion of Verona, see §5).

Table 2 shows that in 1951, 17.1% of the population residing in Turin province was born outside Piedmont, with 2.4% born in Calabria, Sicily or Campania, regions associated with high mafia density. Those born in Calabria made up 0.5% of the Turin population. These numbers are lower than the equivalent for Rome in the same year, which had a higher percentage of its population born outside Lazio (30.6%), and specifically born in regions with high mafia density (7.4% born in Sicily, Campania, and Calabria combined, and 1.7% born

Table 2. Regions of birth for residents of Turin, Milan, Rome, and Verona Provinces, 1951, 1961, 1971, 1981. (%)

1	2	3	4	5	6
Census year	Province	Percentage of residents born:			
		Within the region	Outside the region	In Sicily, Campania and Calabria	In Calabria
1951:	<i>Turin:</i>	80.3	17.1	2.4	0.5
	<i>Milan:</i>	79.3	18.9	2.2	0.3
	<i>Rome:</i>	67.0	30.6	7.4	1.7
	<i>Verona:</i>	93.2	5.6	0.5	0.1
1961:	<i>Turin:</i>	68.7	28.8	6.2	1.9
	<i>Milan:</i>	72.0	26.1	4.3	1.0
	<i>Rome:</i>	64.4	33.3	8.9	2.4
	<i>Verona:</i>	91.1	7.6	0.9	0.1
1971:	<i>Turin:</i>	60.8	36.7	12.2	3.7
	<i>Milan:</i>	66.2	31.8	8.8	2.3
	<i>Rome:</i>	64.1	33.0	9.8	2.6
	<i>Verona:</i>	89.9	8.6	1.2	0.2
1981:	<i>Turin:</i>	63.6	34.1	12.8	4.0
	<i>Milan:</i>	68.1	29.8	9.6	2.5
	<i>Rome:</i>	69.4	27.9	7.1	2.3
	<i>Verona:</i>	88.4	10.1	1.7	0.4

Source: Data based on Istat, 1951, 1961, 1971, 1981.

Notes: Columns 3 and 4 do not add up to 100 because individuals born outside Italy have been excluded.

The province (*provincia*) is an official administrative unit and includes territories beyond the city limits.

in Calabria alone). By the time of the next census ten years later, Turin almost matched Rome with around 30% of residents born outside the region, and a slightly higher percentage of people born in Calabria, Sicily and Campania than Milan, but lower than Rome. The pattern observed in 1951 is reversed by 1971, with Turin leading Rome and Milan in population born outside the region (36.7% against 31.8% in Milan and 33.0% in Rome). Turin also has the highest percentage of individuals born in Calabria, Campania and Sicily (12.8%), although these data do not differ dramatically from those of Rome (9.8%) and Milan (8.8%). By 1981, Turin's lead is slightly higher than it was in 1971. Significantly, 12.8% of Turin residents were born in one of the "mafia regions" of Calabria, Sicily, or Campania.

In Section 2, a key distinction was made between generalized patterns of migration and migration of specific individuals who belonged to a mafia group. Even a small number of the latter can be highly significant because it points to the existence of specialized criminals, arguably well-equipped to set up criminal groups. Although the numbers of hardened criminals who moved to Piedmont is relatively small, they had the potential to recruit among the unemployed workers who had moved to the region, but who had as yet failed to find employment in the industries of the north (see below).

In the period 1961–72, 54 individuals were ordered by the courts to resettle in Turin province (CPA 1976: 279–80; Sciarrone 1998: 255–6). Compared with other regions, however, Piedmont experienced only an average number of such forced migrations of specialized criminals. For instance, 15% of criminals who were sentenced under the *soggiorno obbligato* policy relocated to Lombardy, 10% to Emilia Romagna, 9% to Tuscany, and 11% to Piedmont (CPA 1976: 289; Massari 2001: 13). One should be cautious in drawing a direct link between *soggiorno obbligato* and mafia formation. As a case in point, Piedmont's provinces of Cuneo, Asti, and Alesandria likewise experienced an influx of hardened criminals in the period 1961–72 (respectively, 63, 36 and 54 individuals), but mafias did not become entrenched there (CPA 1976).

I now turn to whether a demand for criminal protection existed in this part of Piedmont. The story of the mafia taking root in Piedmont centers around the Valsusa valley, north-east of Turin, which includes Bardonecchia, a town with about 3,000 inhabitants in 1971 (Istat 1971). (This area will host the 2006 Winter Olympics.) As a consequence of the expansion in tourism in the early 1960s, a strong demand for housing developed. During a period of fifteen months in 1967 and 1968, some 80,000 new dwellings were built in Bardonecchia alone (the data refer to legally obtained construction licenses). In the same period, the construction of a new highway and the Frejus tunnel to France together generated contracts worth some 170 billion lira, the equivalent of approximately US\$275 million in 1971 values (CRP 1983: 26). Between 1985 and 1994, a further 1,300 dwellings were built – a total of 282,000 sq. meters of construction worth 500 billion lira, approximately US\$ 310 million in 1994 values. In 1994 alone, the city council collected five billion lira in residential dwelling tax (Sciarrone 1998: 264; *Luna Nuova*, 07/XI/1995).

The sudden expansion of the construction business had two key consequences. First, local construction companies did not have a large enough workforce to meet the new demand for housing. Some firms therefore turned to “fixers”, who supplied them with immigrant workers who had not managed to find employment in large companies like Fiat, and who often had little education. Many of the new immigrants also lived in appalling conditions. These poorly qualified and non-unionized workers accepted short-term, temporary employment, low salaries, and worked without insurance. Several firms wel-

comed the possibility of hiring cheap labor in order to save on mandatory health contributions and safety costs, and, more generally, to by-pass trade union controls. Moreover, if they had hired the workforce directly, the firms would have had to pay transfer, catering and accommodation costs (Sciarrone 1998: 257).

In all, the racket was beneficial to both non-unionized immigrant workers and construction companies. Such a course of action, however, meant that workers could not turn to trade unions in the event of disputes with employers, and employers could not turn to legitimate sources of protection in the event of disputes with this vast contingent of workers. A demand thus emerged for an alternative, non-state source of protection.

Second, new construction companies entered the market at the suggestion of the Calabresi who been residing in the valley under the *soggiorno obbligato* policy. These new firms also employed an illegal workforce, and would turn to the Calabrese mafia for protection. The first firms to be expelled from this lucrative market were those local ones that refused to hire illegal workers. As the racket expanded, more local firms started to hire illegal workers. The final outcome was that a number of firms, some local, some newly arrived from Calabria, came to control the construction market. Entry into this market was policed by the mafia, which also oversaw employer-employee relations.

Violence was used against workers that had not been hired through the racket and to force some firms out of the market (CPA 1976: 279). A spate of cases of intimidation led to an investigation by the Anti-Mafia Commission, which first visited the area in 1974. It recorded “widespread intimidation, improper allocation of workloads, exploitation, improper salary reductions, and racketeering”, and estimated that 70–80% of the labor force in Bardonecchia had been hired through this racket (CRP 1983: 24). In one instance, a group of mafia-backed workers showed up fully armed at a construction site in Bardonecchia and forced the bricklayers to quit their jobs then and there. Additionally, the firm that had (legally) hired the bricklayers was forced out of Bardonecchia (CRP 1983: 25). In another instance, a construction site was set on fire (Sciarrone 1998: 273).

The main organizers of mafia activities in Bardonecchia were two Calabresi who had moved there as a consequence of the *soggiorno obbligato* policy, Rocco Lo Presti and his cousin Francesco (Ciccio) Mazzaferro. Both came from the town of Gioiosa Jonica and were members of the Mazzaferro clan. Lo Presti had moved to Bardonecchia from Calabria in 1952, and, by the early 1970s, the court of Turin had convicted him three times for a variety of minor crimes. By the time of the construction boom of the late 1960s, Lo Presti had become the main illicit supplier of cheap labor to the area and had called in construction companies from Calabria. He also established several firms of his own and obtained unlawful subcontracts, especially in the area of plastering and framing.

In 1970, he was found guilty of “violation of the law on hiring workers and workers’ protection”. He was charged with – and acquitted of – murder (1982), fencing (1987), extortion and mafia activities (1995 and 1999). Only in 2002 was he found guilty of engaging in mafia activities and sentenced to six and a half years in prison (*La Stampa* 05/X/1994; 26/X/1995; 14/XI/1995; 23/XI/1998; 19/IV/2002; 31/X/2002; Caselli 2003a).

In the early 1970s, Lo Presti’s cousin and associate, Ciccio Mazzaferro, was found guilty of heading a mafia organization in Calabria that exercised a monopoly over transportation in the area of Gioiosa Jonica. As a consequence of this verdict, the court ordered him to reside outside his region of origin, and he moved to Bardonecchia in 1972. There he started a transport company servicing construction sites and obtained several contracts related to the construction of the Frejus tunnel. A Turin Court found that he had acquired these contracts “through the use of force and intimidation” (Sciarrone 1998: 260). Throughout the 1980s, he was charged with a variety of offences in three regions – Piedmont, Calabria and Sicily. In 1987, he was found guilty of being the boss of a “mafia group” based in Piedmont that was involved in several crimes, including drug trafficking and illegal money lending (Caselli 2003a).

The mafia control of labor and of the overall construction industry soon evolved into a wider protection racket. A city council employee is known to have handed over Lo Presti’s business card to people applying for business licenses in the area. In one case he was heard saying: “You should get in touch with Lo Presti in order to avoid problems.” Inspectors sent by the prefect of Turin noted that, “in Bardonecchia, everybody assumes that it is necessary to obtain Lo Presti’s endorsement in order to engage in any commercial activity” (Sciarrone 1998: 263–4).

Violence was used from the start (CPA 1976: 10). In 1963, Lo Presti was accused of ordering the assault and inflicting grievous bodily harm on a local politician (and future mayor). The first “mafia murder” in Bardonecchia took place in 1969, when Lo Presti’s brother-in-law killed a man (CRP 1983: 26; *La Stampa* 14/XI/1995). In 1970, a worker at a building site run by Lo Presti was killed by a *lupara* (sawn-off shot gun) and his body was found in a nearby town (CRP 1983: 27 and 48; *La Stampa* 14/XI/1995). In another nearby town, a Calabrese who had been forced to relocate there came into conflict with Lo Presti and Mazzaferro and was murdered in 1972 (CRP 1983: 27 and 48). In 1975, Mario Ceretto, a local entrepreneur, was kidnapped and murdered. Lo Presti was charged with the murder, but acquitted on the grounds of insufficient evidence (Caselli 2003a). Between 1970 and 1983, 24 Calabresi were killed in the Turin province (which includes Bardonecchia), while 44 “mafia murders” were recorded by the Turin’s Procurator Office (CRP 1983: 51, 61). The most high-profile murder was that of Bruno Caccia, Chief Public Prosecutor of Turin, who was gunned down by members of the

`Ndrangheta, among them Mimmo Belfiore, brother of a developer from Calabria operating in Bardonecchia and an associate of Lo Presti (*La Stampa* 24/X/1995). According to a police investigation, Lo Presti received a phone call on the day of Caccia's murder allegedly saying, "Here is your birthday present" (*La Stampa* 15/X/1995). Violence continued steadily through the 1980s and 1990s (see, e.g., CRP 1983: 27; *La Stampa* 16/VII/1996; *Corriere della Sera*, 15/VII/1998).

Were the high level of inter-personal trust and the potential for collective action enough to prevent mafia entrenchment, as suggested in Section 2 above? At first, local politicians and trade unions resisted the mafia. Mario Corino, whom the mafia physically assaulted in 1963 and was mayor of Bardonecchia from 1972 to 1978, openly denounced the presence of the mafia in the town and rejected their electoral support (*La Stampa* 29/IV/1995; 07/IX/1995). The Turin section of the Construction Workers' Union alerted the authorities at its annual conference in Bardonecchia in 1972. Although such civic responsibility and engagement were common in Piedmont, the willingness to engage in virtuous collective action was waning quickly. In only one of 60 building sites were workers able to elect delegates to the 1972 conference, and only 20 people attended an anti-mafia trade union rally in Bardonecchia. Trade union officials were directly intimidated by phone in advance of their tour of the building sites in Bardonecchia and, once there, they found that workers did not want to speak to them (CRP 1983: 25; *La Stampa* 14/XI/1995). Trade unionists observed the same level of fear among construction workers in the 1990s (*La Stampa* 03/V/1995), and episodes of intimidation are continually reported (see e.g. *La Stampa* 16/XI/1995).

The reaction of civil society was not sufficient to prevent the mafia from becoming entrenched. The `Ndrangheta was able to forge a degree of social consensus among employers and migrant workers, who generally remained grateful for even illegal employment. As the native population ostracized the new comers, the mafia extended their protection to other spheres of the immigrant workers' social lives. Shrewdly, the mafiosi also offered protection to Piedmontese residents by punishing those immigrants who misbehaved, such as those who offended local women outside bars and night clubs (Sciarrone 1998: 257). Their territorial control allowed the criminal group to branch out and protect other criminal businesses, including arms trafficking (*La Stampa* 07/VI/1996 and 08/VI/1996; *Luna Nuova* 01/V/1998), drug dealing and money laundering. A laboratory producing ecstasy tablets, for example, was found in the Valsusa Valley in 1994. Ominous signs of this mafia group's expansion have also been highlighted by a recent investigation into racketeering of construction companies in nearby towns (*Luna Nuova* 17/IV/1998).

The step from a successful protection racket to the penetration of local politics was a short one: one-third of the voters of Bardonecchia were from Calabria and worked in

the construction industry. Lo Presti controlled their votes and influenced elections to the point where the majority of the city councilors were *de facto* in the pockets of the `Ndrangheta (*La Luna Nuova* 07/X/1994; *La Stampa* 29/IV/1995, 30/IV/1995, 14/XI/1995, 15/XI/1995 and 08/XII/1995; *Repubblica* (Torino) 06/X/1994). In 1975, the court of Turin noted that a power struggle was under way between the incumbent mayor and the Calabrese “clan” of Lo Presti. In 1979, a new administration was elected that was more favorable towards the Calabresi. In 1994 the mayor and other councilors were arrested for their involvement in the allocation of construction permits (*speculazione edilizia*) and the underselling of valuable land to a construction company that was controlled by Lo Presti and the `Ndrangheta (*La Stampa* 06/X/1994; 25/X/1995; 17/XI/1995; 05/X/1996).

In 1995, this situation resulted in an unprecedented decision by the President of Italy: for the first time in northern or central Italy, a city council was disbanded because of “mafia penetration” (*Corriere della Sera* 16/III/1995, 29/IV/1995 and 05/VI/1995; *La Stampa* 29/IV/1995; 27/VI/1995; Caselli 2003a: 2). Nonetheless, in the 1996 election, the ticket that had supported the disgraced mayor campaigned for “continuity” and obtained almost 70% of the votes. Both the left-wing Partito Democratico della Sinistra (PDS) and the right-wing parties supported this ticket, and the leader of the opposition reported pressure on one of their candidates during the electoral campaign (*La Stampa* 19/XI/1996, 20/XI/1996 and 20/X/1996). The 1996 administration included four individuals (such as the 1996 mayor) who had served in the disbanded 1995 administration and had been under investigation (*La Stampa* 04/XII/1996). The 2001 administration was also a political heir of the disbanded 1995 local government, including two individuals who had served in the 1995 administration, and seven who had served in the 1996 administration (*La Stampa* 15/V/2001 and 06/VI/2001; *Luna Nuova* 15/V/2001). Despite presidential intervention, there was a clear political continuity between these administrations.

The judicial system and the police also felt the full weight of mafia pressure, and ominous mafia messages were sent to local officials. In 1991, a police officer was suddenly transferred to high-density mafia territory in Calabria after having written an investigative report on Lo Presti. In 2000, the station chief was charged with favoring criminal suspects, but later acquitted. The ruling acknowledged that he was conducting “friendly and improper relations” with Lo Presti (*Luna Nuova* 12/IX/1995; *La Stampa* 15/XI/1995; 06/II/1996; 17/I/2001; 31/X/2002; Caselli 2003a: 3). A woman who had testified against Lo Presti in the pre-trial phase in 1999, later refused to confirm her statement at the trial, explaining in tears that she felt threatened and scared (Caselli 2003a: 4). The 2002 sentence against Lo Presti stresses that the “trial has proved the presence of *omertà* and submission in Bardonecchia and Valle di Susa”. One solicitor,

who was a member of the town committee that dealt with building applications, had a break in the day after a meeting at which he opposed an application. When he returned home, he found a large knife stuck in his video recording machine (*La Stampa* 05/X/1994; Caselli 2003a: 4). Another solicitor hired by the city council found the door of his house burned. Earlier that week, he had suggested an increase in the environmental fee (*onere di urbanizzazione*) to be paid by a construction company (*La Stampa* 06/X/1996).

As in other mafia territories, Bardonecchia also saw the emergence of a code of *omertà*. In 1994, when an elected officer with the tourism portfolio in Bardonecchia was asked about his plans to keep the mafia out of local politics, he answered: “Our job is to manage local affairs, police officers (and there are plenty of them in town) should worry about the mafia” (*La Stampa* 05/X/1994. See also *Luna Nuova* 07/X/1994). Similarly the mayor, charged with being involved with the mafia, declared: “Unlike my colleagues, I don't play the policeman” and, “We should be grateful to the *soggiorno obbligato* policy, which brought to our town people like Lo Presti and Mazzaferro” (*La Stampa* 29/IV/1995; 04/II/1994). After the 1996 elections, the newly elected mayor declared: “We are cooperating with law enforcement to clarify what went on in the past, but, believe me, in our town nothing ever went on, there were no connections between local politics and the mafia (assuming that the latter ever existed)” (*La Repubblica* (Torino) 04/XII/1996, quoted in Sciarrone 1998: 271). As late as 2001, the mayor was still demanding a “public apology” from the state for disbanding the city council in 1995 (*La Stampa* 19/I/2001).

Collective action was now working in the opposite direction to virtuous social engagement, with people being mobilized in order to support mafia-tainted politicians. The parish priest of Bardonecchia organized a 400-person march in support of the disgraced mayor, with the endorsement of the Bishop, who himself went on record as saying, “I would rule out the presence of the mafia in this area” (*La Stampa* 30/IV/1995). Both clergymen were later interviewed by the investigating magistrates for their roles in the march, and claimed that they were simply supporting a group of parishioners who had “spontaneously” organized the rally themselves (*La Stampa* 05/X/1994; 09/X/1994; 30/IV/1995). After the 1995 dismissal of the local administration, *La Stampa* (30/IV/1995) interviewed a number of casually selected residents and vacationers who been visiting Bardonecchia for years; the former expressed their support for the mayor, while the latter favored the presidential measure, indicating some local support for the criminal state of affairs.

The story of the `Ndrangheta in the Valsusa valley suggests that specific features of the local economy lead to the emergence of a demand for criminal protection. Above all, the vast illegal workforce, and the entrepreneurs who used it, could not turn to trade un-

ions and to the state to settle disputes. Furthermore, the localized nature of the market opportunities in construction generated high incentives for some operators to exclude others and to form cartels. The *soggiorno obbligato* policy assured that some key mafia organizers were present in the area to provide protection of cartel agreements among construction companies and to police workers and entrepreneurs. Over time, individuals who favored the mafia penetrated politics. Mafia activities soon undermined the community's trust and willingness to engage in virtuous collective action against mafia entrenchment. A code of *omertà* emerged in a part of Italy that, according to established theories of social capital, should have been immune from it. This case suggests that under certain conditions civic virtues and high level of social capital and trust can be depleted. What have been considered to be "cultural norms" of the South – such as *omertà* – can emerge, regardless of geographic locale, as a product of the political economy of the situation, and long-term virtuous trends can be reversed relatively quickly.

5. The `Ndrangheta in Verona

To understand why the `Ndrangheta succeeded in establishing itself in Piedmont, we undertake a comparative analysis of the case of Verona, where the `Ndrangheta was unsuccessful in their efforts to expand in the 1980s. As with the section on Bardonecchia, the narrative below systematically reviews several key factors discussed in Section 2, namely, the level of trust and social capital in the city, migration, and the presence of mafiosi from Calabria forced to reside in the area due to the *soggiorno obbligato* policy. We also explore whether the structure of the local economy ever gave rise to a demand for criminal protection. As this was a case of unsuccessful transplantation, we then review anti-mafia collective action and the reasons for failure.

Trust and social capital are high in Verona and its region, Veneto. Robert Putnam's Civic Community Index puts Veneto, like Piedmont, among the "most civic" regions of Italy (Putnam 1993: 97, 150). The city of Verona boasts a series of positive indicators, such as the highest gross domestic product and highest disposal income in Veneto, virtually full employment, high levels of cultural consumption, and one of the lowest crime rates in Italy (FPCI 1981: 92; *Il Mondo* 29/VIII/1983; Arlacchi & Lewis 1990: 22–3; Ruggero & Vlass 1992: 282–4). Arlacchi and Lewis describe the city as a tightly-knit community in which informal social control is exercised by "the bar owner, the news-agent, the teacher, the priest, the doorman, parents, and women talking on their door steps" (1990: 33).

Verona's population grew dramatically in the period 1951–81 as a result of immigration. Between 1951 and 1961, the net population increased from 185,482 to 215,733, with immigrants making up 34% of the total population by 1961 (CV 2001). Overall, in the period 1951–71, the population of the city grew by 29.2% (slightly more than the figure for the north-east of Italy, which was 27.2% in the same period). Despite the rise in population, however, the demographic make-up of Verona did not change as it did in Turin. As shown in Table 2, more than 93% of the 1951 population was born in the city or the Veneto region, 13 percentage points more than the equivalent figure for Turin. Still, the divergence between Verona and the other cities discussed above is even more striking in the remaining decades. In the 1961 census, Turin, Milan, and Rome have between 26% and 33% of people born outside the region, while Verona has just 7.6%. By the 1981 census, Verona has almost 90% of residents born in the same region, a value that is roughly 20 percentage points more than Milan's and Rome's, and 30 percentage points more than Turin's. Throughout the period covered in Table 2, the number of residents originating in Calabria, Sicily, and Campania is negligible.

Where did the new residents of Verona come from? In contrast to the pattern experienced in Turin, Milan and Rome, the new residents of Verona came from the surround-

ing region and mainly consisted of agricultural workers seeking better employment in the local factories.⁶ New immigrants from within the region managed to find employment in local industries. As documented by Anastasia and Tattara (2003), at this time there was a net increase in the supply of jobs relative to demand, and rates of unemployment remained low (between 4% and 6% from the early 1960s to the late 1970s) and were considerably lower than the Italian average.

As in the case of Piedmont, several members of `Ndrangheta families had been forced to resettle in Verona during the 1960s and 1970s through the same *soggiorno obbligato* policy described above (FPCI 1981: 13). In the period 1965–74, some 100 were forced to move to the province for this reason. Not all of them had been found guilty of mafia crimes. For instance, in February 1974, out of 16 such felons residing in Verona, only four had been found guilty of mafia-related crimes in the south (*L’Arena* 23/II/1974). Another source of people trained in the use of violence and specific to Verona was the vast contingent of neo-fascists, who over the years had been involved in, and charged with, several violent crimes (FPCI 1981: 30–2).

Verona’s economic structure changed after WWII from being mostly agricultural and based on sharecropping, to being export-led, competing successfully in international markets for goods and services that require a high level of craftsmanship and skill, such as wooden furniture, footwear, engineering, wine, confectionary and graphic design (Brugoli 1985; Gaburro 1985).

The only significant illegal market in Verona in this period was drug consumption and trafficking. Some 10% of young people were reported to use drugs regularly. According to police estimates, roughly 8,000 people were habitual consumers in the late 1970s (FPCI 1981: 11). Consumption and trading were rather open, involving local youth, and connected to the revolution in personal behavior of the late 1960s. In 1974, police raided an apartment where young people openly smoked and traded hashish, which was then reoccupied shortly afterwards, while some trading was occurring in Piazza dei Signori and Piazza delle Erbe, both central squares of the city (*L’Arena* 28/IV/1974; 15/V/1974; 13/VI/1974; 28/VII/1974; FPCI 1981: 21–3). Arlacchi and Lewis estimated that up to 60% of those involved in heroin use *and* trafficking in Verona were educated, self-employed proprietors, or managers of small businesses, and came from relatively well-off families. In other words, operators in the market belonged to the same social milieu that had given rise to a flourishing economy and adopted the same entrepreneurial

⁶ In 1971, the Veneto region’s agriculture employed 30% of the number it employed at the time of the 1951 census (Anastasia & Tattara 2003; Gaburro 1985: 74). As shown by Birindelli, positive and significant “medium range inter-provincial mobility” affected Verona as well as Vicenza, Treviso and Padua in the 1960s and 1970s, while other provinces in the Veneto region, most notably Venice and Rovigo, lost population (Birindelli 2004: 240).

spirit and straightforward commercial practices that characterized the legal sectors of the economy. Transactions in the illicit drug market took place according to shared rules of fair bargaining, and punishment took the form of exclusion from future exchanges and refusal to offer credit and discounts. In addition, significant level of barter and individualized exchange existed in this market, and no third-party mechanism to punish defectors existed. Most of the arrests of both consumers and local traffickers were for direct violations of drug laws rather than violent crimes connected to the drug trade, and most of those arrested entered prison only once rather than being repeat offenders (Arlacchi & Lewis 1990: 51, 73. See also TV 1987; Fogliata, Carrarini & Mazzoccoli 1987: 25, 27–8).

Operators in the drug market seemed able to satisfy the growing demand. At first, supplies of morphine and heroin arrived in the city with users who had visited Bangladesh and Pakistan in the early 1970s. In a matter of a few years (1974–5), individual consumers, small-time local traffickers and consumers' cooperatives started to buy heroin that came from Southeast Asia via Amsterdam and Munich, and from the Middle East via Yugoslavia. Over the following years, the quality of the product increased, as did the sources of supply (between 50 and 80 kilograms were sold monthly in the city, according to police estimates. FPCI 1981: 11, 29). Suddenly, Verona found itself at the center of an international drug route. Local consumers introduced trusted outsiders – especially consumers based in the surrounding towns – to sellers, and the market gradually spread into the rural areas. As this illegal market was expanding, the number of people under 18 years of age charged with drug-related offences actually dropped in the period 1970–87 (*L'Arena*, 17/II/1974; Arlacchi & Lewis 1990: 15, 59–60, 66). Prior to the arrival of the Calabresi, violent conflict was virtually absent, as testified by data on murders: the rate in Verona city was lower than the average of the Veneto region, and six times lower than the national average (Arlacchi & Lewis 1990: 46, 51, 53–4).

In the early 1970s, the Calabresi in town decided to set up themselves as a local mafia. As early as 1973, they began trying to extract money from legal entrepreneurs. For instance, in early January 1974, in the city of Ronco, near Verona, several prominent entrepreneurs and politicians received threats and demands for money (FPCI 1981: 34; *L'Arena*, 13/I/1974). In the eastern and southern parts of the province of Verona, home to successful export-oriented furniture makers, police uncovered extensive extortion. Reportedly, some 100 thefts of trucks carrying furniture took place in 1973 alone. The Calabresi claimed they could offer protection against such occurrences (FPCI 1981: 34–5, 49; *L'Arena*, 14/VI/1974). Violence and crime increased in this period, with businessmen in particular experiencing a rise in intimidation, robberies and homicides (*L'Arena* 18/I/1974; 01/IV/1974 and 24/V/1974; FPCI 1981: 28; Arlacchi & Lewis 1990: 68). Answering a confidential survey administered to local entrepreneurs

(N=200), 38.2% of the respondents stated that extortion was “common” and 9.3 stated that it was “all-embracing”, while 45% declared it was “limited”. Only 4.6% answered that the phenomena did not exist in Verona (FPCI 1981: 50).

The Calabresi also tried to gain control of the drug market. The large drug suppliers whom they contacted (Sicilian mafiosi and Turkish heroin suppliers) demanded payment in cash on consignment. Since the Calabresi faced a chronic shortage of funds, they decided to raise capital by kidnapping wealthy Veronesi for ransom, relying on their region of origin for hiding places. Ten Veronesi were kidnapped within a four-year time span (1974–8) (FPCI 1981: 27).

The people involved included Cosimo Ierinó (born in Goiosa Jonica, the Calabrian hometown of Rocco Lo Presti), the brother-in-law of Vincenzo and Giuseppe Mazzaf-erro. In a curious twist, Ierinó disappeared from Verona for a while and surfaced in Bardonecchia. Also involved were the brothers Corsaro and Camera (*L’Arena*, 12/II/1974; FPCI 1981: 32–5). The group recruited local petty criminals and neo-fascist activists in an attempt to create a protection racket and to control the lucrative drug trade. They planned to establish a system of concessions whereby a set of local criminals (thieves, con men, extortionists, pimps, and smugglers) would be identified and put in charge of a given territory, encouraged to extract protection payment from local businessmen, and forced to hand over a portion of their earnings to the Calabresi. The Calabresi, in turn, would offer services such as dispute settlement, refuge and hiding places for people and illegal goods, and intimidation of political and law officials. As part of this strategy, they started to hand out bribes to local law enforcement and party functionaries (FPCI 1981: 32–5, 28).

As in the case of Bardonecchia, civil society was quick to mobilize against outside criminal elements. At the forefront of this grass-roots movement were the Catholic Church, the local chapter of the Italian Communist Party, and a newly created Association of Concerned Families Against Drugs (*Repubblica* 21/II/1980; 10/III/1981; 22/IV/1981; *Verona Fedele* 30/XI/1980; FPCI 1981: 14, 86–9). A large rally against drugs and organized crime took place in December 1980, and some 10,000 people signed a petition to the same effect in 1981. All local political leaders (with the exception of the neo-fascist party MSI) denounced drug-dealing, and resolutions were passed in the City and Provincial councils in support of the fight against organized crime (FPCI 1981: 73–5). The local paper, *L’Arena di Verona*, rallied behind the efforts to free the city from these criminals and ran several features openly opposing the presence of the Calabresi in town, often using bigoted language (e.g., 23/II/1974; 29/III/1974).

On December 8, 1980, the editor of *L’Arena* was the victim of attempt on his life (FPCI 1981: 60; *Paese Sera* 14/III/1981). Two more attacks against anti-drugs activists were carried out in February and March 1981 (FPCI 1981: 60). Contrary to the outcome

in Bardonecchia, however, the concerted pressure of civil society on both the police and the judiciary yielded tangible results, namely, the removal of officials and politicians who had accepted bribes from the mafia (FPCI 1981: 16). Unable to control a significant share of votes in a city much larger than Bardonecchia, the Calabresi were therefore unable to influence the outcome of elections.

By 1983, the long-term plan of establishing a protection racket and controlling the drug market in Verona had failed, and the Calabresi had left the city, while the drug market continued to flourish according to the rules of fair game and reciprocity described above (Arlacchi & Lewis 1990: 69). A combination of factors accounts for the Calabresi failure at transplantation. First, the new immigrants found official employment in the local industries. In the legal markets, extortion was directed at export-oriented firms that were not in direct competition with each other. Contrary to the case of Bardonecchia, employers would not benefit from the creation of a cartel of a few locally based firms to exploit a local market, since they were mainly exporting their goods to diverse markets in northern Europe and the USA. The service offered by the Calabresi turned out to be purely extortionary. Collective action, fostered by an active civil society, thereby became more effective than in Bardonecchia.

In the expanding drug market, dealers had emerged from the same local milieu as the consumers; felt a common connection to the radical behavioral revolution of the 1960s; knew each other well; and relied first on trust and then, as the number of market actors grew, on rules of fair game and cooperation in their exchanges. For their part, the Calabresi could not offer access to particularly attractive new sources of drug supply. Even if the new mafia had tried to force them to hand over a cut, dealers could bypass mafia control and continue to sell to trusted customers. As in other instances (e.g., Reuter 1995: 91–2), the mafia found it impossible to create bottlenecks to channel supply of drugs into the city, and was unable to control the local dealers who had developed long-term relations of cooperation with their customers. In conclusion, local dealers did not need or demand Calabresi protection in the illegal market.

6. Conclusions

In light of the different outcomes of the `Ndrangheta attempts at transplantation in the two regions, this paper offers some general considerations.

Table 3. Comparison of factors facilitating and hindering transplantation in Bardonecchia and Verona

Factors	Bardonecchia	Verona
Size of the locale	Small	Large
Significant number of un-employed migrant workers [from outside the region]	YES	NO
<i>Soggiorno Obbligato</i>	YES	YES
Organizational structure of mafia of origin	Kin-based recruitment	Kin-based recruitment
Trust in the underworld	High	High
Structure of the legal economy	Localized booming market (construction)	Export-oriented
Demand for criminal protection	YES	NO
Outcome:	Transplantation	No transplantation

Demand for criminal protection seems to be the key factor that links cases of successful transplantation, such as the `Ndrangheta in Bardonecchia and the Russian mafia taking hold in Hungary. In Bardonecchia, disenfranchised migrant workers from outside the region accepted illegal employment over unemployment, thereby depriving themselves of trade union and more generally state-sponsored protection. Entrepreneurs not only hired illegal workers, but also schemed to restrict access of competing firms to a local lucrative market. The structure of the local labor market and the booming construction industry (in which, by definition, firms compete locally and there is a strong incentive to form cartels), led to the emergence of a demand for criminal protection. The `Ndrangheta Mazzaferro clan offered its services and entrenched itself in a far-away territory.

Although Piedmont does not have a new market economy like those of eastern Europe, a striking parallel exists in the successful transplantation of the Russian mafia's

Solntsevo criminal group in Budapest. In that instance, explored at length in Varese (2004), the state failed to create a system to adjudicate disputes quickly and effectively, thereby leaving significant sectors of the emerging market economy unprotected by the law, as was the case for immigrant workers in Bardonecchia. When vast numbers of economic agents operate in an unprotected market, they develop a demand for protection that the state cannot meet. In both cases, skilled criminals were available to organize a mafia group and offer a variety of protection services, such as settlement of disputes and elimination of competitors in local markets. The case of Verona indicates that a demand for protection against competition will not develop when the local economy is export-oriented. A furniture maker exporting to northern Europe and North America cannot hope to corner such a large and distant market with the help of mafiosi.

Migration as such is clearly not a cause of mafia transplantation. Despite roughly similar patterns of migration from the south to the north of Italy, a southern mafia did not transplant itself in either Rome or Milan. Only when migration is coupled with illegal employment and absence of state protection does a demand for criminal protection emerge that can be met by a mafia. In other words, migration – even from regions with high-mafia density – does not carry the seed for a new mafia. Rather, it is the state’s failure to offer effective legal protection (and to ensure the existence of avenues for legitimate employment) that sets in motion a chain of the events that might give rise to a new mafia.

The policy of *soggiorno obbligato*, flawed as it might have been, cannot be blamed for successful transplantation. Although in theory, supply could create its own demand, in the case of Bardonecchia, supply of “foreign” mafiosi went hand-in-hand with a genuine demand for criminal protection. When it did not, transplantation failed. Moreover, other parts of Piedmont and northern Italy experienced the influx of a similar or higher number of skilled mafiosi forced to migrate due to the *soggiorno policy*, but mafias did not emerge everywhere. Similarly, the Russian mafiosi that the Solntsevo hierarchy dispatched to Rome failed to establish a successful group because there was no demand for their services. A supply of specialized criminals (as distinct from generalized migration) is not enough to produce successful transplantation, a fact that underscores how wrong-headed is the anti-southern rhetoric of some Italian politicians and newspapers. Furthermore, the Calabresi who left Verona continued their criminal careers back in Calabria, suggesting that it was not their lack of skills that led to the failure in Verona. Finally, the structure of recruitment into the mafia does not seem to be crucial to successful transplantation. The recruitment into the `Ndrangheta is uniformly kin-based, yet transplantation succeeded in the one case and failed in the other. Moreover, the Russian mafia recruits on the basis of merit; but in only one case (Budapest) did transplantation

occur. Outcomes do not match this variable, making it irrelevant as an explanatory one in this context.

A high level of interpersonal trust among the law-abiding population is not enough to prevent transplantation. In the case of Budapest, trust was low, suggesting that the hypothesis advanced by Putnam's work might be borne out by the evidence. In contrast, the cases of northern Italy show that high levels of trust among the general population were not sufficient to prevent transplantation. In fact, in Bardonecchia such trust was depleted as a consequence of the success of the `Ndrangheta, and mobilization took place in order to defend rather than to oppose the mafia. Indeed, mafias have an incentive to deplete interpersonal trust among actors, in order to increase the demand for their protection services and discourage citizens' involvement in community affairs. A broader message of this paper is that cultural constructs such as *omertà* are the product of social conditions that can reproduce themselves in different territories, and that high level of trust and social capital should not be considered an invariant feature of a given society.

Evidence generated by the case of Verona suggests that illegal markets can emerge out of high level of trust among the first market actors, and then develop according to rules of fair dealings and cooperation, cheating and rule breaking being punished by exclusion from future exchanges, in a pattern similar to the tit-for-tat set of strategies analyzed by Axelrod (1984). Although in theory trust and long-term cooperation can be jeopardized by mafia efforts at offering their services, the case of Verona shows that such efforts are much more difficult in the illegal drug market. This failure might be due to a number of factors. First, drug dealers can move quite freely and conduct their exchanges behind the back of would-be third-party enforcers, while construction sites are easily located and monitored. It is easier for racketeers to target entrepreneurs with unmovable sites, than it is to locate local drug dealers. Second, mafias find it very hard to control sources of supply in the drug market, as in Verona, where the Calabresi couldn't create a bottleneck in the import of the commodity and lacked special connections with the suppliers. The Calabresi in Verona therefore failed to prevent local dealers from continuing to operate on the basis of shared rules of fair dealing and trust.

Can state and local government agents be held responsible for failing to disrupt the chain of events that gives rise to a new mafia, or is such a chain beyond the control of officials? This paper shows that the inability of the state to govern significant transformation in the economy – be it the transition to the market economy in Hungary or the sudden increase in opportunities in the construction industry in Bardonecchia – can lead to mafia entrenchment. Hence, the study of the mafia cannot be separated from the study of state failures. Furthermore, the findings of this paper can be extended to the study of actions by legitimate powers. As each of the four main services offered by mafia organizations has a mirror in traditional government functions (policing; regulation of entry in

a given market; dispute resolution; and taxation), this paper offers a yardstick by which to compare the behavior of legitimate regulatory and governing authorities.

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