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# The Mafia and Capitalism. An Emerging Paradigm

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# The Mafia and Capitalism

## An Emerging Paradigm

by Jane Schneider *and* Peter Schneider

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We began field research in the interior of Western Sicily in 1965 because we had become intrigued by peasant societies – their cultures, politics and economies as documented by historians and social scientists. A pioneer of peasant studies in anthropology, Eric Wolf, and his colleague Marshall Sahlins, were our teachers at the University of Michigan where we pursued PhD degrees in cognate disciplines (Peter in social psychology, Jane in political science). Sahlins and especially Wolf were philosophically influenced by Marxism and employed Marxist categories to illuminate the dynamics not only of industrial capitalism and imperialism, but also of the myriad rural populations drawn into capitalist processes of production. Both also participated actively, as did we, in the anti-Vietnam War movement on the Michigan campus, a movement that sought to understand why Vietnamese peasants had become revolutionary.

In this context we were exposed to the British historian Eric Hobsbawm’s classic text, *Primitive Rebels* [Hobsbawm 1959], which introduces the concept “social bandits”: persons defined by the state as criminals who, however, spring from, represent, and are protected by peasant communities beset by extreme poverty and oppression. Blurring the line between crime and rebellion, bandits were sheltered by villagers who identified with their defiance. Describing them as “prepolitical,” driven by inchoate rage against rapacious landlords and disruptively expanding capitalist markets, Hobsbawm included Sicilian bandits and mafiosi among his examples. His analysis prompted us to think of Sicily as a potentially rich terrain for peasant studies.

In the following pages we trace how our experiences as fieldworkers in Sicily – first, during the 1960s and 1970s, in the rural town of Sambuca di Sicilia (called Villamaura in our published work), and subsequently, during the 1980s and 1990s, in Palermo – led us to re-think Hobsbawm’s premise, and continue to re-think the role of “mafias” in the history of capitalism. We should note that, at the outset Sicily’s mafia was not the main focus of our research in Sambuca, even though it was hardly a topic we could sidestep, given the town’s location near the Belice valley where the Western, which is to say “mafia,” provinces of Agrigento, Palermo and Trapani intersect. Over our nearly two-year residence in the town, from 1965 to 1967, we got to know local mafiosi, who, to paraphrase one of them, “taught us some of the words but not the music” [see Schneider and Schneider 1976]. During the 1970s, our attention shifted to a research project on historical demography, in which we examined class differences in fertility control and changing family composition from 1850 to the 1960s [Schneider and Schneider 1996]. Sambuca remained our base of operations for that study and local friends and contacts continued to teach us “words without music.” Fieldwork during the 1980s and ’90s took place in Palermo, where we studied the intersection of the mafia with emerging nodes of the antimafia struggle, now without any direct access to mafiosi [Schneider and Schneider 2003].

We lived in Palermo for seven summers between 1987 and 1999, and for six months in 1996. During the first two summers we shared a house with a friend who had been involved in the earliest moments of the antimafia movement. This was followed by two summers in a house located in the Matteotti section of Palermo north, a comfortable base from which to travel the city, interviewing activists and magistrates involved in the antimafia, attending meetings, conferences and symposia; observing public demonstrations, and “chewing the fat” with friends and colleagues. During the summer of 1989 we accepted the hospitality of an antimafia priest in the rectory of his church in the Albergheria quarter of the historic centre. Then during our longer stay in 1996, we rented a small apartment in the same popular quarter. Walking the quarter’s narrow street, shopping in its lively street market, Ballarò, entering homes that ranged from humble ground-floor one room dwellings to a Sixteenth century palazzo, we developed an appreciation of the challenges involved in restoring the old centre without harming its residents.

Our home during the summer 1999 was just beyond the old city walls, along the road toward Monreale. Then, and in 1996, we studied antimafia interventions to “recuperate” the urban landscape of Palermo, as well as antimafia programs of “education to legality” in the schools. Of particular help in the latter were the principals and teachers of four middle schools, located in the peripheral and more or less troubled neighbourhoods of Zen II to the far north, Noce and Uditore to the west,

and Falsomiele to the south-east. They invited us to observe their antimafia programs, and helped us interview a sample of parents of children in each school.

## **Mafia and Capitalism**

Regarding the role of the mafia in the history of capitalism in Sicily, the rural fieldwork of the 1960s and 1970s brought to light a cluster of challenges to our initial presuppositions: the writings on the mafia of Left intellectuals and journalists in Sicily; the work of our fellow researcher, Anton Blok, who published a provocative critique of Hobsbawm's "social bandit" concept in 1972; and Peter Schneider's almost accidental inclusion in the ritual life of Sambuca's *cosca*. With time we came to see mafiosi as closer to "capital" than to "labour," or better as mediators, well-placed through networks of "friends of friends" to broker favours for businessmen, landowners, and politicians. Then came the discovery, thanks in part to *pentito* testimony in the early 1980s, and in part to a new generation of (mainly) Sicilian scholars of organized crime, that the mafia was and had always been considerably more institutionalized, modern, commercially engaged, and entwined with national as well as regional powerholders, than we had previously imagined.

Most recently, we have encountered the work of economic sociologists who have theorized the mafia, and mafia-like formations in countries other than Italy, as "industries of protection." Although this position remains open to debate, particularly with regard to the interplay of political and economic elements, it opens the door to conceptualizing the mafia as a normal facet of capitalism, no more outside its political economy than the other capitalisms to which we add such qualifiers as "merchant," "industrial," "finance," "proto," or "crony." Tentatively adopting the expression "mafia capitalism," we have come a long way from the *Primitive Rebels* image with which we began. Correspondingly, our understanding of capitalism's many facets has evolved.

## **Left Readings of the Mafia: the 1960s and 1970s**

Like most ethnographers, we chose our field site, Sambuca, partly because it met certain criteria (the size of the community, its location within the "profound Sicily" of vast estates or *latifundia*), and partly because of less calculated impulses (we were attracted to its townscape, the people seemed hospitable, we had contacts there through a friend in Palermo, we would be within an hour's drive of Blok, already working in Contessa Entellina). To our surprise, Sambuca differed from most other

rural towns in having a viable communist administration (it was nicknamed “*la piccola Mosca*”) and, thanks to a large and progressive artisan class, a Left wing political history.

In the early 1990s, in an extended interview with Pino Arlacchi, Antonio Calderone, an important pentito, clarified what everyone in Sambuca suspected in the 1960s. It was “always known,” he said, “that we (mafiosi) could not get along with the Left [...] that we have nothing in common with the Communists.” Conversely, many politicians of the centre, above all among the Christian Democrats, became “representatives of the mafia” thanks to its voting power [Calderone in Arlacchi 1993, 182-184; see also Rossetti 1994, 183-184]. Remarkably, we saw, first hand, how this could be so. In “red” Sambuca, the local PCI would count on party discipline to enforce its singular slate of preference votes. The DC and Republicans, by contrast, were torn by internal factions, even at the local level. Faction leaders dictated preferences for their chosen candidates through face-to-face encounters, often mediated by mafioso *galoppini*. Any voter whose loyalty was doubted was instructed to cast his or her preference votes in a particular, idiosyncratic order. Observers (ourselves among them) were free to assemble at the polling place as the ballots were being read off, to determine if those particular combinations were actually voted. Voters who dared to flaunt the instructions they were given knew that their “disloyalty” would be revealed.

Living in Sambuca, we were soon exposed to the Communist Party’s analysis of the mafia. *L’Ora*, the Left newspaper of the time, which courageously reported on mafia-linked scandals, was widely read in the local artisans’ *circolo* while among the local notables was Giuseppe Montalbano, a Communist deputy in the Regional Parliament, professor of law at the University of Palermo and author of numerous essays on the mafia. We visited him at his residence outside of Palermo and he (like other Palermo intellectuals) gave us volumes of material to read.

Similar to most Leftists of the 1950s and 1960s, Montalbano viewed mafia power through the optic of the Sicilian peasants’ struggle for land reform at the end of World War II. In polemical opposition to the racist prejudice that “Sicilians are by [...] nature delinquents, all mafiosi or tending to be mafiosi” [Montalbano 1949, 5; Montalbano 1964] he elaborated a “class analysis,” according to which Sicily’s “overbearing” landed class had cradled a system of cliques and clienteles congenial to organized crime, against which its lawful middle class was too weak to respond. In effect, mafiosi constituted an occult middle class that secretly inserted its tentacles into every social stratum, imposing personnel on the landed aristocracy while intimidating the peasantry. To eradicate the mafia, it would never be enough to activate the criminal justice sector; it would be necessary to develop the island’s backward

economy and restructure its oppressive class relations, first and foremost by re-distributing land to peasants.

Evidence in support of Montalbano's argument was not hard to come by, beginning with the Portella della Ginestra massacre of May Day 1947, when the legendary bandit Giuliano and his followers fired into a crowd of peasants, killing 12 and wounding 33, most probably at the behest of powerful *latifondisti* opposed to land reform [Santino 1997, 143-144]. In 1963, the Communist Party federation of Palermo calculated that, since the end of the War, 27 union activists, communists and farm labourers had been killed by the mafia in Palermo Province; 57 in Western Sicily as a whole [Paoli 1997, 282;] Alongi [1997, 81] gives the lower figure of 47 assassinations of Left wing leaders and peasants between 1945 and 1966 for all of Sicily. The killers were either not apprehended or absolved for lack of proof. Nevertheless, in 1950, a Land Reform law was passed. It targeted abandoned or poorly cultivated large estates for division among peasant cooperatives and advanced cheap credit for the purchase of agricultural machinery. In addition, the national government set up a generous "Fund for the South" (the *Cassa per il Mezzogiorno*) to finance industrial and commercial development. Alas, mafiosi, the "grand electors" of politicians who allocated the new resources, monopolized the contracts to build roads and dams, haul construction materials to sites of agrarian transformation, and organize the cooperatives that purchased the government-financed harvesters, threshers and combines. Historically, rural mafiosi had protected the properties of large and small landowners for a fee (the notorious beak-full or *pizzo*); helped wholesalers and retailers of agricultural products structure and protect their businesses; engaged in commerce themselves, including the transport and sale of stolen meat. Now they also trafficked in jobs – white-collar government jobs – on behalf of themselves and their clients.

Living in Sambuca in the mid-1960s, we were keenly aware that the land reform, by mechanizing agriculture, had underwritten a massive exodus of rural labour – to northern Italy, northern Europe, and to the cities of the region. For many Left intellectuals, the resulting urbanization of Sicily actually carried the promise that the mafia, understood as the product of an obsolete agrarian class structure, would disappear. To the contrary, however, mafia bosses, capital, and methods penetrated the expansion of the urban environment, evident in patterns of rigged bidding, protection racketeering, and bribery in the construction industry. Already in 1956, in a speech to the Regional Assembly, Montalbano drew prescient attention to a mafia "war" on urban turf, provoked by the transfer of the wholesale produce market from Zisa to Acquisanta in Palermo [Montalbano 1956]. This and subsequent writings anticipated Mario Mineo's concept of a new, urban "*borghesia mafiosa*," parasitic and non-productive like its agrarian forerunner. Protected by all levels of government,

this group could even be found in cities of the once mafia-free eastern provinces [see Mineo 1995; Santino 1988, 204; Santino 2000, 233-234, 249-250]. The ominous growth of an urban mafia, largely ignored by the older Left, found further confirmation in *L'Ora's* investigative reporting on construction industry scandals, such as the collapse of many buildings in Agrigento in 1967 (on a day when we were visiting that provincial capital). Certainly it was a point of reference for Sicily's "New Left" intellectuals, some of whom we came to know.

## **Blok and Hobsbawm**

Consolidating this turn in our understanding of the mafia, in which we were coming to view it as closer to the power centres of Italy's political economy than to subaltern "resistance," was Blok's evolving critique of Hobsbawm, growing out of his archival and ethnographic research in Contessa. In "The Peasant and the Brigand; Social Banditry Reconsidered" [Blok 1972], and *The Mafia of a Sicilian Village* [Blok 1974], Blok challenged Hobsbawm's romanticism on the grounds that so-called "social bandits" also preyed on peasants, became landlords' retainers, and depended on landlords and corrupt officials for protection. To peasants they might seem like "Robin Hoods," but this was because they deliberately promoted an image of themselves as mythic heroes (Hobsbawm [1972, 504], in response, claimed never to have generalized about all bandits, and to have insisted that ambiguity was "the crucial fact of the bandit's social situation.")

At that time, along with Blok and Henner Hess, we did, however, question the unicity of the mafia – the extent to which it was a single translocal organization. Our point of view was well captured by Charles Tilly who, in his introduction to Blok's book, wrote that Sicily

has never had any single organization one could properly call The Mafia. The mafia supergang is a simplifying fiction, invented by publicists and by Fascist officials charged with eliminating Southern Italian lawlessness. On the other hand, there really are *mafiosi* – men wielding power through the systematic use of private violence. The sum of their actions makes up the phenomenon called *mafia* [Tilly 1974, xiv; see also Hess 1998].

Consistent with this image of mafia as an amorphous phenomenon, rather than the mafia as an organization, we shared the widespread skepticism of the time that mafiosi were initiated into "families" through secret rites. To acknowledge the existence of initiation ceremonies gave too much credence to the model of the mafia developed by the fascist prefect, Cesare Mori, whose police actions of 1926-27 were

based on the premise that mafiosi belonged to an “*associazione a delinquere*” – a vast and centralized criminal organization with clearly defined boundaries, rules, and goals [see Blok 1974, 144-145]. And yet, staring us in the face was what we might call the mafia’s cultural production, at least marginally accessible to us through the friendships we made with mafiosi and their families in Sambuca. Peter had the opportunity to participate in a series of mafia banquets, and he and Jane observed first hand other noteworthy practices: how women raised their children, particularly those who displayed some roguish talent, to become members of “the company;” how they and their menfolk looked after the immediate families of mafiosi who were in prison; how cousin marriage, especially between the offspring of brothers, occurred with greater frequency among mafiosi than in the population at large; how mafia men held court for local protagonists of all kinds, and indulged in transgressive fun and games in which they performed parodies of women and mocked the Church.

As described in other publications [Schneider and Schneider 2003; Schneider and Schneider 2011], there were five banquets in five towns over a period of several months, organized by mafiosi to celebrate a peace that would resolve conflict among competing meat dealers. A succession of hosts cooked lavish, multi-course meals for each occasion and invited strategic outsiders: the mayors, veterinarians, and some priests of the participating towns, as well as a few young, would-be mafiosi. At all of the events, a small contingent entertained the others with ribald parodies of the Catholic mass, nicknamed the *messa minghiata* because, instead of chanting “amen,” the guests were led to cry “*a-minchia*,” the Sicilian slang for penis. Tablecloths served as priestly garments, a beach umbrella and bell evoked ritual intent and, as the gatherings became more elaborate, fireworks appeared. On the fifth occasion, one of the *bon vivants* appeared in drag.

At the time, in the 1960s, we understood that the banquets created a liminal space, separated, both culturally and psychologically, from the norms of everyday society; here mafiosi felt free to valorize an aggressive, potentially violent, and at times grotesque masculine identity. We saw, too, how their antics enmeshed non-mafiosi in networks of reciprocity; such scatological, and hilarious, entertainment was the prerogative of a privileged elite – the “*amici degli amici*.” Most important, the “horsing around” appeared to at least temporarily suppress conflict and build trust among competitors in the highly fractious meat business, whose profits rested in part on the slaughter and marketing of rustled sheep and cattle.



## 1980s Corrective

Fast forward to the 1980s. Having completed our work on family composition and fertility control, we undertook to study the mafia and the emergent, Palermo-centred, antimafia social movement. Our earlier model of disparate and locally autonomous mafia groups, each somewhat diffuse or amorphous, fell by the wayside, thanks especially to revelations of the *pentiti*, and to the research of the young *Meridionalisti*. For example, we were quickly disabused of our skepticism regarding initiations. The new sources described induction ceremonies in which novices held the burning image of a saint while their sponsor pricked their finger and, mixing the symbolically laden blood and ashes, made them swear an oath of life-long loyalty to the mafia and silence before the law. The new generation of historians further traced this rite (which, by the way, was filmed by the F.B.I. as part of their surveillance of the American mafia in Providence, Rhode Island) to the covert masonic lodges of the Nineteenth century, whose members overlapped with incipient mafiosi in Sicilian prisons [Pezzino 1992, 47-58; Pezzino 1995, 5-7, 71-72, 89-119; see also Fentress 2000, 26, 217; Lupo 1993, 182; Paoli 2000; Recupero 1987, 313-314]. Accepting its existence meant acknowledging the coherence of the local, territorially defined *cosca* – a hierarchically structured group with clear ranks, boundaries, and rules or standards for recruitment. *Cosca* leaders demanded, if they did not always receive, newcomers' commitment to life-long loyalty, secrecy toward outsiders, and respect for their authority.

Indices of a uniform, although not necessarily unified, structure became part of our revised conceptualization: mafia *cosche* resembled one another across all of Western Sicily, their members sharing an etiquette, rules of comportment, creativity around nicknames, and consciousness of belonging, regardless of where they lived. Upon entering the territory of another *cosca*, a mafioso was recognized as part of the fraternity, while over time, occasional translocal commissions emerged to coordinate inter-*cosca* activities, at least at the provincial level.

Consistent with this image, the cultural practices we had witnessed in the 1960s turned out to be far from episodic. In his so-called “confession” to journalist Saverio Lodato, the *pentito*, Giovanni Brusca, described the mafia this way: it is, he said,

made up of persons all of whom from the start have to kill, and have to know how to kill... But we also had our good times, in our own way naturally. The grand banquets, great feasts in the countryside were the principal occasions for socializing [...] Women were never admitted... Different men brought different dishes: baked

pasta, meat, fish, cakes and sweets [...] We had some excellent cooks [...] They cooked for all their comrades when they were in prison.

The notoriously brutal Brusca also elaborated on the horseplay that women's exclusion made possible:

When everything was ready we sat down and there began a game of offering food and drink; you had to accept whatever you were offered [...] We drank champagne and then coffee into the evening, with endless quips and jokes and never a silent moment [...] The bloodthirsty killer (became) a jovial and spirited person, full of sympathy for the young men. We also talked about women [...] The banquets almost always ended in general bacchanalia [*baldoria*], with the men throwing around sacks of water and plates and glasses going flying [...] not one remained intact.

As before, we considered this banqueting tradition – and similar gatherings like hunting parties – to be a wellspring for the social relations of “mafia business;” it both nurtured fraternal solidarity among potentially violent competitors and obligated strategic outsiders to be “*a disposizione*” when asked for favours.

The favour system most relevant to the mafia had long hinged on the ability of mafiosi to mobilize votes for parties and politicians in a position to influence the criminal justice sector. Because of this exchange, aggressive police officers suddenly found themselves transferred to far off jurisdictions; forensic artifacts and incriminating documents unaccountably disappeared; and criminal trials were moved to different venues at critical moments for reasons that were not made clear. When convictions were obtained, they were often overturned or the sentences reduced on appeal. Multiple *pentito* depositions of the 1980s and 1990s confirmed the centrality of this *quid pro quo*. In addition they exposed a gallery of obliging power-holders that reached to the highest levels of the Italian government, taking in, among others, Giulio Andreotti. Some antimafia activists and prosecutors believed that “persons above suspicion,” operating in Rome as well as Sicily, constituted a hidden “third level” of the mafia (above the first-level “soldiers” and second-level “bosses”), and held them responsible for the postwar power of organized crime.

Of related interest, new historical work of the 1980s and 1990s, pioneered by Salvatore Lupo, questioned the centrality of the latifundium to the mafia's development, privileging instead the towns and hamlets of the *Conca d'Oro* – an orchard zone surrounding Palermo – and Palermo city itself. All were loci of an intense commerce linking Sicily with European and transatlantic markets for fruit and wine [see Crisantino 2000; Fiume 1991; Lupo 1984; Pezzino 1995]. In a study of the bishopric of Monreale, Amelia Crisantino found that local armed men deployed violence to gain monopoly control of the most important local resource, ever more precious as the

orchard economy expanded: water for irrigation. Although sensitive to the limitations of police records for historical reconstruction, Crisantino used them to document how specific state officials – policemen included – colluded to foster the integration of entrepreneurship and violence [Crisantino 2000].

Ultimately, it was not necessary to minimize the contribution of a rural “brigand corridor,” plagued by animal rustling and flanked by latifundia, to the genesis of the mafia; the Palermo region itself had long experienced a tension between two modalities, one oriented toward the latifundist interior, the other toward the commercially active port. But the new research did establish the institution’s thoroughly modern credentials. Notwithstanding its origin myth based on the legend of the Beati Paoli, the mafia was hardly a feudal holdover, but an organization that crystallized with the rise of the liberal (eventually democratic) nation state, and “free,” capitalist markets for land, labour, and many other commodities. Even the view, put forward by Arlacchi and others, of a “traditional,” rural mafia becoming a modern, “enterprise mafia” after World War II fell by the wayside. As Lupo convincingly showed, commercial engagements had been integral to the mafia’s development from the outset, whether they involved sulphur mining and transport, the export of orchard and vineyard produce, the transshipment of tobacco and, yes, morphine, or the marketing of rustled animals and stolen meat. This perspective made sense of Franchetti’s 1876 description [Franchetti 1925] of a producers’ cartel for milling grain – a *società dei Mulini* – in which mafiosi monitored members to stay within an agreed upon quota, thus keeping the price of flour artificially high.

During the 1980s and 1990s, Sicilian prosecutors, journalists and scholars pulled back the curtain on “mafia capitalism’s” most troubling activity: its involvement in the transnational traffic in heroin. When the French connection was suppressed in the early 1970s, its place was taken by the Sicilian mafia, in turn enjoying a new lease on life, thanks to America’s Cold War strategy aimed at containing Soviet influence in Italy – home to Western Europe’s largest communist party. Mafiosi, suppliers of votes to the anti-communist Christian Democratic Party on the national as well as regional level, were given impunity as they organized shipments of Southeast and Southwest Asian heroin into the so-called “pizza connection” – a distribution network in the United States. Underlying the audacity of this operation was an important feature of the Cold War evolution of organized crime almost everywhere: its entwinement with the secret services – the “deep politics” – of Western nation states [Ganser 2009; Wilson 2009]. Sicilians suffered the consequences as internecine conflict between crime bosses bloodied the streets of their cities and towns; as horrifying assassinations of antimafia police officers, prosecutors, political lead-

ers and journalists unfolded; and as obscure sodalities (like the infamous P2 Masonic lodge) co-involved political and financial elites, national functionaries, and mafia leaders in covert manoeuvres against their country's democratic institutions.

### **“Mafia Capitalism” as Industry of Protection**

The understandings we arrived at in the 1980s and 1990s were, in short, a foundation for revisiting the relationship of mafiosi to capitalism. Even so, a question remained. Was the mafia itself a capitalist enterprise that, however, relied on physical violence to compete for wealth and power, or was it a violent racket that preyed on the enterprises of others – a kind of “state within a state” as Blok had proposed in 1974. The first position is represented by Diego Gambetta who, in 1993, published *The Sicilian Mafia. The Business of Protection*. Referencing market terms and metaphors, Gambetta defines the mafia as “a specific economic enterprise, an industry which produces, promotes, and sells private protection” [Gambetta 1993, 1]. Both supply and demand for this industry had roots in the Nineteenth century when the Bourbons, then the Liberal Italians, legislated the privatization of property without providing the institutional arrangements necessary to the orderly functioning of a capitalist economy (private and public insurance companies, a well-resourced judiciary and police, enforceable laws governing commercial practice, etc.). Accompanied by outbreaks of banditry and insurrection, this unarticulated leap into the future created immense uncertainty and conflict over the management and disposition of resources, whether in agriculture, urban markets, or local politics. Such were the structural conditions that made protection by force and intimidation a welcome, hence marketable, commodity. Demobilized soldiers, estate guards, bandits and others capable of using physical force, stepped into the breach, becoming mafiosi whose “trademark” qualifications – a unique capacity to control and handle information discreetly, administer violence and intimidation, and cultivate a reputation for power and influence – paved the way to market share.

To some scholars, Gambetta's approach, although productive of fruitful research, risked creating too “economistic” an emphasis on supply and demand, and too narrow a focus on a single commodity, protection [e.g. Lupo 2008, 180; see also P. Schneider 1994]. In particular, although the model acknowledges that the mafia's latent violence itself provokes tension and uncertainty, it does not characterize the offer of protective services as extortionist or parasitic. Perhaps, following Catanzaro, it is more illuminating to think of the mafia as a *quasi-political* formation with inter-

mittent financing based on extorted prestations. Unlike a bandit or thief, the mafioso must maintain on-going social relations with his victims, so he presents himself as a protector. But this hardly obscures the fact that he is the menace as well, his capacity for violence being deployed to regularize a protection *racket* [see Catanzaro 1992; Catanzaro 1993; Catanzaro 1994; Gambetta 1994].

Whereas Gambetta presents mafiosi as “violent illegal protectors” [Gambetta 1993, 151], for Catanzaro they are “violent illegal aggressors.” Charles Tilly [1985] located them on a continuum of state-making dating to the Seventeenth century when, in the context of merchant capitalism, centralizing organizations stepped up their claims to control the means of violence in a contiguous territory. Evoking banditry, piracy, and rivalrous mafia gangs as models, Tilly characterized the emergent nation states as large-scale protection rackets with legitimacy; by implication, the mafia gangs were “state-like.”

Continuing to weigh these positions, we have ourselves come to appreciate the ambiguity – the “fine line” [Hill 2006, 19-20] – that exists between protection (the provision of genuinely desired services) and extortion (the exaction of a price for services unwanted or bogus.) This includes relationships that begin with a reciprocal exchange but evolve into something coercive: at first recipients pay up willingly but increasingly they do so because they fear reprisals (even if this fear is not admitted.) The recent appearance of the *Addio Pizzo* social movement in Palermo suggests that, for a significant swath of Sicilian civil society, and of local businesses, the mafia’s payment-for-protection system both adds to the cost of doing business and obstructs the healthy development of legitimate policing. Nor is the disposition of *pizzo* revenues benign; local bosses either channel them into a safety net for the families of incarcerated killers, invest them in the “piloted” cartels of the construction industry, or use them to underwrite partnerships that traffic drugs.

But does this, then, disqualify our treatment of the mafia as a kind of capitalist enterprise? After all, legitimate capitalist firms are also, often, “political” and sometimes “parasitic.” They influence elections through large contributions to political campaigns; influence policy through enormous investments in media and lobbying; influence the judicial system through costly, crackerjack lawyering; and, through aggressive and manipulative advertising, influence consumers to purchase things they do not “need” and that might possibly harm them. Again, an analytic continuum of organizational forms would seem appropriate.

The literature on mafia-like formations in other countries – specifically Japan [Hill 2006], post-Soviet Russia [Varese 2001], and Hong Kong [Chu 2000], has further nourished our ideas about “mafia capitalism.” Influenced by economic analyses of organized crime in the United States [e.g. Reuter 1987], and especially by Gam-

betta, these works reserve the label “mafia” for a particular variant of organized crime, the one that specializes in the provision of “criminal protection,” sometimes glossed as “extralegal governance,” to a range of illegal and legal businesses.

Following Gambetta, Federico Varese attributes the post-Soviet Russian mafia to historical processes similar to those of Nineteenth century Sicily: the abrupt privatization of resources in the absence of a supportive institutional matrix. Also like Gambetta, he acknowledges that mafias engage in “the forced extraction of resources in exchange for services not provided,” but rejects extortionist behaviour as a defining characteristic. Multiple Russian businesses genuinely engage with reputed mafiosi in order to ward off theft, police harassment or, indeed, the extortion of others. Many willingly pay for muscular help with loan collection, enforcing informal credit arrangements, scaring off competitors, settling disputes, and intimidating customers and trade unionists. Interventions to supply disciplined labourers or find jobs for unemployed clients are also welcome [Varese 2011, 5-6]. In effect turning Tilly inside out, Varese argues that protection is a “natural monopoly;” both states and mafias demand more for their protective services “than it costs to produce them.” Yet in neither case does it follow that “the service provided is bogus” [*ibidem*, 203, n. 10].

Varese understands mafias to be more state-like than firm-like, their members to behave less like entrepreneurs than state-makers or politicians. This is not because they act in predatory, menacing ways, however, but because their reputation for such behaviour is necessarily territorial. Through a series of contrasting case studies between successful and unsuccessful examples of mafia transplantation, his latest book, *Mafias on the Move. How Organized Crime Conquers New Territories* [Varese 2011], argues that mafiosi, unlike many business executives, do not migrate unless driven to do so by circumstance: police surveillance, pending prosecution, internal disputes and gang wars, or as the unintended consequence of state mandated relocation [*ibidem*, 190-191]. Remaining in place enables them to keep an eye on each other, apprehending and punishing misappropriations of capital, embezzlement, or rogue pursuits that attract police attention. They are also heavily dependent on local knowledge – collecting reliable information, engaging in gossip and communication – and on extensive networks of friends and accomplices, many in the political and criminal justice systems, who must be cultivated through memorable face-to-face encounters, among them transgressive events like the banquets described above. Most important, a locally honed reputation for violence makes it possible to menace others without actually always engaging in violent acts; victims, knowing the score, tend to comply. Varese cites Peter Reuter’s observation that reputations are built through witnesses to aggression – a chain that is broken with distance – and

Machiavelli's teaching that "the Prince has to reside among his people" [*ibidem*, 14, 81].

Varese's case studies include a reconstruction of the Sicilian mafia's transplant to the United States. Here, in the "core" of industrial capitalist development, "sellers of protection" have long helped entrepreneurs damp down competition, recruit labourers, and manipulate unions, in some cases gaining control of them. According to task forces on "racketeering" in New York City [see Hill 2006, 8], the most affected enterprises are in dry cleaning, trucking, garment making, stevedores, construction, garbage collection, and the wholesale distribution of meat, fish, and poultry. Reuter's widely cited work on the "economics of intimidation" proposes the following as general characteristics of such "vulnerable industries:" multiple small business units, a high proportion of costs devoted to labour, low profit margins, minimal product diversification, high failure rates and what we might summarize as demographic pressure: low barriers to entry with many entrepreneurs competing to overcome them. For the construction industry, vulnerability to delays in the delivery of manpower or materials, is especially crucial [Reuter 1987].

Enter mafiosi with their reputation for muscle who initiate and enforce not so much monopolies as cartels (flaunting anti-trust laws). With profits distributed to multiple players, cartel formation has been a successful and enduring way to stabilize the industries in question. That these industries were often owned by migrant ethnic minorities of the same background as the racketeers would seem to have facilitated this outcome [*ibidem* 1987, 2-5].

Studies of Japan and Hong Kong also identify legitimate industries in which racketeers have shaped cartel formation, drawing attention to a broadly similar dynamic. Chu's study, for example, emphasizes aspects of the mafia-infiltrated Hong Kong film industry that are quite reminiscent of Reuter's analysis. In Tokyo and other mega-Japanese cities, the entertainment industry in general – its bars, nightclubs, and restaurants – fit the pattern. Hill, an authority on the *Yakuza*, notes how protectors with a reputation for violence enhance their clients' market share by removing abusive customers, keeping an eye on potential embezzlers, collecting debts, intimidating suppliers, and so on. Equally familiar is the role protectors play in the construction industry: mafiosi supply squadrons of labourers to the right place at the right time while undermining the unionization of labour. They prevent sabotage, theft, and delay; settle disputes and collect debts; enforce extra-legal agreements and suppress competition [Hill 2006, 22-27].

But Hill also explicitly links mafia formation in Japan to the demand for protection in illegal or illicit industries, an emphasis that informs his definition of a mafia as "a set of firms that provide extra-state protection to consumers in primarily, but

not exclusively, the illegal market sector” [*ibidem*, 10]. The word “underworld” is deployed to convey this claim. Underworld “denizens,” who also compete for market share, lack the legal means to guarantee property rights; enforce contracts; keep their customers, employees and suppliers in line; and ward off predatory competitors. Nor can they squander the time and risk of “tracking down cheats and breaking their legs” on their own. Such an effort would make doing business “far more costly, violent, and inefficient than it need be” [*ibidem*, 11]. No wonder that, in Japan, illegal gambling was, historically, a critical element in the emergence and consolidation of Yakuza gangs or that, even more dramatic, the American Mafia owes its development primarily to the prohibition of alcohol from 1920 to 1933 – in Hill’s words, “to the root and branch transfer of a formerly legitimate industry to the criminal economy” [*ibidem*, 14].

This interpretation of mafia power in the United States is hardly new. Like Lupo, in his comprehensive study *Quando la mafia trovò l’America* [Lupo 2008], and following the investigations of Mike Dash [Lupo 2007; Lupo 2009], Varese cites the early Twentieth century presence of serious rackets in New York City, organized by mafioso immigrants from Sicily. Cartels were formed in the poultry business, labour leaders were intimidated, and Lucky Luciano exerted control over 80 brothels [Varese 2011, 106-115]. With Prohibition, however, “an illegal market estimated to be worth some two billion dollars a year was born overnight.” Among other explosive new opportunities, mafia brokers, independent of bootleggers and purchasers (mainly saloon keepers), defended both parties against broken promises, making a great deal of money. Revenues also accumulated from protecting illegal distilleries, and the trucks, cars, and boats that carried the forbidden cargo. Such was the context in which mafia “families” multiplied and began to consolidate across a vast urban geography, taking in not only the great ports of early Sicilian immigration – New York, New Orleans – but cities across the Midwest and West, not to mention Tampa and Miami [*ibidem* 117-122; see also Critchley 2008; Deitche 2005; Deitche 2009; Lupo 2008; Raab 2006; Ragano and Raab 1994; Santino and La Fiura 1990].

The trajectories of the Yakuza and the American mafia suggest that, in addition to the histories of an abrupt and chaotic privatization of resources that are so marked for Nineteenth century Sicily and post-1989 Russia – in addition, as well, to Reuter’s assessment of the demographic and economic aspects of racketeering in immigrant communities – there is a need to theorize another major vector of mafia capitalism: the suddenly expanded marketing of morally problematic commodities – prostitution, gambling, alcohol, and drugs are most frequently cited. When this takes place in contexts of cultural encounter, associated with capitalism’s mobilization of immigrant labour and reach for global resources, some segments of society end up



agitating for regimes of prohibition or strict regulation that, however, cannot possibly enjoy a wide consensus. As Hill writes, the “criminalization of goods and services that some politicians or voters deem immoral or harmful but that others consider desirable may be counterproductive;” excluding legal entrepreneurs, it “generates even greater revenues to the criminal world” [Hill 2006, 15-16; see also Nadelmann 2008].

## Looking Ahead

In this essay, we have revisited our changing perspective on the relation of the mafia to capitalism. Initially we were enchanted with the Hobsbawm thesis that assimilated mafiosi to “social bandits” who, although criminalized by laws that favoured propertied interests, were protected by peasant communities engaged in resisting those same interests. Living in Sambuca, “*la piccola Mosca*,” in the mid-1960s, reading *L’Ora* and other publications of the Sicilian Left, observing how local mafiosi and others corrupted the Land Reform law of 1950, and the real estate and construction industries of Sicily’s rapidly growing cities, made us sympathetic to Blok’s questioning of the social bandit concept. Subsequent Palermo-based research in the 1980s and 90s reinforced our evolving view of the mafia as integral to capitalist development, even if its “trademarked” means of production, the capacity of its members to exercise physical violence, contrasts with capitalists’ general tendency to cede this capacity to the state. Finally, reading about mafias outside of Italy has broadened our interest in the specific historical processes that bring “mafia capitalism” to the fore.

Based on Sicily’s chaotic, bandit-infested experience of privatizing land and commoditizing labour in the Nineteenth century, Gambetta has emphasized one set of processes. Research on Russia after 1989, conducted by Varese and influenced by Gambetta, suggests the wider applicability of this dynamic. But other trajectories are not thereby precluded. For example, in immigrant or other communities that are marginal to state authority, mafia muscle might be applied to organize cartels in capitalist enterprises that are both easily entered and demographically over-subscribed. Perhaps the most compelling vector of mafia formation resides in the impossible-to-enforce regulation of markets for morally controversial substances and activities like gambling, alcohol and drugs. In attempting to reconstruct these and related processes – and the complex ways they intersect – we hope not only to advance our case for the usefulness of the concept “mafia capitalism,” but also to enrich and further complicate our own ideas about capitalism overall.

## Value Commitments and Studying the Mafia

During our first days in Sambuca we accompanied a PCI organized “symbolic occupation” of an abandoned feudal estate during which peasants from several towns marched on muleback across the countryside to converge on the *feudo* that the Party argued should be subject to the new land reform law. As we plodded along on foot, a peasant rode up to us and shouted, “What do you think of that dirty Rockefeller/Ford war in Vietnam?” We answered that back in the States we had fought to protest that war. He turned and rejoined the procession, and it was only later that we got to know him and his family well.

During our first years in Sicily, at a meeting of the regional PCI Control Commission in Palermo, a party functionary said to me (Peter), “Either you are a comrade (*compagno*) or you’re a spy!” After I told him that I was neither a party member nor an anti-communist, he said I was anyway welcome to sit in on the meeting. Later he asked if I could help him get in touch with his son who lived in the U.S., but had not written in a long time.

Brief excerpts of our first book, *Culture and Political Economy in Western Sicily* [1976] were translated and published in Sambuca’s newspaper. During our visit the following year a local priest and friend asked us, “Are all American sociologists Marxist?” (He was a leader of the local Christian Democratic party.)

Most American sociologists were not Marxist, but like many social scientists in the 1960s we were strongly influenced by Marx’s analytic categories, his approach to the history of capitalist institutions, his analysis of class formation and class relations, and what we took to be a Marxist epistemology – a nuanced understanding of the relationship between cultural codes and material conditions. As noted above, our politics as graduate students – we helped to create the first anti-war teach-in, held at the University of Michigan in 1965 – clearly influenced our decision to study a peasant community and its transformation. Indeed, we reluctantly postponed our political involvement in the States, in order to begin our post-doctoral field research in Italy. We were, in other words, left-wing humanist scholars who placed their faith and hope in values that would promote universal equality of opportunity, a dignified living, political liberty, and freedom of thought and expression.

These are some of the utopian value commitments that took us to the field, and certainly influenced our choices of research projects and our approach to inquiry. We also carried professional anthropological values – not unrelated to our political commitments – rooted in American philosophical pragmatism, that postulates knowledge as a continual and dynamic exchange between theory and direct experience. Thus, in the years of living in Sicily, the people and the events that were our “subjects” were

in fact our teachers, and we were their students who quite literally were compelled to “change our mind.”

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## The Mafia and Capitalism

### An Emerging Paradigm

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**Abstract:** The authors describe their experience as anthropological field researchers in Sicily – first, during the 1960s and 1970s in a rural town of the interior, and subsequently during the 1980s and 1990s in Palermo. Focusing initially on the intersection of political economy and cultural practices in the social history of a peasant society, they found their attention drawn to the issue of mafia influence. Subsequently they became interested in the dynamics of the antimafia process. Over time, the research itself as well as the work of Sicilian scholars and activists led the authors to change their minds about the organization of the Sicilian mafia and its historical role in the development of Italian capitalism.

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**Keywords:** *Keywords: peasantry; mafia; antimafia; Sicily; capitalism.*

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