

# “Addio Pizzo”: Can a Label Defeat the Mafia?

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## **Abstract**

The Mafia in Sicily has important socio-economic effects on the local population. In particular, this paper focuses on the practice of asking for a “protection tax”, or pizzo, paid by around 70% of the businesses in the region. In 2005, a group of Palermitan young professionals created an organization named Addiopizzo (goodbye pizzo) with the specific goal of fighting the phenomenon of money extortion. They invented a label that certifies businesses of any kind that can prove they are not paying the pizzo. Using the resources offered by the market and the institutions, involving consumers, businesses, the police and schools, Addiopizzo was able to start a successful new trend of pizzo-free consumption.

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*...La mafia è un fenomeno umano e come tutti i fenomeni umani ha un principio, una sua evoluzione e avrà quindi anche una fine. [...The Mafia is a human phenomenon and as all the human phenomena it has a beginning, an evolution and it will also have an end.]*

**GIOVANNI FALCONE<sup>1</sup>**

## **Introduction**

The Mafia in Sicily and in other Southern regions like Calabria (‘ndrangheta), Puglia (Sacra Corona Unita) and Campania (Camorra), has been rooted in society since before the creation of the Italian State. Many scholars<sup>2</sup> identified historical reasons for this phenomenon in the Spanish Habsburg’s domain since the late 16th century and in a lack of effective political rule over the territory that created a sense of the absence of the state that has continued until today. The Mafia built a monopolistic control of the society in all of its aspects, from the economy to politics, through the use of violence and corruption. On the political side, the existence of illicit connections between the Italian political world and the Mafia is well known. A research made by Eurispes<sup>3</sup> in 1994 revealed that the Mafia controlled 400,000 votes in Sicily, one tenths of the total. This means that the Mafia’s preferences may have a decisive influence in the electoral results.

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<sup>1</sup> Giovanni Falcone was a famous judged killed by the Mafia in 1992.

<sup>2</sup> Gambetta, Diego (2000) ‘Mafia: The Price of Distrust’, in Gambetta, Diego (ed.) *Trust: Making and Breaking Cooperative Relations*, electronic edition, Department of Sociology, University of Oxford, chapter 10, pp. 158-175,

<sup>3</sup> Cowell, Alan, “Italians Voting, With Mafia, a Top Issue”, *The New York Times*, March 27 1994

However, the economic impact of the Mafia phenomenon is no less worrisome. In fact, according to a report of the *Confesercenti* (an association representing small and medium enterprises of retail, tourism and services), the Mafia is the main enterprise of Italy with profits of around 30 billion Euros. Usury provides the main monetary inflow, but “racket,” the act of asking for “protection money” or *pizzo* that Mafia applies to any economic activity, is in second place with 10 billion Euros (see Figure 1).<sup>4</sup>

**Figure.1:** List of illegal activities and amount of money involved in that activity. The second column refers to the proportion of those activities that are managed by the Mafia.

Typology of Illegal activity	Amount of money involved (in billions Euros)	% managed by the Mafia	shopkeepers involved
Usury	30	36%	150,000
Racket (pizzo)	10	95%	160,000
Steals and robbery	7	15%	90,000
Fraud	4.6	20%	500,000
Smuggling	2	80%	15,000
Counterfeit	7.4	70%	
Illegal constructions	13	20%	
Agromafia	7.5		
Leasing and contracts	6.5		
Gambling	2.5	80%	
<b>TOTAL</b>	<b>90.5</b>	<b>45%</b>	

Source: SOS Confesercenti/ Translation by Chiara Superti

<sup>4</sup> “La mafia e’ la prima azienda italiana. Per SOS Impresa 90 mdl di utili all’anno.”, La Repubblica, October 22nd, 2007.

Besides representing one of the main sources of financial support of the criminal organization, the phenomenon of the *pizzo* also has important social and economic consequences in Sicily. In fact, it provokes an increase in the prices of the products or services that need to absorb the cost of the *pizzo* and also incentivize the use of cheaper illegal labor. Lastly the amount paid to the Mafia greatly decreases the actual profit of the business and it can impact seriously the sustainability of small enterprises.

For many years the reaction of Sicilians was one of silent acquiescence. Many of those citizens that did not accept the status quo decided to emigrate to the North. Few stayed and fought against the Mafia, often paying high costs for that decision and becoming modern heroes like Giovanni Falcone and Paolo Borsellino, judges at the Palermo court who were killed by the Mafia in 1992. This tendency, however, is slowly changing and one of the outstanding examples of a new trend in anti-mafia movements is Addiopizzo. This organization was created three years ago by a group of young Sicilians. Through a joint effort between consumers and business, this organization works on the demolition of the important source of income that the *pizzo* represents for the Mafia in a town like Palermo, where around 80% of the businesses pay this “tax.” The NGO created a label to certify that the specific shop, restaurant, or bank does not pay the *pizzo* to the local mobsters. Today the program is limited to the area of Palermo, but the cities of Catania and Naples are activating similar initiatives.



The list of *pizzo*-free businesses includes more than 300 shops, restaurants, bars, companies, banks, enterprises and so on.

### **Methodology**

For this research, the author was able to combine a wide spectrum of resources: from the official website of the organization ([www.addiopizzo.com](http://www.addiopizzo.com)) to the numerous newspaper articles that talked about Addiopizzo's case since 2004; from direct contact with a member of the organization that responded to an interview to part of the literature about the Mafia in Sicily. Abstracting from the great amount of journalistic information available, this paper presents the successful model that the organization was able to apply despite the sensitivity of the themes and introduces some of the weaknesses that Addiopizzo has yet to solve. As far as the specific literature about similar cases goes, the author was unable to find any other similar approaches to the fight against organized crime.

### **The Origins of the Organization**

The organization started in 2004 in Palermo, Sicily. On the morning of June 29<sup>th</sup>, all over the city of Palermo, people found small stickers attached to their doors, windows, and garages. On the stickers there was only one sentence "*un intero popolo che paga il pizzo e' un popolo senza dignitá*" (an entire population that pays the *pizzo* is a population without dignity). For days the police investigated about who displayed the stickers and why.

This was the first step of the organization Addiopizzo. The publicity, the confusion and noise created by the stickers forced an entire population to talk about one of the biggest taboo of the Sicilian society, the *pizzo*. The seven members of the organization started meeting regularly in June 2004, but Addiopizzo was officially founded in 2005. At the date of November 2008, the number of active members of the organization exceeded fifty.

In 2007 another organization, Libero Futuro (Free Future), named in honor of Libero Grassi, an entrepreneur killed by the Mafia in the 90s because he refused to pay the *pizzo*, was created as a spinoff of Addiopizzo. This new organization intends to complement the *pizzo*-free label NGO with the legal and practical support for those entrepreneurs that decide to denounce the “racket.”

### ***Anti-Mafia movements: a Collective Action Problem***<sup>5</sup>

As Giovanni Falcone said in a famous interview, “the Mafia is a human phenomenon and as all human phenomena it has a beginning, an evolution and it will also have an end” and therefore we need to be able to apply to this phenomenon the same tools we use for any other negative externalities caused by humans, such as global warming and pollution. In these cases, people decide to coordinate in an attempt to remedy a human produced plague and to provide important public goods for future generations. The types of coordination over issues like these have been various and have involved market actors as

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<sup>5</sup> Olson, *The Logic of Collective Action, Public Goods and the Theory of Groups*

well as institutions. Addiopizzo is applying a similar approach in the fight against the Mafia

The logic behind the foundation of Addiopizzo is, in fact, the idea that the fight against the Mafia cannot be conducted by single individuals alone, but requires a collective action. Isolation makes individuals much more vulnerable, while the affiliation with a formal group provides a sort of defense mechanism. In fact, once the collective action problem is overcome and a quite large number of people decide to take a risk together and rebel to the Mafia, the criminal organization finds it harder to respond efficiently.

The difficulty of reaction of the criminal organization in front of Addiopizzo's provocation, in fact, is a consequence of the tactic that made the Mafia so successful over the centuries: the strategy of silence. The Mafia has been operating in the silent acquiescence of the population and of the institutions, which knew but pretend not to.

The silence was broken by isolated punishments toward "rebels" or components of other Mafia families. The goal, however, was to maintain the population subdued through fear.

What Addiopizzo does is breaking the barrier of terror and creating a collective opposition to the Mafia. Retaliation toward single components of the NGO not only would fail to solve the problem since there would be another member ready to take the place of the victim, but would also have the potential of creating a huge unrest of the population against the Mafia. Moreover, by attacking representatives of a popular grassroots movement the criminal organization might transform the victims into new popular heroes, fertilizing even more the environment for a general uprising. An active



discontent among the Palermitans would damage the criminal organization's interests, more than what the decrease of profit, due to the Addiopizzo campaign, is doing.

### **A Strategy to Overcome the Collective Action Problem**

The NGO Addiopizzo was able to overcome the collective action problem thanks to an original strategy that touches different aspects of the fight against the Mafia. By exploiting all the resources that the market and the institutions provide, Addiopizzo synchronizes the efforts of consumers, business and institutional organisms toward the same goal. This coordination among different parties with aligned interests in fighting the Mafia revealed to be a winning tactic.

Furthermore, the organization works intensively in an attempt to develop a more favorable environment for the flourishing of its initiative through a process of educating and informing civil society.

#### *The First Step: Consumers*

Addiopizzo realized that in its campaign the first party that needed to be reached out to was the consumer. Sicilian customers share an important part of the extra costs that *pizzo* produces, in the form of higher prices imposed by the shopkeepers in response to the extortion of money. Moreover, consumers are the easiest subject to incubate in the anti-*pizzo* campaign because their participation does not face either significant risks or elevated costs. In addition, consumers are not asked to incur in the expenses of creating a structured formal group, already provided by Addiopizzo. Given the fact that the public good that consumers aim to obtain, the end of the Mafia, is highly valuable and the costs

of achieving it are rather low, it appears evident that involving citizens/consumers represents the key element and the first logical step in the attempt to overcome the collective action problem.

The NGO became conscious that only after collecting evidences of consumers' demand for a *pizzo*-free consumption, it would succeed in persuading the business side to adhere to the program. Indeed, through the evidence of a clear positive response of the citizens, not only were the businesses ensured that their activity would financially survive, but they would also realize they are not alone in the battle against the *pizzo*.

With the goal of creating this consumer support base, the organization drafted a Manifesto:

*“Aware of the gravity, complexity and capillary spread of the phenomenon of “racket” of the extortions in the Sicilian economic and productive reality, I claim that the entire society, economic and cultural network in which the economic actors work can and must play an active role in the fight against the pizzo;*

*Therefore, as a citizen and consumer aware of my power and responsibility, I commit myself to choose products and services provided by entrepreneurs, shopkeepers and professionals that do not pay the pizzo or that, having been victim of the request of pizzo, denounced it.*

*I also require that the institutions and the police renew the protection of those that had the courage to denounce it.*

*Finally, I urge all the political forces to a stronger sensitivity toward the issue of the “racket”.*” (Translation by Chiara Superti, original version available in the appendix)

The Manifesto, available on-line, has been signed by around 9000 consumers. The organization was able to collect thousands of signatures proving the existence of a strong popular will for change in the town of Palermo.

*The Business: the Label and the Process of Certification*

The businesses face a different kind of problem than the one heard by consumers since their risks in participating to Addiopizzo initiative are actually elevated. In the past, the Mafia reacted violently against those that refused to pay the *pizzo*, burning buildings or even killing “rebellious” entrepreneurs.

However, also the inducements are more significant in the case of business. By adhering to Addiopizzo project, the shopkeepers achieve a private good, the termination of the payment to the Mafia, in addition to the public good of ending the Mafia’s domain. The issue, therefore, in this case is different from the previously analyzed consumers’ collective action one. It should rather be classified as a problem of cost-benefit assessment. In other words, in the businesses’ calculations, the incentives to participate to Addiopizzo need to prevail over the fear and the personal danger to persuade the businessman to participate. This would realistically happen only once a sense of community and collective fight convince the business world that being part of Addiopizzo had actually decreased the risks of a Mafia’s retaliation. The evidence of a strong support of the consumers functions as a form of assurance in that sense.

By stimulating consumers' demand and business interest, the organization created the space in the market for a tangible and recognizable sign of the respect of those specific standards of legality cited in the Manifesto. Addiopizzo created a label that would symbolize the compliance to standards of legality and propose it to the local businesses. This particular kind of label is carried by the retailers and producers and not by the product themselves. Similarly to other labels, Addiopizzo ensures the consumer of a specific social responsible behavior of the businessman. However, differently from many other labels, it does not produce a clear increase of the prices of the product/services and it has an ambiguous impact on consumers' shopping patterns<sup>6</sup>. In spite of the fact that many Sicilians do not support the Mafia, not all of them are ready to stand up to the Mafia. The label may deter highly risk-averse consumers. The effect of the label on sales has not been studied yet. Therefore, Addiopizzo, a socially responsible label, may, or may not, lack the potential economic incentive that other labels (i.e. Fair trade) seem to have.

This feature of the label also importantly decreases the risk of free riding. Showing the label and keeping paying would not provide significant benefits. The certain economic benefits of the label, in fact, comes from the cut on the costs represented by stopping the payment of the *pizzo*, more than the boost of the sales. It is quite difficult to believe that the label would cause such an increase in sales to counterbalance the costs of the *pizzo* and even producing a surplus of revenues. Furthermore, even in the event of a significant increase due to the label, the new profit margin would probably stimulate the Mafia to significantly increase also the *pizzo*.

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As is the case for any other labels, Addiopizzo is assigned to the economic activities after a process of certification. The certification is made through a third party entity: the Investigation Commission, composed at the moment by Law professors, lawyers, the Dean of the Department of Law at the University of Palermo, members of *Comitato Addiopizzo*, the president of *Libero Futuro* and various entrepreneurs. In the past, journalists, priests and the chief of Police participated.

The businesses voluntarily submit their case to the commission in order to obtain the label. The body analyzes the cases. The first step is an interview with the entrepreneur/businessman to evaluate his/her motivations and personal experience. In a second passage, the commission investigates the legal status of the economic activity through the support of legal documents. It will also research the history of the business, verifying the untainted behavior of the owner/manager through different sources such as newspaper articles, police reports and so on.

The last step is the signature of a formal commitment not to pay the *pizzo* and to run the business in complete respect of the law. The goal of this document is to link even more the business's image to the compliance with the legality standards of the label. A failure to meet with the requirements not only will provoke its exclusion from the list of *pizzo* - free businesses and the loss of the certification, but it will also strongly affect consumers' trust toward the entrepreneur, damaging his/her profits. Since 2005, the commission had to reject less than ten shopkeepers.

*The Institutional Side: The Monitoring Process*

The organization declares often in its website that failure to comply with legality will lead to an exclusion of the business from the list. However, a clear process of continued monitoring is not implemented. In fact, according to some representatives of the *Comitato Addio Pizzo* interviewed, the organization relies, as a “fire alarm,”<sup>7</sup> on the job of the police. In the case that an investigation clarified that one of businesses carrying the label is actually paying the Mafia or collaborated with it, the business will be excluded from the list. The key question, therefore, becomes whether the police are actually a reliable and prompt third party providing information about the compliance of the businesses.

Despite the tainted fame of elements of the State institutions the Sicilian police seem to have proved, in past years, that at least at the high level, it does not get corrupted by the power of the Mafia. It, in fact, won some important battles against the criminal organization by arresting important representatives. For example, in April 2006, Bernardo Provenzano, the head of “*Cosa Nostra*” since the beginning of the 80s, was arrested; in February 2008, in cooperation with the New York police forces, the police captured around 90 Mafia’s representatives. In particular, an important victory of the State on the “racket” has been the arrest of Salvatore and Sandro Lo Piccolo (father and son) in November 2007. Following this arrest a list with all the businesses paying the pizzo to the “senior Mafia boss” was released. Furthermore, in the notes “pizzini”

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<sup>7</sup> Roderick Kiewiet and Mathew McCubbins, *The Logic of Delegation*, Chapter 2

exchange by the “boss” and his “picciotti”<sup>8</sup>, twenty of the shopkeepers of Addiopizzo were inserted as “rebels” and a punishment for them was already planned.

This last example proves the effectiveness of police work, which seems to represent a source of control of the validity of the label. However, it does not account for the necessity of a continuous form of monitoring. In fact, although the final goal of the NGO and the one of the police coincide, they are pursued through different means and therefore the verification of the compliance of the businesses over time is only a secondary effect of the police work. For this reason, some businesses could restart paying the *pizzo* and continuing for months or years before being discovered.

#### *The Outreach Program*

The last aspect of Addiopizzo strategy consists of a variety of activities that the association organizes to inform and educate the citizens, in particular, focusing on schools and on the students’ development of a concept of legality.

Addiopizzo intervenes in the school through its members organizing small workshop for the students and teaching them about legality. These initiatives are essential to the future sustainability of Addiopizzo project for various reasons. First of all, the organization through education aims to form a new class of citizens and shape the attitude of the future generations. Secondly, by informing the children, Addiopizzo can outreach the parents and hope to influence their consumption behavior. Finally, these interventions in the

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<sup>8</sup> Term that refers to the low level cooperators of the Mafia structured system.

school allow the members of the association to verify the response of the community to the initiative. Along the same line, Addiopizzo organizes school trips to visit the “anti-mafia” sites. The schools where Addiopizzo intervenes present their projects, developed in response to the visit, every may since 2006, at the *Pizzo-Free* party, where all the shopkeepers and various companies show their products.

The cooperation with the school does not stop at the educational level. Schools are playing an active role in supporting the fight against the “racket”. In October 2008, Addiopizzo obtained an agreement with Guido Di Stefano, director of the Scholastic Regional Office, in which it is stated that every company that provides any kind of product to Sicilian schools will have to certify not to pay the *pizzo*. The certification will be done by the company itself but it will have legal value. A failure to comply with the declaration will cost the company three years of total exclusion as a supplier of food or any material to Sicilian schools. The agreement does not require the participation in the Addiopizzo’s initiative, but it asks the entrepreneurs to sign a very similar statement of legality. An important detail of the agreement is that those signing commit themselves not to pay the protection money from the moment they sign. There is no reference to the past. This gives an opportunity to many that did not have the strength to rebel to the Mafia in the past, to actually change.

### **An Example of Credibility Building**

In the past four years, Addiopizzo has moved from being an unknown small association to a popular and respected organization able to build a strong base of credibility and to mobilize thousands of citizens that strongly believe in it. The success of Addiopizzo



derives from a combination of different factors. First of all, from the origins of the organization the founders achieved an incredible visibility in the local and national media thanks to the stratagem of the posters and stickers anonymously posted around the town. This led to a level of popularity that increased dramatically the attention of the community on the case and, therefore, increased the number of potential “fire alarms” that could denounce a lack of compliance with the legality standards declared by the organization.

Secondly, the group was able to conquer the trust of many supporters thanks to its transparency. On the website, it is possible to access the complete list of members of the NGO, components of the certifying commission, and the organization’s budget. The sources of funding are clear and reported on-line. Furthermore, the organization was able to construct a net of support and endorsement including trustworthy and famous consumer associations. Finally, the lack of clear economic incentives and the high risk of participation diminish the danger of having free riders cheating and exploiting the image of the organization.

#### *Publicity and Visibility*

Since its origins with the mysterious episode of the stickers, Addiopizzo has been constantly calling the attention of not only local media, but also national and even international ones. The organization was able to quickly gain a citation in a majority of the articles that deal with the problem of “racket” in Sicily, becoming a point of reference

for the fight against it. Such popularity is fundamental for the survival of the organization and for the success of the label.

In fact, the visibility becomes a sort of protection against possible retaliation by the Mafia, since an attack on Addiopizzo would turn into a big scandal and bring the situation at the attention of the entire population. This is not in the interests of the Mafia that wants to run its business in the background without interferences. As we previously said, publicity is not something that appeals to the criminal organization.

On the other hand, popularity enhances the risks of being discovered in case of a lack of integrity. Therefore, as this has not happened along the years, the credibility of the organization increases substantially and with it the trust in the label Addiopizzo.

#### *Transparency and Various Sources of Funding*

Another important sign of the organization's credibility is the complete transparency of the organization. Everything, the complete list of Addiopizzo's members, the list of the shopkeepers and companies participating, the list of components of the Investigation Commission, is available on-line. Furthermore, the budget from the previous year with the outflows and inflows recorded can also be found on "Addiopizzo.org".

The organization does not depend on only one source of funding, but on a combination of various monetary inflows. In fact, it relies on the spontaneous donations of consumers,

who can also decide to divert part of their tax payment (5/1000)<sup>9</sup> toward Addiopizzo; on other NGOs from the entire Italian territory donating parts of their funding to Addiopizzo and on writers (Giusy La Piana) and publishers (Coppola Editori) devolving part of the proceeds from the sales of their books to the cause of the anti-*pizzo* movement.

A combination of different sources of financial support is the best solution to protect the independent nature of any association. In particular, given the specific kind of issues that Addiopizzo is fighting against, the financial independence becomes a vital element of credibility.

#### *Endorsement by the Consumer Organizations*

Another important element that contributed to build the successful sense of credibility toward the community is the endorsement of popular consumer organizations. In fact, on many of the posters and stickers appear the names of *Adiconsum*, *Lega Consumatori*, *Confconsumatori*, *Unione Nazionale Consumatori*, *Aduc Funzione Sociale* and *Sicilia Consumatori*. Among these, the National Union of the Consumers is the oldest and most rooted in the Italian society. It was founded in 1955 by Vincenzo Dona, with the goal of protecting the rights of the consumers. The support given to Addiopizzo initiative by these consumers' associations adds an important credibility source to the strategy of the NGO.

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<sup>9</sup> In Italy, it is possible to divert a proportion equal to 5/1000 of your tax payments to chosen non-for-profit organizations.

*The Idealistic Component*

The target group for the organization is the part of consumers, tired of the Mafia's control in Sicily and willing to participate in an effort to defeat it. The described sample of the population recognizes Addiopizzo as the embodiment of its desire for a change. Hence, it appears evident that there is a strong idealistic component in the support that this NGO receives. Many of the consumers believe in it since they believe in the existence of a common base of interests and goal, shared<sup>10</sup> with Addiopizzo. The credibility of Addiopizzo is not only built on factual observations, but is driven by the superior goal of the initiative.

As we saw in a previous section (see page 20), the nature of the label disincentives the business to cheat. Given the lack of certainty of a financial return and the actual personal danger faced by the shopkeepers when rebelling against the Mafia, it is hard to argue for an elevated probability for free riders. Furthermore, the idealistic component of the NGO activity highly amplifies the costs of cheating. In fact, in the case that a shopkeeper chose to free ride, it might face serious costs if it is identified as not complying. Cheating in this context, with such a sensitive issue at stake, will have strong negative returns on the image of the activity. It would, indeed, directly signal that the specific shopkeeper is actually paying the *pizzo* and also that he/she has been dishonestly exploiting the name of Addiopizzo.

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<sup>10</sup> Lupia and McCubbins "The Democratic Dilemma: Can Citizens learn what they need to know?" Cambridge: Cambridge University Press, 1998

### **Beyond Sicily: Taking the Cause Outside the Border of Sicily**

The model of Addiopizzo is starting to expand across the Southern Italy, with the launch of a branch in Catania in 2006 and with the flourishing of a similar initiative in Naples.

The organization has also started a series of projects and activities to increase the effectiveness of the label. One the most interesting development in that direction is the promotion of the idea of *free-pizzo* tourism, a form of tourism where only economic activities certified by Addiopizzo are involved, from restaurant to hotels. As a parallel to the concept of ethical and sustainable tourism that has been developing all over the world, the NGO wants to stimulate a similar phenomenon toward the legality/pizzo-free tourism. The innovative part of this project is that it would take the commitment for a pizzo-free consumption outside the borders of Sicily and of Italy; tourists coming from any part of the world will be involved in this trend.

### **Weaknesses of the Project**

One of Addiopizzo's main strengths, the power of the cause that the label represents, also embodies the main weakness of the organization. In fact, the focus on the idealistic aspects of the label prevents it from becoming an exportable model outside the social and political context of Sicily. In particular, more attention should be given to the monitoring process. In fact, relying on the national police forces as a fire alarm might not always be effective and certainly it does not ensure that the cheaters are identified promptly and regularly.

An alternative should not exclude the cooperation with the police in this sector, which is successful component of Addiopizzo's model, but it would require a more structured relationship with the police forces. A system of random controls of the businesses' cash outflows to search for unexplained withdrawals could be implemented. This could happen through the combined investigation of the bank accounts and of the sales records of the businesses. In the case of suspicious spending patterns, the investigation could be taken more in depth, with the cooperation of the police.

Another important critique that the organization has received since it started in 2005 is that the label creates an involuntary division between "good" and "bad." In fact, over time those that do not carry the label will be identified as paying the *pizzo* even if in reality this is not necessarily true. The members of the organization defend themselves by claiming that nowhere in the website or in the manifesto there are references to any form of boycott or any other kind of discrimination toward those businesses that do not decided to participate. However, this issue should be face more seriously by the NGO to avoid any negative spin-off effects of the Addiopizzo initiative.

### **Conclusions**

Addiopizzo built a successful label able to conquer the trust of consumers thanks to both its four-fold strategy and to the process of credibility building. Passing from consumers' demand to the institution of a label, the NGO constructed of a model that effectively exploits both the market dynamics and the institutional channels. The strategy proposed by this Sicilian NGO is, indeed, a fascinating case study because of the way it created a

net of cooperation between institutional actors (police, schools) and market led actors (consumers and business). Addiopizzo proved that the interests of institutions, business and consumers, which are often seen as mutual exclusive and not aligned, are actually perfectly compatible.

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**Discussion Questions**

- 1) What do you think should be the role of the politics in the contest of fight against the Mafia? Why do you think that “Addiopizzo” declare in its website that the organization has no political ties with any party?
- 2) Can you think about another example of a label that follows a similar strategy to the one of Addiopizzo?
- 3) What is the main obstacle on the monitoring process proposed by the author? How do you think it could be overcome?
- 4) The police are described as a “fire alarm” in the monitoring process of the businesses. What do you think another “fire alarm” could be in the environment where Addiopizzo works?
- 5) How do you think that Addiopizzo could respond to the critique of “dividing the society between good and bad people”?



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WEBSITES OF INTEREST

[www.consumatori.it](http://www.consumatori.it)

[www.addiopizzo.org](http://www.addiopizzo.org)

[www.camera.it](http://www.camera.it)

[www.sosimpresa.it](http://www.sosimpresa.it)

#### VIDEO RESOURCES

<http://www.youtube.com/watch?v=a4mdrFj6CQM>

[http://www.youtube.com/watch?v=OpR3He-i\\_vY&feature=related](http://www.youtube.com/watch?v=OpR3He-i_vY&feature=related)

[http://www.youtube.com/watch?v=6xGludL\\_FDg](http://www.youtube.com/watch?v=6xGludL_FDg)

<http://video.google.com/videosearch?q=FALCONE+AND+BORSELLINO&emb=0&aq=f&aq=f#q=FALCONE%20AND%20BORSELLINO&emb=0&aq=f&aq=f&start=30>

<http://video.google.com/videosearch?q=FALCONE+AND+BORSELLINO&emb=0&aq=f&aq=f#q=FALCONE%20AND%20BORSELLINO&emb=0&aq=f&aq=f&start=30>

<http://video.google.com/videosearch?q=FALCONE+AND+BORSELLINO&emb=0&aq=f&aq=f#q=ADDIO%20PIZZO%20VIDEO&emb=0>

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**Appendix A: CONSUMERS' MANIFESTO**

*“Cosciente della gravità, della complessità e della capillare diffusione del fenomeno del racket delle estorsioni nella realtà economica e produttiva siciliana, ritengo che tutto il tessuto sociale, economico e culturale nel quale agiscono gli operatori economici può e deve esercitare un ruolo attivo nella lotta contro il pizzo;*

*pertanto, in quanto cittadino e consumatore consapevole del mio potere e della mia responsabilità, mi impegno a scegliere prodotti e servizi forniti da imprenditori, esercenti e professionisti che non paghino il pizzo o che, essendo stati vittime di richieste estorsive, ne abbiano fatto denuncia.*

*Chiedo altresì che le istituzioni e gli organi di polizia rinnovino l'azione a tutela della sicurezza e dell'attività economica di chi ha avuto il coraggio di denunciare.*

*Sollecito, infine, tutte le forze politiche ad un concreto impegno ed a una maggiore sensibilità verso le problematiche attinenti al racket delle estorsioni.”* ([www.addiopizzo.org](http://www.addiopizzo.org))

**Appendix B: “Addiopizzo” BALANCE SHEET 2007**Source: [www.addiopizzo.org](http://www.addiopizzo.org)

<b>USCITE (OUTFLOWS)</b>	
<b><i>Attività associazione (Activities of the association)</i></b>	
Festa 5-6 maggio 2007 ( <i>Party in May</i> )	€ 4.628,81
Festa 29 agosto 2007 "Libero Futuro" ( <i>Party in August</i> )	€ 440,83
Tipografia: materiale informativo ( <i>informational material</i> )	€ 7.200,00
Materiale commercio Equo e Solidale ( <i>Fair trade material</i> )	€ 13.236,60
Spese legali per costituzione parte civile ( <i>legal costs</i> )	€ 1.224,00
Rimborso spese prof. Mete ( <i>reimburse Prof. Mete</i> )	€ 115,83
<b><i>Gestione ordinaria (General management)</i></b>	
Spese Telefono e ADSL sede ( <i>Phone and Internet of the main office</i> )	€ 574,13
Condominio sede ( <i>building payments</i> )	€ 746,10
Luce sede ( <i>electricity</i> )	€ 190,70
Spese Banco Poste ( <i>bank expenses</i> )	€ 199,80
Spese conto Banca Etica ( <i>bank expenses</i> )	€ 45,00
<b>TOTALE USCITE</b>	<b>€ 28.601,80</b>
<b>ENTRATE (INFLOWS)</b>	
Contributi mediante bollettini di c/c ( <i>donations</i> )	€ 3.418,00
Contributi mediante bonifici ( <i>donations</i> )	€ 2.073,20
Contributi di liberalità – banchetti ( <i>donations</i> )	€ 21.402,00
Spese riconosciute per costituzione parte civile ( <i>costs recognized after trails</i> )	€ 1.224,00
<b>TOTALE ENTRATE</b>	<b>€ 28.117,20</b>

Translation: Chiara Superti

**Appendix C: Statistics from SOS Confesercenti**

(Translation by Chiara Superti)

Amount of *pizzo* asked in each installment.

Amount of “pizzo” (usually in two installments per year)	PALERMO	NAPOLI
<b>Shop</b>	200-500 euros	100-200 euros
<b>Elegant shop or shop located downtown</b>	750-1000 euros	500-1000 euros
<b>Supermarket</b>	5,000 euros	3,000 euros
<b>Construction site</b>	10,000 euros	

Money involved in specific illegal activities and the proportion managed by the Mafia

Typology of Illegal activities	Amount of money involved (in billions Euros)	% managed by the Mafia	shopkeepers involved
Usury	30	36%	150,000
Racket	10	95%	160,000
Steals and robbery	7	15%	90,000
Fraud	4.6	20%	500,000
Smuggling	2	80%	15,000
Counterfeit	7.4	70%	
Illegal constructions	13	20%	
Agromafia	7.5		
Leasing and contracts	6.5		
gambling	2.5	80%	
<b>TOTAL</b>	<b>90.5</b>	<b>45%</b>	

Shopkeepers involved in the problem of money extortion.

<b>REGIONS</b>	<b>SHOPKEEPERS INVOLVED</b>	<b>% OF THE TOTAL</b>
<b>Sicilia</b>	50,000	70%
<b>Calabria</b>	15,000	50%
<b>Campania</b>	40,000	40%
<b>Puglia</b>	17,000	30%
<b>Basilicata</b>	1,000	10%
<b>Lazio</b>	6,000	10%
<b>Abbruzzo</b>	2,000	10%
<b>Lombardia</b>	5,000	5%
<b>Piemonte</b>	2,000	5%
<b>Emilia Romagna</b>	2,000	5%
<b>Other</b>	20,000	6%

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