Corruption in Italy: Indigenous Impediments to Reform

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Measuring efficacy of anti-corruption institutions; background

• Difficulties:
  • Quantitative data – prosecutions and convictions?
  • Obstacles against which efforts are directed

• This presentation surveys the latter in the Italian context
  • 8th largest economy in the world
  • democracy with robust and outspoken political minority viewpoints
  • cultural history second to none.

• But
• 2018 Transparency International rank: 54th in corruption perception, tied with Mauritius and Slovakia, two much poorer countries.

• perceptions of corruption track well with expert opinion and experience
• Italy’s high level of corruption -- somewhat aberrational in context of strengths.
• But Italy also ranks fairly low (51st), below Qatar and Uruguay, in national government effectiveness.
Scope of shadow economy and corruption

• 2014 survey: 4% of Europeans had paid bribe within previous year – 2% of Italians.
  • But colleagues in Rome highly skeptical, claiming bribery so entrenched that Italian respondents do not recognize their “gifts” to helpful government employees as bribes.
• “shadow economy” estimates: 13 to 20% of Gross Domestic Product (GDP about $1.8 trillion, so $234 to $360 billion).
• Much is cash transactions to avoid taxes
• Corruption itself, about $76 billion a year, 4% of GDP.
Weak allegiance to national government, stronger local ties

• 2013 survey: about 10% of Italian respondents “trust” national government.
• 2008 financial crisis did not move the 30% with “confidence” in national government: the figure stayed unchanged before and after.
• About 90% thought corruption “widespread throughout the government.”
• Regionalism – Article 5 of Constitution: regional “autonomy and decentralization”
• Siena’s 17 contrades, with 3000 people each: contrade, Siena, Tuscany, Italy, in decreasing order of loyalties.
• Flip side of weak national government. Trust for municipalities: 29 percent, for regions 19 percent, for national government 15 percent.
• radius of separation varies inversely with likelihood of personal relationships, so identity weakens outward sequentially from neighborhood to locality to province to region to the nation-state.
• Weak identity with the nation-state likely to foster tax evasion, also tolerance for corruption, and participation in corruption.
• As modernization has facilitated national and even global interaction between those on either side of corrupt bargains, the major locus of corruption may have moved to those levels. On the other hand, the natural proximity of personal relationships at the more local level surely continues to facilitate corrupt behavior there as well.
Cultural Roots of Corruption

• Serious scholars maintain that the ethos of corruption in Italy is *higher* at higher levels of society, dating back to when the ruling class were Medici, medieval popes, and other leaders of its great city-states – aristocrats very comfortable with “wild and violent accumulation” (Ruggiero 2010).

• E.g.: the Palio, Siena’s famous horse race, celebrates corruption as an essential element, as the horse race over all should reflect “all of life.” No other horse race in the world would tolerate such open and flagrant bribery. This one has, for perhaps 700 years.

• Organized crime – current role is controversial. A majority of its 10,000 or so made members are in prison. Not as noticeable at the local level as they used to be; apparently more involved in international drug smuggling and financial fraud. However, Genoa bridge collapse is probably attributable to Mafia-supplied concrete. And, as of 1994, at any rate, the Mafia produced a big vote for Berlusconi in Sicily. (Efficiencies: Mafia Capitale, trash pickup.) But most corruption is with big national contracts and does not involve Mafia
Prospects

• Recent years have seen serious and strenuous efforts to overcoming these challenges. The rise of the National Anti-Corruption Authority (ANAC), as a prime example, gives reason for hope as do transparency initiatives pursuant to national legislation (Anna Simonati has research in that area). Reliable assessment of the efficacy of ANAC and other anti-corruption institutions and measures requires a close and nuanced analysis of the changes in attitude and behavior of the public and of those it entrusts with those responsibilities. This must be the focus of a future discussion.