

## Company of the Month: The MAFIA

### The Mafia as a Business Organisation

The Mafia is an unusual choice for 'Company of the Month' since the company does not officially exist. It has no shareholders and is not quoted on the Stock Market. However, no one would deny its power.



The Mafia is a loose name given to many different organisations, some involved in international trade, some operate within national borders. The Mafia is involved in many different industries including many legitimate businesses like building or transport, other semi-legitimate businesses such as banking, gambling and insurance, and many illegitimate businesses such as drug running and prostitution.



Traditionally, Mafia organisations have a very rigid structure. The organogram of a Mafia 'family' places the 'Capo di tutti capi' (Boss of all the bosses) at the top. The next level of management contains four department heads: the Consigliere (advisor or counsellor), the Capo Bastone (underboss or second in command), the Contabile (accountant) and one or more Caporegime (Lieutenants). Below this level are the Sgarristas (foot soldiers) who carry out the day-to-day business of the organisation. Below the Sgarristas are the Piciotti (lower-ranking soldiers or enforcers). This apparently rigid structure is held together with strongly enforced bonds of honour and loyalty. This has five key elements:

1. Omerta: The code of silence; a promise not to reveal any Mafia secrets or members even under threat of torture or death.
2. Total obedience to the boss (the 'Don' or 'Godfather'.)
3. Assistance to any person or organisation allied to the Mafia.
4. Revenge for any attack on members of the Family because an attack on one is an attack on everyone.
5. Avoid any contact with civil authorities.

In spite of the relatively old-fashioned and rigid structure of these organisations, they have been highly successful in operating as international corporations or large and small national and local businesses according to the economic opportunities of the time. It is largely this flexibility which has allowed the organisation to endure and prosper.

## International links

From very small beginnings on the island of Sicily in the Mediterranean, the Mafia now has important organisations throughout Eastern and Western Europe, in the United States, and it has links to the Yakuza in Japan, the Chinese Triad groups like the Sun Yee On, and Colombian drug cartels such as the Cali.



Although these different criminal organisations have different reporting lines and managements, they trade in much the same way as legitimate businesses.

## History: Origins in Sicily

The island of Sicily has been occupied by foreign powers throughout its history. The Mafia was born when Sicily was under French rule. The oppressed Sicilians formed various secret societies whose aim was to protect the people and expel the French rulers. Their battle cry was 'morte alla Francia Italia anelia' (death to the French is Italy's cry) and from the initial letters of these words the name MAFIA was born.

These secret societies in the hills of Sicily were struggling not only to expel the French but also to protect and feed the people of Palermo and surrounding areas. Indeed, we can see similarities between the origins of the Mafia and the birth of mutual insurance companies and trade unions. The Mafia was a benevolent society which needed to remain secret because of the French occupation. This was an honourable society whose members believed totally in the cause and were willing to die to protect each other. But the Mafia did not continue as a purely benevolent group for very long.

By the 19th century the Mafia had become a large crime organisation. At first their major crime was extortion in exchange for 'protection'. The Mafia would send 'Black Hand' notes to wealthy people asking politely for money in exchange for 'protection' of themselves, their property and businesses. Those who did not pay the request 'insurance premiums' would usually become victims of violence such as 'accidental' fires. If they continued to refuse to pay, they, or more frequently members of their family, were murdered. Although the Mafia used these violent means to collect their 'taxes', they usually tried to avoid destroying the businesses which were feeding them.

In 1876 a Mafia Don, Raffaele Palizzolo, decided to become a member of the Sicilian Parliament. He arranged for his colleague Don Crispi to become Prime Minister and later he made another colleague, Emanuel Nortarbartolo, the director of the Bank of Sicily.

During this same period, the first wave of Sicilians emigrated to the USA and soon the Mafia was operating in many American cities.

During the 1920s and 1930s, Benito Mussolini's Fascist Government attempted to destroy the Mafia in Sicily but this caused the Mafia to spread to other parts of Italy and to the United States. When the American army invaded Sicily in World War II,

they worked closely with the Mafia because it was the only effective 'government' in operation.

Today, the Mafia still operates in Sicily despite the work of brave men like Leoluca Orlando, the charismatic Mayor of Palermo. Some Sicilians will privately admit that they still pay 'double taxes'. One tax is paid to the Italian Government in Rome, the second to the Mafia.

## History: The Mafia in the USA

Although it is a fictional story, Mario Puzo's 'The Godfather' tells a very accurate story of the Mafia's operations in the USA. Once again, the Mafia grew from humble origins amongst the Italian immigrant communities but became powerful in major industries, trade unions and politics.

The Mafia is always quick to identify a new business opportunity. When in the 1920s, the US Government made illegal the manufacture, transportation and sale of alcohol, the Mafia saw a great business opportunity. Mafia bosses, like Al Capone in Chicago, started complex operations first importing and later manufacturing alcoholic drinks for secret sale in 'speakeasy' bars.

Jimmy Hoffa, the leader of the Teamsters Union (of truck drivers), was said to be a member of the Mafia. He mysteriously disappeared in 1975. Some people claim that he is still working in the transport industry as part of one of New York's bridges!

## Conclusions

There are secret societies in most countries of the world. In the past they were run by honourable leaders. Later they fell under the control of poorly educated but violent criminals. Today Mafia bosses need the same business skills as the leaders of major international corporations. The difference is that they do not usually have 'an attractive retirement package'.

## Comprehension

1. What is the job of a Consigliere in a Mafia Family?
2. What is 'omerta'?
3. Why does the writer praise the Mafia for their flexibility?
4. What do the letters M.A.F.I.A. stand for?
5. How was the Mafia like a benevolent society?
6. Would you be pleased to receive a 'Black Hand'?
7. Why did the US army work with the Mafia in 1943?
8. Who wrote 'The Godfather'?
9. How did the US Government offer the Mafia a business opportunity in the 1920s and 30s?
10. What happened to Jimmy Hoffa??