

TRANSPARENCY

THE SMART WAY TO
CUT THE WISE GUYS
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A grassroots campaign to curb Mafia extortion in Sicily shows how information can be used to powerful effect against even the most fearsome and ruthless opponents.

TRANSPARENCY • BUSINESS ETHICS • ORGANIZED CRIME

What do a cookie maker, seven friends, and a Sicilian Godfather have in common?

The answer is that the seven friends founded “Addiopizzo” (bye-bye extortion) — a successful Sicilian anti-racket organization. The cookie maker was the first entrepreneur to join the organization and some Sicilian Mafia godfathers have recently experienced a significant reduction in the income they receive from extortion. Incredible, isn’t it?

Now, let’s do a quick recap of this story, because the best is still to come. Addiopizzo was founded in 2004 by a group of recently graduated university students who wanted to fight the Mafia’s extortion of Sicilian businesses. According to the Italian police, at the beginning of 2000, more than 90 percent of Sicilian businesses had to pay a monthly pay-off (*pizzo*) to the Mafia in exchange for protection. The remaining 10 percent were in a grey area, as they chose not to cooperate with either the police nor the Mafia.

Addiopizzo has created an anti-racket certification that allows consumers to identify businesses that do not pay bribes to the Mafia and refuse to collaborate in any way with these criminal families. It also monitors

members, in collaboration with the police and other activists, to ensure that they don’t play a double game, getting the certification to attract customers while at the same time paying bribes to the Mafia. In the Palermo province alone, Addiopizzo can count on more than 10,000 members and almost 600 businesses.

Businesses that sign up to Addiopizzo’s certification have to display the anti-racket symbol at the entrance of their shop so that consumers know they are making their purchases from businesses that do not pay extortion to the Mafia. As one of the activists pointed out during an interview, “Our certification ensures that the money spent by consumers will not end up in the hands of Mafia families...In the past, people did not realize that racket money paid to the Mafia was paid with customers’ money.”

Addiopizzo’s activities are not limited to the mobilization of responsible consumers. The organization has also created a support program for entrepreneurs who want to fight — and denounce — Mafia extortionists. Entrepreneurs who decide to blow the whistle receive psychological and practical support along with the possibility of entering the special protection program run by the anti-Mafia police. As an anti-Mafia expert pointed out during a recent interview, “a few years ago, this would have been considered unthinkable...just impossible.”

How did Addiopizzo achieve this? What can we learn from their experience? Why is Addiopizzo relevant to business people in general?

The answer to the last question is relatively simple. Addiopizzo is a successful anti-extortion initiative that could be replicated in countries plagued by Mafia-type organizations such as Russia, Colombia, Mexico, Jamaica, China, Japan and several African countries. We should not forget that organized crime has a significant impact on economic activity at a global level. The World Bank recently estimated that criminal organizations generate annual revenues of more than \$120 billion, equivalent to the GDP of a country such as New Zealand or Hungary.

In the past, organizations such as Transparency International have tried to implement top-down approaches in the fight against corruption and crime and have encountered enormous problems in the implementation of high-level policies. By contrast, Addiopizzo is a bottom-up initiative that has focused on micro-level dynamics to boost social change. Addiopizzo's ability to leverage information to prevent and fight corrupt business practices make it an exemplary case of an organization capable of strategically using information disclosure to induce radical and positive change in a hostile environment.

Contrary to the view prevailing among some academics, who call for "extreme," "radical" or "full" transparency, the case of Addiopizzo highlights the opportunities that the strategic use of information offers for effecting positive change. Instead of disclosing "everything now," Addiopizzo has opted for a more focused informational disclosure approach — strategic transparency, where only certain types of information are disclosed and where the timing of disclosure addresses specific situations.

INFORMATION IS POWER

● Strategic transparency has nothing to do with concealing the truth or manipulating stakeholders. Instead, strategic transparency is

ITS ACTIVITIES
HIGHLIGHT THE
OPPORTUNITIES
OFFERED BY
THE STRATEGIC
USE OF
INFORMATION



“ADDIPIZZO HAS TAUGHT ME THE POWER OF INFORMATION AND HOW TRANSPARENCY CAN BE USED TO AVOID OR RESOLVE PROBLEMS.”

focused on a pragmatic and realistic understanding of the power of information and the role played by contextual conditions as important indicators for decision making processes related to information disclosure.

We can draw a parallel to physics to clarify this important issue. Transparency is the “social” analogy of the concept in physics laid out in Heisenberg’s Uncertainty Principle which states that if you use light to observe an electron, its energetic state will alter. By the same token, if you increase the availability of information — shed more light on — some business activities, then the people responsible for that business will change their behavior.

Too much information, like too much light in physics, can render things unstable and unmanageable. Indeed, too much energy, released too quickly, can destroy a system instead of improving its performance.

The same can happen with individuals and organizations; people need time to digest and process information. Full transparency can be worse than full opacity, simply because your customers, employees or even your enemies, do not have the time, or are not prepared, to process the information disclosed. This issue is critical in the development of transparency policies aimed at fighting fraud, corruption and other misconduct in business.

LESS THAN FULL DISCLOSURE

● Addiopizzo has successfully implemented a strategy that engages honest individuals and companies to collect and use information as a weapon to fight corrupt and violent people and practices. As one of the Addiopizzo activists pointed out: “It is not only important to collect information from our members (consumers and firms) it is also important to understand when is the right moment to disclose key information to the public.”

For example, Addiopizzo publicly highlighted the Mafia’s violent intimidation of **Vincenzo Conticello**, the owner of a small restaurant who reported the extortionists to the police. The press releases, which were sent out immediately after the start of the in-

timidation, coupled with police protection, had the positive effect of stopping the Mafia’s threats. Criminal organizations prefer to work underground and cease to function when they are forced out into the light.

By the same token, Addiopizzo uncovered the strong connection between **Toto Cuffaro**, former regional president of Sicily, and the Mafia. This information was released at a critical moment in the regional political debate when, according to Addiopizzo’s members, the problem of Mafia’s infiltration into politics was being ignored.

THE USES OF TRANSPARENCY

● We have seen how businesses that work with Addiopizzo have learned how to strategically leverage information to fight the Mafia. As one entrepreneur mentioned in an interview, “Addiopizzo has taught me the power of information... making things clear and transparent can be a good way to avoid problems or to resolve them... and I am trying to share this lesson with my employees ... Transparency is not only a tool to interface with the external environment, it is a subject that should also be addressed inside any organization to prevent problems and avoid danger.”

It seems that the saga of the Sicilian Mafiosi might soon come to an end. We should note that Italy is not the only country where citizen-driven, anti-crime movements are emerging. During the past few years a number of similar organizations have emerged around the world. Among others, it is worth mentioning EGJustice in Guinea Bissau, the “Youth-driven Mjaft!” founded in 2003 in Albania, the Ocase Colombia founded in 2006 and the Shayfeen founded in Egypt by a group of women.

However, we should not forget that mafias around the world are not just criminal organizations, they are also the result of cultural traits deeply rooted in their respective populations. And here we can see another dimension in the power of information: provide the right information in the right way to new generations and you will change the world.