

The Controversial Legacy of 'Mani Pulite': A Critical Analysis of Italian Corruption and Anti-Corruption Policies

Alberto Vannucci
University of Pisa

Abstract: The presence of widespread corruption in the political and administrative system became a major political issue in Italy during the 1990s, but a few years after the beginning of the mani pulite ("clean hands") inquiries the question faded from the agenda of Italian politics. Using statistical and survey data, judicial and newspapers sources, the article shows that presumably political corruption is still systemic in Italy, and that its spread in the last decade can be explained by several institutional and cultural factors, including the failure of anti-corruption policies, the approval of some potentially corruption-enhancing measures, and the persistence of internal 'governance structures' of corrupt transactions. The legacy of mani pulite, therefore, has not been an improvement of public ethics, but an escalation of tensions between political powers and the judiciary, exacerbated by the involvement of the Prime Minister and media tycoon Silvio Berlusconi in several inquiries for corruption crimes.

Keywords: mani pulite ("clean hands"), political corruption, anti-corruption policies, Italian transition, systemic corruption, governance structures.

Introduction

The widespread nature of political and administrative corruption in Italy became a major – and for a certain period the main – political issue during the 1990s. February 1992 saw the start of the *mani pulite* ('clean hands') judicial inquiry in Milan, with the arrest of Mario Chiesa, socialist manager of a public hospice, and the subsequent expansion of the investigations to the whole country and a huge increase in the number of politicians, bureaucrats and entrepreneurs involved. In a couple of years, six former prime ministers, more than five hundred members of Parliament and several thousand local and public administrators had become caught up in the investigations. The scandal they produced led to a dramatic crisis of the political system: in a few months, most leading political figures had been forced to resign or go into exile; the major parties disappeared or

underwent radical transformation; new parties emerged on the scene to fill the political vacuum left by the old.

The Italian political system since the end of the Second World War had been characterised by a high degree of stability, with a permanent pivotal role being played by the Christian Democrats in national government. The corruption scandals provoked a crisis and transformation of the party system whose concomitants included: (i) the emergence of effective alternation in government of competing coalitions; (ii) the almost direct electoral investiture of the Prime Minister, even if not formally provided for by the Constitution; (iii) the emergence of new leading political actors, such as the media tycoon Silvio Berlusconi and his Forza Italia party and since 2008 – following merger with the National Alliance – the People of Freedom (Popolo della Libertà, PdL); (iv) the inclusion of former marginalised political parties, like the post-fascist Italian Social Movement/National Alliance, the xenophobic Northern League and the post-communist parties, within alternating ruling coalitions. The assumption that Italy was undergoing a transition from a ‘First’ to a ‘Second’ Republic was questionable and lacked any underpinnings in terms of formal constitutional change, but it captured very well the dramatic quality of this political conjuncture.

Surprisingly, the question that acted as detonator of the crisis – revelations of widespread corruption – quickly faded as a major issue on the agenda of Italian politics. The persistence of extensive corruption and the lack of effective anti-corruption policies do not currently figure in public debate as relevant political and economic questions; neither has the involvement of the Prime Minister, Silvio Berlusconi, in several corruption inquiries since 1994, when he started his political career, resulted in any significant discussion of reforms designed to combat corruption. On the contrary, Berlusconi’s judicial problems have exacerbated a state of permanent tension between the political and judicial branches of the State. The constantly asserted need for a reform of the administration of justice to reduce the allegedly arbitrary power of judges, who it is claimed are politically biased and without any electoral legitimation, has become the central issue on the political agenda. The ‘moral question’ has been marginalised through having become the trademark of a minor party, Italy of Values (Italia dei Valori, IdV), led by the former public prosecutor, Antonio Di Pietro, who initiated the *mani pulite* inquiry.

Thanks to the evidence provided by the judicial inquiries, Italy can be seen as a model of the failure of ordinary institutional mechanisms to control corruption in an advanced democracy. Political competition has proved to be ineffective. On the contrary, corruption has been practised (and correspondingly justified) as the means whereby parties have satisfied the need for financial resources generated by democratic processes, or acquired support by sustaining clientelistic machines (Della Porta and

Vannucci, 1994). Moreover, corrupt exchanges have often involved the opposition parties as well, at both central and local levels, and in so doing extended to this hidden arena the consociational practices which have for long unofficially characterised the Italian political system (Pizzorno, 1993).

The rule of law, with its apparatus of institutional counterweights, and its internal and external administrative and judicial controls, has, with the partial exception of the *mani pulite* inquiries themselves, also proved to be ineffective. In most cases, the corrupt and over-regulated nature of Italian public life has seen to it that the multiplication and overlap of formal monitoring mechanisms has merely increased the size of bribes that have had to be paid in order to avoid or neutralise controls (Vannucci, 1997).

Neither has civil society acted as an effective check on the spread of political and administrative illegality, aside from the widespread popular support given to the judges' actions in the early years after 1992: 'Undoubtedly we received the solid backing of public opinion. We enjoyed strong support for our actions' (Davigo, 1998: 96).¹ Political sanctions against politicians involved in corruption scandals, which had traditionally been quite mild (Della Porta, 1992), have become virtually non-existent in the last decade, as epitomised by the case of Prime Minister Berlusconi who, as centre-right leader, won the elections of 2001 and 2008 despite being under investigation in several corruption cases and inquiries.² Social sanctions and stigma against entrepreneurs and other private agents involved in corruption have been similarly non-existent (Della Porta and Vannucci, 2007b).

The suspicion that candidates might have been involved in corrupt practices does not seem to worry Italian electors anymore. Whereas in 1996 91.8 per cent of Italian electors considered corruption to be a very or quite important problem, and 30.6 per cent saw it as the first or the second most important social and economic problem of the country (only unemployment scored a higher percentage), following the general election of 2001 the percentage of those who considered it as one of the two most important problems fell to 5.5 per cent, even if 92 per cent still believed that it was a quite or very important problem. After the 2008 election, a mere 0.2 per cent of Italian electors considered corruption the most important problem that government should take into consideration.³

Finally, market competition has offered no resistance to bribe-oriented activities. The small-size and family ownership of most Italian firms involved in public contracting has encouraged them to invest in establishing enduring relationships with public administrators (Vannucci, 2003), while they have competed to be included within the small circle of bribe-payers, and consequently among the winners of public-works contracts. 'Party labelled firms' (Della Porta and Vannucci, 1999b) have dominated the scene, as have entrepreneurs who initiate, coordinate and manage activities within networks of illegal activities. In recent decades, in

spite of the evidence of generalised corruption, almost no reports of illegitimate requests for money have been made by managers and private contractors.

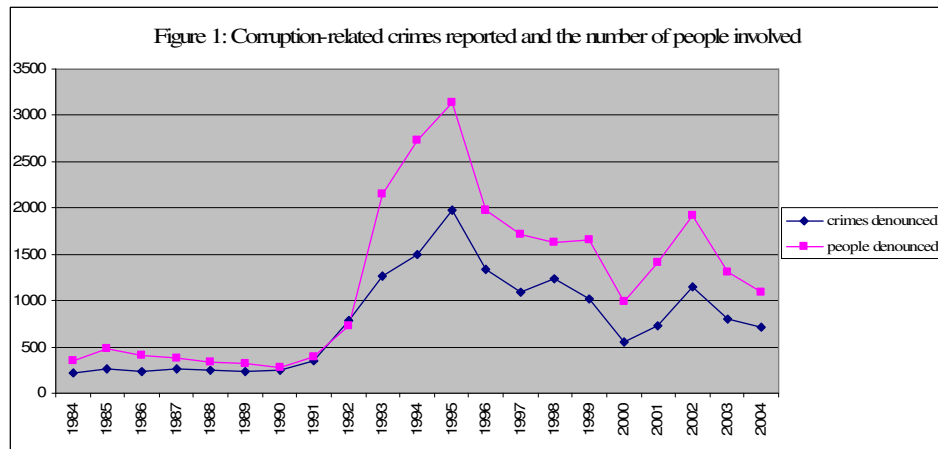
In what follows I will use statistical and survey data, judicial and newspapers sources, to show that political corruption is still widespread in Italy, and that its spread can be explained by several factors, including the failure of anti-corruption policies and the emergence of internal 'structures of governance' of corrupt transactions. Certain *qualitative* aspects of Italian corruption, I argue, can help to explain its *quantitative* features.

A never ending story: empirical evidence of the scale of corruption in Italy

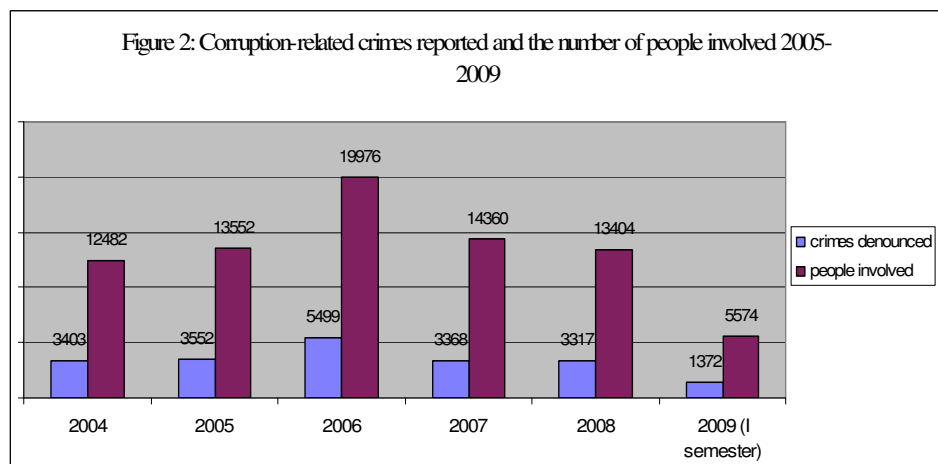
How to gauge the extent of corruption in Italy is a much-debated problem, and optimistic and pessimistic stances both find arguments to support them. A rather positive assessment can be found, for instance, in the reports to Parliament of the Anti-corruption authority which emphasises the encouraging judgments of some foreign observers, the decline in the number of reported allegations, the low levels of corruption actually experienced by Italian citizens, the unreliability of adverse corruption perceptions index scores, the impact of administrative reforms currently being implemented (SAET, 2009a; 2009b)

However, like other victimless crimes nobody has an interest in reporting, the phenomenon is difficult to measure and official statistics do not represent a reliable source of information on its extent.⁴ Other sources are nevertheless available, including opinion polls and surveys, newspaper and television reports. In this section I will combine different sources of information to provide some evidence of the silent spread of corruption in Italy.

Judicial proceedings provide figures for the number of reported instances and the number of people involved in acts of corruption. As shown in Figure 1, in 2004 the number of crimes and people reported is still between two and three times the number for the pre-1992 (that is, the pre-*mani pulite*) era. There are two peaks – in 1995 and 2002 – but overall, the trend is a decreasing one. This is confirmed for the last five years by Interior Ministry data which, following a peak in 2006⁵ show a decline in the number of reports of 'corruption-related' crimes as well as in the number of people involved.⁶ It is likely that in 2009, reported cases of corruption will be at their lowest level since 1992. The more-than-proportionate increase in the number of people involved in reported cases after that year reveals another interesting, qualitative aspect of the corruption that emerged thanks to the *mani pulite* inquiries: it required more complex, more extensive networks of illicit exchange, as qualitative analysis confirms (see Figure 2).

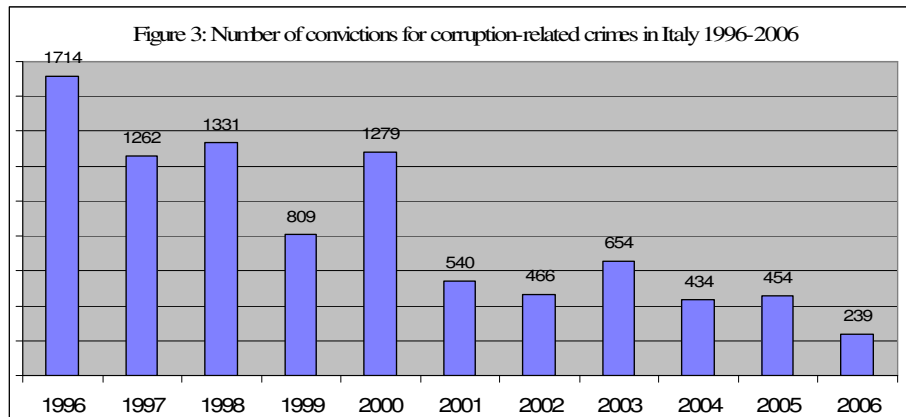


Source: Own elaboration based on data taken from *Statistiche giudiziarie penali Istat, 1985-2006*.



Source: SAET (2009b).

The number of convictions for corruption has fallen even more rapidly in the last decade. Figure 3 illustrates the trend clearly. In 2006 there was just one seventh the number of convictions there had been ten years previously, with some extraordinary decreases: in Sicily the number falls from 138 in 1996 to 5 in 2006; in Calabria from 19 in 1996 to zero in 2006; in Lombardy from 545 in 1996 to 43 in 2006 (*Il Sole-24 Ore*, 2 February 2008). The ineffectiveness of mechanisms of legal enforcement tends to strengthen expectations of impunity within corruption networks.

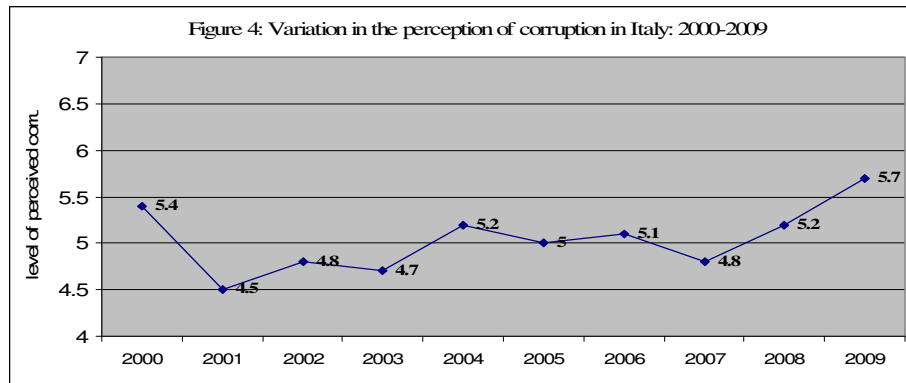


Source: own elaboration based on judicial records

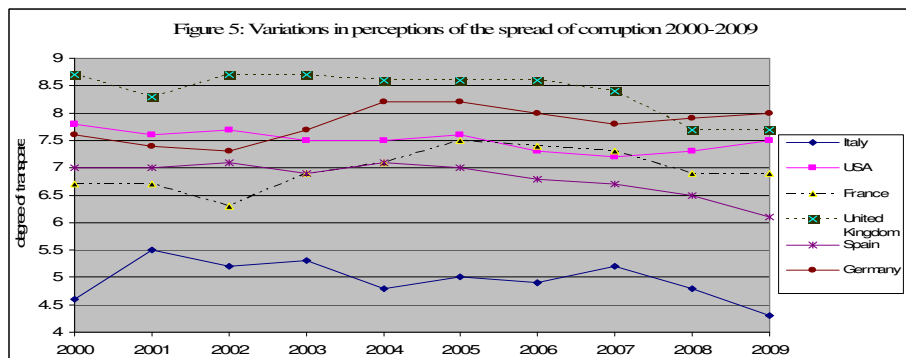
Several surveys confirm that corruption is a salient feature of public perceptions of political and administrative processes in Italy. In a 2005 opinion poll, 50 per cent of citizens perceived that levels of corruption had increased in 2002-2005, only 12 per cent that it had declined: surprisingly, in the same years official statistics showed the opposite trend for the number of reported crimes. In 2005, 41 per cent of Italian citizens expected a further increase in the future; only 12 per cent were optimistic. In 2007, pessimism had increased: 61 per cent thought corruption was bound to increase in the following three years (Transparency International, 2005; 2007).

According to Eurobarometer data (2005; 2008a; corruption is considered a relevant problem for the country by 84 per cent of Italians, with an increase (the largest among the EU countries) of 9 per cent since 2005; 70 per cent of citizens (the largest percentage in the EU) consider corruption to be related to the presence of organised crime; in 2007, 10 per cent of Italian respondents said they experienced corruption directly by being offered or asked for a bribe. Another Eurobarometer (2008b) report reveals that 77 per cent of Italian citizens believe that corruption is rather frequent in national government and institutions.

Pessimistic expectations are confirmed by the trend in the Transparency International Corruption Perceptions Index (CPI), which measures perceptions of corruption by combining the results of surveys conducted among foreign entrepreneurs, analysts and experts such as journalists. As shown in Figure 4 – which reverses the scoring normally used so that 10 represents the highest rather than the lowest levels of perceived corruption – in 2009 Italy reaches a ten-year high.



Source: Transparency International Corruption Perception Index (10 = highest corruption)

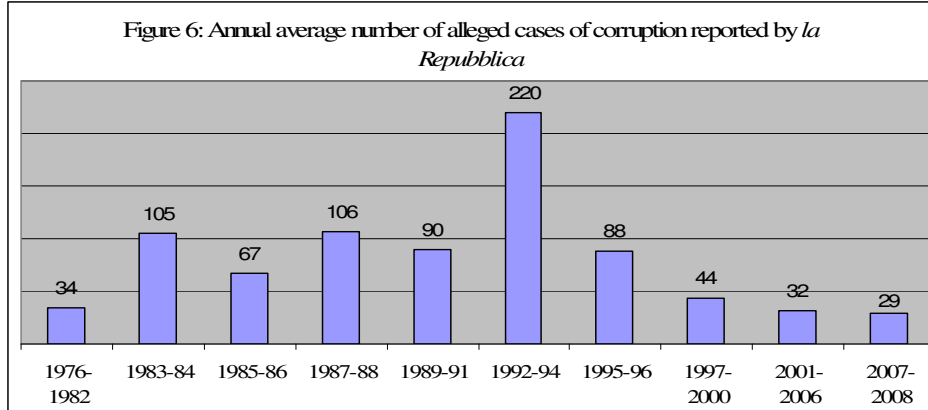


Source: Transparency International Corruption Perceptions Index (10 = lowest corruption)

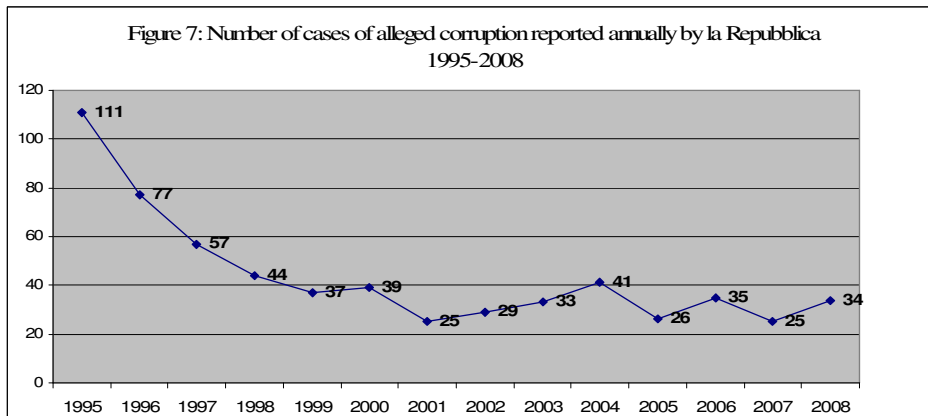
Since 1995, when the CPI was first developed, Italy has consistently occupied one of the lowest places among Western countries in terms of transparency (see Figure 5), with the Scandinavian countries, New Zealand, Iceland and Singapore achieving the highest scores. After a significant improvement in Italy's position in 2000 and 2001, the country fell from 41st (among 179 countries) to 55th (among 180 countries) and 63rd place between 2007 and 2009 (the country's CPI scores for 2007, 2008 and 2009 being 5.2, 4.8 and 4.3 respectively).

A third source of evidence about the incidence of corruption-related crimes can be found in newspapers and other media, which, in presenting them to the public, 'filter' episodes that have emerged, usually thanks to judicial proceedings (Cazzola, 1988: 22-4). This selection process is influenced by certain characteristics of the illegal dealings – the identity, significance or number of people involved; the size of the bribes paid; the sector of activity affected and the consequences of the alleged corruption, etc. – but it is obviously biased also by the pressure of editorial imperatives.

Cazzola (1988, 1992, 2007) provides an extensive analysis of Italian corruption based on media sources. As shown in Figure 6, in the newspaper *la Repubblica*,⁷ the trend in the number of corruption cases reported therein approximately reflects the trend in the number of cases reported to the authorities.⁸



Source: figures for 1976-2006 taken from Cazzola (2009); figures for 2007-2008 based on own elaboration of data taken from *la Repubblica* on-line archive.



Source: figures for 1995-2006 taken from Cazzola (2007); figures for 2007-2008 based on own elaboration of data taken from *la Repubblica* on-line archive.

There is a significant difference, however: after the 'big bang' of the mid-1990s, a sort of habituation to corruption stories appears to take place, lowering the level of public interest and raising the 'scandalisation threshold' for news of bribery. This takes place rapidly following the upheavals of 1992 to 1994 and the political debut of media tycoon Silvio Berlusconi. In 1995 and 1996, when the number of cases reported to the

authorities reaches its peak, newspaper coverage of corruption is less than it had been on average in the period from 1987 to 1991, when the numbers involved in inquiries was almost one tenth. Newspaper's coverage of corruption cases has decreased rapidly in the last decade and in 2007 and 2008 it is much lower than it was in the 1980s, when instances of corruption reported to the authorities were fewer than half. This is the *Italian miracle*, as Cazzola ironically calls it: 'After tangentopoli ['bribesville'] the country has never been so virtuous, at least in appearance' (Cazzola, 2007).⁹ The trend presented in Figure 7 is an indicator of the general decline in the media's interest in corruption scandals, which may reflect resignation or habituation on the part of the public.

To sum up, empirical data for the corruption that is reported, perceived and exposed show three distinct trends. The first and third decline after the mid 1990s – gradually and with fluctuations in the opposite direction in the first case, more rapidly in the case of media coverage. Perceived corruption, by contrast, shows a clear, though fluctuating, trend upwards from 2001. In recent years, reported, sanctioned and exposed corruption have reached their lowest levels since 1992, while perceived corruption has reached a ten-year high. Combining these sources of information we may infer that:

1. Taking perceptions of rising corruption as an indicator that its incidence is spreading, lower figures for the number of people, and for crimes reported and sanctioned, imply an increase in the number of corrupt exchanges which do not result in prosecution or incur penalties. In other words, in the last decade the probability that corrupt agents are able to undertake their transactions successfully, without the interference of control agencies, has grown. And if corruption is safer, then there is a stronger incentive to engage in it.

2. The perception that corruption is becoming increasingly widespread does not seem to derive from more extensive media coverage. There is a striking divergence between the beliefs and opinions expressed by the public and the salience given to corruption by the mass media. If newspaper coverage is constantly falling in the case of the independent *la Repubblica*, then presumably the decline is even greater in the case of the broadcasting system owned or directly influenced by the Prime Minister, Silvio Berlusconi. If perceptions of rampant corruption are not induced by official sources of information, arguably their origins are to be found in informal channels of communication or personal experience.¹⁰

3. There is an evident decline in media interest in exposing corruption at national level after the huge publicity made possible by *mani pulite*: a kind of 'saturation effect' has accompanied an increase in the tolerance threshold. At first, the fear of being prosecuted and publicly exposed was a real deterrent for corrupt politicians, even stronger than the threat of any legal sanctions, since it implied a public judgement, made in the public

sphere – with the possible consequence that their reputations would be destroyed. But, as Pizzorno observes, if these cases become too frequent, then they lose their value. ‘Like medicines that become the less effective the more you take them, so it is with inquiries, legal notifications and indictments: the more they follow one after the other, the less people pay any attention to them, and the less they give rise to public judgments that count or have any lasting impact’ (Pizzorno, 1998: 114). Thus it was that media attention shifted progressively from corruption to disputes about the alleged political bias of ‘left-oriented’ judges, exacerbating friction between the political and judicial systems.

‘Governance structures’ in corrupt exchanges: the Italian case

The trends discussed in the previous section suggest that during the last decade in Italy corruption has become more widespread and less risky; that efforts to detect and punish it have lost momentum; that in a climate of mistrust and dissatisfaction, public and media attention to it has become almost non-existent. Such an outcome is not surprising. If – as we will see – anti-corruption policies are absent or ineffective, while the prevailing value system still reflects individualistic or familist values and the lack of a civic culture, the voice of supporters of legality will fade or find few listeners, with the result that the dominant strategy for many will remain that of seeking to be included in the hidden networks of corrupt exchange through which significant benefits are allocated. Nevertheless, from an analysis of qualitative sources – judicial records and newspaper reports – this hidden market seems now to reflect new equilibria, with some significant differences as compared with the *mani pulite* era in the distribution of roles and shares of resources among actors involved (Della Porta and Vannucci, 2007a).¹¹

Extensive judicial investigation, moreover, seems to have had a number of negative side-effects. First, there has, over the long term, been an increasingly widespread ‘sense of impunity’, due to the ineffectiveness of attempts at prosecution, as former justice, Gherardo Colombo, has pointed out: ‘From a judicial point of view, *Mani pulite* has been useless, or even worse, harmful: the almost total failure to secure any convictions (of 3,200 defendants, 2,200 will get away with their crimes thanks to the statute of limitations) strengthens the sense of impunity that reigned in Italy before 1992’ (*la Repubblica*, 15 May 2000, p.15). The effects of the inherent inefficiency of Italian judicial procedures have been reinforced by the passage of several laws which have obstructed inquiries, de-criminalised formerly illegal activities and shortened the time period before the statute of limitations comes into effect.¹²

A second factor has been described by justice Piercamillo Davigo: ‘The repression of criminals has the same effects as those typically exerted

by predators in processes of natural selection, namely improvement of the abilities of the prey. We caught only the slowest prey, leaving free those who ran fastest' (Barbacetto, Gomez and Travaglio, 2003: 678). While the less 'adept' or capable corrupt agents were caught and therefore eliminated from the 'corruption environment', the more talented ones survived. At the same time, 'new' agents have learned the lessons, adapting their operations to the conditions of risk revealed by previous enquiries, thanks to which they have acquired knowledge and skills which make it more difficult to discover and punish their illegal activities. The adoption, for instance, of sophisticated new financial mechanisms for bribe payments in tax havens, or the 'dematerialisation' of bribes through the fraudulent services of pseudo-consulting firms, represent 'emergent challenges in the fight against corruption, including new and more complex techniques of criminals to circumvent existing legislation, prosecutions being repeatedly time barred' (Greco, 2009: 7). Recent changes in the public administration and in the party system have not brought about less corruption, but have simply encouraged the actors involved to develop their skills (Della Porta and Vannucci, 2007a).

The strength and durability of Italian corruption have traditionally been explained as the effects of the combined influence of several macro-variables: the long-standing absence of alternation in government, which undermined the possibility of reciprocal control; the rising costs of politics and the regulations concerning the public financing of parties, with their inflationary effects; the frequent intimidation or corruption of magistrates and the representatives of other control agencies; the absence of electoral sanctions against corrupt politicians and parties; political dominance of the media system; the structural inefficiency of Italian public administration; the de-facto arbitrariness of many decision-making processes, where excessive formal regulation coexists with the attribution of special derogatory or emergency powers; the extent of state intervention and the over-regulation of economic and social activities; the formalism of administrative procedures and controls; collusive dynamics in the relationships between politicians and bureaucrats; the presence, in several regions, of organised crime with its enforcement apparatus underwriting agreements in illegal markets; the lack of confidence of citizens in the state and the political class; the lack of competition in markets, favouring the formation of collusive agreements; the structure of social values and the political culture, orientated both to strong ideological attachments (at least until the fall of the Berlin wall) and to particularistic relationships; the lack of a 'sense of the state' and of universalistic attitudes in the public service (for a survey see Pizzorno, 1992; Comitato di studio, 1996; Della Porta and Vannucci, 1994; 1999a; 1999b). Most of these explanatory factors are still valid, with the possible exceptions represented by the emergence of government alternation; the partial privatisation of several public

enterprises; the on-going reform of the processes of public administration and control; the weakening of ideological appeals.

The robustness of Italian corruption also owes much to the deep-rootedness of the endogenous, qualitative features of the relationships between the political, administrative and economic actors involved. One of the most striking features of Italian corruption revealed by judicial inquiries is that illegal activities, both at local and at central levels, were and often are closely interrelated thanks to complex networks of corrupt exchange. In other words, corruption in Italy has been shown to be – and presumably still is – a *system*, not the mere aggregation of many dispersed, isolated illegal acts. It has become a market, which, as in the case of every functioning market, has developed internal rules and codes of behaviour – a *regulated* market, in which the exercise of public authority in many crucial areas – public contracting procedures, licensing, urban planning, etc. – is governed by the laws of supply and demand (Vannucci, 1997; Belligni, 1998).

Several governance mechanisms ensure order and certainty in illegal contractual relationships, reducing their transaction costs. In some cases, guarantors play a central role, assuring strong defensive barriers against the internal risks of quarrels and attempts at free-riding as well as the external risks deriving from the ever-present threat of judicial intervention. A conspiracy of silence is the prevailing tendency within the political and economic elite, even among those who are not personally involved in corruption: the contrast between the number of allegations made by politicians and entrepreneurs – almost none – and the number of corruption episodes exposed by inquiries in the last two decades – several thousand – is striking.

When corruption becomes widespread, as in Italy, certain operating mechanisms or governance structures emerge and become institutionalised to meet the demand for ‘certainty’ and protection in the expanding illegal networks. Governance mechanisms, in fact, provide a kind of organisational framework which sustains the uncertain and fragile – economic not legal – ‘property rights’ which are at stake in corrupt exchanges (Barzel, 1989): the ‘right’ to receive the public contract one has paid for; the ‘right’ to receive part of the rent as a bribe; the ‘right’ not to be asked for unduly sizeable bribes, etc. Obviously, when governance mechanisms emerge, they influence both the rational calculus and actors’ cultural attitudes, lowering the moral barriers against illegality (Della Porta and Vannucci, 2005). As a building firm manager recalls, when appointed he was given ‘a booklet in which all the “obligations” and bribe-payment dates of the company were recorded: a list of names and sums; an inheritance which had to be respected to the letter. Illegality was so widespread that I did not feel I was committing a crime’ (*Panorama*, 16 April, 1994, p. 86). This process can explain the so-called ‘snowball effect’,

which has often been observed: the 'natural' tendency of corruption to expand in extent since the risks and expected costs (associated with obtaining information about the nature of illegal dealings, identifying a reliable partner etc.) tend to decrease the more widespread it is already.

While in petty corruption shared expectations of reciprocity generate sufficient trust in the partner's honesty to guarantee the success of these occasional, low-profile illegal dealings, more frequent and profitable interactions allow an enlargement of people involved. Repetition of the corrupt game enlarges the range of sanctions imposed against free-riders through to enforced 'exit' from the game by being excluded from future opportunities for corrupt exchange. Customary corrupt agents have a precise interest in establishing good relationships with their counterparts, and reputational resources become very important. What is required is the dissemination of information on past performance within the circles of the agents involved in corruption. In most areas of the public sector in Italy (as, for instance, in public contracting; in fiscal, administrative and police inspections; in urban planning; in the health sector; in the administration of the armed forces; in the issuing of driving licenses, etc.) corruption can in fact be described as systemic. As the Greco evaluation report (2009: 3, 6) on Italy asserted:

corruption is deeply rooted in different areas of public administration, in civil society, as well as in the private sector. The payment of bribes appears to be a common practice to obtain licenses and permits, public contracts, financial deals, to facilitate the passing of University exams, to practice medicine, to conclude agreements in the soccer world, etc. [...]. Corruption in Italy is a pervasive and systemic phenomenon which affects society as a whole.

Systemic corruption has at least three distinguishing features: (a) all, or almost all public activities within a certain public organisation are oriented or related to the collection of bribes; (b) all, or almost all, agents in the organisation are implicated in an invisible network, which is regulated by unwritten norms and a commonly understood allocation of tasks and roles. Its activities include the collection of bribes and their distribution; the socialisation of newcomers; measures of camouflage; the definition of internal rules; regulation; enforcement; (c) all, or almost all, private agents in contact with the organisation know the 'rules of the game' and are willing to pay bribes in order to obtain the benefits allocated as a result of them.

Ample empirical evidence of systemic corruption has emerged in past as well as in more recent Italian inquiries. To take a few recent cases in a 'minor' sector, in Caserta, thirty-two hospital functionaries and undertakers were arrested or investigated for their involvement in a cartel of firms involved in regular payments of '€100 for each corpse to be buried,

approximately €5,000 monthly', in exchange for 'the immediate release of information on deaths occurring at the hospital' (Tribunale di Caserta, 2009: 2). A similar organisation was uncovered in 2008 in Milan, where funerals in eight public hospitals were monopolised by nineteen firms, with sales proceeds of €150,000 daily and amounts of between 5 and 10 per cent being paid to hospital officials as bribes for each type of service delivered. The bribe money was pooled before being subsequently redistributed according to the roles of the persons involved – where these included senior administrators as well as male nurses (*la Repubblica*, Milan, 18 October 2008 and 4 February 2009). In Turin in 2001, a customary agreement between thirty-five undertakers, male nurses and administrators attached to three public hospitals was uncovered. The agreement regulated the payment of bribes of fixed amounts for confidential information about deaths. The group's dealings were managed through a common account for the receipt of bribe money, and records of incomings and outgoings (*Corriere della Sera*, 21 June 2001, p.16). In 2007 an analogous situation emerged again in Turin when eight male nurses and four undertakers were arrested and prosecuted. Administrators took bribes – of between €50 and €300 per corpse – on a daily basis with the money subsequently being shared among the agents involved: 'Everything revolves around... money: the funerals and literally everything else, absolutely everything ...' is the comment of one undertaker whose conversation was secretly intercepted (*la Repubblica*, Torino, 7 February 2007, p.31).

Systemic corruption is normally regulated, in fact, by a clearly defined set of rules of behaviour, establishing who to get in touch with, what to say, or not to say, what expressions can be utilised as part of the 'jargon of corruption', how much to pay, and so on (Della Porta and Vannucci, 1999b). In this context precise rates of bribe-payment often tend to emerge – a situation captured by the expression used in public contracting, namely, the 'X per cent law' – and this regularity reduces transaction costs, since there is no need to negotiate the amount of the bribe afresh every time: 'I found an already tried and tested system according to which, as a rule, virtually all contract winners paid a bribe of three per cent ... The proceeds of these bribes were divided among the parties according to pre-existing agreements', is the description offered by a politically appointed public manager in Milan (Nascimbeni and Pamparana, 1992: 147). In the public procurement activities of the River Po Authority in Turin four per cent was the expected price to pay for corrupt exchanges: 'The system of bribes was so deeply rooted that they were paid by entrepreneurs without any discussion, as an accepted obligation. And bribes were taken by public functionaries as a matter of routine' (*la Repubblica*, Torino, 2 February 2003).

Informal norms can multiply since they provide the basis for the greater effectiveness of enforcement mechanisms, which function to reduce

uncertainty, and to prevent misunderstanding and quarrels. The most fundamental rule – what one might call the ‘constitutional statute’ of systemic corruption – is based on the expectation that corruption cannot be avoided, that in every interaction with the public administration (or within the public administration) a bribe (or a part of it) must be paid (or redistributed) in order to ‘get things running smoothly’. As one entrepreneur puts it: ‘In that public organisation you have to pay bribes to virtually everyone, I mean from ushers to the Minister. [...]. The stream of bribes has been standardised for at least 20 years [...]. I can say this because I am in touch with countless entrepreneurs, all of whom have told me the same thing’ (Davigo and Mannozi, 2007: 266-7). Corruption then becomes a sort of self-fulfilling prophecy, since the perception that such a norm is widely observed increases the economic advantages to be had from complying with it, as well as lowering the moral barriers against doing so. Paradoxically, the moral aspect is acknowledged within the system of corrupt exchanges when, through internalisation of the associated norms, ‘honesty’ becomes trustworthiness in illegal dealings, as in the case of Italian party treasurers who were selected precisely for their reputation for reliability in the management of bribes (Della Porta and Vannucci, 2005).

In ‘organised corruption’ various actors can become guarantors of the efficient and peaceful functioning of the market for corrupt exchange. They act as a ‘third-party’ enforcement mechanism, a sort external authority. Basically, a guarantor must be able credibly to threaten and if necessary to impose costs on other agents included in the network, or related to them by exchange relationships, so assuring, through respect of the norms of behaviour, order against the potential ‘state of nature’ of the corrupt environment.

There is a difference between ‘old’ and ‘new’ corruption in Italy in terms of the ways in which the tasks of protection are assigned within the still widespread networks of systemic corruption. The protective activities of traditional Italian parties, once carried on within an iron triangle consisting of the parties themselves, cartels of entrepreneurs and senior administrators, were destabilised following the parties’ declining fortunes.¹³ Political bosses have consequently achieved heightened autonomy in supervising the operation of corrupt dealings in their areas of informal control (Della Porta and Vannucci, 2007a). Since *mani pulite*, entrepreneurs too have played a major role in administering contacts, coordinating activities and imposing sanctions. The scandal involving the entrepreneur Alfredo Romeo in Naples is paradigmatic of this ‘new equilibrium’ in systemic corruption. He was, apparently, the organiser of a large network of politicians and officials – including center-left as well as centre-right parliamentarians; regional, provincial and municipal councilors; criminal and administrative justices; administrators – all involved in complex exchange mechanisms thanks to his control of several

resources: money (bribes, as well as subtler forms of political financing through pseudo-consulting contracts, etc.), political and administrative careers; the recruitment of relatives; the subcontracting of public-procurement work. As explained by the judges (Procura di Napoli, 2008: 2-3):

Romeo was the organiser of a veritable 'committee', composed of public officials, professionals, councilors and public-sector managers who, with him at the centre, used their power and duties to help him obtain public contracts for construction and the provision of services, receiving in exchange the rewards that he could distribute (the recruitment of selected people; consulting contracts and assignments; money). They assured him that in contracting procedures public invitations to bid would be planned to meet his requirements, these actually being written by Romeo and his staff, his bids later being accepted by the public bodies involved.

For instance, during the course of an intercepted telephone conversation the entrepreneur asks a centre-left parliamentarian to 'obtain credit' for a public contract that was unjustifiably awarded to a competitor: 'They excluded me because of a friend of his... they managed the deal'. 'If you want, I can stop the procedure'. 'No, it is not necessary; let him have it, poor guy. But they will have to pay for this'. According to the investigating judges, in Naples public contracts and procedures were shaped to match the characteristics of the Romeo firms 'with the purpose of guaranteeing him the award of contracts worth billions' (*la Repubblica*, 18 December 2008).

Middlemen – the so called *faccendieri* – have also become pivotal actors in systemic corruption, thanks to their ability to manage information, to include reliable actors in or to expel unreliable ones from networks. As exemplified by the case of Giampaolo Tarantini in his confession to judicial investigators, the careers of would-be middlemen require consistent investment in connections and the building of contacts, which can be particularly expensive when they aspire to the highest levels of intermediation and have to satisfy potential partners' secret tastes:

I wanted to meet President Berlusconi and therefore I had to bear considerable expenses in order to get to be one of his intimate acquaintances. Being aware of his interest in women I introduced girls to him telling him they were my friends, concealing the fact that I sometimes paid them. I asked him to introduce me to the person responsible at national level for civil defense, Guido Bertolaso, since I wanted a friend of mine, with whom I had reached a collaboration agreement, to have an opportunity to illustrate to him the qualities of his industrial group, with the prospect of obtaining future contracts. One evening President Berlusconi introduced me to Bertolaso [...]. I want to state that the use of prostitutes and cocaine is related to my project of creating a network of connivance within the public administration, since at that time I believed that girls and cocaine were the key to success in high society (*Corriere della Sera*, September 9, 2009).

Senior officials too can manage networks of corrupt exchange in the areas subject to their authority, doing so both internally, with respect to subordinates, and externally with respect to private counterparts. Enduringly dominant, in southern regions, is the regulatory function of criminal organisations, whose potential recourse to violence is a powerful deterrent against defection from corrupt agreements, especially in public contracting, urban planning and other profitable markets (Della Porta and Vannucci, 2007a).

It is not possible to generalise about which actors – if any – will act as guarantors within given corruption networks. The role of third-party enforcers in corrupt exchanges mirrors their actual power to sanction illegal dealings, which is related to – but does not always coincide with – their official roles, or their strategic positions within market structures. Less visible resources, like the power to blackmail, confidential information, networking skills, social capital, etc. are also very important in this respect.

Anti-corruption failures at stake

Italy has experienced – and still experiences – levels of corruption significantly higher than in most Western countries. At the same time, through judicial investigations of illegal activities, it has experienced high levels of public exposure of corruption. The *Tangentopoli* ('Bribesville') scandal triggered a crisis of the so-called First Republic, thanks to the degree of public condemnation of the ruling elite and its corrupt activities.

The Italian case represents then a sort of 'magnifying glass' for the analysis not only of the mechanisms of corrupt exchange, but also of the capacity of civil society and the political-institutional system to combat them. In the aftermath of the initial revelations of the *mani pulite* investigations, certain reforms were launched which indirectly affected the opportunities and the incentives for corruption. They included amendment in November 1993, of those articles of the Constitution that concern parliamentary immunity; reform of the electoral system following a referendum to change the previous system; the re-organisation of public procurement processes; wide-ranging reforms of the public administration involving a significant simplification of administrative procedures (Greco, 2009: 39). Paradoxically, then, a large number of anti-corruption effects were the unintended consequences of reforms aimed at solving *other* problems, such as administrative inefficiency. When politicians sought *intentionally* to pass measures to combat corruption, then vetoes, conflicting view-points, and controversies ensured the failure of reform efforts.¹⁴

In contrast with previous critical conjunctures – when the activities of terrorists, subversive movements or organised crime have taken centre stage – 'no emergency legislation was passed to deal with the emergency of

corruption' (Davigo and Mannozi, 2007: 212). Gherardo Colombo, one of the team of public prosecutors responsible for the *mani pulite* investigations, expressed his disappointment in 1996 in the following terms: 'Over the past four years not a single law or decree has been approved to facilitate the investigations, or to make corruption more difficult; not a single measure to modify monitoring procedures in order to make them effective; not a single provision to expel from the public administration those who for decades have been selling their "services"' (Colombo, 1996: 154).

Anti-corruption policies first came onto the political agenda with the centre-left government of Romano Prodi, in office between 1996 and 1998, mainly through the work of a legislative committee of the Chamber of Deputies. Despite the broad nature of the proposals formulated, only one of them was approved by Parliament – and then only in 2001, during the last days in office of the centre-left government of Giuliano Amato (2000-2001). It concerned the relationship between criminal sanctions and the disciplinary procedures to be applied to formerly untouchable public officials who, despite carrying criminal convictions, continued to benefit from career advances.

A symbolic 'dividing line' can be drawn with the national elections of May 2001, won by the centre-right coalition led by Silvio Berlusconi, who has been indicted for crimes of corruption on several occasions. From then on, a contrasting tendency became predominant. A number of measures, often tailored on an ad hoc basis to the judicial needs of the Prime Minister, were passed to restrain and weaken the impact of the judicial investigation of corruption. Media and public attention was diverted towards different issues, while the political class began systematically to condemn corruption investigations as a form of politically biased intrusion of the judicial authorities in the political realm, a realm which by definition must be excluded from its influence. The need for anti-corruption policies completely disappeared from public debate and was eradicated from the political agenda. At the present 'Italy does not have a coordinated anti-corruption programme. No methodology is currently in place to estimate the efficiency of anticorruption measures specifically targeting public administration' (Greco, 2009: 28). Anticorruption measures have therefore been restricted to the sphere of investigation and punishment (with all the resulting limits and drawbacks in terms of institutional conflict). There has been no significant modification of the regulatory framework. The declining interest of newspapers and other media analysed in the second section, testifies to the success of this 'strategy of displacement'.

An outline of the principal laws to have shaped the existing Italian anti-corruption framework over the last decade, or – vice versa – to have presumably increased opportunities for safe corrupt activities are presented in Table 1. Direct measures only are here considered, i.e. those which had the fight against corruption as their stated object, or those which

were criticised in public debate as likely to guarantee immunity to major institutional figures or to limit the capacity of the judicial system to bring the corrupt to justice.¹⁵

A comparative analysis of these measures suggests the following general considerations:

1. Measures that potentially encourage corrupt activities and protect the interests of the governing class have been more in evidence – both in quantitative and qualitative terms – compared to anti-corruption measures. Public perceptions confirm this negative course: according to the 2009 Corruption Barometer, 69 per cent of Italian citizens believe that Italian governments have proven ineffective in the fight against corruption; only 16 per cent have a positive opinion (Transparency International, 2009).

2. Anti-corruption measures, in two cases out of seven, have come about thanks to external influences, being the product of the signature of international treaties (ratified after delays of three and six years respectively); the institution of an anti-corruption authority, provided for by two laws, also derives from international commitments.¹⁶ Three out of seven were approved during the final months of the centre-left government, between the end of 2000 and June 2001. All these laws focus on minor aspects of the problem, however, and none of them reform legal aspects of corruption-related crimes. One of them has been partially abrogated as a consequence of three rulings of the Constitutional Court.

3. Of the two measures providing for the establishment of an anti-corruption authority, one abolishes the former High Commissioner for the Prevention and Repression of Corruption and creates the Anti-corruption and Transparency Service (Servizio Anticorruzione e Trasparenza, SAET). However, the new body, like the Commissioner, is nevertheless placed in a position of functional dependence on political institutions – the Prime Minister in the first case, the Minister for Innovation and the Civil Service in the latter case – and is endowed with meagre financial and human resources – resources which have been considerably cut with the transition to SAET.¹⁷ The lack of any significant outcomes of the anti-corruption initiatives of these authorities is an indicator of their symbolic nature as policy instruments, ones designed to maximize the public visibility of political action and to generate attention, mere gestures in the direction of seriousness (Blühdorn, 2007). Finally, SAET – as well as its predecessor – has advisory, research, sensitisation, co-ordination and stimulus functions, but its remit does not extend to the collection of information about, the investigation or the sanctioning of specific corrupt dealings.¹⁸ Its most notable activity has been the signature of two preliminary agreements, in October 2009, with the Authority for Public Contracts and the Association of Italian Municipalities (Associazione Nazionale Comuni Italiani, ANCI). The aim is the introduction, with the input of Transparency International, of integrity pacts as a model for the adoption and dissemination of best

practice in public contracting procedures. This new approach represents a shift from an often discussed but never implemented regulatory model of anti-corruption policy, with universal requirements and state monitoring of their application and enforcement, to a contractual model, where the definition of rules to prevent 'misbehaviour', their acceptance and the eventual sanctioning of their violation is delegated, on a voluntary basis, to the agreement of private and public parties. The presumable outcome will be a patchwork of anti-corruption initiatives, whose effective implementation will be a matter of the goodwill of individual political and business actors.

4. Measures potentially encouraging corruption have in several cases had much wider impact and ambitions, as is evident in the general reform of corporate law and related offenses, which *de facto* de-criminalises a number of crimes related to false accounting; in the unpopular measure reducing prison terms by three years in the case of crimes committed up to and including 2 May 2006 – the main questionable measure passed by a centre-left majority in the last decade – and in the law reducing the time limit specified by the statute of limitations, which has had a number of significant effects:

a disquieting proportion of all prosecutions for corruption fail because of the expiry of the relevant time limit specified in the statute of limitations. [...] There was a high chance of the limitation period expiring before the trial could be concluded, even if the evidence was strong. This is a significant shortcoming which clearly undermines the efficiency and credibility of criminal law [...]. Moreover, sanctions lose much of their dissuasive character where justice is so seriously delayed that the accused person has a very good chance of avoiding them altogether as a result of the expiry of the limitation period (Greco, 2009: 15).

The debate on the real nature and effects of such measures was not limited to the political arena or the public sphere, however, but, having being pursued through the relevant institutional channels, eventually gave rise to a discussion before the Constitutional Court. The low technical quality of the laws and the questionable motives driving them is confirmed by the high number of adverse judgments, with ten rulings of partial and one of complete unconstitutionality in the case of eight laws.¹⁹

5. Complete abrogation and partial abrogation, in October 2009 and January 2004, have sunk two measures potentially enhancing corruption which were directly designed to provide legal safeguards for Prime Minister Berlusconi against pending judicial inquiries into his affairs. The result in both cases has been heightened dramatisation of the tensions between branches of the state, the executive (supported by its parliamentary majority) and the judiciary, and a further shift of the focus of public debate from the issue of corruption to the allegations that judges are

politically biased. Following its rejection of the *Lodo Alfano* providing for immunity from prosecution of the holders of the four highest offices of state, the Constitutional Court was for the first time dragged into the institutional conflict when Berlusconi remarked:

With a Constitutional Court having eleven left-wing judges out of fifteen, approval was impossible (...). We have a minority of red judges which are very well organised and use the system of justice for the purposes of waging a political struggle (...). We have constitutional judges nominated by three left-wing Presidents, who have turned the Constitutional Court into a political organ, rather than an organ guaranteeing the citizen's fundamental rights and freedoms (*Il Sole-24 Ore*, 7 October 2009).

The prospect of a 'civil war' between 'subversive' prosecutors and an executive legitimated by its electoral majority, as reported by newspapers after a summit meeting of the centre-right, was subsequently evoked by the Prime Minister, with a further dramatisation of the institutional conflict (*la Repubblica*, 26 November 2009).

6. Legislative measures currently under discussion could further undermine judicial efforts to combat corruption. A bill sponsored by the Minister of Justice Angelino Alfano, published in June 2008, would amend the rules concerning special investigative techniques and wire-tapping, with its initial version having limited, for corruption-related as for a number of other crimes, the time for which they could be used and their cost to the public purse. In November 2009 several proposals for constitutional amendment were published by the centre-right majority, to reintroduce a general immunity for all members of Parliament, and provide a special guarantee for holders of the highest offices of state. Finally, in November 2009 a bill was presented by the centre-right majority to limit the duration of trials to a maximum of six years. To be applied also to proceedings already underway and to corruption-related crimes, such a measure would provoke the termination – according to the estimates of the High Council of the Judiciary (Consiglio Superiore della Magistratura, CSM) – of between 10 and 40 per cent of criminal proceedings currently in progress, and between 20 and 47 per cent of civil proceedings (*La Stampa*, 25 November 2009, p.3). The estimates of the Ministry of Justice are more optimistic, limiting the incidence of the proposal to 1 per cent of proceedings currently in progress (*Corriere della Sera*, 19 November 2009). Incidentally, the new regulation would also benefit Berlusconi by extinguishing two of the lawsuits in which he is accused of corruption (the Mills case) and corporate crimes (in the purchase of broadcasting rights for Mediaset) (*la Repubblica*, 23 November 2009).

Table 1: Major direct anti-corruption and potentially 'corruption enhancing' measures in Italy: 2000-2009

Cabinet	Anti-corruption measures	Current status	Potentially 'corruption enhancing' measures	Current status
Amato II (centre-left) – April 2000-June 2001	Law n. 300/2000 – ratification of the 1997 EU Convention against corruption of European Community functionaries and of the 1997 OECD Convention against corruption of foreign public officials.	Still in force.		
	Law n. 97/2001 – relationship between penal sanctions and disciplinary sanctions for public officials involved in corruption-related and other crimes.	Still in force; ruled partly unconstituti onal in May 2002, July 2002 and June 2004.		
	D.lgs. 231/2001 – administrative responsibility of firms and associations for corruption-related and other crimes.	Still in force.		
Berlusconi II (centre-right) – June 2001-April 2005	Law n. 15/2003 – institution of a 'High Commissioner for the Prevention of Corruption'	Abolished by law n. 133/2008.	Law n. 367/2001 – restricts admissibility, in criminal proceedings, of evidence gathered abroad.	Still in force.
			Law n. 61/2002 – reform of corporate law, decriminalising false accounting.	Still in force.
			Law n. 248/2002 (<i>Cirami</i>) – transfer of judicial proceedings from one court to another in cases of 'legitimate suspicion' of lack of impartiality.	Still in force.
			Law n. 140/2003 (<i>Lodo Schifani</i>) –immunity for holders of the five highest offices of state, including Prime Minister; requirement of parliamentary authorisation of prosecutors' collection of evidence of members' crimes and	Still in force; immunity of five highest office- holders ruled partly unconstituti onal in January 2004; articles providing

Italian corruption and anti-corruption policies

			imposition of restrictive measures.	for destruction of evidence of parliamentarians' crimes in cases of denial of authorisation ruled unconstitutional in October 2007.
Berlusconi III (centre-right) – April 2005-June 2006			Law n. 251/2005 (<i>ex-Cirielli</i>) – reduction of time limits stipulated by the statute of limitations for many crimes (including corruption).	Still in force; ruled partly unconstitutional in June 2006, October 2006, March 2007.
			Law n. 46/2006 (<i>legge Pecorella</i>) – impossibility for public prosecutors to appeal against acquittals in corruption-related and other cases.	Still in force; ruled partly unconstitutional in January 2007, July 2007, March 2008, April 2009, October 2009.
Prodi II (centre left) – June 2006-May 2008			Law n. 241/2006 (<i>indulto</i>) – reduces by 3 years penalties imposed for corruption-related and other crimes committed up to and including 2 May 2006.	Still in force.
Berlusconi IV (centre-right) – since May 2008	Law n. 133/2008 – institution of SAET – the Anti-corruption and Transparency Service.	Still in force.	Law n. 124/2008 (<i>Lodo Alfano</i>) – penal immunity for holders of four highest offices of state, including Prime Minister.	Ruled wholly unconstitutional in October 2009.
	Law n. 15/2009 – institution of the Committee for the evaluation, transparency and integrity of public administrative bodies.	Still in force.		

Concluding remarks

The persistence of corruption and the failure of anti-corruption policies in Italy can be explained, from a neo-institutional perspective, by combining elements of the two main approaches to have been applied to the study of corruption: the economic and the socio-cultural approaches.

The economic approach emphasises the crucial role of economic incentives and opportunities to engage in corrupt activities. People are *attracted* to illegal practices by their *interests*, that is to say, by the combination of their preferences and the set of institutional opportunities personally to gain from the exercise of public authority. Corruption is considered the final outcome of rational individual choices, whose spread is determined by the structure of expected costs and rewards: penal and administrative penalties, the expected risks, the probability of incurring electoral sanctions, the size of the rents which can be collected, etc.²⁰ Klitgaard (1988) synthesizes the main variables influencing this economic calculus thus: $C=M+D-A$. That is levels of Corruption are proportional to Monopoly (the number of monopolistic positions both in the public and in the private sector, these implying the creation of economic rents), plus Discretion (the power to decide how to allocate rents), minus Accountability (the effectiveness of state and social monitoring of agents' conduct).²¹

Key terms associated with the socio-cultural approach are ethical norms, cultural values, traditions, civic culture. The crucial variable operationalised in formal models is the moral cost of corruption: the utility that is lost because of the illegality of an action, something that increases with the development of a value system that supports respect for the law. People, in fact, are pushed towards corruption by their internalised values and by social pressures and are the less sensitive to the opportunities for illegal enrichment the higher their (or their peer group's) moral standards – and vice versa. Given similar institutional conditions, levels of political corruption will vary with the moral attitudes of citizens and public administrators. Moral costs reflect social norms and ethical preferences and beliefs, as reflected in the *esprit de corps* and the 'public spiritedness' of officials; the political and civic culture; the political identity and 'moral quality' of the political class; the public's attitudes towards illegality; business ethics. For an individual, 'the moral cost is lower the more ephemeral circles of moral recognition offering positive reinforcement of respect for the law appear to him to be' (Pizzorno 1992: 46). Individuals will suffer higher costs when, from the perspective of both their own ethical standards and those of their peers, corrupt behaviour involves a violation of values – such as those enjoining a commitment to public service – which have been internalised. The substantial variations in levels of corruption which are observable across states having similar legal systems and formal institutions – that is, comparable monetary incentives

and opportunities for corruption – can in fact be explained by differences in the size of the moral costs (and in the characteristics of their distribution).

The overall extent of corruption in a given country will therefore be affected by the combination of two sets of variables: the expected economic benefit of corruption for individual actors (as well as the characteristics of their interrelated strategic choices); and the distribution of moral costs in the society.²² Moreover, we have to consider the internal dynamics of corrupt activities. Once a certain organisational texture and ‘cultural adaptation’ to systemic corruption has developed, as in the Italian case revealed by *mani pulite*, governance structures and enforcement mechanisms provide internal stability to illegal dealings in specific areas of public activity, ensuring that relationships among partners are less uncertain and more lucrative. The evolution of economic incentives and cultural values, in other words, is path dependent (Pierson, 2003): high levels of corruption in the past produce in the present increasing returns by neutralising moral barriers; by creating more lucrative opportunities for illegal dealings rooted in formal procedures and decision-making processes; by providing organisational shields and mechanisms of protection against external intrusion by the authorities and internal friction among corrupt actors. The influence of the legacy of bribery operates through several mechanisms. Widespread corruption generates ‘skills of illegality’, governance structures and informal norms whose force is based on adaptive expectations and coordination effects. Moreover, as is evident from analysis of the legislative measures adopted during the course of the last decade, past corruption’s shadows may influence its present spread also through the intentional activities of actors implicated in corruption networks, who can obstruct judges’ inquiries and strengthen expectations of impunity through reforms facilitating corruption.

The *Italian abnormality*, i.e. the presence in an advanced democracy of levels of corruption higher than those to be found in some developing countries, requires all of these factors in order for it to be explained. The distribution and absolute level of moral costs reflect the nature of the value structure prevailing in Italian society. Amoral familism (Banfield, 1958); an alienated, fragmented and particularistic political culture (Almond and Verba 1963); lack of social capital and civicness (Putnam 1993): all these concepts have been advanced precisely to explain certain enduring and long-established characteristics of the Italian value system, those ‘cultural traits of clientelism, nepotism and tax evasion in which the activities of the *Tangentopoli* defendants were ultimately rooted’ (Newell and Bull, 2003: 48). Such a value system tends to increase the extent to which recourse is had to personal relationships in the political arena, diminishing the value socially attributed to law-abiding behaviour, supporting and legitimising choices – requests or offers of bribes, or the search for clientelistic favours – which may benefit an individual or restricted group (based on a family, a party, a

clique or a firm), and are commonly accepted and tolerated in the cliques that represent the individual's main circles of recognition (Pizzorno, 1992). Such cultural traits are inherently slow to change, and several indicators show that they have not significantly changed in the last decade. As an example, we may take the size of the shadow economy – which is strongly correlated with levels of corruption – as a symptom of cultural attitudes favourable to avoidance of the law, government regulation and taxation: Italy is 22nd out of 25 OECD countries, with an increase in the size of its shadow economy from 21.2 per cent of GNP in 1996 to 23.1 per cent in 2006 (Schneider and Buehn, 2009: 32, 27).²³

On the other hand, the structure of economic incentives to be a party to corrupt exchanges has not significantly changed since *mani pulite*, if not in the direction of a further reduction in the risks of corruption. No noteworthy reform has modified the structure of economic opportunities for corruption, nor raised the obstacles in the way of corruption-related crimes by improving the efficacy of judicial efforts to combat the phenomenon. At the same time, the allocation of economic rents through new mechanisms – like project financing – in public contracting procedures has allowed competitive principles stipulated by the European Union to be side-stepped, while the spread of public/private partnerships in the management of public services has multiplied local conflicts of interest, obscured accountability and encouraged arbitrary decision-making. The failure of anti-corruption policies has established favourable conditions for the expansion of illegal networks; 'new' corrupt agents have developed suitable skills and capabilities; 'new' actors – middlemen, entrepreneurs, Mafiosi, political bosses, senior administrators etc. – have played a crucial role in the governance of the system, guaranteeing the stability and certainty of illegal 'contractual' relationships (Della Porta and Vannucci, 2007a). Systemic corruption, as shown by the Italian case, is based on the development of coordination and selection mechanisms, informal norms and sanctions, the attribution of roles and the distribution of benefits to key actors. It flourishes by building up protective barriers against the internal risks of defection and free-riding and the external threat of judicial action and political reform.

The *mani pulite* inquiries, it now seems, had only a short-term impact on corruption. The overemphasis on the role of magistrates, to whom civil society after 1992 delegated the task of renewing the political class and purifying the whole system, turned out to be a boomerang.²⁴ Its political legacy has been an escalation of institutional tensions between political powers – especially the coalition headed by Silvio Berlusconi – and the judiciary (Pizzorno, 1998; Della Porta and Vannucci, 2007b).²⁵ Its social legacy has been a deep-rooted pessimism concerning the integrity of political and economic elites; a delegitimation of almost all institutional authorities; reinforcement of the widespread tolerance of illegal practices. Its economic

legacy has been a blurring of the lines of division between the market and state activities; deregulation and the emergence of mixed public/private arrangements in the delivery of public services, especially at local level; a multiplication of conflicts of interest due to the political careers of entrepreneurs, and the entrepreneurial vocations of politicians – factors which have made corruption more difficult to detect and sanction.

The *mani pulite* inquiries courageously exposed, but could not solve the issue of widespread corruption in Italy. An enduring improvement in the quality of public ethics would have required the specific interest and consequent action of leading political actors, or strong and enduring social support for an anti-corruption agenda. Neither condition, however, has ever been realised.

References

- Almond, G. and Verba, S. (1963), *The Civic Culture: Political Attitudes and Democracy in Five Nations*, Princeton: Princeton University Press.
- Andvig, J.C. (1996), *Corruption and Softening of Government: The International Dimension*, Paper presented at the International Conference on Corruption in Contemporary Politics, University of Salford, November.
- Banfield, E.C. (1958), *The Moral Basis of Backward Society*, New York: Free Press.
- Barbacetto, G., Gomez, P. and Travaglio, M. (2003), *Mani pulite*, Roma: Editori Riuniti.
- Barzel, Y. (1989), *Economic analysis of property rights*, Cambridge: Cambridge University Press.
- Belligni, S. (1998), *Il volto simoniac del potere*, Torino: Giappichelli.
- Blühdorn, I. (2007), "Sustaining the Unsustainable: Symbolic Politics and the Politics of Simulation", *Environmental Politics*, 16 (2), 251-275.
- Cazzola, F. (1988), *Della corruzione*, Bologna: Il Mulino.
- Cazzola, F. (1992), *L'Italia del pizzo*, Torino: Einaudi.
- Cazzola, F. (2007), *Dopo "tangentopoli". Ovvero: storia di un paese miracolato*, in *Politica e società. Studi in onore di Miguel Beltran*, Madrid: Universidad Autonoma de Madrid.
- Cazzola, F. (2009), *La corruzione in Italia e in ambito internazionale*, data-report presented in the course on "La prevenzione dell'illegalità nelle pubbliche amministrazioni", Scuola Superiore di Pubblica Amministrazione, Caserta, September.
- Colombo, G. (1996), *Il vizio della memoria*, Milano: Feltrinelli.
- Comitato di studio (1996), *Rapporto al Presidente della Camera dei deputati*, Roma, 23 ottobre, Comitato di studio per la prevenzione della corruzione.
- Davigo, P. (1998), *La giubba del re. Intervista sulla corruzione*, Roma, Laterza.

- Davigo, P. and Mannozi G. (2007), *La corruzione in Italia*, Roma-Bari: Laterza.
- Della Porta, D. (1992), *Lo scambio occulto. Casi di corruzione politica in Italia*, Bologna: Il Mulino.
- Della Porta, D. and Vannucci, A. (1994), *Corruzione politica e amministrazione pubblica*, Bologna: Il Mulino.
- Della Porta, D. and Vannucci, A. (1999a), *Un paese anormale. Come la classe politica ha perso l'occasione di mani pulite*, Roma-Bari: Laterza.
- Della Porta, D. and Vannucci, A. (1999b), *Corrupt Exchanges*, New York: Aldine De Gruyter.
- Della Porta, D. and Vannucci, A. (2005), "The Moral (and Immoral) Costs of Corruption", in U. Von Alemann (ed.), *Dimensionen politischer Korruption*, Wiesbaden: Verlag, pp. 109-134.
- Della Porta, D. and Vannucci, A. (2007a), *Mani impunte. Vecchia e nuova corruzione in Italia*, Roma-Bari: Laterza.
- Della Porta, D. and Vannucci, A. (2007b), "Corruption and Anti-Corruption: The Political Defeat of 'Clean Hands' in Italy", *West European Politics*, 30 (4), 830-853.
- Eurobarometer (2005), *Opinions on organised, cross border crime and corruption*, n.245/Wave 64.3, March.
- Eurobarometer (2008a), *The attitudes of Europeans towards corruption*, n. 291/Wave 68.2, April.
- Eurobarometer (2008b), *Citizen's perceptions of fraud and the fight against fraud in the EU27*, Flash Eurobarometer 236, October.
- Greco – Group of States against corruption (2009), *Evaluation Report on Italy*, Strasbourg, 2 July, [www.coe.int/t/dghl/monitoring/greco/evaluations/round2/GrecoEval1-2\(2008\)2_Italy_EN.pdf](http://www.coe.int/t/dghl/monitoring/greco/evaluations/round2/GrecoEval1-2(2008)2_Italy_EN.pdf) (accessed 15 November 2009).
- Klitgaard, R. (1988), *Controlling Corruption*, Berkeley: University of California Press.
- Nascimbeni, E. and Pamparana, A. (1992), *Le mani pulite*, Milano: A. Mondadori.
- Nordio, C. (1997), *Giustizia*, Milano: Cantiere Italia.
- Newell, J. L. and Bull, M. J. (2003), *Political Corruption in Italy*, in J. L. Newell and M. J. Bull, *Corruption in Contemporary Politics*, London, Palgrave MacMillan, pp. 37-49.
- Pierson, P. (2003), *Politics in Time*, Princeton: Princeton University Press.
- Pizzorno, A. (1992), *La corruzione nel sistema politico*, in D. Della Porta (ed.), *Lo scambio occulto*, Bologna: Il Mulino.
- Pizzorno, A. (1993), *La politica assoluta*, Milano: Feltrinelli.
- Pizzorno, A. (1998), *Il potere dei giudici*, Roma-Bari: Laterza.
- Procura di Napoli (2008), *Comunicato stampa in relazione all'ordinanza per l'applicazione di misura coercitiva a Romeo Alfredo + 19*, Direzione distrettuale antimafia, 17 dicembre.

- Putnam, R. D. (1993), *La tradizione civica nelle regioni italiane*, Milano: Mondadori.
- Schneider and Buehn, (2009), "Shadow Economies and Corruption All Over the World: Revised Estimates for 120 Countries", *Economics: The Open-Access, Open-Assessment E-Journal*, Vol. 1, 2007-9 (Version 2), in www.economics-ejournal.org/economics/journalarticles/2007-9.
- SAET [Servizio anticorruzione e trasparenza] (2009a), *Primo Rapporto al Parlamento*, Roma, February, [www.innovazione.gov.it/ministro/pdf_home/Rapporto Parlamento SAEt.pdf](http://www.innovazione.gov.it/ministro/pdf_home/Rapporto_Parlamento_SAEt.pdf) (accessed 15 November 2009).
- SAET [Servizio anticorruzione e trasparenza] (2009b), *Relazione al Parlamento*, Roma, November, [www.innovazionepa.it/ministro/pdf/RELAZIONE al PARLAMENTO del SAEt ottobre 2008 ott 2009.pdf](http://www.innovazionepa.it/ministro/pdf/RELAZIONE_al_PARLAMENTO_del_SAEt_ottobre_2008_ott_2009.pdf) (accessed 15 Nov. 2009).
- Transparency International (2005), *Global corruption barometer 2005*, www.transparency.org/policy_research/surveys_indices/gcb/2005 (accessed 15 November 2009).
- Transparency International (2007), *Global corruption barometer 2007*, in http://www.transparency.org/policy_research/surveys_indices/gcb/2007 (accessed 15 November 2009).
- Transparency International (2008), *Bribe payers index 2008*, in www.transparency.org/policy_research/surveys_indices/bpi/bpi_2008 (accessed 15 November 2009).
- Transparency International (2009), *Global corruption barometer 2009*, in www.transparency.org/policy_research/surveys_indices/gcb/2009 (accessed 15 November 2009).
- Tribunale di Caserta (2009), *Ordinanza applicative di misure cautelari*, del giudice Antonio Baldassarre contro Chianese Antonio+31, January.
- Vannucci, A. (1997), *Il mercato della corruzione*, Milano: Società aperta.
- Vannucci, A. (2003), *La corruzione nel sistema politico italiano a dieci anni da "mani pulite"*, in G. Forti (ed.), *Il prezzo della tangente*, Milano: Vita e pensiero, pp. 3-70.

I am grateful to Franco Cazzola and Donatella Della Porta, who read a preliminary version of this paper and offered helpful comments. I would also like to thank participants in the seminar on 'Public Integrity and Political Reform' of the European Studies Research Institute, at the University of Salford (where the paper was first presented and discussed on 18 November 2009) for their useful remarks and observations.

¹ As another judge – Carlo Nordio – emphasises, support for the *mani pulite* inquiries from the media and civil society 'was – at least initially – not only general and unconditional, but also free of any political and cultural influences. Support came from left and right, without reservation' (Nordio 1997: 16).

² Following introduction of the closed-list system of proportional representation, used for the first time in 2006, the selection of parliamentarians has been placed in the hands of parties' leaders, who have paid little attention to the criminal records of candidates. A popular campaign, 'Clean Parliament', launched by the comedian and blogger Beppe Grillo, denounced in 2006 the presence in Parliament of 25 members carrying convictions (21 belonging to the centre-right coalition, 4 to the centre-left). Following the election of 2008, the corresponding figures were 18 in total (consisting of 16 for the centre-right, 2 for the centre-left).

³ Source: ITANES (Italian National Election Study) data for the 1996, 2001 and 2008 general elections (<http://www.itanes.org/index.asp?s=dati>).

⁴ Actually corruption is not a *victimless* crime, but rather a crime whose victims are *unaware* that they are such. The victims of corruption, in fact, are citizens and taxpayers, who bear the burden of increased costs of public-works and other contracts, of inefficiencies in public administrative procedures, of delegitimation of public institutions, of distortions in competitive mechanisms, etc. The General Prosecutor of the National Audit Office (Corte dei Conti) Furio Pasqualucci has defined corruption as an 'immoral and hidden tax paid by citizens (...) one whose social impact may affect negatively the economic development of the country'. Its monetary cost in Italy has been estimated to amount to between €50 and €60 billion per year (*Il Sole-24 Ore*, 25 June 2009).

⁵ The peak of 2006 is related to the extraordinary increase in the number of acts of fraud against the state reported that year (SAET, 2009a: 26).

⁶ The absolute values of the two time series are not comparable since their sources (the National Statistical Office (Istat) and the Ministry of the Interior) differ and they differ in the range of crimes – wider in the second case, including embezzlement, abuse of public office, fraud in public procurement etc. – they include.

⁷ *la Repubblica* was selected by Cazzola because of its traditional tendency to offer wider-than-average coverage of public malpractices (Cazzola 1988: 58), something that is probably related to its relative independence of political influences. Moreover, it has recently made available online a database of its articles.

⁸ A similar declining trend, after the peak of *mani pulite*, can be observed in the number of articles on corruption subjects in *la Repubblica*: on average per year there are 592 articles in 1984-1992; 1,761 in 1992-1996; 809 in 1997-1999; 517 in 2000-2004; 391 in 2005-2006 (Cazzola, 2007).

⁹ Cazzola (2007) enters two caveats concerning the comparability of the data: before 1992 they include only political corruption, i.e. corruption involving political actors or political representatives; after 1995 they also include administrative corruption. Moreover, *la Repubblica* has introduced, for the main Italian cities, local editions where some of the minor corruption cases are now reported rather than in the pages devoted to news of national interest.

¹⁰ The Transparency International Corruption Perceptions Index is based on the evaluations of both resident and non-resident country experts and business leaders, who have specific knowledge of the country's situation. In both cases we may assume that the Italian media influence opinion-making processes. Nevertheless, perceptions of increasing levels corruption are also evident in surveys limited to Italian citizens, who are presumably more exposed to the conditioning effects of national newspapers.

¹¹ As in every market equilibrium, the short-run effect of the *mani pulite* enquiries has been to raise the 'prices' (i.e. the bribes) paid to public officials (to compensate higher expected risks) rather than to bring about an overall reduction of corruption. As judge Piercamillo Davigo observed, corruption in certain sectors continued, 'even if today there are greater risks, and so it costs more' (*Corriere della Sera*, 26 May 1998, p.19).

¹² Davigo and Mannozi (2007: 253) describe a 'funnel effect', analysing a combination of factors – both external and internal to procedures – which in the end resulted in a rate of imprisonment of agents found guilty of corruption-related crimes in Italy of just 2 per cent.

¹³ According to the Corruption Barometer, however, in Italy the areas most touched by bribery are still the political parties (mentioned by 44 per cent of respondents), followed by public officials (27 per cent), Parliament (9 per cent), the judiciary (8 per cent), business (7 per cent), the media (4 per cent) (Transparency International, 2009).

¹⁴ For a detailed analysis of the results achieved by the political class between 1992 and 1999 in the struggle against corruption, its limits and the consequences for the political system, see Della Porta and Vannucci (1999b).

¹⁵ Measures which may have *indirectly* increased opportunities for corruption are, for example, the weak law regulating conflicts of interest (Law 215/2004), the '*legge obiettivo*' (Law 443/2001) concerning large-scale public works, and the law of delegation concerning infrastructure (166/2002). The latter raised concerns about the amount of resources (€126 million per project fixed for the next 10 years, with €24 billion in the 2002-4 period, concerning 220 projects) assigned to single private contractors ('general contractors'), who can either manage or sub-contract the entire project. These provisions introduce a sort of 'permanent emergency' to the contracting process and sacrifice competition, transparency, and accountability to rapid approval. The possibilities to use private contractual negotiations, rather than public tendering processes, increase the relevance of arbitrary decisions and insider knowledge, and are therefore more vulnerable to less visible corruption. It is evident, moreover, that there is the risk of consolidating cartels which 'regulate' competition between the few large businesses able to act as general contractors, in agreement with their 'political sponsors'.

¹⁶ In 1999 Italy also signed the Council of Europe Criminal Law Convention on Corruption, which has not been ratified in the ten years since.

¹⁷ In the transition in 2008 from the High Commissioner to SAET there was a cut of 80 per cent in the financial and human resources made available: the number of employees was cut from 57 to 17 (GRECO, 2009: 29); a budget of approximately €6.5 million in 2006 was cut to €3.8 million in 2007, €2.5 million in 2008, and €1 million in 2009 (SAET, 2009a).

¹⁸ Only 100 reports have been sent to SAET in the first year of its activity, mostly anonymous, 19 of which were forwarded to the judicial authorities (SAET, 2009b: 45); the preceding anti-corruption Authority had received 46 reports in 2005, 57 in 2006, 160 in 2008 (SAET 2009a: 64).

¹⁹ The low technical quality of these measures can also be partly attributed to the pressure for rapid approval in order to provide legal protection – that has

nevertheless proven quite effective – in ongoing judicial proceedings. In two of his sixteen lawsuits (All Iberian/2 and Sme/Ariosto/2), Berlusconi has been acquitted thanks to the decriminalisation of false accounting; in five cases (All/Iberian/1, Lentini, Fininvest budget 1988-92, Mondadori, Fininvest black funds) he has been acquitted thanks to a combination of extenuating circumstances and a reduction in the time limits stipulated by the statute of limitations (*la Repubblica*, 20 November 2009, p.1).

²⁰ Multiple equilibria – with low and high levels of corruption – are also possible, reflecting divergent adaptive expectations in given institutional settings. As Andvig notices: ‘One of the major reasons why corruption frequency stays low, when it is low, is the transaction cost involved if one tries to bribe in society where bribing is rare. Think of a situation when the developer knows that only one of a hundred officials is likely to ask for a bribe. If he then offers a bribe he would have to expect to do a long search before he met one to bribe. Given the expected search costs it will not pay to offer a bribe’ (1996: 18).

²¹ An element could be added to Klitgaard’s formula: the list of potential corruption generators also includes H, standing for hidden (that is, not publicly available) information. Bribes, in fact, can be paid not only to influence the exercise of a discretionary power, but also to have access to confidential, privileged information. The agent can sell this information, which has value for the briber since it increases the probability of gaining access to an economic rent. Take, for instance, a public contracting procedure that guarantees an additional profit (an economic rent) to the winner but where no public agent has discretionary power to decide who will be the winner ($D=0$). In that case there should be no corruption, unless some agent has access to confidential information (on the characteristics of the project that will be preferred, for example) that can be sold to a briber, who can therefore increase his chances of getting the rent.

²² Several hypotheses can be developed concerning the relative impact of formal institutional assets and cultural variables on the actual incidence of corruption (Pizzorno, 1992: 42-3). These variables – moral costs and economic opportunities for corruption – are not independent, however, but co-evolve, reciprocally conditioning each other.

²³ Corruption and the shadow economy influence each other positively, in a mutual relationship of increasing returns, even if the causal impact of the shadow economy on corruption is stronger than the reverse relationship: ‘Corruption functions as an additional tax in the official economy – which in turn increases the size of the shadow economy. Likewise, the shadow economy induces higher corruption as bureaucrats exploit their positions of power and as firms and individuals willingly pay bribes and hide their underground activities’ (Schneider and Buehn, 2009: 32).

²⁴ As observed by Davigo and Mannozi: ‘Criminal law, in the limited era of the *mani pulite* inquiries, proved to be the only tool available to combat corruption’ (2007: 150).

²⁵ As epitomised by the Prime Minister, Silvio Berlusconi, in a live broadcast telephone call: ‘I am not the Italian anomaly. The Italian anomaly is represented by communist judges and public prosecutors, the 109 magistrates who have prosecuted me, and since I started my political career have decided to attack me through countless legal initiatives’ (*la Repubblica*, 27 October 2009).