Transforming Local Culture: Territorial Governance in the Italian South

Simona Piattoni

RSC No. 2002/45
European Forum Series

EUI WORKING PAPERS
The European Forum was set up by the High Council of the EUI in 1992 with the mission of bringing together at the Institute for a given academic year a group of experts, under the supervision of annual scientific director(s), for researching a specific topic primarily of a comparative and interdisciplinary nature.

This Working Paper has been written in the context of the 2000-2001 European Forum programme on “Between Europe and the Nation State: the Reshaping of Interests, Identities and Political Representation” directed by Professors Stefano Bartolini (EUI, SPS Department), Thomas Risse (EUI, RSC/SPS Joint Chair) and Bo Stråth (EUI, RSC/HEC Joint Chair).

The Forum reflects on the domestic impact of European integration, studying the extent to which Europeanisation shapes the adaptation patterns, power redistribution, and shifting loyalties at the national level. The categories of ‘interest’ and ‘identity’ are at the core of the programme and a particular emphasis is given to the formation of new social identities, the redefinition of corporate interests, and the domestic changes in the forms of political representation.
INTRODUCTION

To most occasional travellers as well as dedicated scholars, the Italian South represents a basket case of economic underdevelopment and public mismanagement. The gap in economic and institutional performance with the rest of the country – denoted “North” even though it contains at least three different sub-areas, North-West, North-East and Center – has perdured for so long that it is generally considered due to structural causes. Explanations for the North-South gap point variedly to social “disaggregation” (Gramsci 1974), cultural backwardness (Banfield 1958), economic dualism (Graziani 1979), widespread distrust (Gambetta 1988a), lack of civicness (Putnam 1993) – factors that cannot be easily reversed or, worse still, have a tendency to feed on themselves and become increasingly deeply-rooted. An impressive Italian and foreign literature has contributed to forging this unshakable stereotype.¹

Yet, despite these apparently insurmountable odds, the Italian South has been capable of growth, keeping in line with average Italian growth rates, amongst the highest in postwar Europe (Accornero and Andriani 1979). Skeptics argue that this growth has been without development (Wade 1971) or that development has not secured autonomy (Trigilia 1992). Whatever economic growth was attained in the South, they argue, it was at the price of heightened dependency on national and international subsidies. A more benevolent reading of the southern record, however, not only acknowledges the sustained growth of the Italian South also in times of decreasing external support, but points to the fundamental role of local political leaders in sustaining the development process (Piattoni 1996). Economic growth has not only been dependent and derivative, but also spontaneous and innovative.

This paper starts from an unprejudiced assessment of the economic and institutional record of the Italian South to try to explain why some of its regions have fared so well during the last twenty years as to reach levels of economic and institutional performance comparable, if not superior, to those of many northern regions. It will focus upon a factor, which is normally either ignored or

¹ I formulated the initial idea for this paper during a short residence at the Robert Schuman Centre for Advanced Research in the summer of 1998 and then perfected it during my longer residence as Visiting Scholar in 1999-2000. The paper greatly benefited from suggestions made by Stefano Bartolini in the workshop “Beyond the Nation State. New Political Space in Europe” and in many other occasions, and from the comments of two anonymous reviewers. I wish to thank the Robert Schuman Centre and, particularly, the 1999-2000 European Forum directors Stefano Bartolini, Thomas Risse and Bo Stråth for logistical and scientific support, respectively.

¹ For an anthology which explores the many dimensions of this “social construction” of the Italian South, see Schneider (1998).
invoked rather to explain the South’s lack of development: *local political leadership*. In an effort to break with the prevailing structuralist picture of the Italian South referred to above, this paper will concentrate on the capacity of southern political leaders to sustain economic development and prevent economic regress through their strategic choices. In so doing, it will argue against the bulk of the political science literature, which has blamed unqualifiedly on the southern political classes the South’s relative underdevelopment.

The structure of the argument here presented departs from the today prevailing trend that considers economic performance (economy) as the epiphenomenon of governance capacities (institutions) in turn determined by the cultural setting (identity) in which governmental institutions happen to operate.\(^2\) Instead of considering the relation among these three variables as sequential – the causal arrow flowing from culture to institutions to the economy – this paper suggests that the interrelation among them is circular – each variable affecting the other two. In contrast to the prevalent view, which considers that fundamental changes can occur only in the cultural realm and then reverberate through institutions onto the economy, this view implies that the causal chain can be set in motion in each of these realms and that the causal sequence can flow in both directions. This is a more radical departure than simply admitting the existence of feedback mechanisms from one realm to the other: it means giving primary importance to agency, which can be exerted in the realm of cultural change, institution building or economic entrepreneurship. In graphic terms, we can render the two models as follows:

*Sequential causal mechanism:* Identity (culture) → Institutions → Economy

*Circular causal mechanism:* Identity (culture) ↔ Economy ↔ Institutions

The importance of adopting this approach, instead of the more prevalent one, to understand economic and institutional performance, in general, and those of northern and southern Italian regions, in particular, is clear. Since Putnam (1993), we are used to thinking that regional institutions in northern and southern Italy perform differently depending on whether they are immersed in a civic or clientelistic culture, in turn determined by the presence or absence of

---

social capital of norms of reciprocity and networks of civic engagements. These were cumulated slowly through time mostly as by-products of other kinds of social interactions and are, according to Putnam, not easily engineered by an act of will. Institutional performance, in turn, determines economic performance. Hence, Putnam confines change to the cultural realm, and even there change is mostly serendipitous and rarely willed. Although institutions can be created and innovative actions can be implemented therein, feedback from the institutional to the cultural realm is slow, sporadic and easily impaired.

This paper builds a different argument and tells a different tale – that of the creation, through political strategy, of institutional capacities, which then transformed both the cultural setting and the economic performance. It does not refute that “culture” has an important effect on institutional performance, but it argues that culture can be changed through political agency in non-epochal times. Culture thus loses its structural connotation and becomes an intervening variable which political agents can willfully shape. Successful economic performance, in turn, validates strategic political choices and further contributes to the strengthening of the new culture. In the process, the concept of clientelism will be revisited and turned on its head: from a system of oppression and exploitation to a tool for economic development, from a method for creating division and alienation to a method for creating (embryonic) networks of trust and cooperation.

This paper describes the successful transformation of the culture of a region, originally called “Abruzzi” (A) - in the plural as if to emphasize its internal fragmentation - from uncooperative to cooperative, through the transformation of its identity. This, in turn, impacted upon the functioning of the regional institutions and fed back on a strengthened identity. This case is contrasted with that of “Puglie” (P) - also in the plural for the same reason - which did not manage (at least not in the period covered by this paper) to

3 “Culture” – the sedimentation of rules of conduct given stable circumstances – has here the limited meaning that also Putnam bestows on it: that of a general predisposition towards or against cooperation.

4 We know from the literature that, while a certain amount to cooperation is good, as it allows individuals to mobilize greater amounts of resources and attain better results than if they acted individually (Coleman 1990), too much cooperation is bad, as it breeds conformism and stifles innovation (Gambetta 1988a, Mutti 1999). Moreover, cooperation is always referred to a given group or society: in-group cooperation may have negative externalities on out-group members – suffices to think about the externalities of cooperation among Mafia members (Gambetta 1988b). The best scenario is obviously strong cooperation among the members of the in-group coupled with openness towards members of the out-group (Fukuyama 1995). Such a delicate balance is, however, difficult to attain and difficult to maintain in the face of the changing identity of both in- and out-group members.
undergo a similar transformation. The triangle, which describes the circular interaction among the three crucial variables, in the cases of Abruzzo and Puglia acquires the following particular connotation (other connotations obtaining in other cases).

\[ A = \text{"virtuous" clientelism} \]
\[ P = \text{"ineffective" clientelism} \]

In the case of Abruzzi, a bunch of disconnected inhabitants of a fictitious territorial partition, at most affiliated to some powerful local notable, came to think of themselves as members of a territorial unit, the region, endowed with a common history, destiny and interest – in brief, with a common identity. By recognizing themselves as members of the community “Abruzzo”, in the singular, they reoriented their preferences towards cooperation. This in turn allowed them to engage in collective enterprises, develop economically and acknowledge the authority of their representative regional institution. In the case of Puglia, a bunch of disconnected inhabitants remained disconnected and affiliated, at most, to some local powerful notable. They did not come to think of themselves as members of any larger community and did not reorient their preferences towards cooperation. This in turn prevented them from engaging in collective enterprises, develop economically and acknowledge the power of their representative regional institution.5

Abruzzo’s journey traveled a rather muddy path, so much so that few would acknowledge it as path to success. The path is represented by several decades of clientelistic government, which managed to transform itself from within. With time, it became increasingly capable of delivering public goods to the entire society rather than selective goods to the clients, thus rendering the ground on which the regional institutions stood firmer and firmer. Puglia’s “cultural” ground remained, instead, muddy – clientelistic distribution remained predominant throughout – so that regional institutions could not but sink in it. The rest of this paper will illustrate how this striking contrast can be explained, that is, how political agency can transform local culture.

5 Admittedly, this is an exaggerated rendition of a much subtler argument, the details of which will be given in the remainder of this paper.
The aim of this paper is mostly theoretical, using the regional cases as illustration of a general process of transformation. In fact, the ambition of this paper is even greater: it aims at sketching the contours of a general argument concerning the way in which disaggregation, distrust and lack of cooperation can be overcome in particularly hostile settings. In these settings, the serendipitous accumulation of successful episodes of cooperation may not be enough to revert a deep-seated culture of distrust. In such a cultural setting, individuals tend to consider with suspicion cooperation bids and, therefore, tend to ignore them or even to take advantage of them to extract even greater personal advantages. Culture – action orientations, according to a different terminology (Scharpf 1997) – militates against cooperation and tends rather to strengthen and validate distrust.

In such a setting, I argue, it is only entrepreneurial political action that can break the circle. The actions of political leaders are normally assessed with even greater suspicion than those of any individual (a situation aptly described by Banfield 1958). Whatever action a political leader may take, it will be interpreted as favoring his followers exclusively (selective goods) and further strengthening his personal power. However, political leaders are also often the only ones who command enough power to try and mobilize the resources who could benefit the entire community (public goods). In other words, in a setting in which governmental institutions cannot perform well, they have to be replaced (and are normally replaced) by singular powerful individuals who can “pull the right strings” both locally and at the center. These are the patrons commonly known from studies of clientelism. The goal of this paper is to explain why a self-serving political patron may be interested in using his power to benefit the entire community, rather than his clientele only, thus transforming the prevailing culture (action orientations) towards cooperation and how he could implement this strategy.6

THE ITALIAN SOUTH BETWEEN LOCAL CULTURE AND THE GLOBAL ECONOMY

In this paper I chart an unexplored route towards the creation of a cooperative culture in a particularly hostile setting – the Italian South.7 In the imagery of

---

6 In doing this I draw inspiration from a section of the Rational Choice literature which has studied the willing transformation of absolute monarchs into constitutional sovereigns, although I do not develop here fully all the parallels. References are, e.g., Levi (1988) and Laver (1997).

7 To dispel any doubts, I here start from the ideal- (or stereo-)typical image of the Italian South as it has been elaborated by Italian and foreign social scientists to show that, even under such grossly exaggerated and simplified circumstances, a culture of cooperation can effectively
many social scientsts, the Italian South approximates the Hobbesian “state of nature” – a situation in which no one trusts no one else and each has to fend for him/herself. In this situation, cooperation is highly unlikely and culture directs against it. Clearly, the collective action problem that stifles cooperation also hinders the formation of a cooperative culture, which normally occurs through the slow accumulation of positive cooperative experiences. In a state of nature, cooperation can occur only by chance (Axelrod 1984) or take the form of a truce among warring factions – a situation sadly approximated by some Mafia-ridden southern areas (Arlacchi 1980).

The difficulties inherent in creating a cooperative culture through collective action, should not lead us to believe that such occurrence is impossible or that it will require centuries of lucky cooperative interactions.8 There are shorter routes. One of these has to do with the interest of faction leaders to establish a hegemonic control over their electoral constituency.

Current historical circumstances exclude that the Italian South can be equated to a “state of nature”. Firstly, law rules in the South (albeit sometimes only formally). This is not a trivial detail: appeal, however difficult, to the rule of law is a powerful tool in the hands of even the most disempowered citizen. Secondly, the state has tried for decades to sustain economic development in the South by channeling funds through various mechanisms. More recently, the EU has largely replaced the Italian state in the effort at bringing development indicators in the Italian South in line with the European average. These funds have acted as incentives for cooperation.9 Thirdly, instances of cooperation are be created. My attempt will be, therefore, to explode the stereotype from within rather than to travel the alternative route of chipping at it by finding examples of cooperation in the South. This latter work is currently done by some of the most sensitive social scientists (e.g. Bevilacqua 1993, Sabetti 1999).

8 As we know, an infinite number of interactions coupled with a lucky initial sequence of successful instances of cooperation is enough to set the actors on a course whereby cooperation is rewarded with cooperation and defection is punished with defection – and these latter are correctly interpreted as punishment and not mistaken as cheating. With time, the actors’ expectations get modified in favor of a greater predisposition towards cooperation (Axelrod 1984).

9 Without a certain degree of cooperation development funds cannot be appropriated nor used effectively. There is a difference, however, between the kind of cooperation that was necessary to appropriate and use development funds until 1986 and that which has become necessary since then. In 1986, one of the many reforms of the so-called “extraordinary intervention” in the Italian South – a set of Italian laws providing for various kinds of incentives to southern firms – introduced principles that were already shaping the reform of the European regional development policy (that was perfected in 1988). These principles, which can be summarized under the label of “integrated approach”, imposed on the prospective recipients of the funds the duty to fashion integrated development programs out of
more frequent in the South than most scholars would have us believe, and the recent historiography has started to rectify the conventional wisdom handed down to us in the postwar period (e.g. Sabetti 1999).

Having said this, it is true that the preconditions for cooperation are particularly impropitious in the Italian South for a number of historical factors. In the most general terms, the South has been subjected for centuries to international forces which have stifled and/or distorted both its economic and its political development. The South has been thus depicted as caught between the Scylla of cultural backwardness (Banfield 1958) and the Charybdis of international (global) forces (Arrighi 1985) and unable to steer its own course between the two. However, to acknowledge the real power of these forces must not necessarily mean to deny the possibility on the part of agents to muster them and even ply them to their own advantage. Culture must not be necessarily understood as a fixed template through which events are decoded and actions prescribed. It can rather be thought of as a set of rules of conduct that have appeared to yield the best results, given the circumstances. Once these change, so do the rules. Similarly, while globalization subjects local economies to ever tighter interdependence, it also gives them the opportunity to exploit such interconnectedness to their own advantage.

This paper will start from this more open-ended conception of both local culture and global economy to describe the way in which peripheral and relatively disadvantaged regions have succeeded or failed to transform the former to muster the latter through political agency.

SOUTHERN DEPENDENCE IN HISTORICAL PERSPECTIVE. CONVENTIONAL WISDOM CHALLENGED

If European national and regional governments are relatively powerless vis-à-vis the forces of globalization, regional governments in the Italian South are certainly particularly powerless. Globalization is nothing new to the Italian South. Historically a peripheral region, the Italian South has long been at the receiving end of both economic trends and political decisions.

disparate development projects and this in turn required cooperation among economic actors and between these and regional authorities (Piattoni and Smyrl 1998). But even before these reforms, which impacted on the procedures through which the funds were appropriated, the funds were much more effectively used if the recipients could devise ways of combining their productive and marketing activities through consortia or other cooperative structures (Piattoni 1996).
After a long period of political independence and economic opulence, the South was subjected to foreign rulers and felt the growing competition from overseas agricultural products (Bevilacqua 1993, Lumley and Morris 1997). The repeal of feudalism under French occupation (1806), the sale of Church land, and national unification set into motion a process of change that gyrated under the impact of foreign developments. The grain imported from the US and Eastern Europe undermined southern exports to the rest of Europe and the tariff war with France undercut also the lucrative wine, oil, liquorice and bergamot trade. Southern landlords, as is known, reacted by tightening the until then rather balanced terms of the agrarian contracts (further softened by a number of customary rules) and enforcing a tighter exploitation of the local workforce. By the end of the nineteenth century, the southern workforce had been effectively re-enslaved through market mechanisms or forced to emigrate (Petrusewicz 1997).

International trends had thus changed the nature of the South’s economic and political dependence, but not its substance. The only available strategy was adaptation to terms set elsewhere. The need to adapt dominated all other concerns and dictated both economic and political behavior. Dependence has thus been the characterizing trait of the southern economy and society.

_Culturally_ this dependence is said to have bred fatalism and inactivity against forces that could not be counteracted (Banfield 1958). Even those authors who underline the ingenuity of the southerners in devising mechanisms for coping with the continuously shifting terms of trade point to the negative consequences that such forced adaptation had on the southern economy. Arrighi and Piselli (1987), for example, show that there were at least three different strategies for coping with market turbulence in Calabria alone, but they also show the negative repercussions of these strategies on the local society in terms of emigration, social rigidity and interfamily wars.

_Socially_, dependency led to “disaggregation” (Gramsci 1974) and under-building of social capital (Putnam 1993). Living under continuously changing circumstances over which they had no control, southerners proved unable to organize forms of collective action and rather turned to the pursuit of the individual welfare. These social conditions have then proved fertile ground for political alienation (distrust in public institutions), marginalization (large areas of social disease) and illegal organizations that challenge the state’s regulatory powers (organized crime). This latter, in fact, can be understood as the attempt to regulate particular markets – those for oligopolistic goods – for private advantage (Gambetta 1993, Catanzaro 1991, Arlacchi 1983).
Politically, dependency bred passivity and instability. The votes accrued to whomever bothered to request them by promising some marginal improvement and managed to capture the popular imagination (Banfield 1958, White 1980). Alternatively, it bred clientelism – the attempt by individual southerners to dampen the negative impact of dependency by obtaining favors from political patrons in exchange for votes (Tarrow 1967, Graziano 1974, 1980, Chubb 1982, Gribaudi 1980). Although there is a significant difference between the apathetic passivity of the inhabitants of Montegrano, studied by Banfield, and the studious clientship of the inhabitants of Eboli, described by Gribaudi, both phenomena are considered pathological expressions of the southerners’ incapacity to become masters of their own destiny.

These economic, cultural, social and political traits are seen as mutually reinforcing. Economic dependence undermined the capacity of the southerners to mount anything more than individual adaptive strategies, thus preventing the construction of that social capital which, alone, could allow them to react and overcome it. Fatalistic cultural templates explain disaggregated social action and justify political behaviors, which can only reproduce the conditions of dependency. Each element in this negative picture is so tightly connected to the others as to constitute an ever-hardening structure.

CLIENTELISM AND BACKWARDNESS

Clientelism is normally considered as a syndrome of under-development. It is generally associated with economically backward and culturally traditional societies.¹⁰ The inhabitants of economically disadvantaged areas like the Italian South – so the argument goes – need to protect themselves from the penalizing terms of trade on the basis of which they interact with the rest of the world. They thus put pressure on central governments in order to receive exemptions or subsidies to compensate for the weak performance of the economies they live in. In fully mobilized political systems, socially and culturally disempowered citizens resort to the only weapon that they have: their vote. In democracies in which, at least formally, all votes count equally, the citizens of under-developed regions can offer electoral support to central governments in exchange for protection from the negative consequences of world economic trends.

Key elements in this societal exchange are political mediators called *patrons*. The citizens, by becoming *clients* of local patrons, extract from the central state those resources that they cannot produce independently. By doing that, however, they sow the seeds of their continuing vulnerability to world economic trends and of their dependence from the central governments and the local mediators.

This kind of exchange, while advantageous for the individual and convenient in the short run, is collectively deleterious and prospectively myopic. If the inhabitants of backward societies could mount collective actions to induce a change in the terms of their economic dependency, they could obtain greater economic security without having to resort to cumbersome mediators (Graziano 1980). Unfortunately, the same reasons that make the inhabitants of the backward areas economically vulnerable make them also politically and organizationally weak, hence militate against the success of large-scale political and social mobilization.\(^{11}\)

Also small-scale mobilization is discouraged by the existence of networks of clientelistic intermediation. According to the recent literature, the same reasons that induce the inhabitants of economically backward areas to become clients of local patrons also inhibit the realization of small-scale cooperative enterprises that could reverse economic backwardness both directly, as in the case of economic cooperative enterprises, and indirectly, as in the case of agreements on enforcement mechanisms that would then make economic enterprises possible (Putnam 1993; for an early rendition of the same argument, see Banfield 1958).

Clientelism, in other words, locks people into networks of particularistic inter-mediation that discourage collective action as well as credible enforcement. Clientelism is, therefore, criticized both by liberal scholars, who blame on it the lack of economic entrepreneurship, and by Marxist scholars, who see in it an obstacle to collective political mobilization. This is, in a nutshell, the most common argument against political clientelism in the Italian South.

\(^{11}\) In the presence of a revolutionary party, however, the inhabitants of under-developed areas could overcome such obstacles to collective action. In Italy individualistic versus revolutionary mobilization correspond to the strategies pursued by the two leading political movements of the twentieth century and, later, by the two most important parties of this century: the Catholic and the Communist parties. The individualistic mediation of local interests has been the key political strategy of Christian Democratic leaders during the postwar period. The “revolutionary” transformation of the Italian economy would have probably been the strategy of the Communist party, had it seized power before Fascism and had it followed Gramsci’s vision.
In reality, southerners are not isolated monads that care only about their personal well-being. Much recent scholarship has shown that southerners no less than others are capable of small-scale cooperative enterprises (Piselli 1981, Sabetti 1999). Most commonly, however, southerners are still depicted as incapable of cooperative enterprises that go beyond the immediate family circle. Familism – the pursuit of the exclusive welfare of the family – is thus considered as a powerful inhibitor of large-scale cooperation. Clientelism would then be nothing else than the attempt to extract from the state advantages – protection, exemptions, subsidies – for oneself and one’s family by offering electoral support. Familism and clientelism are seen by the literature as closely related – both symptoms of the limited capacity of southerners to engage in cooperative relations.12

Is it fair to see in clientelism nothing else than an inhibiting factor of collective action? Does it really embody only the most myopic pursuit of short-term economic interests of the individual and her family? Is it really used by the patrons only to “divide and rule” and, thus, strengthen their power bases? Does it truly condemn backward societies to perpetual backwardness?

The following section will argue that “no” is a possible answer to the questions above, notwithstanding the unanimous positive reply from the literature. There are many kinds of clientelist rule, some of which are propitious for both economic and political development.

CLIENTELISM REVISITED

Clientelism has a fairly codified meaning in the literature – that of a dyadic relationship between individuals of unequal power who exchange goods and services on the basis of an unwritten contract in an ongoing fashion (for a more detailed definition, see Eisenstadt and Roniger 1984:48-49) – which has, however, been redefined and sometimes fundamentally extended.

To start with, the idea that the relationship involves always two individuals or, at most, their immediate family members has been challenged (Tarrow 1967). Clientelism often takes the shape of exchange relations between organizations, for example a party and a categorical association. The relationship, then, is no longer personal – the identities of the patron and the client no longer matter – but rather involves persons in their functional roles.

12 In his famous book on “Interest Groups in Italian Politics”, Joseph La Palombara (1964) called the relationship between elected and career officials and interest groups – in fact a form of clientelism – parentela (kinship). It is telling that he chose to use a term which, in Italian, summons up the relationship among family relatives.
Although involving organizations, however, the relationship is still said to be *dyadic*: the exchange involves only the two subjects and does not get generalized to the entire society. Consequently, this kind of exchange is said to prevent the creation of *systemic trust*, but rather exists only on a foundation of *interpersonal trust* (Mutti 1987, Roniger 1988). This is a trust relationship nevertheless, because the terms of the relationship are never fully specified and the relationship is *ongoing*. Exchanges that take place within this relationship must not balance each other out, because there is the expectation that future exchanges will rectify temporary imbalances. Individual clients get thus locked into a series of interpersonal trust relations, which however they cannot generalize, that is, extend transitively to third parties.\(^\text{13}\)

Rational Choice literature agrees that this difficult passage can occur only by chance or as a result of a long (and lucky) sequence of interactions (Axelrod 1984). Clientelism, however, by setting each client against the others – each competing for scarce favors from a given patron – works against this difficult transition. The *interpersonal trust* that sustains clientelism would thus be associated with *systemic distrust*. Whether distrust alone suffices to keep clients from cooperating or patrons must actively threaten their clients to prevent them from cooperating and from obtaining through joint action what they should rather obtain through patronage is not clarified by the literature. Yet this is an important point.

If it is the very logic of clientelism and the distrust of which it is, at the same time, cause and effect that prevent clients from cooperating,\(^\text{14}\) then we would not expect the patrons to punish or threaten to punish the clients who cooperate among themselves. They would do so only if they were to fear that collective action is indeed possible among clients, but then this would mean that there is nothing in the logic of clientelism that prevents clients from cooperating (Dasgupta 1988). In other words, either clientelism prevents cooperation *by its own logic* or it does so only *through the conscious action of the patrons*. In this latter case, the patrons would find themselves before a choice: they could either break the potential cooperation among clients, or allow it to occur. Or, again, favor it – and cash the reputation for having done so.

---

\(^{13}\) According to an effective metaphor, systemic trust is like “money” which, by circulating among people who do not know each other directly, allows exchanges among a large number of persons. Interpersonal trust, on the contrary, is like a promise of payment which has no further circulation than between the persons who signed it and received it, respectively. While the evolution of direct promises of payment into generalized promises, and ultimately into money, has been documented (Coleman 1990:x), the transition from interpersonal trust to systemic trust is considered highly unlikely (Roniger 1988).

\(^{14}\) This seems to be the implication of Graziano’s theorization (1974).
This latter is the strategy that I want to focus on and which I call “virtuous clientelism” (Piattoni 1998). The next section will argue that culture can be transformed, identity can be created and social capital can be accumulated also thanks to the self-serving activity of “virtuous” political patrons who, in the pursuit of the political goals, decide to build a reputation as credible enforcers. It will sketch out the contextual conditions, which make this strategy possible and potentially rewarding. The following section will then offer anecdotal evidence on how such process occurred in Abruzzo but failed to take place in Puglia.

A sophisticated patron may try to create a reputation for himself as impartial enforcer among clients and between clients and non-clients in order to become hegemonic in a given territory. He will build a reputation as impartial enforcer by helping solve problems of coordination and cooperation both among his clients and between clients and non-clients. By doing this, he will allow for the accumulation of social capital and the development of systemic trust, which reorients both clients’ and non-clients’ predispositions towards cooperation. Once this is achieved, the closed network constituted by the patron’s clients has been effectively opened up and has been transformed into a community. This latter is characterized by: (a) high degrees of systemic trust, (b) a social capital of norms of reciprocity, and (c) a cooperative culture which sustains economic development. The strategy which sets this process in motion, I call “virtuous clientelism” – “clientelism” because it starts from the well-known exchange of votes for favors which constitutes the essence of clientelism; “virtuous” because it allows for the production of public goods, next to the selective goods commonly associated with clientelism.

15 The qualifier “virtuous” refers to the ultimate consequences of this strategy, not to the route for reaching it nor to the intrinsic quality of the patron.
16 In the case of the Italian South, problems of coordination are more easily solved than problems of cooperation. As the following sections will document, small local entrepreneurs can often benefit from coordinating the purchase of certain inputs or from marketing together their products, yet they are unable to make these gains because they fail to coordinate their efforts. An external enforcer that everyone trusts can achieve such coordination, build a reputation and set in motion a sequence of successful interactions that can lead to future cooperation.
17 A ceiling to cooperation in a given society is set by the actor’s orientations towards cooperation. In Rational Choice, orientations are given by the actors’ preference matrix. This is assumed constant throughout. It is however conceivable that, after repeated successful cooperative interactions, actors could reorient their preferences towards cooperation, thus making it more and more likely and less and less dependent on external enforcement (Scharpf 1997).
Because even in the Italian South contemporary clientelism is not an oppressive system from which the clients cannot escape – recall the discussion above on the modified context of current clientelism – we have to assume that patrons and clients enter the “clientelist deal” free willing.\(^{18}\) Obviously, there are costs and benefits associated with this decision. On the one hand, by signing the clientelist contract, the patron obtains votes, which can earn him election and access to the assets – moneys, public decisions, political appointment of bureaucrats, etc. – which consolidate his power. On the other hand, he also incurs the costs of alienating the voters who vote on ideological or programmatic grounds, of exposing himself to accusations of clientelism – which, despite its diffusion, does not command widespread legitimacy – and of subjecting himself to continued pressures for the delivery of favors (Warner 1997). The clients, too, incur costs and benefits. On the one hand, they obtain the promise of future favors and, plausibly, obtain the favors as well. On the other, they lock themselves into the clientelist exchange, thus foregoing the pursuit of more legitimate channels.

The literature emphasizes the proportionally higher costs that accrue to the clients from not entering the “clientelist deal”, pointing to the weakness of the alternative channels, and minimizes the costs that accrue to the patrons for entering it, assuming that clientelism almost automatically earns election and re-election. If this were true, then the relative power position of the contracting parties would be highly uneven and the deal would be “rigged”. I rather suggest that alternative courses of action are practicable and, hence, the “clientelist deal” is truly voluntary. What most empowers the clients is the existence of competing patrons, to whom they could turn to obtain the desired goods.

The Italian political system between 1945 and 1992, popularly denoted as “first Italian republic”, was characterized by intense competition among political patrons – local leaders connected to one of the many factions which coexisted within the main governing parties, the Christian Democratic party (DC) and the Socialist party (PSI). Particularly during the seventies and eighties (Golden 1999), votes at the local level were commonly obtained by promising selective and public goods to the voters. The common interpretation of Italian politics in

\(^{18}\) This is a controversial point. Some assume that in the Italian South there simply are no other channels than clientelism for obtaining what one needs (job, housing, health services, permits, etc.). According to this version, the patrons force the clients into the clientelist deal by acting as gate-keepers between the citizens and valued goods (Chubb 1982). Others, rather, think that clients do have a real choice and that they opt for the clientelist channel simply because it is more convenient (Waterbury 1977). I personally believe that the second version is more accurate: the costs for obtaining through regular channels desired goods may indeed be high, but this is still a real option (see Coleman 1990: ch. 8). The existence of these channels both delegitimizes clientelism and makes its existence necessarily precarious.
this period is that, although publicly leaders promised to deliver public goods (employment, development, infrastructure, etc.), privately deals were struck between individual patrons and individual clients concerning the exchange of votes for selective goods. Even more radically, the goods that should have accrued to all because public were “privatized” and made available only to some. Obviously, the receivers were not necessarily the most needy but, rather, the most faithful supporters. The whole political game in this period is thus understood as a giant farce, in which a veneer of universalism and impersonality hid a substance of particularism and personalism.

While possibly excessive – not all public goods were “privatized” – this picture is also deficient: it downplays the importance of competition among patrons and the consequences that this had on the strategies available to them. During the first Italian republic, at the central level, competition was fiercer among the leaders of the factions of the governing parties than among these and the leaders of the opposition parties: the strategies and alliances decided among governmental factions excluded the possibility of alternation in government. At the regional and local level, however, the opposition parties had real governmental opportunities, hence competition occurred also between leaders of the governing parties and leaders of the opposition parties. In the South, the balance of power was such that, at the regional and provincial level – although not at the municipal level – governmental majorities replicated the national pattern. Hence, in the South, even at the regional and provincial level, competition was fiercest among leaders of the factions of the nationally governing parties.

The second important feature of the first Italian republic was that both elective and administrative positions – within the state as well as within the party structure, at the national as well as regional and local levels – were divided “scientifically” among parties and party-factions so as to reflect the strength of each faction (Venditti 1981). This strength, in turn, was computed on the basis of the faction’s membership and ultimately, since this was an imperfect indicator, of the electoral support. The system of preference voting was instrumental to allowing these important computations. The link between votes and power shares was thus strictly proportional to electoral strength. This made the context for the players clear and allowed the calculation of strategies. Apart from the first generation of party leaders, who were co-opted by the “founding fathers” of both DC and PSI, subsequent party leaders had to join a faction and try to obtain votes for this faction in some electoral district in order to rise in the party hierarchy. The interplay among factions – their alliances, split-ups and recompositions – determined the division of governmental spoils at all levels. Joining a pivotal faction or being the local stronghold of a potentially allied
faction was thus the most important strategic decision for a would-be party leader.

While the main game took place against would-be leaders of competing factions at the local level, a second, lower-level game needed to be played against the local leaders of opposition parties. Although excluded from governmental coalitions because national strategies precluded this possibility also at the local level, these leaders often commanded substantial support locally. By criticizing the government, by occupying power positions at the communal level and by being often associated with a substratum of civic organizations, opposition leaders kept a foothold at the local level throughout the first Italian republic. While less directly dangerous than competing leaders from other governing parties, these leaders nevertheless challenged, sometimes effectively, the popularity of the governing party leaders at the local level.

The joint effect of these two competitive games dictated the choices of governmental party leaders at the local level. The leader of a governing party faction needed to allocate his time and energy between these two games. The more resources he spent on fighting the direct competitors from other governing parties’ factions (sometimes even from within his own faction), the least resources he could spend on keeping at bay the opposition party leaders. By using selective goods, as in typical clientelist exchanges, the leader of a governing party faction (from now on, the patron) could only “buy” so many votes and proportionally weaken the position of competing patrons (leaders of other governing party factions). By doing this, however, these patrons alienated the voters of the opposition parties – often opposed to such exchanges in principle and rather demanding public goods – and gave the opposition party leaders ammunitions for “firing” criticisms on the government.

This strategy, although the most conventional, is short-sighted. Particularly in a situation of tight competition among patrons, each patron has at his disposal only limited resources to fight against many direct competitors. The likely outcome is then one of rough equilibrium among patrons: the turnover among patrons is likely to be high (a small shift in resources can determine the rise or decline of any one patron), their governmental output is low and contradictory (resources are dispersed among many competing clienteles), and the clients are dissatisfied (most receive only small favors or simply promises of favors). In this situation, the indirect competition from opposition party leaders may become particularly threatening. Inefficiency in the production of public goods coupled with unsatisfactory distribution of selective goods supports the opposition leaders’ claim that the whole clientelist system needs to be broken.
Under these circumstances, even the unlikely shift in government could take place.\textsuperscript{19} If, however, the opposition is divided, the status quo can probably hold for long. This is, however, a low-level equilibrium – inefficient clientelism – as neither the patrons are solidly in power nor the clients receive much from the clientelist deal.\textsuperscript{20}

A much more sophisticated – “virtuous” – strategy implies combining the games against direct and indirect competitors. Should a patron decide to produce public goods next to the selective goods typical of conventional clientelism, he could satisfy both his own clients as well as the voters of the opposition parties. These latter could not accuse him of clientelism, as he could point to the public goods to stem such criticism. The game with the indirect competitors would, thus, turn to the patron’s favor.

However, by distributing public goods the “virtuous” patron runs the risk of favoring also clients of his direct competitors. Particularly when the involvement of the “virtuous” patron in the production of public goods is unclear – as when more than one patron can claim some involvement in it – the rewards from this strategy in the game with the opposition leaders could be lost in the game with the competing patrons. The competing patrons, apart from benefiting from the bonanza distributed to their clients through public goods, would still be able to use all of their resources to distribute selective goods to their own clients, thus challenging the power position of the “virtuous” patron. The “virtuous” patron can reduce this risk only by cumulating so much power as to become, in the end, hegemonic. This he can do by building a reputation as someone who keeps his end of the deal also when it is potentially costly to do so. By taking, at first, only small risks and incrementally building up a reputation, this strategy may eventually succeed.\textsuperscript{21}

What are the systemic consequences of such a “virtuous” strategy? Public goods, accruing to clients irrespective of who their patron is as well as to non-clients, achieve two main results. The first is to establish the “virtuous” patron as a credible enforcer. Actions that require coordination and cooperation now become possible because there is an enforcer that can be trusted by all. These, in

\textsuperscript{19} This is what happened in Naples in the 1970s when a PCI-led government coalition replaced the until then dominating DC-led coalition – only to lose power again at the following elections.

\textsuperscript{20} The original theorization contained four cases according to whether (a) the competing patrons were few or many and (b) the opposing parties were strong or weak. Four types of clientelisms were obtained – “virtuous”, challenged, inefficient and vicious – only two of which are really discussed in this chapter. For a complete discussion see Piattoni (1996, 1998).

\textsuperscript{21} Cfr. note 14.
turn, allow economic agents to attain higher levels of satisfaction – in this case, to reap higher profits from their economic activities – than otherwise possible. The kinds of economic activities that can be pursued in such a context are those that bring about the economic development of the entire area rather than the enrichment of only some individuals. The second result is that, once the action orientations of the actors have been changed through repeated, successful cooperation – that is, once clients and non-clients have become members of a “community” – coordination and cooperation can take place more or less spontaneously. In other words, the number of cooperative actions for which active involvement from the enforcer is required progressively decreases giving way to a growing number of actions for which cooperation occurs spontaneously.

At this stage, trust has become systemic and enforcement is ready to be institutionalized. It will be the former clients and non-clients – now simply members of the community – that will elect political leaders on the basis of their capacity to keep the flow of public goods forthcoming. Community ties, however, are not all-powerful. It would be against the grain of the argument sketched above to state that, once created, the community and the trust generated therein will be self-sustaining. Just as “virtuous” patrons can create a community, so can “vicious” patrons break it (Pagden 1988). However, insofar as economic development makes each individual actor less dependent on the clientelist intermediation for access to desired goods – having the legitimate channels been strengthened and the cost of shunning the clientelist deal reduced – the community’s resistance to the woos of inefficient patrons will be objectively stronger.

The comparison between two southern regions, which were roughly equally positioned in the 1970s with regard to economic indicators and developmental potential and yet rank rather differently thirty years later, will serve to illustrate the plausibility of the argument.

ABRUZZO AND PUGLIA COMPARED

That the above strategy is not merely a theoretical possibility is demonstrated, I believe, by the history of Abruzzo’s development from the seventies to the nineties. One of the local patrons, the Christian Democrat Remo Gaspari, fought towards the end of the sixties a strenuous battle against competing Christian Democratic leaders in the region, particularly his party fellow but faction enemy Antonio Natali, to achieve hegemony by promoting economic initiatives of public interest besides acting as a conventional patron. While distributing also selective goods to individual clients, following common clientelist practice, he attracted to the region investment projects of public interest and made sure that
the jobs thus generated would accrue to fellow *abruzzesi* regardless of whether or not they voted for him. This strategy was outspokenly aimed at winning to his side not only the clients of competing patrons, but also non-clients.  

More generally, Gaspari and the members of his faction in Abruzzo, operated in favor of the local economy trying to solve both problems of coordination and problems of cooperation among local entrepreneurs and other economic actors (Mutti 1994). Gaspari’s detailed knowledge of the administrative system both at the center and at the periphery – of all “first republic” politicians, Gaspari had the second-longest tenure as minister after Andreotti in various competencies and cabinets – allowed him to pull the right ropes and obtain material and immaterial resources (e.g., swift decision-making) for his constituency.

Beginning with the highways (in competition with his party-fellow but faction-opponent Natali) and some high-tech projects (e.g., the Center for Nuclear Physics placed under the Gran Sasso mountain, the highest peak of the Appennines) of the late sixties, to the many postman jobs and the satellite station of Telespazio in the seventies, to industrial investment by large and small companies (from Texas Instruments to small apparel manufacturers, from Alenia to leather goods producers) in the eighties, his strategy has been one of constant attention to the private and public problems of his fellow *abruzzesi*. While the distribution of private goods to selected individuals (his clients) qualifies him undoubtedly as patron, his activity in favor of the regional community earns him the label of “virtuous”.

Probably one of his most “enlightened” choices has been, towards the end of his career, which coincided with the end of the first republic, to pass some of his credibility onto the Region. Increasingly towards the end of the eighties, it has been the regional institutions, particularly the regional government and the President of the Giunta, which have taken over from Gaspari the job as enforcers of contracts. From the second half of the eighties, most of the common initiatives among the small entrepreneurs, particularly production and marketing consortia, of Abruzzo have been supported, in one way or another, by the Region. In the case of the bigger investment and restructuring projects in the industrial areas of the province of L’Aquila, the Region’s action has been to favor restructuring and adaptation to the new global terms.

22 The leaders of the Communist Party (later Party of the Democratic Left) in Abruzzo complained that several of their sympathizers had admitted voting for Gaspari because they had received a “favor” from him.
In Abruzzo, the transition from forty years of Christian Democratic rule to governments of the center-left has been surprisingly smooth,23 thus confirming the advanced state of “institutionalization” of the contract-enforcing function. What was once a personal, although “virtuous” rule, has now become an institutional routine. There is reason to believe that the former Abruzzi – in the plural, so as to signify the many internal divisions of this region – have truly deserved the singular Abruzzo and have become “community”. Economic growth has rewarded many years of “good government” (here in the limited sense of a style of government which has allowed the state to operate as credible contract-enforcing agency); Abruzzo’s economy by now ranks in line with Italian averages on all most important indicators (per capita product, per capita income, unemployment, infrastructure endowment, etc.) and has managed to wean itself of the European Regional Development Funds for Objective 1 (underdeveloped) regions (Piattoni and Smyrl 1998).

A telling contrast is given by Puglia, a region which, also on the “verge of development” at the beginning of the seventies, took a more tortuous path in the following three decades. Although currently also about to be weaned from the structural funds for the lagging regions, Puglia’s development mirrors the more conventional clientelist style of its leadership.

At the beginning of the “first Italian republic”, political leadership in Puglia was strong and united. The Christian Democratic party suffered a heavy setback in the fifties when, as a consequence of the agrarian reform, both the landed classes and the urban bourgeoisie defected to the neo-fascist and monarchist parties on the right. On the left, the DC was challenged by the Communist party, which had successfully supported the popular movement that had led to the agrarian reform. Under the leadership of Aldo Moro, however, the Christian Democratic party managed to recover its hegemony and, in the sixties and early seventies, it managed to win large-scale public investment which contributed to the good showing of development indicators at the beginning of the seventies.

23 True, the regional government was, in the spring of 1992, imprisoned almost in its entirety for procedural wrongdoing. The Giunta had granted subsidies to a number of firms, some of which did not meet the preconditions that the Giunta itself had recently decided firms should meet in order to receive public funds. In other words, the Giunta had given itself a law which it then “forgot” to apply. The incident, widely publicized as yet another flagrant Tangentopoli episode (Turone 1993), certainly reveals the persistence of clientelist practices in Abruzzo, but also the attempt on the part of the regional authorities to give themselves rules, with which to bind their future behavior.
With the death of Moro in 1978, the party dissolved into many competing factions, none of which managed to regain hegemony. The leaders of the other governing factions, particularly the Socialist and the Social Democratic parties, took advantage of this “power vacuum”. In the eighties, the Socialist Party, in particular, managed to gain votes at the expenses of both the Communist party, the opposition “ally” of yesteryear, and the Christian Democratic party, the current government coalition partner. Puglia’s political landscape thus resulted particularly fragmented, with many competing factions, high turnover among leaders and weak enforcement capacities. Puglia epitomizes the conventional picture of clientelism, in which many competing patrons distribute selective goods to their clients, thus dissipating resources but managing to produce an illusion of growing well-being thanks to the individual success stories of isolated clients.

Puglia’s political leadership failed in the tasks for which enforcement capacity would be necessary: from the regulation of conflicts (which brought to a miserable end the public steel works of Taranto) to the solidification of potential industrial districts in Lecce (which needed to emerge from the “black economy” and adapt to the more demanding terms of international competition). Whatever development has been achieved in Puglia, it has been achieved individually, either through selective support from powerful patrons or thanks to the exceptional qualities of few entrepreneurs (and sometimes thanks to both). In the nineties Puglia today did not constitute a “community” any more than it did in the 1970s and 1980s.24 The most dynamic elements of this region bypass completely the system of local regulation and rather compete, often successfully, in the international market by taking advantage of the weakness of the system of local enforcement, whether personal or institutional.25

CONCLUSIONS

Key to the economic success of some southern Italian regions has been a regional leadership capable of mobilizing whatever physical, human and social capital already existed as well as to accumulate fresh capital. Abruzzo is one such region. The political leaders of this region have been capable of transcending the adverse social and cultural conditions handed down by centuries of “disaggregation” and dependency to create a sense of community and common purpose. This renewed sense of community has, in turn, allowed Abruzzo’s economy to take advantage of the changing terms of trade and grow out of under-development.

24 Things may be starting to change with the direct election of the President of the Region, which lends high legitimacy and profile to this figure.
25 For a fuller account, see Piattoni (1996).
This transformation is all the more remarkable given the clientelistic nature of local politics. According to the conventional view of clientelism, political leaders will distribute selectively the resources obtained from the center in an effort to keep their voters happy while avoiding to sustain an economic development which would emancipate the voters from their services as patrons. This is indeed the kind of clientelist governance that is performed in many a southern Italian regional leaders. However, this is by no means the only clientelist strategy, nor necessarily the most successful. It may be in the interest of a patron to promote economic development if it increases his political standing, while not endangering his electoral following.

By distributing public goods next to the selective goods characteristic of conventional patronage, Abruzzo’s political leaders managed to create the most elusive of all public goods: a sense of community. This, in turn, transformed the economic actor’s orientations towards cooperation and created the immaterial prerequisites for development. Thus, rather than witnessing passively the impact of globalization or even solely seeking compensation from its consequences in increased public subsidies, Abruzzo’s political leaders have been capable of attracting new foreign investment as well as helping the local economic actors find in the region’s cultural, natural and productive tradition inspiration for new investment opportunities. In the process, the inhabitants of Abruzzo have overcome traditional oppositions, historical animosities and diffuse disaggregation. With a new sense of community, they have discovered that their region is no longer, nor necessarily, peripheral and dependent.

The case of Puglia in the seventies and eighties makes for a telling contrast. Puglia’s patrons distributed selective goods to their clients following the more common clientelist practice. They thus favored individual clients, but failed to create a community and to reorient the preferences of their clients towards cooperation. Regional institutions are consequently weaker in this region, as they do not enjoy the legitimacy of impartial enforcers. While economic data up until the early nineties showed that Puglia’s developmental potential had been partially wasted, the more recent economic indicators show that the situation may be starting to change. Should the contrast with the more successful regions of the South prod Puglia’s political or social agents into action, it would be perfectly in keeping with the theoretical approach of this paper.

Simona Piattoni
Simona.Piattoni@iue.it
REFERENCES


Dasgupta, Partha (1988):


