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C O N F I D E N T I A L SECTION 01 OF 04 NAPLES 000096

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TAGS: PGOV [\[Internal Governmental Affairs\]](#), ECON [\[Economic Conditions\]](#), PREL [\[External Political Relations\]](#), BEXP [\[Trade Expansion and Promotion\]](#), SENV [\[Environmental Affairs\]](#), SOCI [\[Social Conditions\]](#), KCRM [\[Criminal Activity\]](#), KCOR [\[Corruption and Anti-Corruption\]](#), IT [\[Italy\]](#)

SUBJECT: CAN CALABRIA BE SAVED?

REF: A. NAPLES 36, B. NAPLES 37, C. NAPLES 38, D. NAPLES 73

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CLASSIFIED BY: J. Patrick Truhn, Consul General.

REASON: 1.4 (b), (d)

¶1. (SBU) Summary: If it were not part of Italy, Calabria would be a failed state. The 'Ndrangheta organized crime syndicate controls vast portions of its territory and economy, and accounts for at least three percent of Italy's GDP (probably much more) through drug trafficking, extortion and usury. Law enforcement is severely hampered by a lack of both sources and resources. Calabrians have a reputation as a distant, difficult people, and their politicians are widely viewed as ineffective. Much of the region's industry collapsed over a decade ago, leaving environmental and economic ruin. The region comes in last place in nearly every category of national economic assessments. Most of the politicians we met with on a recent visit were fatalistic, of the opinion that there was little that could be done to stop the region's downward economic spiral or the stranglehold of the 'Ndrangheta. A few others disingenuously suggested that organized crime is no longer a problem. Nearly every interlocutor complained that the region lacks a civil society. Amid the doom and gloom, there are a few positive signs, nearly all from young people. This most problematical of Italy's regions will continue to be a drag on the country until the national government devotes the necessary attention and resources to solving these thorny problems. End summary.

¶2. (U) Calabria, the foot and toe of the Italian boot, is beset by seemingly intractable problems. During a November 17-20 visit to all five provinces, virtually every interlocutor painted a picture of a region of weak and corrupt government, throttled by the iron grip of Western Europe's largest and most powerful organized crime syndicate, the 'Ndrangheta. The formal economy is in a shambles, with GDP per capita only half that of northern regions and official unemployment rates over 20 percent. No one believes the central government has much, if any, control of Calabria, and local politicians are uniformly seen as ineffective and/or corrupt. If Calabria were not part of Italy, it would be a failed state.

Catanzaro: "We Are Used to Organized Crime"

¶3. (C) We spent our first night in the bleak and chaotic regional capital of Catanzaro, where, after repeatedly declining our requests for an appointment over the course of a year, the Regional President, Agazio Loiero, finally received us. Loiero complained about the region's negative image and noted that organized crime, relatively inaccessible markets and poor infrastructure combine to discourage investment in the region. The perceived high risk of investing in Calabria has also meant higher interest rates for entrepreneurs. However, Loiero was unable to offer any solution to the region's difficulties, other than an idea to make low-interest loans available to small and medium enterprises with EU structural funds. When the CG asked how Loiero envisioned utilizing the nearly 14 million euros that the EU has allocated for Calabria, the President gave a vague reply and changed the subject. When the CG asked whether Sicily, where citizens' and industrialists' associations have joined law enforcement in actively opposing organized crime, could serve as a model for Calabria, Loiero responded, "We are the real island."

¶4. (C) We got an even more downbeat assessment from Catanzaro's chief prosecutor, Antonio Lombardo. Lombardo echoed what we had heard from other prosecutors about the difficulty of combating the 'Ndrangheta: its family-based structure and the lack of informers make it nearly impossible to penetrate. He bitterly complained about the lack of funding and personnel resources in a province where organized crime seems to control almost every facet of society. Only 12 of the 18 prosecutor positions are currently filled, and there are only five anti-Mafia prosecutors; Lombardo bemoaned that few magistrates seek assignment to Calabria and the central judicial authorities do not consider it a priority to fill the vacant positions. He added that his office does not even have the resources for an effective wiretapping program. Organized crime is not considered an emergency in Italy, Lombardo observed: "It is a stable factor in our country. We are accustomed to losing part of our GDP to organized crime and we factor it in to our economic planning." In Calabria it is nearly impossible to avoid paying extortion or collaborating with the 'Ndrangheta, he went on; "People are victims and accomplices at the same time." While not denying the importance of law enforcement, Lombardo said that in an ideal environment it should have a marginal role. "We are no substitute for a clean and civil society and well-managed businesses."

Vibo Valentia: An "Indifferent Society"

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¶5. (C) The Prefect of Vibo Valentia province, Ennio Sodano, has practically written Calabria off. In his view, "the entire Calabrian society is involved" in perpetuating an intractable situation. "Business owners pay extortion, but don't complain. They don't pay their taxes," he said. "It's a cultural problem, this indifferent society." Sodano was highly critical of the lack of vision for spending the EU structural funds. He made no bones of his desire to transfer out of Calabria at the first opportunity.

¶6. (C) The mayor of Vibo Valentia apparently hoped our meeting would yield nothing more substantive than a photo op. He and his coterie clearly became uneasy when the CG asked how the city is confronting the problem of organized crime, and he continually tried to steer the conversation to more superficial topics. The Provincial President was not much more communicative, never speaking above a whisper.

¶7. (C) The regional president of the national environmental NGO Legambiente, Nino Morabito, who met us in Vibo, opined that Calabria has very few good politicians -- and none in leadership positions. Like Campania, Calabria has also experienced illegal dumping of toxic waste on its territory, but because the population is smaller, it often goes unnoticed. A lot of illegal waste comes into Calabria not by land but by sea. One of the issues Legambiente is following closely is the almost ubiquitous illegal construction along the coast. The week before our visit, the Legambiente representative in Vibo Valentia had his car set on fire, presumably to intimidate him from denouncing the rampant zoning and construction violations occurring in the province. He was able to extinguish the burning vehicle just before the fire spread to his house.

"Now Kill Us All"

¶8. (U) The morning of November 19, we traveled to the town of Pollistena to meet with about 30 members of the group "Ammazzateci Tutti" -- "Now Kill Us All," so named in defiance of the 'Ndrangheta following the 2005 mob assassination of Calabria regional Vice President Francesco Fortugno. The young people had traveled from all over the region to meet with us. Since its founding, Ammazzateci Tutti has held regular demonstrations designed to pressure the Italian state into taking action against the 'Ndrangheta; in February 2007, a protest in Reggio Calabria drew thousands into the streets. One of the group's organizers, law student Aldo Pecora, observed that organized crime and Masonic societies control virtually every facet of society, including the economic and political systems. He asserted that the 'Ndrangheta may be viewed as the armed forces of powerful people. Unlike the Sicilian Cosa Nostra, he said, the 'Ndrangheta has close ties to Calabrian government structures. The group formally asked the CG to "save Calabria."

"Children of Pythagoras"

¶9. (U) Our next stop was Crotone, on the Ionian coast, where some 2,500 years ago Pythagoras taught math at one of the premier universities of the Ancient Greek world. Today Crotone is beset by economic and environmental ruin after its three factories shut down in the 1990's, leaving behind industrial slag and an unemployment rate of 24 percent. The local director of the Industrialists' Federation (Confindustria) pointed out that Crotone has the lowest income per capita of any province in Italy. The mayor and city council president told us that the city is trying to increase tourism by promoting the area's Greek heritage. "We are the children of Pythagoras," the city council president said proudly. But the officials observed that a major cleanup of the former industrial sites is a prerequisite; contaminated with millions of tons of industrial zinc and other waste, these sites are opposite a major archeological zone. They expressed concern about awarding a contract for the cleanup, given the pervasive presence of organized crime. At our meeting with the provincial president we noted the innovative technology of the California-based company, AdaptiveArc, which may be the ideal solution for Crotone's environmental cleanup, and which already has attracted potential waste-to-energy contracts in Cosenza and Vibo Valentia. In the evening, the CG addressed the local Rotary Club, reiterating that the United States is an engaged and dependable partner in a wide range of challenges from economic development to organized crime, but no one but the Calabrians themselves can create a civil society in their territory.

Business Environment

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¶10. (U) American business interests are limited. General Electric has a small plant (producing air coolers and steam condensers) in Vibo Valentia, and the provincial president unrealistically hopes to get a second one. The savvy general manager of one of the best hotels in the region has spent two years and over one million euros to obtain authorizations for a five-star Marriott resort on the Tyrrhenian coast, but has been waiting for months for a ministry in Rome to move the necessary paper. (Embassy Rome is assisting.) AdaptiveArc's gasification plants are the only other potential investments on the horizon.

¶11. (SBU) We had a useful meeting with the Calabria Confindustria young entrepreneurs in Catanzaro, where the CG explained many of the Mission's initiatives to promote innovation and growth. Unfortunately, an expected with regional Confindustria president Umberto de Rose was canceled -- the third time he has missed a meeting with the CG. The local Confindustria director in Crotone told us that de Rose has not taken a strong stand against members who pay extortion (unlike in Sicily, where Confindustria expels those who do) because he considers them to be victims who need support rather than expulsion. She added that law enforcement successes have not been as numerous in Calabria as in Sicily, and therefore business owners do not feel so bold. A year ago, when the CG met with Confindustria members in Reggio Calabria, and asked whether they were prepared to follow the Sicily's lead, he received a decidedly nervous reaction.

¶12. (C) Tourism remains one of the region's hopes, despite inadequate infrastructure (the Salerno-Reggio Calabria highway has been under construction for decades and rail connections to and from anywhere off the Tyrrhenian coast are terrible), environmental degradation, and organized crime. A year ago the CG suggested that the President of the Province of Reggio Calabria talk to tour operators representing the booming U.S. cruise ship industry, whose thousands of customers regularly call at Sicilian ports, just across the Strait of Messina, about including a day in Reggio to see the large Greek bronze statues and perhaps visit the archaeological site of Locri. The President's response was, "What's a tour operator?" When asked by Confindustria's young entrepreneurs in Catanzaro how to attract U.S. tourists, the CG emphasized the need for the region to create a tourist identity, a brand that would set it apart from dozens of other possible destinations.

Not Entirely Hopeless

¶13. (C) Despite the myriad difficulties facing the region, not everything is doom and gloom in Calabria. During our November 17 stop in Cosenza, the CG discussed the U.S. elections with a group of smart, articulate and well-prepared political science students at the University of Calabria, one of the few bright spots in the region and where post has established a strong relationship (the university is also developing an innovative technology transfer center, about which Regional President Loiero surprisingly seemed to know nothing). Our final stop, on November 20 in the town of San Giovanni in Fiore, was an unexpected and welcome ray of hope. The town was home to Gioacchino da Fiore, the medieval theologian whose message of hope President-elect Obama repeatedly mentioned during the recent campaign, leading the town to invite him to visit. The remarkably upbeat, dynamic mayor had just returned from the U.S., where he negotiated a simulation training center for doctors and nurses with the University of Pittsburgh Medical Center (which already runs the highly successful ISMETT transplant center in Palermo). The city of 19,000 has a small but active American center, where our AmCit warden serves residents and visitors alike, and where the city offers English lessons to young and old.

¶14. (C) Comment: Throughout Calabria, we heard the same laments over and over: the 'Ndrangheta calls the shots and there is little hope for the region. The lack of optimism has resulted in a continuous brain drain, with the best and brightest young people emigrating to the North or to other countries in search of opportunity. As was the case during our previous visits to Calabria, we were struck by the lack of vision and energy on the part of its politicians (see refs A and D). Indeed, if Calabria's problems are going to be solved, it will take a concerted effort by the central government to reclaim the region as part of the Italian state. While law enforcement successes (which so far have been modest) would no doubt contribute, there also needs to be a revolution in the way Calabrians themselves view organized crime, corruption and above all civil society. We can help -- by encouraging the young

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members of Ammazeteci Tutti, by spreading our message of shared values, and by implementing USG initiatives such as Mission Italy's Partnership for Growth. In the absence of strong government and institutions, we need to network with non-governmental interlocutors; we productively used this trip to identify an important array of new audiences. But unless the central government gives greater priority to the region, Calabria will continue to be a drain on the national economy and a territory in the hands of extortionists and drug smugglers.

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