



Economics Seminars

Friday 13 June 2025 at 12:00

Aula Magna Edificio Baffi

Facoltà di Scienze Economiche Giuridiche e Politiche - Viale Sant'Ignazio 74

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Once Upon a Time in America: the Mafia and the Unions (with G. Mastrobuoni e M. Troya-Martinez)

Abstract. We study how the American Mafia embedded itself in labor unions throughout much of the twentieth century, altering union governance and labor market outcomes. Using newly digitized law-enforcement records, historical data, and U.S. Census information, we identify counties and industries most susceptible to infiltration. We show that, in these locations, individuals of Italian origin—particularly from Palermo, Cosa Nostra's stronghold—were far more likely to rise to union leadership and later face prosecution. We also find that, once these unions were under Mafia control, Italian-born workers in the affected sectors earned substantially higher wages than other European immigrants in comparable jobs, suggesting that the Mafia not only employed intimidation but also shared rents to maintain worker support.