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Publisher citation:

OpenAIR citation:

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Prohibition and the American Dream: an analysis of the entrepreneurial life and times of Al Capone

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Abstract

The iconic figure of Al Capone is arguably the most prominent figure of organised crime. Both biographers and scholars have analysed his life and behaviour. Hollywood has immortalised his character in film. Today, the name Capone remains synonymous with the word gangster. Although Capone owned businesses of a legitimate nature, illicit ventures and the spectre of the gangster-entrepreneur define his practice of entrepreneurship. In an attempt to understand Capone as an entrepreneur, this paper explores his entrepreneurial behaviour within an analysis of his resource profile, his Italian-American culture and the social context of America in the early 20th century.

Key words: Entrepreneurship, Small Business, Capone, gangster-entrepreneurism; criminal entrepreneurship

1. Introduction

Among the 42,977 Italian immigrants to America in 1894 were Gabriel Capone, his pregnant wife Teresa, and their two young sons, Vincenzo and Raffaele. They landed at Ellis Island (see Figure 1). The average Italian family came to America with only \$17, enough to sustain them at best for ten to twelve days. In the land of opportunity, possibilities for immigrants were few and limited as many were unskilled, uneducated and illiterate. Gabriel and his family had migrated from Naples, in southern Italy. Alphonse Gabriel Capone was born in Brooklyn, New York on January 17, 1899. During his Brooklyn boyhood, Capone befriended Johnny Torrio, who introduced Capone to an extensive network of gangsters, resulting in Capone's employment by Brooklyn crime boss Frankie Yale. This criminal network enabled Capone to receive the education, and social connections, required to become a successful gangster. After Capone encountered legal problems in New York, Torrio encouraged Capone to work with him in Chicago where they made a fortune together in the vice industry. The rest is history, myth or legend.

Insert Exhibit 1 here with caption: Ellis Island

A succession of eminent biographers and scholars including Petersen (1963); Bergreen (1994); Schoenberg (1992/2001); Kobler (1971/2003); Iorizzo (2003); Calder (1992); Richman & Stuntz (2005); and Pasley (2004) have been fascinated by the persona of Capone. Indeed Pazler goes as far as to refer to him as a '*Self-Made-Man*' which we entrepreneurship scholars all know is a euphemism for those who fit the entrepreneurial character. The brief micro-biography above is too us fitting because it acts as an alternative 'Horatio Alger Story' of the '*poor-but-bad-boy-made-good*' and

sets the scene for our analysis of the story through the rubric of entrepreneurship theory. It could be argued that the iconic figure of Al Capone is arguably the most prominent and immediately recognisable figure of organised crime. Indeed the photograph shown above is reproduced on the front cover of the Third Edition of Bill Bolton's and John Thompson's book "*Entrepreneurs: Talent, Temperament and Opportunity*". Bolton and Thompson recognise that Al Capone was "...an entrepreneur as well as a crook" (Bolton & Thompson, 2013, p339). Al Capone apparently saw himself as a legitimate businessman. He would no doubt approve of the fact that his complex life story now forms the basis of a Harvard Business Review Case Study written about his life and crimes by Nicholas and Chen (2009) and taught to students at some Business Schools.

This paper will make reference to scholarly journal articles, books and various biographies in order to offer an analysis of the factors pertinent to Capone's entrepreneurship. For us understanding Capone as an entrepreneur begins with the separation of fact from fiction. This can be difficult, given the susceptibility of the Capone legend to the poetic license of those who admired and feared him. Schoenberg (1992/2001, p. 8) exerts: "*Al Capone is more than a person; he has become an allusion.*" The passage of time has, to an extent, opened the context of Capone's success to interpretation as Iorizzo (2003, p. 15) explains: "*Viewing that period from a distance, some writers today are apt to be somewhat sympathetic. While not apologists for Capone, these authors see him as a product of his times, as much responding to violence and corruption as initiating it.*" The biases, inherent in both historical and recent sources, pose the greatest limitations to this paper. One can admire his entrepreneurship and his philanthropic acts whilst abhorring his criminality and murderous propensity for violence. There is a third stance argued by Bell (1953) and (1960) that crime was an "*American Way of Life*" – a crooked ladder towards legitimacy. This is a theme taken

up by Cohen (1999) in his book “*Tough Jews: Fathers, Sons and Gangster Dreams*” in which through the rubric of biography documents the rise of Jewish Gangsters of the Capone Era from gangsters to legitimate businessmen.

2. Definitions

Exploring Capone from an entrepreneurial perspective requires a definition of entrepreneurship. At present, there is no generally accepted definition of entrepreneurship (Carter & Jones-Evans, 2006). Smith (2009) elaborates upon this idea: “... because there is no single definition of what constitutes entrepreneurship it follows that there can be no single definition of criminal entrepreneurship” (p. 258). Despite the lack of a universal definition, this paper adopts the stance of Dana (2006) and interprets entrepreneurship to be: “*the economic undertaking of entrepreneurs*”, entrepreneurs being agents of entrepreneurship. Iorizzo (2003) writes: “*Organised crime is based on satisfying consumer needs*” (p. 5). Coupling Iorizzo’s (2003) view with Dana’s (2006) definition, Capone’s activities can be understood as economic undertakings constituting entrepreneurship.

3. The Context and Environment

Given that values and culture shape the environment for entrepreneurship, as well as the entrepreneurial event (Dana, 1995/2010), it is important to understand the context of Capone’s success. It was within this context that Capone was to construct and coordinate a criminal empire that would eventually generate yearly revenues in the hundreds of millions of dollars (Kobler, 1971/2003).

3.1. Italy

Schoenberg (1992/2001) offers suggestions as to why, in the late 19th century, people wanted to leave Italy: “*Increasingly horrid conditions in Italy compelled southern Italians to emigrate. Corsair raids (that lasted until almost 1800) forced the people inland to defensible hill towns, forsaking the fertile coast and lowlands, which devolved into marshes and malarial swamps, while the refugees scratched flinty hillsides. Centuries of over-cultivation and deforestation had blasted even that subsistence farming land. Political upheavals further deranged the economy*” (Schoenberg (1992/2001, p. 26). Natural disasters such as volcanic eruptions, droughts and earthquakes in Southern Italy also encouraged emigration (Bergreen, 1994).

The Italian Criminologist Pino Arlacchi (1983, p. 35-9) discussed the role, function and value of emigration to economic systems, describing it as a “*cycle of ascent and descent*” and argues that it was an economic necessity to allow excess labour to migrate to areas of higher opportunity allowing society to regenerate wealth from the margins. Arlacchi (1983, p. 97-8) refers to the “*see-saw of rags to riches*” and to the “*circulation of elites*”. Historically such elites result from a concentration of those entrepreneurs willing to gravitate towards a higher level of risk taking namely, those with amoral inclinations (Arlacchi, 1983). Arlacchi (1983, p. 10-24) refers to “*peasant enterprises*” and “*peasant entrepreneurial families*”. For Arlacchi (1983, p. 16) the Southern Italian peasant wore “*the mask of the entrepreneur, constantly on the look out for a way to turn the odd penny, but it was a grotesque mockery of the genuine entrepreneur.....an entrepreneur without an enterprise*”. Arlacchi (1983, p. 24) argues that the basis of Italian family enterprise lay in its integration of economic production within family relationship whereby non-economic influences provided the essence of economic activity. See Arlacchi (1986) for a full discussion of Mafia entrepreneurship.

For many poor Italians such as Al Capone, entrepreneurship offered a genuine opportunity for social advancement. Indeed, Arlacchi (1983, p. 44) discusses the plight of marginalized, unmarried workers regarded as “*vagabonds, drunks, paupers*” trapped in a vicious circle where property-less status reinforced low and un-married status. Kautsky (1899, p. 158-9) also highlighted this link between deviancy, sexual drives, and outlets for the urges to avoid children, noting that a considerable proportion of the marginalized, unmarried population end up in jail. Thus Arlacchi (1983, p. 48) discusses this negative manifestation of the entrepreneurial spirit within the context of positive and negative “*channels of reciprocity*” such as “*haggling, or barter, gambling, chicanery, theft and other forms of seizure*”. The latter negative channels of reciprocity influence entrepreneurial propensity because the arrogance of the outsider towards their host society amounts to a “*raiding mentality*” (ibid.59-60). Yet, Arlacchi (1983, p. 62-63) acknowledges that many émigrés to the New World were ultimately “*single salaried workers, illegitimate sons and daughters, deviants, criminals, peasant families*” and that such fierce and unscrupulous deviants appear to have been the first to seek entrepreneurial activities, to have entered politics, founded businesses and organized crime.

Arlacchi (1983, p. 39) remarks that the mass migration of tens of thousands of young peasants, in the early 19th century, from the Mezzogiorno to America stabilized the system of family enterprise in Italy. The process of emigration often creates reciprocal chains with new marriages being formed strengthening bonds of family, kinship and friendship all of which strengthen the family enterprise. Indeed, Arlacchi (1983, p. 189) refers to emigration as a “*manifestation of the spirit of enterprise*”. Interestingly, Arlacchi (1983, p. 58) stresses that the most ardent societal deviants are usually amongst the first to emigrate, including the criminally inclined. Émigrés possess a

different value set from those who choose to remain. Such value sets can include negative as well as positive features making it necessary to consider the link between ethnicity, the crooked ladder of social mobility and crime.

Many years of instability in Italy had given rise to a number of clandestine syndicates that would collect taxes to protect the people of a community from marauding bands, or extortion from foreign rulers. Resentment for foreigners and mistrust of all authority had become an Italian tradition (Schoenberg, 1992/2001). Despite origins of the noblest intent, this system evolved into an association of criminal groups, specialising in cattle rustling, extortion and kidnapping (Iorizzo, 2003). Organisations of this nature were known throughout Italy - the most famous of these being the Sicilian Mafia. The modus operandi of such organisations would provide entrepreneurs like Capone with the blueprints for the construction of their own syndicates in America.

3.2. America

The entrepreneurial urge is often present in an individual before they emigrate therefore the first generation businessman in America may have been a second generation entrepreneur in their homeland. Ianni and Ianni (1972, p. 156) stress that success in business in America whether legal or illegal allowed the realisation of the peasant dream by recreating family businesses. Indeed, the émigré dream is a particular form of the entrepreneurial dream. Iorizzo (2003, p. 7) explains: “*The United States in the 1890’s was midway in a transition period going from an agricultural nation to a modern industrial society. As Americans left farms for the cities, many citizens lamented that fact. Though they did not become overwhelmingly hostile to urban values, they reflected the Jeffersonian notion that cities were moral cesspools and farms were*

the strongholds of virtue.” Italian immigrants arrived to an America with limited opportunities for the unskilled. With lack of formal education, non-fluency in English, and their previous employment limited to agriculture, shop-keeping and humble crafts, they found that only the lowest paid jobs were available (Kobler, 1971/2003). Italian immigrants to America were not made to feel welcome. Whilst other immigrants were portrayed as casualties of the appalling social conditions afflicting all immigrants, Italians were portrayed in newspapers as victims of their own flawed natures (Bergreen, 1994). Prejudices such as these gained credibility in both public minds and forums. Schools viewed the children of Italian immigrants as a nuisance, and did little to help them adjust to the American way of life. Within society, Italians and Italian Americans were discouraged from pursuing higher education (Bergreen, 1994). Even academics displayed prejudice toward Italians; prominent sociologist Edward Alsworth Ross (1914/1971) wrote: “*Steerage passengers from Naples show a distressing frequency of low foreheads, open mouths, weak chins, poor features, skew faces small or knobby crania and backless heads. Such people lack the power to take rational care of themselves: hence their death rate in New York is twice the general-death rate*” (p. 113).

3.3. Prohibition

During 1907, in Vancouver (British Columbia), the Winters Hotel (see Figure 2) was built in Edwardian-commercial style; it would feature a bar, but in 1916, alcoholic beverages were banned in Western Canada and bars at hotels including that at the well-known Winters Hotel were closed. A few years later, on January 19, 1920, the Eighteenth Amendment to the Constitution of the United States of America took effect, outlawing the manufacture, distribution and consumption of alcohol in the USA (Iorizzo, 2003 : See also Hobart 1923 for a fuller discussion of the Volstead Act).

Religious values played a central role in the conceptualisation and eventuation of Prohibition. The biographies of 641 leaders in the anti-liquor movement between 1890 and 1913 show that four out of five belonged to evangelical denominations of Christianity: primarily Methodist and Presbyterian (Aaron & Musto, 1981). Anglo-Saxon Protestant values saw drinking and card-playing as sinful. Predominantly Catholic (Iorizzo, 2003), the Italians enjoyed wine and card games. Bergreen (1994) explains the social rift underpinning Prohibition: “*Banning the sale and consumption of alcohol signified so much more than simple abstemiousness; it signified an entire way of life: rural, God-fearing, Protestant, middle-class, virtuous, restricted, suspicious and self-reliant. It was a world in which Al Capone had no place*” (p. 265). Though intended to uphold the righteous values and morals of Americans, the onset of Prohibition further intensified vice activity within Chicago (Lombardo, 2002). Crime syndicates had inherited markets legitimate firms were forced to exit. Torrio and Capone had anticipated this sea change – making provisions to illegally manufacture and distribute alcohol long before Prohibition came into effect (Schoenberg, 1992/2001).

4. The Crooked Ladder of Crime

Bell (1960) and (1953, p. 133) viewed ethnic involvement in organized criminality as reaffirming the value of the entrepreneurial endeavour by achieving independence, a business of their own and social advancement. Ianni and Ianni (1972, p. 61) consider organized crime as a predatory philosophy of success and part of the “*business system operative in the illicit segment of American life*”. Bell (1963) appreciated that illegal enterprises offered the most available opportunities for achieving financial success and even a degree of social acceptance. Bell (1953, p. 152) suggested that their tactics were

not subtly different from many pioneers of American Capitalism in their bid for legitimacy. Bell describes the successive transfer of wave after wave of European immigrants out of the slums and into mainstream society via the “*Queer ladder of social mobility*”, the first rung of which is organized crime. This process saw the rise of Italian, Irish, and Jewish gangsters to positions of power and respectability in society, finally coming to rest as successful businessmen an acculturation process which took four generations.

Ianni and Ianni (1972, p. 55) argue that crime offered an accelerated route to riches for the immigrant and their second-generation offspring suggesting that the underworld is an integral part of the socio-economic system. Ianni and Ianni (1972, p. 61) argue that many organized crimes exist on the margins of “*legitimate business practice*” citing the high visibility and public tolerance of illegal gambling. Ianni and Ianni (1972, p. 77) further discuss the entrepreneurial propensity of many immigrants who turned a profit in anything they turned their hand to. Hess (1988, p. 161-167) discusses the role of the early Italian émigré to America in creating the myth of the Mafiosi as an entrepreneur, stating - “*The Sicilian who emigrated to America at the turn of the Century found himself in a country where the pioneering spirit, the myth of the robust self-made man, was very much alive. He came to a world where it was up to the individual to seize his chance and make his fortune, even though by not altogether legal means by bending the law or, if necessary by using force*”. Hess (1998, p. 163-167) further argues that the average Italian-American gangster rose from the lower stratum of society and benefited from association with the American Dream, being regarded by the Sicilian émigré community as their manifestation of the “*poor boy made good*”. Hess argues that ethnic cohesion created a hiding place for the émigré Mafiosi in the new-world. Hess (1998, p. 171) describes the process of morphology, which saw

immigrant ruffians evolve into “*conservatively dressed businessmen with smooth manners*”.

5. The Gangster Dream

Catano (2001, p.5) talks of variant forms of masculine myth and entrepreneurial dream providing alternative masculinities. The gangster dream is related to the entrepreneurial and American dream. The gangsters of the Prohibition era epitomised an extreme type of the American Dream as men who came to a New World succeeding by illegal means. Their derring-do, individualism, and hedonistic lifestyle made them heroes and celebrities. In the book “*Tough Jews: Fathers, Sons and Gangster Dreams*“, Cohen (1998) compares the Jewish and Italian gangster dreams with the American Dream. For Cohen (1998, p. 152) the allure of the latter offered one a life with “*nothing to go to jail for, legitimate power* “. Cohen narrates a story of three American-Jewish gangster generations pushed and pulled into crime by ethnic discrimination and marginality, simultaneously pursuing professionalism and the gangster dream. On achieving legitimacy they returned to the capitalist fold as the allure of the gangster dream faded into mythic stories confusing gangsterism with Americanism. Mirroring the poor-boy-made-good narrative the Jewish kids rose from the slums to the heights of the underworld. It was not all rags-to-riches and remaking themselves. Necessity dictated that many Jewish émigrés resorted to crime to survive privation engaging in a primitive society of deals in dark cellars. Initially, they preyed upon their own enclaves and terrorized shopkeepers and merchants. Cohen describes an enclave at Brownsville with everyone “*hustling and trying to get out, move on, get going, get settled, get rich, get home or become a local hero*”. The irony of the gangster dream is that heroes never really leave, but set out to conquer the new world. They took the dream of America and

turned it into their own personal dream – making fortunes. Later, all that was left were bits of stories and colorful names, amusing anecdotes used to adorn the conversation. For slum children, the gangster dream was eminently achievable. The adulation of the kids permitted the gangsters to feel liked and respected and in turn the kids adopted them as available role models. The successful Jewish gangster dreamed of moving away to a new hometown and returning periodically to the old neighbourhood. They moved uptown and lived modestly as businessmen. For them crime was not a way out of the system but a way in. To be successful they had to enter business. As outsiders they were not wanted on Wall Street or in Ivy League Schools, so they created their own dream, using guns as a short cut to the American Dream. They did not revel in it like the Italians. Their ultimate dream was for their children to be a successful, law-abiding Americans and enter medicine, law and business electing to fade into America. Cohen marvels at this parody of Weber's spirit of capitalism whereby Jews chose asceticism leaving the worlds of their heads to thrive in a physical world, a world of sense, of smell, of guts, of strength, of courage, of pain. For the Jewish gangster generation crime merely left a legacy of old neighborhood stories.

Cohen describes a different Italian gangster ethos. Upon making a criminal score they kept their money in the neighborhood preferring to invest in property, cars and women buying new suits and shiny shoes. The lower echelons rarely left the block they grew up in, leading a flash life on the street as part of a criminal hierarchy whilst maintaining a high level of street visibility. This perpetuated the genre by living the dream, adoring idolation and the bravura. The Italians were slower to appreciate the power of the American Dream and took several generations to follow the path to legitimacy by sending their children into mainstream society. Prison plays an important part in the formation of a criminal's philosophy of life. The Jewish gangster did not

evolve into career criminals because they broke the cycle of repetitive jail sentences, choosing not to go back but Italian gangster accepted jail as an occupational danger.

6. Capone's Resource Profile

This notion of a culturally specific, 'resource profile' upon which New Americans such as Al Capone could draw is of vital importance to us. First, we have Capone's (admittedly skewed) social capital. Then we discuss Capone's human capital and his monetary and physical capitals before considering his negative resources.

6.1. Capone's Social Capital

Studies conducted by criminologists have shown that social ties play an important role in organised crime (Kleemans & de Poot, 2008). In organised crime, associations are formed, usually from childhood or prison experience; based on shared ethnic heritage, geographical centralisation and family relations (Brice, 2003). Smith (2009, p. 261-262) writes: "*Crime-entrepreneurs establish a wide network of contacts both within the criminal and quasi-legitimate business communities... it is through such elevated contacts crime-entrepreneurs develop a heightened level of social capital.*" Capone had an extensive network of friends and business associates. He would use this network to coordinate his activities, bribe police and even rig local elections (Kobler, 1971/2003). Of all Capone's associates, the most important and influential was Johnny Torrio - the man responsible for the development of modern organised crime (Bergreen, 1994). Torrio introduced Capone to many underworld figures. Kobler (1971/2003 p. 26) reports Capone to have said: "*I looked on Johnny like my adviser and father... and the party who made it possible for me to get my start.*" Capone's social capital would allow him access to other capital forms: money, human and physical.

6.2. Capone's Human Capital

Capone received his formal education in New York from age five until fourteen. Although Capone was naturally intelligent, displaying early signs of promise, he struggled to learn within the strict and impersonal early 20th Century school system. Putting schooling for Italian-Americans into context, Bergreen (1994) writes: “*For these youths, school was more a tool of confinement than a method of advancement*” (p. 36). Capone’s infamous temper contributed to the conclusion of his formal education: after choosing to hit his teacher, Capone received corporal punishment at the hand of his principal. Because of this incident, Capone vowed never to return to school (Kobler, 1971/2003; Schoenberg, 1992/2001). As his friends taught him to use knives and guns to achieve various ends, Capone’s childhood had primed him for becoming a gangster. In addition to schooling Capone on the profitability of violence, gangsters also taught him how to manage his ventures. Kobler (1971/2003) writes: “*Liquor continued to produce the bulk of Capone’s profits. The necessity for diversification, however, was a lesson learned early from Johnny Torrio, who saw that Prohibition could not last forever, and he applied it so astutely that even had Repeal come much sooner than it did, he could have recouped a good deal of his loss through other sources. Some were entirely legitimate*” (p. 230). In addition to the conventional risks faced by entrepreneurs, those operating outside the boundaries of law are not only subject to prosecution, but are also unprotected from the violent actions of business rivals. Violence is not simply the act or threat of physical harm; most violence takes the form of psychological or social coercion (Naylor, 2009). An attribute worthy of being called a resource, Capone had the will to operate in spite of these risks, surviving assassination attempts and not relinquishing his Chicago reign until he was imprisoned for tax evasion.

Some of the skills that would come to aid Capone as a criminal entrepreneur were skills acquired performing legitimate jobs. In a discussion of organised crime, Nardo (2008, p. 175) explains: “... *expertise and skills developed within the legal economy may be offered in semi-legal and progressively illegal frameworks.*” A strong work ethic had made Capone a valued employee at Aiello Construction, where he worked as a bookkeeper and became familiar with administration, accounting procedures and balance sheets (Kobler, 1971/2003). These skills were infinitely useful to Capone when he administered businesses of his own.

6.3. Capone's Monetary and Physical Capital

When Capone first became a gangster, and when he first moved to Chicago, he had little in the way of fiscal and physical capital (Bergreen, 1994). Capone's social capital would allow him access to money, as well as the use of his associates' equipment and buildings (Kobler, 1971/2003). When Capone's entrepreneurial efforts bore fruit, he was able to use his acquired capital in conjunction with his well-developed social capital. Capone's social connections were the means through which he could use money to effectively bribe law enforcement, hire reliable workers and conduct illicit business.

6.4. Capone's Negative Resources

Poor health was a negative resource for Capone. Untreated syphilis led to the deterioration of his physical and mental health, eventuating in the medical complications that would cause his premature death (Bergreen, 1994; Iorizzo, 2003; Schoenberg, 1992/2001). In addition to poor health, Capone also faced persecution from Law Enforcement, the IRS and, more dangerously, rival gangsters. Sentenced to prison for tax evasion in 1932, his family gave him a big send off party (Iorizzo, 2003).

Capone's time in prison would result in a reduction of his health and his influence over the Chicago underworld.

Having discussed the issue of Capone's Resource Profile it is possible to draft a Capital based profile/ model of Capone's entrepreneurial propensity. See figure 3 below:-

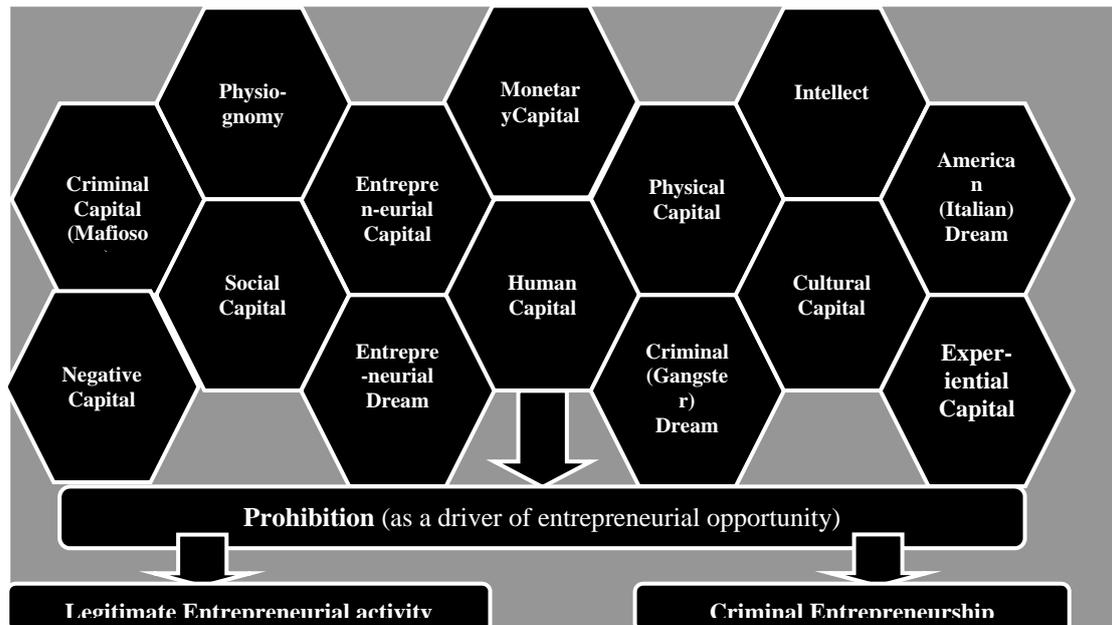


Figure 3 – A Capital Based Resource Profile of Entrepreneurial Proclivity

Figure 1 illustrates how each individual capital available to Al Capone combine (in a linked or honeycomb effect) to form a 'Resource Based Profile' of how his entrepreneurial proclivities combined to produce his dual entrepreneurial and criminal modus operandi. Social, Human and Cultural Capitals may need no explanation but his 'Criminal Capital' (i.e. his socialisation into criminal ways and fraternities) when combined with the 'Gangster Dream'; his 'Physiognomy' (i.e. his stature, physical strength and propensity for violence); his 'Negative Capital' (as in his mental health and medical conditions such as sociopathic tendencies) made Al Capone a formidable criminal entrepreneur. Simultaneously his 'Entrepreneurial Capital' (i.e. his socialisation into business ways (nous) and business networks) when allied to the

'American Dream'; and aligned to his substantial 'Monetary Capital' (i.e. his portable wealth); and his 'Physical Capital' (i.e. his property) made Al Capone a formidable businessman and legitimate entrepreneur. When one combines these with his 'Intellect' (as in criminal and business intellects); his 'Experiential Capital'; and his position of power and respect in the 'Italian-American Immigrant Community' where he was recognised and acknowledged as a 'Mafioso' then the picture is almost complete. It is almost impossible to try and separate the entrepreneurial and criminal components of the profile. The Prohibition era acted as a 'magnification loci' for both entrepreneurial and criminal opportunity to flourish.

7. Why Capone Became an Entrepreneur

Brice (2003, p. 6) argues: "*Since assimilation is not always possible (or desired), illicit entrepreneurship is one avenue that has developed over time to equalise social and economic disparity.*" Capone and other gangsters used criminal entrepreneurship as a vehicle for upward social mobility. Capone chose a life of crime as a means of advancing his place in the world (Iorizzo, 2003). In a study of the sociological aspects of the American vice industry between 1880 and 1944, Light (1977) concluded that in such a market demand does not explain supply. This is because socio-cultural and demographic characteristics affect the nature of entrepreneurial outcomes. Personal preference, and mindsets influenced by cultural and religious values affect opportunity perception (Dana, 2010). Both Light (1977) and Dana's (1995; 2010) views acknowledge the influence of culture and cultural values upon the entrepreneur. Bergreen (1994, p. 24) writes: "*Al Capone has always insisted he was American, born and bred, and so he was, but his Italian heritage formed and informed every aspect of his life and career.*" Capone's Italian culture and values were not only compatible with

his form of entrepreneurship, in conjunction with his resource profile and his environment, they were conducive of it.

Al's childhood was not dissimilar from that of his older brother, Vincenzo. Despite socio-cultural and demographic similarity, Al became a gangster and enemy of Prohibition, whilst Vincenzo became a Prohibition agent and enforcer (Bergreen, 1994). It could be that Vincenzo valued law and order above capitalising upon a market opportunity; but whatever Vincenzo's reasons, they were diametrically opposed to Al's. This exemplifies the subjective nature of entrepreneurship: two brothers that chose to react to their environment in two different ways.

8. Capone's Impacts

Restaurants, ice houses, haberdashers and florists all seemed to flourish when Capone and his entourage were around (Bousquet, 1998). Capone changed the lives of those around him first, and then the lives of many more, with tales of his illustrious and violent entrepreneurship (Blok, 1974). Robert De Niro portrays Capone in the film "*The Untouchables*" (Fraleigh, Ness, & Mamet, 1987). In Chicago, the Algonquin Sub Shop has named their number one selling sandwich the "*Al Capone*" (Walkup, 2004). In Chicago, Al Capone is a household name.

8.1. Capone's Generosity:

Capone was almost embarrassingly generous. His Christmas shopping bill for friends and acquaintances ran to over \$100,000 (Schoenberg, 1992/2001). He annually donated as much as \$70,000 to churches, the police widows' and orphans' fund (Iorizzo, 2003). The prologue of Bergreen's (1994) book, "*Capone - The Man and the Era*", gives an anonymous account of Capone's kindness:

“He bought me my first bicycle. He said to me, “Did you go down to the sporting goods store?” I said, “No.” He said, “Well, go down there. They’ve got something for you to pick up.” So I went, and there was a brand new bike waiting for me. I was young. Rode it home. And he was sitting on the porch waiting for me. He had a grin from ear to ear. Then he rode the damn bike half the afternoon” (Bergreen, 1994, p. 15).

The account goes on to detail how Capone would help those around him too:

“Anyone ever needed any help who went to him, they got it. He helped those old people in Chicago, those old Italians during the Depression. If it hadn’t been for him, half of them would have been on welfare, or worse, but he always had ways of helping them earn a dollar. He never let anyone think he was just giving them something. He’d say, “I’ll rent your garage. I may need it” Or, “I’ll rent your basement, I may need it”. Never using it, but he’d pay ‘em \$75 a month; it was a lot of money back in 1930. He was just that way. During the depression he even ran soup kitchens in Chicago. He fed many and many a bum. I don’t know what he gained by being kind to those kind of people because they couldn’t do anything for him; he was doing it for them. But that’s the kind of individual he was. He just liked people” (Bergreen, 1994, pp. 15-16).

Yet one must not be taken in by such contradictory principled behaviours because Pablo Escobar and many other notorious criminals have also been public benefactors – it is merely part of their criminal-entrepreneurial modus operandi.

9. Conclusions

Like all entrepreneurs, Capone’s success is contextual. His environment and cultural values influenced his perception of opportunity. Prohibition had presented illicit entrepreneurs with an opportunity, and Capone had the resources required to capitalise

upon it. Chicago was supportive of Capone; Chicago accepted his bribes, enjoyed his alcohol and, for a while, enjoyed his company. Although he operated outside the boundaries of law, his entrepreneurship helped to empower marginalised Italian-Americans with the money it brought to their communities. Despite his use of questionable business methods, ironically he liked making people happy.

Capone was a self-made man in the truest sense of the word. He was an entrepreneur and a gangster but even a criminal entrepreneur is still an entrepreneur (Cantillon, 1755). The classic self-made man in the context of the entrepreneurial dream is virtuous he makes good by dint of hard work using all the capitals he possesses. As an entrepreneur they take between and add value. What differentiates a criminal self-made man like Capone is the Institution of Mafiosi. One must be recognised by others as a 'Made-Man'. In reality they will make you a 'Made-Man' if you bring in enough money and have the right pedigree. Yet, Capone was a product of his perception of the environment he lived in, and a product of his cultural and personal preferences – all of which were influenced by events before and during his life. Entrepreneurship knows no moral bounds; it simply manifests itself differently depending on the morals and values of the entrepreneur. What Capone and numerous other criminal entrepreneurs throughout history have done is to shape and re-script (Smith, 2013) their own personal histories using socially acceptable scripts such as entrepreneurship and philanthropy to their own ends.

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