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Access-to-Credit and the Rate of Victimization in an Entrepreneurial Community

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Abstract

The scope of the paper is to empirically assess whether entrepreneurs experiencing difficulties in access-to-credit are vulnerable to some forms of victimization, especially when this refers to crimes more related to entrepreneurs' activity. The basic idea is that those entrepreneurs might be induced to fund themselves into the informal and criminal credit markets or, if informationally captured by a bank, can be exposed to requests from the financial intermediary that might also have a criminal profile. This has been investigated using an original data set with information collected through a victimization survey administered to entrepreneurs in Campania, the largest region in the South of Italy. The estimation results from a logistic equation are consistent with the hypothesis that, in presence of difficulties in accessing credit, the entrepreneur might incur in a higher risk of victimization.

Keywords

Access-to-credit, relationship banking, victimization

The issue of repeated and multiple victimization has been addressed in the literature generally stressing the role of relational aspects, and in fact a contemporary prospect of victimology includes among others the contextual factors and those symbolic and cultural elements that contribute to originate an act of violence (Fattah 1992; Tilley and Laycock 2002, 2003; Townsley, Homel, and Chaseling 2003; Baldry 2003; Johnson, Bowers, and Pease 2004).

The historical evolution of the concept of victim gave rise to a flourishing empirical literature, ranging from studies relating to the status of wife-beating in the 1980s (Steinmetz 1980; Straus 1983) to research on the abuse and mistreatment of the elderly (Solicitor General of Canada 1985; Bowland 1990) as well as to usury phenomenon involving pensioners and the elderly as victims (Stefanizzi 2002; Spina and Stefanizzi 2010), or the ill-treatment of children and young people (namely sexual abuse, mistreatment, child abuse, hazing as structure of institutional behaviour, bullying, etc.) (Depolo 2003; Ege 1997, 2005; Hirigoyen 2000; Baldry 2006; Curci, Galeazzi, and Secchi 2003; Merzagora Betsos 2009; Ponzio 2004; Ventimiglia 2002; Fonzi 1999; Genta 2002; Manesini 2003; Olweus 1996). More recent empirical research emphasizes the unequal treatment of social control agencies, the persistence of ethnic prejudice, the relationship between migratory and crime processes (Palidda 1999; Ruggiero 2008; Melossi 2008; McDonald 2009), and, finally, with a twist of

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perspective of victimization and change in gender relations, the case of mistreated men (Struve 1990; Vezzadini 2004).

Since any offence is a product of an interaction (between subjects and/or between subjects and the surrounding environment), the most recent assumption is that different social situations, such as socio-occupational positions, relational and interactive conditions, lifestyles or daily practices, increase the risk of victimization (Hindelang, Gottfredson, and Garofalo 1978).

Although the analysis of social processes of victimization and causal mechanisms governing these processes has expanded its range of observation, still there is not any analytical framework that might consider certain social, professional, occupational conditions and the relationships between them and the environment, or the organizational structure with which the victim interacts. This is, for instance, the case of victimization risk of businessmen and the relation that this phenomenon has with access-to-credit.

The analytical assumption discussed in this paper is that the difficulty of access-to-credit by the social category of entrepreneurs unfolds as a risk factor of victimization because it exposes them to loan shark credit, to criminal organizations and to various forms of intrusion into their business. However, this threat is differentiated, depending not only on banking policy strategies of credit companies rather on the quality of the relation which is intertwined between entrepreneur and Bank and on the use of the information available to the customer's Bank.

In the next paragraph a brief review of the literature on victims of business and white-collar crimes is presented, followed by a sociological perspective on the study of business victims, considering the case of a community of entrepreneurs based in Campania, the most important region in the South of Italy, and their experience in the access-to-credit. Then, on the basis of the relationship banking literature, it is argued that when a firm is informationally captured by a bank, it might observe a deterioration in its credit conditions and can also be exposed to requests from the financial intermediary that might also have a criminal profile. In the fifth paragraph, by using an original dataset collected administering a survey to entrepreneurs in Campania, a measure of the relationship between victimization and access-to-credit conditions is provided. Finally, the sixth paragraph concludes the paper.

"INVISIBLE" CRIMES AND THE RATE OF VICTIMIZATION

In the victimization literature a special consideration has to be reserved to those studies analyzing the victims of business or the victims of white-collar crimes, and more generally of the so-called "invisible" crimes. As a matter of fact, these sets of offences, because of proper characteristics (e.g., randomness of harm; the victim's undefinability; widespread victimization; technical complexity of the committed crime) or environmental characteristics (prejudice against the complainant; transnationality; greater informal control; type of relationship between victim and perpetrator), escape social control agencies, or receive an evanescent social reaction, or are even downgraded in public opinion to the offences of a criminal elite considered dishonest but not criminal (Jupp 2001; Vidoni Guidoni 2006).

First, research on corporate crime victimization was primarily focused on crimes resulting directly from business activities, such as environmental crimes, fraud to consumers, corruption, economic and fiscal fraud or computer thefts. For these crimes, it is the company that strategically acts in order to gain a direct or indirect advantage (corporate offences). Since its origin, this literature has interacted with the research on white-collar crimes: victims are generally "collective" and sometimes indefinite, and spatiality and temporality is asymmetric and asynchronous, since crime occurs at a different time and place respect to when it produces effects.

Another strand of literature investigates offences that are committed within the business activity. In this case, a company might be the offender, when crimes concern the non-compliance with rules on safety or health at work, or the victim, as with shoplifting or extortion. Furthermore, an enterprise is considered as the organizational model *par excellence* in which the hierarchical structure of working relations promotes a series of relational offences and power abuse (Vidoni Guidoni 2006; Bandini et al. 2004; Croall 2001a).

Quite absent are the contributions that consider the effects of credit restrictions on entrepreneurs' victimization as well as the relationship between access-to-credit difficulties and exposure to risk of infiltration of organized crime in the management of the enterprise (Savona 2009).

Unfortunately, this kind of literature underestimates the actual volume of the committed offences, the reason being difficulties in obtaining data and precise information and identifying a clear cut cause-and-effect relationship between victimization and crime, the lack of cooperation on the part of firms and a poor quality of official statistics on these crimes that has been only recently improving. More harmful, however, is the widespread social consideration that leads to the decriminalization of such offences and behaviors, so as to render those crimes invisible or even not punished (Croall 2001b).

THE SOCIOLOGICAL RELATIONAL APPROACH TO THE STUDY OF A BUSINESS VICTIM: THE CASE OF A COMMUNITY OF ENTREPRENEURS IN CAMPANIA

Sociological research on this specific topic has not provided solid explanations yet, basically because of the contributions of economic and criminal sociology, the first studying a differential performance or territorial economies, the second studying the factors motivating economic crimes. An analytical thematic subject above the enterprise victimization has not been found as a consequence of these different streams. The result is that we have a sterile list of practical facts which has been gathered without any analytical improvement.

Probably, this is due to a misrepresentation of the way the market operates or of the relationship between economics and society, not stressing enough that, as it is now widely acknowledged in the economic rational approach (Coleman 1990; Hechter and Kanazawa 1997), formal institutions and other complex social structures evolve responding to rules and sanctions, to positive and negative incentives (Barbera and Negri 2008; Coleman 2005; Hechter and Kanazawa 1997). In order to prevent the birth of the interpretative dichotomous model of the homo economicus opposed to homo sociologicus.

Phenomena are economically relevant not so much for their intrinsic economic significance but for the economic effects they generate. Access to bank credit, for example, is a typical economic action based on rational assumptions of utility maximization that has effects on the economic development of an area.

In order to optimise his behaviour, any entrepreneur does not disdain interpersonal contacts, and evaluate the cost conditions and the collateral required by the bank or the certainty of the loan. On its side, the financial intermediary is active in monitoring the economic agents, their selection, even considering the social reputation of the debtor. In such a situation, a positive match between demand for and supply of credit depends not only on the maximization of the objective function of each individual agent, but also on a wider number of structural factors or "social capital" that encourage the agents to favour certain strategies. This is the case of a widespread recourse to informal lending and/or social networks when the formal process of credit is unavailable, insufficient or beset with complicated procedures.

Social and customer relations are fundamental assets for the understanding of the mechanisms that facilitate the access-to-credit, and such a relationship is crucial for explaining why some regions suffer poor economic conditions and are less developed than others.

In Italy, for instance, Southern regions are less developed than the ones in the North of Italy and this is partly due to the fact that in the South of Italy credit conditions are more severe, since financial intermediaries ask for higher interest rates or collaterals. This undermines the prospects of economic growth and exerts a negative effect on firms' investment decisions, conditioning their businesses unless they can rely on alternative sources of credit.

Due to poor institutions and insufficient social capital accumulation, financial intermediaries select their customers not on the basis of economic variables but on the basis of the quality of the customer relationship. These relationship are usually permeated by "informal" or amiable properties and by the logic of social exchange that transforms customer relationship into a dimension of social relation similar to a bonding-type social capital, whose relevance is inversely related to the size of credit firms.

In some pathological circumstances, these relationships might expose an entrepreneur to the risk of victimization since, as it will be argued in the next paragraph, difficulties in the access-to-credit can confine the firm to informal credit markets or even to credit markets controlled by mafia-type criminal organizations[1] (Masciandaro 2001; Pinotti 2010; Camera dei Deputati 2011; Bonaccorsi di Patti 2009).

What kind of explanation can sociological perspective suggest for these relational performance and paradoxes that are recorded in the local environment to the point total to catch conditions of victimization of the entrepreneur? That is, what is the form of social relations that predominates and what results it arouse both as a product (the greater burden of access-to-credit for entrepreneurs) and as an impact on the territorial community (favors the climate of uncertainty, the deterioration of the economic fabric, the weakening of the development)?

From the sociological point of view among the latest theoretical developments that are targeted toward the exceedance of the dichotomy structure/agency, there is a relational perspective that moving its first steps from the 1980s in Italy, has been spreading beyond these borders offering an interpretive model of the relationship between individual-society that goes beyond dichotomous prospect and conceives the society "making".

The relational approach looks at the essence of the society, to form social relationships whose forms give rise to what we call society: in short, it conceives the social relationship as a "social molecule" and then starting it observes the ways in which changes continuously (morphogenetic aspect) or forms stable structure (morphostatic aspect) (Donati 1983, 1991, 2006, 2010, 2011, 2013). The relational paradigm, which over time has been enriched by an epistemological, methodological base of thumb (Donati and Terenzi 2006; Donati and Colozzi 2006), neither keeps, then, the result of social interactions (e.g., social structures, institutions, organisations, etc.), nor looks at the intent of the act, the course of an individual's action, but considers the society as a condition for explicit actions (it is constraint and a resource for agents). The social relation, in this analytical framework, is not conceived as a bridge between the individual and the system, or as a mix of individual and systemic elements, but as an emergent effect of interactions between action and social system: these are "reality with their properties and powers".

The social relation itself (as a concept) is decomposable inside (because it is reticular and multidimensional) and can be recomposed as an emergent effect precisely because it assumes a certain configuration in the growing network of relationships (to create goods, to gain an interest, to realize a connection) in a given contingency (Archer 1995, 2003). Morphogenesis and morphostasis are those which best fit to the social relations. The results of such processes can be different. It's in fact the quality of the relation that produces specific features marking the phenomena. Observing a social fact (in this case, the connection between risk of victimization and difficulties of access to credit) means, then, looking at the interaction between two autonomous spheres (the process of victimization to stakeholders and the organization mode of credit) and explains (identifies) what effect emerges, i.e., what is the identity that takes the relationship between entrepreneur and credit company (communicative interaction) and following up with the kind of relationship understanding which new pattern is produced, so asking the lender could have an impact on the credit amount by the requiring company.

In the context of empirical evidence, the data seem to suggest that the supply of credit, especially in the areas of the province of Naples, is addressed to customers whose selection takes place not according to variables of economic-financial performance (corporate budgets, sales growth prospects, propensity to export, investment, margin size, undertaking research and development costs, organizational innovations, product or process, etc.), but on expressive variables concerning the quality of the relationship established with the contractor. Plus the customer relationship is thickened by "informal" properties, communication, friendships and logic of social reciprocity specifies that curve the shape of the relationship with the contractor in that dimension of social relations which takes on the character of social bonding type capital, it maintains the same relationship. The banking company's size is limited (and territorially device) to a greater extent the customer relationship takes on this quality.

In the conceptual frame of the relational paradigm, the communicative interaction between entrepreneur and credit company can be explaine by observing the binding type. The communicative relationship among the different players creates an energy which helps only those who shares the same relational identity, so to have selective effects, not just because the person who receives is the object of universal credit strategy, but giving a meaning to the relationship which is created.

In short, while from the point of view of the credit company it is expected to produce a communicative interaction organized customer oriented purposely to achieve objectives (formal relations in systemic sense described by Habermas), in fact access-to-credit based on those subjects that build (using their informational stock) a mutually shared sense orientation for which the (quality of) relation has hallmarks from the assets over functional and formal economic organizations request.

The paradox that occurs in the context of the city where most prevalent is the presence of large banks is that the sharp contraction in supply of credit to businesses is affected by a limited importance given to customer relationships, self-laid more by informational elements that improve the objective function of the banking company (paying some of the credit granted) and expansion strategies of the offer of products. The weak political strategic focus on credit penalizes employers who extend their gaze on other credit sources. The town is markedly more negative with respect to the province where the customer selection takes place, however, on the basis of the identity of the report definition that seems to reward more stakeholders.

The difficulty of access-to-credit exposes entrepreneurs, as they try, to the risk of victimization, temporary state illiquidity or recourse to sources outside the banking system, until the closure of their companies. Additionally, it must be considered that South of Italy has bank credit more chronically rationed compared to the rest of Italy. If one adds to this that the continuing economic crisis since 2008 has made the most critical business financing (Albareto and Finaldi Russo 2012), you can understand what impact takes on the dynamics of the economic difficulties of access-to-credit. However, even though data processing is not a linear correlation registered with this factor, interviews indicate that exposure to credit loan shark and the conditioning of criminal organizations on the life of the enterprise appear relevant.

RELATIONSHIP BANKING AND THE LOCK-IN PHENOMENON

The modern literature on financial intermediation has primarily focused on the role of banks as relationship lenders. Banks develop close relationships with borrowers over time. Such proximity between the bank and the borrower has been shown to facilitate monitoring and screening of the borrowers and can overcome problems of asymmetric information.

Despite a huge literature on the relationship between banks and borrowers (Hodgman 1961; Kane and Malkiel 1965; Wood 1975), there is not any clear definition of "relationship banking". Hodgman (1961) maintained that banks might induce some of their customers to keep their deposits with them, and not with competing banks, offering higher interest rates. Kane and Malkiel (1965) emphasized the gain in information that allowed each bank to select the best customers (those demanding for more deposits on a longer time span) to whom they can lend at lower interest rates. Wood (1975) stressed the role that the relationship might play in defining a strategy to compete with the other banks on the lending market: first, the bank can acquire more customers offering loans at very low prices; once the relationship has been established, then the bank can increase the lending rates. On the whole, however, all these contributions consider the "relationship banking" as a competitive strategy to increase their market share on the loans and/or the deposit market.

More recently, the same concept has been considered within the asymmetric information literature and it has been used to justify the existence of banks as source of loanable funds in alternative to (bond) markets. This kind of literature stems from the theoretical contributions by Leland and Pyle (1977), Diamond (1984) and Fama (1985) on the differences between commercial banks and the other financial intermediaries.

Traditionally, commercial banks hold illiquid assets that are funded largely with bank deposits, and that might be often withdrawn on demand with little uncertainty about their value. By liquidating claims, banks may facilitate the funding of projects that would otherwise be infeasible. Greenbaum and Thakor (1995) maintained that banks managed and absorbed credit and liquidity risks by issuing claim on its total assets with different characteristics from those encountered in its loan portfolio. As for the banks' assets, they are illiquid mostly because of their information sensitivity. In pricing loans, banks develop proprietary information that is further exploited through subsequent monitoring of the borrower. It is this proprietary information that actually makes these loans a non-marketable asset, thus providing the most fundamental explanation for the existence of banks as financial intermediaries (Bhattacharya and Thakor 1993).

Thanks to the client relationships, the bank can acquire private information on each borrower thus reducing the informational asymmetries that make the access-to-credit markets very difficult for the opaque entrepreneurs (Bhattacharya and Thakor 1993). According to this view, the relationship between customers and their bank is antithetic to the one with the markets, and in fact these contributions have mostly been developed in USA and UK, that is, in countries where financial and credit markets are well established and the question of the benefits that might derive from the bank lending is a crucial one, since usually the resources collected by bank are more costly with respect to the ones collected into the market.

Further developments consider the "relationship banking" as one modality in which each bank can model its organization. When the relationship is lasting for a long period through multiple interactions with the same customer over time and/or across products, the bank can acquire borrower specific—often proprietary—information available only to the intermediary and the customer. This information can be obtained when banks provide screening (Ramakrishnan and Thakor 1984) or monitoring services (Winton 1995) and allow banks to gather information beyond readily available public information thus spreading their collection costs onto a broader range of products or along a longer period of time. On the basis of this private information, the intermediary can device the optimal contract and make the access-to-credit more easy, either granting a loan even to borrowers that otherwise would be faced with serious financial constraint in the market for funds, or lending a larger quantity of credit at a lower interest rates or even asking for a smaller amount of collateral (Boot and Thakor 2000).

With respect to the type and quality of information, they are mostly qualitative and borrower-specific (e.g., entrepreneur's ability, her ethic profile, etc.), a sort of "soft" information that goes beyond the information conveyed by "hard" elements such as the firm's financial statements, its collateral and credit score, thus helping the financial intermediary deal with informational opacity problems better than any potential transactions lender (Udell 2002; Petersen 2004).

Several studies have also argued on empirical grounds that the "relationship banking" is more successful when the dimension of the financial intermediary is not very large, so that those who collect the "soft" information are the same who decide whether to extend credit to the firm, and the bank is very proximate to the firm: when this is the case, the financial intermediary is then more efficient in screening firms with relevant informational opacity, as in the case of small and micro enterprises (Angelini, Di Salvo, and Ferri 1998; Alessandrini et al. 2009).

To this extent, one motive of concern is in the consolidation process observed in the financial systems, where most financial intermediaries are increasing their dimension through merging and acquisitions with other competitors, since this tendency might cause a credit constraint that to a larger extent will be suffered by the less transparent firms (Bonaccorsi di Patti and Gobbi 2001; Sapienza 2002). These firms might be thrown out of the market or induced to raise borrowing funds in less transparent ways through informal or even criminal markets.

A second motive of concern is the "hold-up" problem that has to do with the information monopoly that the bank acquires in the course of lending. The threat of being informationally captured ("locked in") by the bank is closely inversely-related to the possibility for each firm to establish multiple bank relationships (Ongena and Smith 2000).

Whenever a firm is "locked in", it might observe a deteriorations in the credit conditions or a reduction in the amount of products offered over the time. But it could also be exposed to requests from the financial intermediary that might also have some criminal profile, as in the case of Parmalat vs. Capitalia.

Parmalat is a multinational Italian dairy and food corporation, a leading global company in the production of UHT (ultra-high temperature) milk, which went bankrupted in 2003 with a 14 billion Euro default (Di Staso 2004).

By the mid of 1990s, Parmalat financed several international acquisitions. However, since 2001 many of the new divisions were producing losses, and the company financing largely relied upon the use of derivatives, with the intention of hiding the extent of its losses and debt.

At that time, Parmalat had Capitalia, a leading Italian commercial banking that has then been merged into Unicredit, as its primary source of borrowing financing. A criminal investigation run by the Procura of Parma and the Procura of Milano has revealed that Mr. Geronzi, the CEO of Capitalia, forced Mr. Tanzi, the CEO of Parmalat, to acquire the Eurolat company for the amount of nearly 400 million Euro, an amount larger than the market value of Eurolat. Most of this amount went to repay the debt that Eurolat had with Capitalia. As the criminal investigation has assessed, in 2002 Mr. Tanzi was asked for acquiring Eurolat in order to have granted from Capitalia a "bridge" loan of 50 million Euro which was needed to recover the losses of Parmatour, a division of Parmalat. In 2011 Mr. Geronzi was fined with a 5-year penalty.

THE DATASET AND THE EMPIRICAL RESULTS

The relationship between victimization and access-to-credit have been investigated using an original dataset with information collected through a victimization survey administered to entrepreneurs in Campania associated with UNINDUSTRIA[2].

The entrepreneurs were asked questions on their characteristics (e.g., age, sex, level of education) and those of their firm (e.g., geographical location, industrial sector, number of employees, employment dynamics, origin of the firm). They have also been asked on their experience in the access-to-credit, whether they ever experienced any difficulty and how they solved the problem, and whether they have ever been victims of crimes both related and unrelated to their professional activity.

Most of the entrepreneurs have their firms located in the province of Naples (53%) and Caserta (29%), the two provinces in Campania where mafia-type organizations are most active. A large part of the firms are in the engineering (24%) and the textile (11%) industry, and nearly 40% of them have less than 20 employees.

In 46% of the cases, the set-up of the firm was funded with personal capital, while nearly 15% with bank credit or credit facilities and 30% were inherited. Difficulties in accessing credit were experienced by 63% of the entrepreneurs, and these have been circumvented offering personal guarantees (54%) or receiving funds from relatives and friends (32%).

Among all the available variables, the ones that have been selected to explain victimization rates are the following: difficulties in accessing credit, province where the firm is located, number of employees, employment dynamics, age and level of education of the entrepreneur, and origin of the firm (more details in Table 1).

These variables were used as predictors of three selected victimization rates (theft, robbery, imposition of employment or suppliers) in a logistic equation and the empirical results are shown in Table 2.

The results show that robbery and theft victimization rates are exclusively determined by two variables: the province where the firm is located and the number of employees. In particular, if the firm is located in Naples or if the firm has no more than 5 employees, then the chances for the entrepreneur to be victimized are higher. None of the other covariates relating either to the characteristic of the firm or to entrepreneur's profile are significant.

This evidence is not unexpected, since the types of crime under investigation are not strictly related with the entrepreneurs' activity; what matter are background factors, as the geographical location or the dimension of the firm, since micro-firms are more likely clustered around the city of Naples, where victimizations rates as such are higher than in the rest of the region.

When a different crime more related to entrepreneurs' activity is considered, then the picture is remarkably different. Victimization rates related to the imposition of employment or supplier are also determined by the dynamics of the employment and the origin of the firm, besides the background factors. When the number of employees has increased in the previous three years, the likelihood of being

Table 1. The Data-Set

Variable		
Access-to-credit	1 = difficulties (always or sometimes)	0 = never experienced any difficulty
Prov_NA	1 = firm is located in the province of Naples	0 = firm is located in one of the remaining four provinces in Campania
Micro-firm	1 = no. employees ≤ 5	0 = no. employees > 5
Employment dynamics	1 = no. of employees has increased in the previous three years	0 = no. of employees has not increased (stable or decreased)
Age	1 = <50 yrs old	0 = otherwise
Education	1 = Diploma or Laurea	0 = otherwise
Origin of the Firm_1 Origin of the Firm_2 Origin of the Firm_3	1 = Personal capital 2 = Bank Credit/Credit Facilities 3 = Foreign/Other	0 = inherited

Table 2. Empirical Results

Odds-Ratio	Robbery	Theft	Imposition of employment/suppliers
Access-to-credit	.80	.66	1.31**
Prov_NA	12.20***	7.35***	8.60***
Microfirm	1.11*	2.77**	5.50**
Employment dynamics	.95	.84*	.43**
Age	.88	.94	.85
Education	.73	.69	.81
Origin of the Firm_1	1.20	1.08	.83
Origin of the Firm_2	.79	.81	1.11**
Origin of the Firm_3	.33	.72	.22***
Constant	Yes	Yes	Yes
F-test Origin of Firm (*p*-value)	.251	.153	.039
Goodness of Fit (*p*-value)	.094	.043	.002
% cases correctly classified	58%	66%	73%

Notes: * significant at 10%; ** significant at 5%; *** significant at 1%; Yes = The models are estimated with a constant.

victimized is smaller: dynamic firms are less vulnerable to some forms of imposition onto their activities. As for the origin of the firm, when the firm was set up with funds from bank credit or credit facilities then the odds for the entrepreneur of being victim of some imposition is higher than for those who inherited their firm; the opposite for those who run a firm originally financed with foreign capital: they experience smaller probability of being victimized than those who inherited their firm. As a whole, the variables "origin of the firm" are significant at a significant level of 4% or higher.

Furthermore, for this type of crime the variable access-to-credit turns out be significant: those who experienced difficulties in accessing credit have a greater probability of being victims of some imposition in the choice of their suppliers or in the decisions on the number and type of employees. This evidence is consistent with the hypothesis that, in presence of difficulties in accessing credit, the entrepreneur might solve the problem either establishing a close relationship with a single bank, being "locked-in", or going to the informal credit market. In both cases the entrepreneur is vulnerable to some victimization.

CONCLUSIONS

Access-to-credit is a key factor in the economic development of a region and its diffusion is based not just on economic considerations but also on a close customer relationship between entrepreneurs and financial intermediaries, especially in presence of poor institutions and low social capital accumulation.

In some pathological circumstances, when the financial intermediary acquires a relevant information monopoly due to the close customer relationship, a firm might be locked-in, thus observing a deterioration in the credit conditions or a reduction in the amount of credit supplied that exposes the firm to unlawful pressure from opaque intermediaries or requests from banks that might also have some criminal profile.

According to the original dataset collected through a victimization survey among entrepreneurs in the largest region of the South of Italy, there is a significant evidence that corroborates the hypothesis that entrepreneurs experiencing difficulties in access-to-credit are vulnerable to some forms of victimization, especially when this refers to crimes more related to entrepreneurs' activity.

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Notes

1. Several studies have shown that during the last 30 years, and particularly in the provinces of Naples and Caserta in Campania, criminal organizations have entered in a pervasive manner the industrial system, altering the functioning of market rules and increasing economic and financial vulnerability of the region Campania, with significant side effects also on credit to firms.
2. Campania is the largest region in the South of Italy, ranking second for the number of population and first for the density of population among all the Italian regions; UNINDUSTRIA is the most important Italian association of entrepreneurs with branches in each single Italian region; the survey was conducted in 2007 and the questionnaire was made available on a password-protected page of UNINDUSTRIA website; the cases collected were 150 out of nearly 2,500 potentially responses.

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