

Italian elections: Berlusconi presents himself as the employers' man

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Following the dissolution of the Italian parliament and the fixing of the general election for May 13, the campaign is now proceeding at full pace. The first confrontation between the two leading candidates—Silvio Berlusconi of the right-wing “Pole of Liberty” and Francesco Rutelli of the centre-left “Olive Tree” coalition—took place the weekend of March 17-18 at the conference of Confindustria, the main Italian employers' association. Berlusconi and Rutelli delivered speeches on separate days.

The star of the meeting was clearly Berlusconi. His speech was interrupted over 20 times by enthusiastic applause, while Rutelli was received rather coolly. Without any shame, Berlusconi, the media magnate who is being depicted on election posters as a “workers' president”, presented himself in Parma as the 100 percent man of big business. “I will be your entrepreneur of Italy,” he promised, and announced an alliance of all those representing the “culture of accomplishment”—between Confindustria and the Pole of Liberty coalition.

Berlusconi described a 190-page wish list that Confindustria had prepared as a “photocopy” of his own programme. “One might ask whether I copied your programme or vice versa,” he said, and offered to exchange offices with Confindustria President Antonio D'Amato. “Dear Antonio,” Berlusconi quipped, “why don't we exchange positions? You have prepared a real government programme.”

In the style of Moses in the Old Testament, Berlusconi presented “ten commandments” to the gathering of entrepreneurs. They promise substantial tax reductions, a loosening of employees' protection against dismissal, and similar measures to weaken restrictions on big business. Social spending is to be lowered, taxes on inheritances and gifts abolished, and the “Tremonti law”—which lifted taxes on the reinvestment of profits—reintroduced.

This last measure might serve Berlusconi's own interests. When he headed the government for several months in 1994, he was able to save \$109 million in taxes with the help of this law, enabling him to reorganise his shattered Fininvest company. Berlusconi's “seventh commandment”, limiting liability for “falsifying company balances” under corporate law, also affects Berlusconi personally. The existing law has already caused the media entrepreneur considerable legal difficulties.

In the past, relations between the upstart Berlusconi and establishment circles in Italian business were rather strained. Prominent business representatives—such as the former central bank chief Carlo Azeglio Ciampi (who has since become Italy's president), Lamberto Dini (presently minister of foreign affairs) and the head of the state-owned IRI conglomerate, Romano Prodi (now president of the European Union Commission)—were active in the leadership of the centre-left coalition, directing the government at different points in time.

The relationship between Gianni Agnelli and Berlusconi was also considered to be strained. Agnelli owns and controls the FIAT company, Italy's largest private business, and for years was considered to be the *éminence grise* of the Italian private sector.

Generally speaking, these circles preferred a policy combining a focused deregulation of the Italian economy with the preservation of social peace, rather than Berlusconi's gung-ho approach, which provoked violent strikes and demonstrations in 1994. This has now changed. Rutelli, the Olive Tree candidate, warned in Parma that the right wing were “not able to preserve the social peace”. His offer of “a permanent truce on tax issues” in view of the high national debt, but no tax reductions, found little resonance.

This change in course is connected with a change in the leadership of the employers' association and a change in the structure of the Italian economy. For the first time,

under Antonio D'Amato, a representative of small business from Italy's south, rather than a confidante of Agnelli, is leading Confindustria.

As a consequence of intensified global competition and the decoupling of many corporations, the weight of small business has increased significantly. Today, large-scale concerns with a workforce of over 500 only employ 15 percent of all Italian workers, instead of 30 percent 20 years ago. In Germany, large-scale enterprises still account for 56 percent of the workforce, and the figure is 43 percent in France.

A further 10 percent of the Italian workforce is employed in medium-size enterprises with 100 to 400 workers. The remainder, i.e., approximately three quarters of all employees, work for small companies with fewer than 100 staff.

For the owners of these small businesses, who have enriched themselves during the stock market boom and economic recovery of recent years, but who face constant competitive pressure, taxes and social spending are like a red flag to a bull. They form the social base that Berlusconi is seeking to mobilise in order to implement a ruthless change in course in the economy and in social policy. Those who will benefit from such a change, however, are not so much medium-size businesses as large-scale capital. Berlusconi's model in this regard is Margaret Thatcher, with whom he met recently in London.

The attacks on the working class that Berlusconi announced in Parma are not limited to past social gains; they also include democratic rights. In his speech he compared Italy's constitution with the "constitution of the Soviet state", aiming his words at social guarantees and state controls over the economy that were incorporated into the constitution as a concession to the working class following the defeat of fascism. At the same time, he is conducting a hysterical campaign against the RAI public television channel that is aimed directly against the right to free speech.

Earlier this month the popular satirist Daniele Lutazzi invited onto his programme the authors of a new book dealing with Berlusconi's past and the origins of his fortune. It contains many compromising documents, including the last interview (never before published) with the Mafia-hunter and public prosecutor Paolo Borsellino, who was assassinated in a 1992 bombing attributed to the Mafia.

In this interview, Borsellino connects Berlusconi with two self-confessed Mafia figures: Vittorio Mangano and

Marcello Dell'Utri, who are presently standing trial for their Mafia connections. In 1974, Mangano was employed for more than a year in Berlusconi's household, allegedly as his stable master and chauffeur. He is considered to be an influential Mafia boss and drug dealer. The book also contains documents about the origins of Berlusconi's media empire, the interrogation records of Dell'Utri and Berlusconi, as well as details of various financial intrigues during Berlusconi's first period in office.

The Berlusconi camp reacted to the broadcast with indignation, which only served to make the book better known. They demanded that Lutazzi's satirical show be scrapped and called for the resignation of the entire RAI senior management. The Pole of Liberty withdrew its own member from the five-strong RAI executive committee and decided on a boycott of all RAI transmissions, to continue as long as those responsible for the "unbelievable attack" on the leader of the opposition remained in office.

When at the end of the week, the well-known RAI presenter Michele Santoro dedicated his discussion programme to the affair, the chairs for the representatives of the right-wing block remained empty. Instead, Berlusconi personally telephoned the presenter in the middle of the transmission and bawled him out.

Considering that Berlusconi controls the three largest private television stations and several influential daily papers, which he unscrupulously uses for his own political purposes, it is not hard to imagine how little will remain of free expression should he, as head of government, also gain control of the state television channels.

See Also:

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[21 March 2001]



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