A portrait of Italy's Berlusconi government: "All for One, and One for Himself"

Berlusconi's Forza Italia: Part 1

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In June 2001, for the second time since 1994, a right-wing government led by the media mogul Silvio Berlusconi came to power in Rome. Berlusconi's Forza Italia, the neo-fascist Alleanza Nazionale and the separatist Lega Nord formed a coalition that violates the political norms of what was considered normal and acceptable in post-war Europe. Below is the first part of a two-part article analyzing the ideological and political roots of Forza Italia. Further articles, dealing with the other parties in the coalition and the reasons for its accession to power, will follow later. The second part of this article will be posted on Tuesday, April 16.

It is difficult to find a historical parallel to Silvio Berlusconi's movement *Forza Italia*. The fact that parties are controlled by economic interests, that individual industries or even individual enterprises set the tone inside them is not new. However, when a party is created by a company's executive board whose leading personnel are largely identical, and then the party is primarily concerned with safeguarding this company's interests and nevertheless wins a general election at the first attempt, such a thing has never existed in this form.

The emergence of *Forza Italia* goes back to the political earthquakes that shook the Italian party landscape between 1992 and 1994, and which buried the traditional parties under a wave of corruption scandals.

The presence of corruption within the Italian state and body politic at that time did not surprise anyone familiar with the political conditions of the country. For a long time, bribery and nepotism were such commonplaces that everyone who was in contact with the authorities politically or in business knew it was taking place. Lower and middle-ranking officials were regularly exposed, indicted and sentenced by the courts, but this did not disrupt the system of corruption, and those responsible politically remained unscathed. If the eagerness of a judge or a public prosecutor to investigate such matters ever went too far, then he or she would be taken off the case, or moved to other duties. Documents, evidence and even witnesses sometimes disappeared. And if all this could not stop it, then the legal action would run into the buffer of parliament. Giulio Andreotti, many times a minister and government head, had to appear 27 times before the parliamentary immunity committee—and got off scot-free 27 times.

The reason for these conditions lay in the special situation of post-war Italy. Economically weak, but with a strong working class and the largest Communist Party in Western Europe, the country occupied a key position in the Cold War. In view of the country's central strategic position on the Mediterranean, government participation by the Italian Communist Party (PCI) and the development of any possible close links between Italy and Moscow had to be prevented at any price. This provided the Christian Democrats with an almost automatic claim on power. Between 1946 and 1992, as the strongest parliamentary grouping, they held government office continuously.

The methods used to safeguard their claim to power stretched from the economic and political influence of the United States, the agitation of the Catholic clergy, up to multifarious conspiracies and plots, which involved not only secret political societies and the secret services but also the Vatican, the Mafia and the financial elite. The investigations, reports, literary works and films that endeavoured to uncover these conspiracies and the associated sudden deaths, unexplained murders and bloody terrorist attacks now fill whole shelves, without having had much effect.

Democrazia Cristiana (Christian Democrats) were less a political party and more a clique of interest groups that regularly attacked each other and engaged in mutual intrigue. Their continuing influence was based on the ability to supply their respective clientele with well-paid positions in the state apparatus, state subsidies and jobs. When the Christian Democrats slowly began to lose support, other parties joined them in government, in particular the Socialist Party under Bettino Craxi, who repeatedly managed to head the government, although his party never won more than 14 percent of the vote in elections.

The only party that did not participate in this merry dance was the Communist Party. However, this does not mean that it played no role in supporting the Italian state. On the contrary, it was the most reliable element within the political system. Apart from a short interlude after the fall of Mussolini it always remained outside national government, although it contributed substantially to the preservation and strengthening of state power.

From 1943 to 1947, the Communist Party had taken part in an all-party government that buttressed the state apparatus in Italy after the collapse of fascism and prevented a socialist society developing, as hoped by many members of the *Resistenza*, the armed resistance against the fascists. Afterwards, the PCI regularly received a quarter to a third of the votes in elections. But its influence was far more substantial. It was a social institution. In every city and large village it possessed a *Casa del Popolo* (House of the People), in which the social life of sections of the working class unfolded. The largest trade union federation, the *Confederazione generale italiana del lavoro* (CGIL), was under its influence. World-famous film producers, writers and intellectuals professed their allegiance to the PCI. And in many cities the annual celebrations of its daily paper *Unitá* were among the largest events.

At no point whatsoever did the PCI leadership consider using its enormous influence to change social conditions. Despite all the communist-sounding rhetoric, its loyalty to the Italian state was unshakeable. The real political conditions were displayed most vividly in a ritual that was repeated annually each spring: On April 25, the leaders of the Communist Party marched side by side with representatives of the government parties, decorated in the national colours, at the head of long

parades to commemorate the *Resistenza* and show their loyalty to the republic. One week later, on May 1, the same PCI leaders marched along the same roads, again at the head of long parades, however this time holding red flags bearing the hammer and sickle, articulating their protest against the government and accompanied by verbose calls for socialism.

The collapse of the Soviet Union undermined this state of affairs The PCI reacted by getting rid of the last remaining communist symbols. In 1990 it dropped the old party name, renaming itself the Party of the Democratic Left (PDS) and orienting to international social democracy, and later even to the Democratic Party in the US. For their part, the Christian Democrats and their government partners discovered they were no longer indispensable. On the one hand, the end of the Cold War meant the danger of closer relations with Moscow had disappeared. On the other hand, the so-called *Tangentopoli* —the expensive system of bribes and mutual favours—had become an obstacle for Italy's success in the global economy.

In the end, the impulse for the collapse of the old party system finally came from rather conservative state attorneys, who considered themselves to be champions of clean politics, but who were barely conscious of the consequences of their actions. Their most well-known representative, Antonio di Pietro, is typical. The public prosecutor from the economically backward region of Calabria exhibits typical characteristics of someone from a peasant background-obstinacy and stubbornness—which make him a persistent and steadfast prosecutor, but qualities which are rarely combined with political farsightedness.

In spring 1992, a group of Milan state attorneys launched the *Mani pulite* ("clean hands") campaign. They inundated politicians, state officials and business leaders with legal investigations, placing them in jail on remand. Once they were behind bars, many began to sing, exposing a dense network of payoffs that formed the main source of income for the government parties. At the high point of *Mani pulite* there were over 6,000 investigations running and approximately 3,000 suspects sat in remand, including top representatives from the worlds of politics and business. Unlike formerly, they were not able to stop the court cases. The press took up the investigations, the trials were broadcast live on television and the state attorneys became celebrated media stars. For two years this meant the entire nation held its breath, exposing the fragility of the old party structures, until they finally collapsed like a house of cards.

Parliamentary elections in April 1992 had already revealed a profound crisis. For the first time since the Second World War the Christian Democrats and their allies failed to gain a majority. The PDS—the recently re-named Communist Party—also suffered serious losses, and the *Lega Nord*, on its first outing, won between 13 and 18 percent in the north of the country. Two years later, the Christian Democrats and the Socialist Party had disappeared from the scene. The elections then were won by a party that had not existed at all in 1992— *Forza Italia*. In a coalition with fascists and the *Lega Nord*, Silvio Berlusconi was elected as head of government. Ironically, *Mani pulite* had thereby helped a man to the pinnacle of the Italian state whose rise, like no other, was a result of the corrupt old system.

When Silvio Berlusconi was born in 1936 in Milan, there was little to indicate that he would one day become the richest man in Italy and head of the government. His father, one of the senior staff in a small private bank, came from the upper middle class. Silvio graduated from high school and completed his law studies, and at a young age already demonstrated a considerable talent for business and communications. He completed homework for his fellow pupils—in return for cash payment—sold vacuum cleaners and worked as an entertainer on cruise ships and in beach restaurants. His university thesis on "advertising contracts" indicated the direction of his future career.

At 25, he created his own small building firm, financed with money from his father and secured by the bank in which his father worked. Two years later, a rapid ascent began that cannot be explained by business acumen and sales talent alone. In Brugherio on the edge of Milan, the 27-year-old set up an upmarket residential estate for 4,000 inhabitants. The building contractor was the Edilnord group, to whom Berlusconi provided the work. Almost 100 percent of the capital costs came from a Swiss finance company, whose backers are completely unknown. In 1968, Edilnord again bought an enormous area in the Milan suburbs. Here, once problematic construction regulations had been removed by a change in the law, over the following 10 years a settlement for 10,000 inhabitants with 2,500 dwellings was developed: *Milano II*. In the course of the 1970s Edilnord acquired further enterprises, and out of a confusing network of companies, dummy firms, partners and subsidiaries finally crystallized Berlusconi's present holding company, Fininvest. Barely 40 years old, Berlusconi was now one of Italy's largest building contractors.

There are many hypotheses about the origins of the capital for Berlusconi's business empire and gigantic building projects. Many tracks lead to the notorious secret Free Masons' lodge, *Propaganda 2*. Under the leadership of the former fascist Licio Gelli this brought together the interests of important representatives from the spheres of politics, business, the armed forces, secret services and the Mafia, and is implicated in almost all the scandals, coup and assassination attempts and unsolved political crimes of the 1960s and '70s. By extending its influence over government, the state apparatus and the media, *Propaganda 2* was anxious to prevent the PCI making gains. At the same time, it conducted extensive economic activities, which stretched from taking bribes for contracts secured with the authorities and state-run enterprises, to controlling the granting of credit by the banks, to illegal foreign exchange exports. The aim of these activities was to use the large sums of money expended to place people in prominent positions who shared the authoritarian and business-friendly views of the lodge.

The existence of *Propaganda 2* was uncovered in 1981, unleashing a series of parliamentary inquiries, legal cases and trials. However, Berlusconi's precise relationship with *Propaganda 2* was never completely clarified. What is certain is that he was a member of the lodge for a time. His date of admission (January 26, 1978) and his membership number (1816) are well known. Connections between Berlusconi's house banks and *Propaganda 2* are also documented. There are even suspicions that Berlusconi conducted his business activities as a stooge for the lodge. However, this is unproven.

Also, connections between Berlusconi and the Mafia have often been suspected, and there is strong evidence to support such a supposition. For example, in 1992 in his last interview, the public prosecutor and Mafia-hunter Paolo Borsellino, murdered by the Mafia, linked Berlusconi with well-known Mafia figures. In 1974, one of them, Vittorio Mangano, who was considered an influential Mafia boss and drug dealer, was employed for over one year in Berlusconi's household, allegedly as stable master and chauffeur. Another, Marcello dell'Utri, a top manager and lawyer in Berlusconi's business empire, came before the courts several times because of suspected Mafia links. In one court case, the principal witness, Salvatore Cancemi, even accused Berlusconi and dell'Utri of giving money to Mafia boss Totò Riina to attempt the assassinations of two state attorneys. Berlusconi and dell'Utri both strenuously denied the accusations.

What is beyond doubt, however, is that Berlusconi enjoyed close relations with Socialist Party leader Bettino Craxi. In 1992, shortly before the founding of *Forza Italia*, Berlusconi appeared in a television campaign advertisement for the Socialist Party. In 1984, Craxi became the godfather of Berlusconi's daughter, Barbara, at her christening. Craxi had taken over the leadership of the Socialist Party in 1976 and was responsible for taking the party, which had previously been considered on the left wing of the Italian political establishment, into a coalition with the Christian Democrats. From 1980, the Socialist Party was part of every government,

with Craxi himself being head of government from 1983 to 1987. Along with Christian Democrat Giulio Andreotti, Craxi was one of the main figures who symbolised *Tangentopoli*, the network of bribes and corruption, against which *Mani pulite* was directed. He finally managed to avoid Italian justice by fleeing to Tunisia, where he died in exile.

For Berlusconi's progress, the relationship with Craxi was essential. As a building contractor he could hardly have succeeded in Milan, which was considered a stronghold of the Socialist Party, in any other way. But the Socialist Party became completely indispensable, however, when Berlusconi came to build his media empire, which to a large extent took place somewhere outside the law, and was dependent upon the protecting hand of politics.

Berlusconi's ascent as a television mogul began when he created his own cable station for the *Milano II* settlement, founding the broadcasting enterprise Telemilano for this purpose. At the end of the 1970s he went into the media business on a large scale. At this time, two court rulings meant the regulations for establishing private local television stations were lifted, leading to chaotic conditions. For a time, there were some 350 TV stations employing 15,000 people in Italy. At a stroke, Berlusconi succeeded in gaining control over the local stations by acquiring numerous films and television series, soon enjoying a type of monopoly in this area. At the same time, he bought his own stations, as well as press and publishing houses.

In this way, Fininvest grew within a few years to become the twelfth-largest media company in the world. Berlusconi was soon in control of the three largest private television stations in Italy— *Canale 5*, *Retequattro* and *Italia 1*—which predominantly offered entertainment of the lowest level: game shows, soap operas and sexually titillating broadcasts, to raise viewer ratings. Moreover, he owned the Mondadori publishing house, through which he controlled the two highest circulation weeklies, *Epoca* and *Panorama*, as well as the daily papers *Giornale Nuovo* and *La Notte*. Berlusconi's empire also included building contractors, banks, insurance companies, a film production company, a video rental business and the top football team AC Milan.

Again, it is unclear where he obtained the billions needed for this rapid expansion. A large part came simply in the form of debts. But even to obtain such high amounts of credit, a large measure of protection was necessary. It is striking that Berlusconi's entrance into the media business corresponded almost exactly with a scenario that had been developed beforehand by *Propaganda 2* to break the monopoly of what it considered to be the left-wing state television channel *RAI*.

In 1991, Berlusconi's monopoly position in the field of private television was legally safeguarded. After years of political tug-of-war, parliament passed a law for the re-organisation of television broadcasting that was made to order for the owner of Fininvest. Berlusconi had Socialist Party leader Craxi to thank, who had opposed all attempts to cut back the media power of his friend. The law established that 25 percent of the available frequencies would be reserved for private stations that transmitted a nation-wide programme. But this only applied to Berlusconi, since there were no other private stations with nation-wide coverage. On the other hand, the prospects for purely local programme providers were drastically reduced. Also, a clause banning the parallel ownership of national television and print media was so watered down during parliamentary debates about the law that Berlusconi was no longer affected by it.

To be continued