

# First among billionaires Silvio Berlusconi is Italy's richest man, its prime minister and foreign minister. He is a populist with endless access to television — after all, he owns most of it, along with slices of virtually every other Italian business. Is he the prototype for a new breed of mogul who translates media monopoly into political power? James Fox investigates

One European head of state on whom George Bush could always count in his search for agreement over attacking Iraq is Silvio Berlusconi, Italy's prime minister, who is also its foreign minister and richest citizen. Berlusconi, who with his Forza Italia party was elected 16 months ago, heads the strongest rightwing government in Italy since the second world war. He declared, soon after election, that he would always agree with US policy, whatever it was; at the time, it was considered just one of many early gaffes.

Since then, in an attempt to elevate himself to the world stage, Berlusconi has made much of his back-slapping friendship with Bush and has been battering at the door of the White House. After September 11, he was hurt that he was left out of early crisis audiences attended by Blair and Chirac. Two weekends ago, however, Berlusconi was summoned to Camp David, where he reportedly discussed with Bush the sending of Italian troops to Afghanistan to replace US troops who may be diverted to Iraq in a war.

Meanwhile, in Rome that same Saturday, the largest street demonstration yet in a growing wave of protest against Berlusconi's roughshod domestic politics brought 450,000 people, led by the film director Nanni Moretti, to the Piazza San Giovanni. This, like others earlier in the year, was not a protest organised by Italy's weakened centre-left opposition, but grew out of a series of spontaneous rallies

against Berlusconi passing laws perceived by many to be entirely self-interested; laws that will let him off the hook from the many criminal charges with which the courts have pursued him for years.

In the election, Berlusconi's tangles with the law seemed to bore voters, but the mood could be changing and this may worry him — after all, street demonstrations played a big part in his fall from power in 1994, when he was prime minister for seven months.

It is, perhaps, to escape from this past that he longs to make his mark internationally. In 1993, when he was about to make the sideways jump from the construction and TV business into politics, he told Indro Montanelli, one of Italy's most respected journalists, "I am tired of being Silvio Berlusconi: I want a heroic life."

In his first year in office, Berlusconi suffered heavy blows to this ambition. A series of blunders and PR disasters, such as the thuggery of the carabinieri at the Genoa summit last summer, made him a pariah in Europe. And after September 11, his remarks about Islam, and the observation that the west "is bound to occidentalise and conquer new people", caused uproar. "Moron" was the word leaked from Downing Street. There had been Napoleonic pronouncements during the election campaign, too, for example: "There is no one on the world stage who can compete with me."

Was this megalomania, or just hyperbole? A bit of both, says an aide. "He has a big ego; he can't help coming out with these →



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things. And, yes, he's getting into trouble. He is a kid." He is also described, almost affectionately, by friends and foes alike, as a championship-class liar.

Berlusconi's election in May 2001 caused jitters throughout social democratic circles in Europe — much greater than Le Pen's success in France or the rise of rightwing extremism across Europe. Berlusconi, after all, had actually come to power, and with a big majority, thanks to the unpleasant allies in his rightwing coalition: the "post-fascist" National Alliance, under Gianfranco Fini, and the Northern League, headed by the foul-talking Umberto Bossi, whose party was described in April in a Council of Europe report as "racist and xenophobic". Both are now ministers in the cabinet.

Then there are lingering criminal charges, including one of bribing a judge in a disputed business transaction. Berlusconi has been convicted of false accounting, bribing the tax police and tax fraud — then let off on appeal on technicalities. The Economist famously declared him "not fit to lead the government of any country". In January, he gave himself the portfolio of foreign minister, after Renato Ruggiero, the one minister who gave his government international legitimacy, resigned in fury over the anti-European sniping of Bossi and Fini.

Since then, things have quietened down. Berlusconi's talents as an entertainer — the source of much of his electoral success — and his undeniable charm have worked on his fellow heads of state, particularly on "my friend" Tony Blair, with whom he jovially speaks in French and with whom he is setting about deregulating the European labour market. "I like his way of operating," Berlusconi has said, "and we enjoy being together. We have a similar sense of humour."

There has never been a phenomenon in any western democracy to compare to Berlusconi, but there will surely be more to come. The novelist Umberto Eco said Berlusconi was the first to understand the collapse of traditional ideology in Italy and its replacement by mass media. And this was Berlusconi's "masterpiece of synthesis", his unique contribution to the global media culture: the combination of business, TV, marketing and politics. He is a prototype of what may already be incubating: a new race of media monopolist politicians. This is partly what lay behind the jitters at his arrival: if you invented a cyber-candidate for the US that combined Rupert Murdoch, Ross Perot, Michael Bloomberg and Ronald Reagan, you still wouldn't have his equivalent. He is the 29th richest man in the world, worth \$12bn; he has a near monopoly of commercial TV in Italy and now, as prime minister, the patronage of state TV; he owns the dominating chunk of the Italian print and publishing media; his film production company is Italy's biggest. And he refuses to part with any of it.

One of his prime electoral assets is his ownership of the football team AC Milan, which made him a

hero on the terraces long before he entered politics. Football metaphors were a major theme in his election — not for nothing is Forza Italia the national chant: "Go Italy." Now that he is prime minister, an almost comic position obtains: other, ailing, Italian teams are seeking more money from state television; last year, the sum they received was halved, thus making it cheaper for commercial TV to buy up rights — the man adjudicating is Berlusconi.

He can't see the problem. "If I, taking care of everyone's interests, also take care of my own," he has said, "you can't talk about a conflict of interest."

There is also no precedent for Berlusconi's arrival in politics: a Milanese businessman creates a political party from scratch, with his own employees, and the same year, 1994, becomes prime minister. He lasts just seven months, driven from office by corruption charges, demonstrations and abandonment by his ally Bossi, who calls him "Berlukaiser: a dictator and a crook". It was presumed Berlusconi was finished.

When he returned to power after seven years, he had learned from his mistakes and outwitted his centre-left opponents in an extraordinary political poker game. It was as if he'd hijacked the government using TV, shamelessly promoting himself like a soap powder. The gaudiness of his election, with its marketing and baubles and giant billboards of the leader, matched the standard of his TV stations, with their endless game shows and sub-celebrity talk shows.

"The real problem is a cultural one," a film director says, "and when the left won power in 1996, they didn't understand it. One person in eight reads newspapers and all the others watch TV, so it's a major diffusion of culture. The left — instead of using state TV as an instrument of culture and information — lowered the standard to compete in the audience battle. Because of this, Italians in 2001 knew nothing of what was going on in politics. They didn't vote for a coalition but, out of weakness, for strong men. Nobody believed the communist party was around, or even any communists, but it worked as an obscure fear. If state TV was doing its job, people would laugh at it."

Berlusconi spent much of the election deriding politicians "who have never had a proper job". Only he, an entrepreneur and Italy's richest man (therefore incorruptible), could run the place properly and save it from "communists", by which he meant anyone opposed to him. The corruption allegations, he says, are a conspiracy by a leftist judiciary.

"I don't need to go into office for the power," Berlusconi once said. "I have houses all over the world, stupendous boats ... beautiful airplanes, a beautiful wife, a beautiful family ... I am making a sacrifice." In fact, the opposite is true: whatever his messianic pronouncements, Berlusconi undoubtedly went into politics for one reason only — to protect his then teetering empire from his enemies.

Even so, Berlusconi has many genuine admirers.



Giorgio Armani, for example, who “never talks about politics”, made an exception for *Talk* magazine. “What interests me about Silvio Berlusconi,” Armani said, “is the way he built an empire across diverse industries by taking risks and committing himself — a philosophy I share. He has always been bold and has never turned back, [he] is driven but also human.”

The Italian art historian Vittorio Sgarbi, who is a TV star in Italy and was briefly an undersecretary of culture, insults everyone, yet has nothing but compliments for the prime minister: “He’s direct, not a snob. He’s... American! Italian politics is usually Catholic, Byzantine. So it’s a revolution.”

Old antagonists have flocked to Berlusconi, too. Gianni Agnelli, whose photograph Berlusconi is said to keep by his bed, was an early convert — though Agnelli’s giant Fiat corporation has always backed the government of the day. Other surprising alliances followed, among them Prince Dado Ruspoli, a famous social figure in Rome, whose family is descended from the ancient papal aristocracy and who had voted before for the Radical Party. “We were going down the chute,” he says. “Businesspeople backed him because everyone was fed up with the system. They voted for an outsider. Who else was there?”

“I won’t say he’s the modern Mussolini because that’s too simple,” one of Berlusconi’s biographers says. “But I would say Mussolini was the only other figure in Italy surrounded by so much legend.” Shared with Mussolini, for example, is the popular belief that Berlusconi is a formidable womaniser. But certainly the virile image, along with the slickness and the double-breasted suits, is a deliberate part of his projection. The women’s vote was crucial to his victory. “We have always had a weakness for strong men in Italy,” one journalist says.

A more patrician voice from within the Agnelli clan describes Berlusconi as “full of animal spirit. A lot of slapping on the shoulders, ‘My dear friend’, and so on. Then, ‘We can arrange something for tonight. I know two beautiful girls...’” Giuliano Ferrara, editor of the newspaper *Il Foglio* and a close friend and sometime speechwriter for Berlusconi, says, “He has the values shared with a majority of Italian men. He likes women and likes talking about women, likes sexual jokes. He believes in the idea of the gentlemen in one place and ladies somewhere else, and the gentlemen have to be free to talk about the pleasures of life. Then he likes everything the Italians like: television, luxury and especially the family — he has had two.”

Oliviero Toscani, former creative director of Benetton, first met the new prime minister in the 1960s, when Berlusconi was starting in the construction business. “The key to him is that he’s a guy of the 1950s,” Toscani says. “The 1960s went over his head. Tony Blair and even George Bush are hippies compared with him. His big dream is Frank Sinatra in Pal Joey: the lover, the yachts, the songs, the →

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THE SONGS, THE HAT  
TILTED BACK, THE JOKES'

white silk scarf, the hat tilted back, the jokes. He is very charismatic, but that kind of person can be dangerous for a democracy. He won't last. Italy is a political laboratory. We go through these crazy phases and hope it will work. I don't think this will."

A further key to Berlusconi is that he has spent most of his life in the closed world of his own boardrooms, dictating from the top down, confiding in few and taking advice from almost no one. "He never goes to a restaurant," says Ferrara. "He has never cultivated the ambition of being approved by snobs. When he speaks, you can hear something a little rough."

Carefully controlled image is vital to Berlusconi's sense of himself. His lighting cameraman goes ahead to meetings; the short stature is carefully angled up. Make-up is applied and a box to stand on put behind the podium. Instructions on personal improvement were also given to his ad salesmen and candidates. He hates beards, sweaty hands, bad breath, bad teeth. His clean-shaven commercial army wore blue blazers and brown shoes, remembered birthdays, sent flowers to secretaries. "Serene and optimistic" are the watchwords. "You have to feel and act," he told them, "as if you have the sun in your pocket."

Above all, no garlic. Like some Nosferatu, Berlusconi lives in fear of it, allegedly associating it with "boredom and death". He is said to be able to detect it from great distances, causing complications at summit dinners. At Genoa, moderate protestors tried to disarm groups of anarchists, offering them garlic to throw instead of bricks, unaware what a potent weapon they had. He detected it on the breath of one of his Forza Italia members during a debate in 1996. Next day, they all received a mouth spray and a letter: "I beg you to accept this fresh and perfumed little gift intended for the palate and to use it so that your close-up encounters with the President of Forza Italia, the honourable Silvio Berlusconi, and with your electors will always be pleasant."

In similarly lordly fashion, Berlusconi has developed his own "king's touch" — supplicants make the pilgrimage to Arcore, his mansion outside Milan, as a last resort with a problem, a sick child. He gives them money, his telephone number, promises to change their life and tells them, "This is your lucky day." Wedding couples ask to touch him for luck.

The self-aggrandisement is, according to Ferrara, both megalomania and irony. Berlusconi, he reveals, feels he still doesn't get the recognition he deserves. He reverts to the folksy story of his Aunt Zia, who would look in the mirror and say, twice, "*Me ti se Bela*" ("How beautiful you are"). Berlusconi asked why she did this and she replied, "There's no one who says that to me, so I say it myself."

The Berlusconi legend is projected in a 128-page booklet, *An Italian Story*, that he first put out in 1994, then mailed, updated, to 12 million people in Italy at the last election. It's a fable of self-improvement but



also of Biblical destiny — he has claimed to be "the Lord's anointed". There is testimony of a "special child" growing up in Milan, his schoolwork done so fast that he helped others — for a fee. There is the discipline in the Salesian brothers' school, the Latin and Greek; the adoring mother, Mama Rosella, in fur coat and tinted glasses, the hardworking father, Luigi, now dead, who rose to prominence as a bank manager (with Banca Rasini, which was linked to money-laundering cases in the 1970s and 1980s). The young Silvio is pictured with a tilted straw hat, singing into a microphone on a cruise ship to pay for his law studies. On the piano is Fedele Confalonieri, his oldest buddy, now president of Berlusconi's Mediaset empire.

In the early 1970s, after an obscure period in the construction business, this special child suddenly built a garden mega-city of 3,500 dwellings called Milan 2 in marshland near Linate airport — an enormous capital project. It is the mysterious source of his early money that has fed speculation of money-laundering and mafia connections. There is no evidence of that, but certainly no business of that kind could have been done without political affiliations. How, for example, did the young entrepreneur get the flight path diverted away from his buildings?

He bought Arcore in the early 1970s, with its room after room of Napoleonic splendour. With him here lived the men who, with Confalonieri, made up his "three musketeers", the key to Berlusconi's past and keepers of his deepest secrets: Cesare Previti, a Calabrian lawyer who is a co-defendant in many of the charges against him; and Marcello Dell'Utri, the Sicilian who masterminded Forza Italia's campaigns and is under prosecution in Palermo for aiding and abetting the mafia. In May, a Sicilian judge dismissed an investigation into allegations by mafia *pentiti* that Berlusconi and Dell'Utri were responsible for the murders of the anti-mafia judges Falcone and Borsellino a decade ago. But there are rumblings that the mafia are getting impatient with the new government, including a leaked internal intelligence service report that Previti and Dell'Utri are to be targeted by the mafia unless the

government lets up on anti-mafia legislation. Berlusconi won't have forgotten that in last year's elections Sicily returned all its 61 seats to Forza Italia — an unprecedented result.

Arcore is now the backdrop for sunlit pictures of the Berlusconi family — of his wife, the former actress Veronica Lario, a blonde with the sex bomb looks of the Fellini period. Legend is that Berlusconi saw her performing at the Teatro Manzoni in Milan and swept her off, ending her career. "He loves her very much," a friend of Berlusconi says. "Once, he told me when Clinton was coming over, 'Well, yes, Clinton represents something very big and strong, the US, but *la mia e piu bella* [mine is more beautiful]" — a favourable comparison with Hillary.

Pictured, too, are their three children and Berlusconi's two from his first marriage, Marina and Pier-silvio ("Dudi"), both of whom work in the company. Airbrushed from later editions, and now reduced to the explanation that their "love turned to friendship", is their mother, Carla dall'Ogli. Berlusconi presents himself as a devout Catholic — in fact, he was living with Veronica and already had one child by her in 1984, the year before he separated from Carla.

Berlusconi grew up, like all other businessmen, in the corrupt system of clientelism on which Italy was run in the postwar years. The ruling parties, led by the Christian Democrats, took turns to plunder the resources of the state to reward their allies and voters. A latecomer to this system, and its most flagrant practitioner, was Bettino Craxi, head of the Socialist party, himself prime minister from 1983-1987 — and best man at Berlusconi's wedding to Veronica. It was, ironically, Craxi who provided the historic breakthrough. Berlusconi had started in the TV business in the early 1980s, sending tapes to regional stations to be broadcast simultaneously — and illegally — to get around the powerful state monopoly. When the law moved against him, Craxi overrode it, signing a decree allowing him his network and making it law in 1990.

Craxi later fled to Tunisia, pursued by corruption charges and reportedly with between \$6m and \$10m from Berlusconi. By then, Berlusconi had his three TV networks and his commercial monopoly. However, with the fall of his mentor, he lost the link to the state-owned banks and faced debts of \$3bn. His empire was wobbling — and the left was regrouping. Two conversations make clear his real motive for entering politics. "I got a call," said Ferrara. "He said, 'We could make a party. We have to do something or they will destroy everything we have built up.'" The other was with Indro Montanelli, who wrote in the *Corriere della Sera*, "I begged him not to go into politics. 'If I don't, they'll tear me to shreds,' he replied. 'They'll tear you to shreds if you do,' I said."

For public consumption, Berlusconi said, "I never intended to be a politician, but out of love for Italy I felt I had to save it from the left, →



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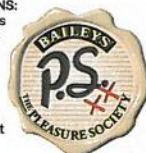
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which is built around the former communist party." After more than a year in office, Berlusconi has equalled, if not exceeded, the worst fears of his critics. "No government has been as precise or as punctual in keeping to the pledges made to the voters," he claimed in his magazine Panorama. In fact, almost nothing he promised — lower taxes, pension reform, more jobs, public works — has even been started on. Instead, he faces major problems, including bloated state pension costs, a rising public deficit, rising inflation and difficulties over immigration, health-care and labour reform. Meanwhile, he has abolished inheritance tax, offered big tax breaks to business and given an amnesty for illegal money held abroad since the 1970s — estimated at \$500bn. The result, according to Carlo Benedetti, one of Italy's most prominent business leaders, is that the country's international credibility is "close to zero" and it is at risk of becoming "Europe's most untrustworthy country".

In his attack on the judiciary, Berlusconi has passed laws that serve his own interests, including one that decriminalised false accounting — which took care of three major charges against him. Legislation is being drawn up to weaken the power of magistrates; already there are cases of the judiciary applying self-censorship in the face of the onslaught. An astonishing example came in the Milan Court of Appeals in July 2001, when it decided not to send the prime minister to trial for bribing a judge in 1994, on the grounds that his "status" had changed — he was now the prime minister. The court added that the judiciary in Rome at the time was so corrupt that his lawyer (who was sent for trial) had no choice but to pay the judge. "This is the first tainted judgment from the courts," wrote La Repubblica. "More will follow."

For most Italians, life is not noticeably different under the new regime, except that the novelty has worn off and the sense that Berlusconi might kick-start Italy into a new, prosperous age beyond political squabbles and corruption has begun to fade. And with that have come the protests. "There's much talk among opinion-makers about how Berlusconi is trying to change democracy into a fascist regime," says Leo Sisti, a journalist at L'Espresso. "But, politically speaking, this is not correct. We only had this after 1925, when Mussolini brought through new laws to change Italy into a dictatorship. We don't have such a regime, but you can still try to dominate the country through the media, which Mussolini didn't have. The focus is different. It's a regime of an unusual kind."

"Italians are very contradictory," Prince Ruspoli says. "They're going to hate Berlusconi in two years."

Berlusconi's friend Ferrara says, "Either it will be the Piazza Loreto [where Mussolini's body was hanged upside down] or a happy ending, and I think that, if he achieves only 10% of what he promised, Mr B's is the classic happy ending." ●



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