

Basta, Berlusconi

Italians have a rotten choice to make, but it is time to sack Silvio Berlusconi



FIVE years ago, this newspaper declared that Silvio Berlusconi was unfit to lead Italy. Mr Berlusconi was (as he still is) the head of Forza Italia, a political party that he had created only seven years earlier, and as such he was the centre-right's candidate to become prime minister. Despite our declaration, Italians voted his coalition into power in May 2001—and Mr Berlusconi has been Italy's prime minister ever since. Now, in the election on April 9th and 10th, he is seeking a fresh term of office. He does not deserve one.

Our verdict against Mr Berlusconi in 2001 rested on two broad considerations. The first was the glaring conflict of interest created by his ownership, via his biggest company, Mediaset, of the three main private television stations in Italy. The second was the morass of legal cases and investigations against him and his associates for a wide variety of alleged offences, ranging from money-laundering and dealing with the Mafia to false accounting and the bribing of judges. We concluded that no businessman with such a background was fit to lead one of the world's richest democracies.

That view stands: we continue to think that Mr Berlusconi is unfit to be prime minister, both because of the conflict of interest arising from his media assets and because of his continuing legal travails (he may shortly go on trial yet again for alleged bribery, this time of a British witness, David Mills, who happens to be married to a minister in Tony Blair's cabinet, Tessa Jowell). But five years on we have a new and even more devastating reason to call for Mr Berlusconi's removal from office: his record in power.

As we predicted in 2001, his premiership has been disfigured by repeated attempts, including an avalanche of new laws, to help him avoid conviction in legal trials. He has devoted much time not only to changing the law to benefit himself and his friends, but also to besmirching Italy's prosecutors and judges, undermining the credibility of the country's entire judicial system. It is not surprising that tax evasion, illegal building and corruption all seem to have increased over the past five years. And, again as we predicted, he has done little to resolve his conflicts of interest: instead, he has shamelessly exploited the government's control of the state-owned RAI television network. Directly or indirectly, Mr Berlusconi now wields influence over some 90% of Italy's broadcast media, a situation that no serious democracy should tolerate.

The failed reformer

Italian voters knew most of this in 2001, of course. Yet they still chose to give Mr Berlusconi their backing, for quite another reason. They hoped that he would deploy the business skills that had helped to make him so rich to reform their weak economy, making all Italians richer as well.

On this count, however, Mr Berlusconi's government must be judged an abject failure (see page 26-28). Italy now has the slowest-growing large economy in Europe. With wages still

rising even though productivity is not, and with currency devaluation no longer possible now that Italy is in the euro, Italian business is fast losing competitiveness. Many of the country's traditional producers in such industries as textiles, shoes and white goods are under devastating attack from lower-cost Chinese competitors. The Berlusconi government has also undone much of the improvement to the public finances made by its predecessor: the budget deficit and the public debt, the world's third-biggest, are both rising once more.

It would be unfair to assert that Italy's economic difficulties are all Mr Berlusconi's fault. In truth, its problems are similar to most of Europe's, although they seem worse in Italy than anywhere else. As in France and Germany, their roots stretch back for decades, not years. To cure them will require the adoption of many tough reforms; and, as France has just demonstrated so graphically, implementing such changes is politically challenging, to say the least. But where the Berlusconi government has really let Italy down is in failing even to begin the process. Apart from a few sensible labour-market and pension reforms, it has done too little to press ahead with market liberalisation, with more privatisation and with the promotion of competition in what is one of Europe's most overregulated economies. The conclusion from these five years is that Mr Berlusconi is not and never will be a bold economic reformer of the kind that Italy desperately needs.

Prodi's test

Unfortunately there are reasons to doubt whether his centre-left opponent, Romano Prodi, would be a lot better. The former economics professor grasps the need for change in Italy more clearly than Mr Berlusconi, who has spent much of the campaign denying that the country has any economic problems at all. Moreover, Mr Prodi made a fair stab at initiating reforms when he was prime minister in 1996-98—and he also succeeded in getting the country into the euro. But neither then nor in his later stint as president of the European Commission did he show himself to be a forceful leader, still less an unwavering advocate of economic liberalism. Most worrying of all, if Mr Prodi wins the election he seems certain to be dependent on the support of coalition partners who are actively hostile to reform, particularly the unreformed Communists who are led by Fausto Bertinotti.

In foreign policy, too, some of Mr Prodi's instincts may be unwelcome. He is a faithful believer in a European federal superstate; Mr Berlusconi's more sceptical approach to Brussels is one of his better points. Mr Prodi's plans to withdraw Italian troops from Iraq are no longer controversial—indeed, there is little difference between him and Mr Berlusconi on this issue—but he is likely in general to adopt a rather less friendly attitude to America than his rival.

It is the economy that will remain the critical test. Sadly, most Italian people do not yet recognise how sick their economy has become. For that reason they may not be ready for the pain of reform. Mr Berlusconi is certainly not going to push them—and he remains unfit for the office in any event. Italians should accordingly vote for Mr Prodi, not *il Cavaliere*. ■