HERUSALIEM LIETTER / WIEWIPOINTIS

Jerusalena Cenner for Fublic Affairs

No. 347 20 Kisley 5757 / 1 December 1996

THE ITALIAN STAGE

Manfred Gerstenfeld

The Confusion between Theater and Reality / The Fall of the Gods? / The Padanian Republic / State and Non-State Powers / The Pacini Battaglia Affair / Various Exegesis / Novels and Italian Reality / The Changing Reality / The Prodi Government / Mafia, Pizza and Spaghetti / Israeli Aspects

In ancient Roman society, theater often played a major role, and modern times are no different. It is no coincidence that Italy has produced world-class playwrights such as Carlo Goldoni and (in this century) Luigi Pirandello. They took real-life themes to the extremes. Today one has the feeling that these plays are tame compared to what Italian society itself produces.

A few years ago, the Italian national television RAI broadcast a program in which experts reviewed the major domestic cultural events of the previous year. One of Italy's leading actresses listed the main theatrical performances, including a Shake-spearian play. This writer, invited to participate in the program as a foreign observer of the Italian scene, offended the actress deeply by saying that the two major Italian theatrical events of 1994 had not taken place on the stage but in public life.

The first was the Enimont process, where the star, Milan court prosecutor Antonio di Pietro, the accused financier Sergio Cusani, and several witnesses explained how tens of millions of dollars of

corruption money were paid to political parties, ministers, and other power-brokers.

Earlier on, tragedy had taken over when, in the framework of this scandal, one of Italy's most powerful businessmen, Raoul Gardini, and the former chairman of ENI, Italy's national oil company, Gabriele Cagliari, had committed suicide.

The second major theatrical event of the year were the mass demonstrations in Rome — with more than a million participants from the whole of Italy — organized by the trade unions against the policies of the Berlusconi government.

Italy's leaders themselves often consider their country's politics theater. Italian Prime Minister Berlusconi said openly in an interview with *Yediot Achronot* (25 October 1996):

In Italy, it is not enough to win the elections in order to govern. Italian politics consists mainly of words, chatter, a kind of theater in which the politicians consider how they will perform in the media. I don't know how Italy is viewed in the eyes

Daniel J. Elazar, Editor and Publisher; Zvi R. Marom, Associate Editor; Mark Ami-El, Managing Editor. 13 Tel-Hai St., Jerusalem, Israel; Tel. 02-619281, Fax. 02-619112, Internet: elazar@vms.huji.ac.il. In U.S.A.: 1616 Walnut St., Suite 513, Philadelphia, PA 19103-5308; Tel. (215) 204-1459, Fax. (215) 204-7784. © Copyright. All rights reserved. ISSN: 0792-7304.

The opinions expressed by the authors of Viewpoints do not necessarily reflect those of the Jerusalem Center for Public Affairs

of Israel, but looking from the inside, it is a backward country with an irresponsible public administration, and efficiency and laws from the Middle Ages.

The Confusion between Theater and Reality

This mingling of theater and reality in Italy's day-to-day life is a major reason why it is such an extremely difficult country to understand — not only for foreigners, but also for Italians themselves.

In the main sectors of Italian society — including politics, economy and culture — statements and actions are often separate. Saying that one will do something is confused with its having been done. Italy may adopt European laws and then wait a long time to establish the regulations necessary to make the laws operational. Thereafter, often nobody cares about monitoring of law.

Similarly, of those condemned in the recent corruption scandals to lengthy prison sentences, few have actually gone to jail, particularly those with money. Thus, the perception of reality frequently replaces reality itself.

This is often ascribed to the Catholic culture which has so profoundly permeated Italy. The sinner knows that if he confesses to the priest he will be forgiven. He is well aware that he will sin again, confess, and again be forgiven.

One example: Recently, when a magistrate requested the indictment of Prime Minister Prodi, his former vice-chairman at the IRI holding company and now a member of parliament for the right-wing National Alliance, Pietro Armani, gave an interview to a reporter in which he said in Latin: "Pecca fortiter sed crede fortius," which translates as "he sins heavily, but believes even more strongly." He then explained: "The present Prime Minister is in the habit of telling lies because, as a good Catholic, he believes in the force of the faith, but even more in the catharsis of confession" (Corriere della Sera, 26 November 1996).

The Fall of the Gods?

To better understand how Italian society functions, it is important to keep in mind a perspective of "theater." Theatricality penetrates all aspects of Italian life. In one state-owned company, for example, trade unions prefer to negotiate with their employers at night. There is no objective reason to do so, but it makes the negotiations much more dramatic.

When di Pietro resigned from the Milan prosecution team in December 1994, the TV news focused on the story as if it were a play. Less than three years earlier he had been an unknown magistrate in Milan. Now he had become famous as the initiator of the exposure of an endless series of political scandals, known as Tangentopoli. This expression was coined in 1992 for the corruption scandals and means literally "the cities of bribery."

His boss, prosecutor-general Francesco Saverio Borrelli, head of a team of Milan prosecutors with the nickname "Clean Hands," was interviewed on television by a reporter in the interval of the La Scala season opening, taking place the next evening. That in itself was an element of theatricality; but even more so was the attitude of the reporter. The opera that evening was Wagner's Ring of the Nibelungs. One of the interviewer's questions to Borelli was: "Does di Pietro's departure mean the fall of the gods?"

When, in late November 1996, Borrelli testified before the court in Brescia in another process, that was hardly less theatrical. When asked about di Pietro's poorly understood resignation two years earlier, he said that if di Pietro had spoken to him about it before, he would have helped him, even, if necessary, by finding psychotherapeutic help.

The Padanian Republic

Probably no event in 1996 has illustrated the confusion between reality and theater more than the imaginary creation in September of the independent republic of Padania. The state was invented by Umberto Bossi, leader of the Northern League, an opposition party. Bossi declared that the Padanian republic, which in his vision covers a number of rich regions in the north, had seceded from Italy in a non-violent way, just as Czechoslovakia split up.

In most countries at least some blood would have flowed over such breakaway sentiments. In Italy all that flowed was the filthy water of the Po River, where the Northern League held some neo-pagan rituals in honor of Padania.

Bossi's party is not even the largest party in the geographical area concerned. The left-center coalition now governing Italy attracts more votes. The fictitious Padanian government which Bossi created in Mantova does not attempt to exercise any power, but "watches developments" in Rome. Still, newspapers in the world and Italy treat the imaginary state with great interest, almost as if it were a reality.

This major theater play is not entirely meaningless; it does send messages to the country's citizens and to

the hated powers in Rome. The first is that, as words and deeds in Italian politics are rarely matched, Bossi can outdo the Romans in their own game by this symbolic secession of the North. It underlines the pain that most declarations by the present and past governments about greater federalism in Italy have not been realized: in other words, they were of a theatrical nature only.

The second message is that many people in the north are fed up with subsidizing other parts of the country. This refers, on the one hand, to the unproductive capital of Rome, its many corrupt politicians and incompetent bureaucrats. On the other hand, it addresses itself to the country's southern regions, several of which are crime-infested, such as Sicily, Campania, Calabria, and Puglia. Despite major capital transfers over the past decades from the north to the south via the tax system, the relative gap in wealth has not been closed. The difference in proportion of gross national product per capita between the two regions has remained about the same.

Dishonest politicians, their friends, and organized crime have skimmed off substantial amounts of the money transferred. In just one example, sizeable amounts of government funds earmarked to repair major earthquake damage were redirected to many questionable projects.

The third message Bossi seeks to convey is that his party is a genuine opposition — this at a moment when common interests lead to many unclear relationships between the moderate left presently in power and the center-right opposition.

The same political culture of interwoven interests and networking between the top layers of all major sectors of society was one of the reasons for moral decay during the past decades when the Christian Democrats and their allies were in power, and the Communists were in opposition.

State and Non-State Powers

The second reason that Italy is difficult to understand derives from the fact that, besides the three state powers identified by Montesquieu, there are a number of non-state powers which, de facto, have almost equal force on many important matters.

This equilibrium is not only that of government, parliament, and the judiciary. It also includes other important power centers such as the Catholic Church and the trade unions. Other relevant forces are the business sector (led by the Confindustria association of industrialists, in turn largely guided by the Fiat

group), in some regions organized crime, and — as some people claim, and most difficult to prove in detail — the Freemasons. This list is not exhaustive.

The media, often considered the fourth power in democracies, are conspicuously absent from the power inventory. The main ones are all controlled by other interests. The three RAI state television networks are under the de facto control of political parties. The only other major television network belongs to Silvio Berlusconi, the opposition leader. All major newspapers are controlled by businessmen whose main activities are in other areas.

Some observers see an extreme obsession of the Italian elite with "having power" against the background of Catholic influences. According to this view, the priest, through the confessions of his parochians, allegedly gains major power over them, though this is rarely said explicitly.

"Who rules Italy?," said a board member of a major state company to this writer, a few weeks before Antonio di Pietro resigned — in mid-November — from the government. "The judges, because today Antonio di Pietro is Minister of Infrastructure and he hardly succeeds in moving anything. When he was a prosecutor a few years ago, he made all the top people in this country tremble."

An extremely complex equilibrium between the various forces in Italian society has existed for many decades. Networks of relationships between the country's various components made the functioning of the state possible, partly through bribery. This equilibrium has been profoundly disturbed since 1992, due to the disclosure of Tangentopoli.

Before that time there were unwritten rules on how far magistrates could go in their investigations. One of these was that prosecutors should not inquire into shady operations in which the top players of the major political parties or organized crime were involved. A number of judges who were perceived to break these rules were murdered, the most famous being Falcone and Borsellino, both blown apart in 1992 by bombs in Sicily. Mafia sources recently indicated that di Pietro was on the hit list as well.

Several recent governments have tried — in vain — to return to the pre-1992 situation by proposing to limit the power of the magistrates. It will take many years before a new equilibrium can be established between all the powers involved. In the meantime, the struggle for position leads to continuous friction.

The Pacini Battaglia Affair

In 1996, we have now had the Pacini Battaglia affair, baptized "Tangentopoli II." This obscure Swiss Italian financier and his secretary, Eliana Pensieroso, were jailed in September 1996. Arrested at the same time were the chief executive of the Italian Railways, Lorenzo Necci (with whom this writer coauthored a book on Italy's future in 1992) and former Christian Democrat parliamentarian Emo Danesi.

Francesco Pacini Battaglia had also figured in the original Tangentopoli, but the accusations against him had not led to charges being filed. Some journalists claim that this was because he had supplied much useful information on some of the accused to the Milan magistrates. Recently it was also discovered that some of the files concerning his case which the Rome magistrates sent to di Pietro in Milan a few years ago never arrived.

Pacini Battaglia's former role apparently had been that of an intermediary in the illegal financing of the Italian Socialist party, once the third largest party in Italy but now reduced to a marginal role.

The September 1996 arrests were undertaken at the request of two young prosecutors in the town of La Spezia. They based their accusations on lengthy interceptions of Pacini Battaglia's telephone conversations. From those it seemed that he was involved in illegal arms exports, blackmailing the management of the State Railways, attempting to influence the composition of the government, controlling judges, developing dubious affairs with a key personality in the financial police, and studying how to corrupt the top management of the national oil company, ENI.

The texts of these conversations included in the actual accusations, which covered only a small part of the full texts of the tapes made by the magistrates, could be interpreted in many ways. The magistrates also included some obscene references by Pacini Battaglia to two women, which had no relation to the inquiry. In other democratic countries this would have been considered a serious breach of privacy.

Various Exegesis

There are few Italians who believe this judicial action was undertaken on its own merits. The main victim of the affair, so far, has been Necci, who resigned as head of the State Railways.

According to one explanation, the magistrates, often described pejoratively in the media as "the party of the judges," were in need of a major new corruption

scandal to exploit in their power struggle against the Rome politicians. The present government, like previous ones, wanted to institute laws which would limit their power. Putting forward two junior magistrates to run the case limited the risks if the accusations could not be proven.

In this context, as chairman of a huge government enterprise, often interviewed in the Italian media, known abroad as well as Head of the International Association of Railways, Necci provided an ideal visible target; unlike the almost unknown Pacini Battaglia—a mysterious person, perhaps "deep throat," perhaps a talented story-teller—Necci's image did not need to be built up first in the media before he could be adequately destroyed.

According to a second version, the powers who wanted to bring down Necci were political ones. He had played a role behind the scenes earlier this year, attempting to put together a national government in which both left and right would be represented. Necci was known to have political ambitions and, according to some, was in the process of trying to establish a new, non-Catholic-dominated center bloc, which might have included di Pietro. This could cause major inconvenience to many existing political players. He thus had to be pushed off the scene.

A third version holds that as chief executive of the railways, Necci controlled the largest public investment program in Italy, which affected many areas of the country. Outlays expected in the coming years will total some \$70 billion. Among those who might have had an interest in removing him were senior business interests, who thought that he might control a new national power center, disgruntled operators who had lost tenders for railway work, as well as politicians interested in taking over control of part of the funds concerned.

In yet a fourth version, the fall of Necci resulted from a struggle between various factions of Freemasons — perhaps even "deviant secret lodges" which are not recognized internationally — and related business interests.

Many leading Italians, with whom this writer discussed this issue, consider that all four versions — or at least part of them — may be true simultaneously.

Novels and Italian Reality

There is considerable significance in the fact that these versions are expressed and believed. The perception is at least as important as the unknown real facts. It shows what little confidence Italians have in their institutions. It also demonstrates how the Italian upper classes believe that every major event that occurs is directed by somebody against somebody else.

This leads us back to the dramatic. In the Western world, novels or plays preferably have three major components: sex, violence, and money. In the Italian reality, one can also choose from among many other ingredients, such as politicians, judges, church leaders, senior businessmen, organized criminals, and secret services.

The Pacini Battaglia affair has many of these elements: corruption money, which often is hinted at in the taped conversations; the secret services, which must have provided the taping; sex, which is indicated in some parts of the tapes released; a senior businessman; some politicians, who may or may not have been bribed; some judges, who are accused of being under the financier's control.

More developments will follow in the coming months. Accusations against many people will continue to appear. Most of these will disappear again. Pacini Battaglia has already indicated that, since he knew that his telephone conversations were being intercepted, he made many untrue accusations to confuse those who were listening. However, it would probably be most convenient to several members of Italy's elite if Pacini Battaglia — who has had a number of bypass operations — were to pass away in the meantime.

After Necci's fall, the next target in the Pacini Battaglia affair became di Pietro. When it became known that he was once again under investigation, for possible corruption, by the magistrates in the northern Italian town of Brescia, where previous investigations had not led to indictment, di Pietro resigned in mid-November as minister in order to defend himself against the accusation.

Since the tapes are the prosecutors' main evidence, the whole Battaglia affair may ultimately provide material for a theater play rather than a criminal process. In the meantime, those in the real world who have fallen victim simply had bad luck.

Other plays are never lacking. One concerns the hidden microphone discovered in former premier Silvio Berlusconi's Rome office in early October. Armando Cossutta, president of the leftist Reconstructed Communists, then told the *Corriere della Sera* that as far back as the early 1970s, during the Cold War, he had complained to the head of police about the large number of hidden microphones found in the headquarters of the

Communist party. The police chief laughed and said, "You are right to complain. There are as many as sixteen secret services watching you."

Thereafter came di Pietro's resignation. On this, the Financial Times (16-17 November 1996) wrote:

...as a magistrate he upset powerful vested interests, which has led to him being subjected to constant harassment and vilification. His enemies' broader strategic aim is to create so much confusion that the only way to resolve that corruption issue would be an amnesty for the 5,000 or so people caught up in the "Clean Hands" enquiries.

Ten days later a new bombshell exploded when a Rome prosecutor asked for the indictment of Prime Minister Romano Prodi. He accused Prodi of abuse of office — when he was chairman of the major state holding company IRI — i.e., that he had sold a subsidiary of the company at too low a price.

The Changing Reality

While the Italian public stage seems to be dominated by virtual reality, Italy cannot escape the fact that the political and economic situation in Europe is undergoing major changes, putting real choices before the country which cannot be met by declarations without subsequent action.

Many Italians long ago abandoned the illusion that their own politicians could sort out their country's problems. They hope that by joining Europe, Italy will have to adjust itself. Europe thus fulfills a deus ex machina role in their minds.

However hard some parts of Italy try to modernize the country's complex structures and multiple equilibria, they cannot keep up with all the rapid developments taking place in Western Europe.

On the assumption that the Maastricht Treaty will indeed lead to a single European currency, Italy is facing a difficult dilemma. Either it takes much harsher economic measures than it has done so far to establish economic indicators which meet the Maastricht criteria, or Italy's role as an outsider to European decision-making will become official.

Unofficially, this role has already been evident for many years. Italy counts for very little in the European Union's policy-making. As a major country, it has the right to a number of senior slots in the Union's bureaucracy. If one makes a detailed map of which positions the top Italians occupy in the Brussels hierarchy, one usually finds them in administrative positions, remote

from any real political power. Spain, which joined the European Union much later, has been able to benefit in some measure from the vacuum Italy leaves.

Contrary to officials of several other countries, Italian bureaucrats in Brussels have no guaranteed future when they return to their home country. This is a direct result of the fact that Rome politicians do not care about what happens in Brussels. For people with a provincial mind and private domestic interests, that city seems almost beyond the horizon.

Another indicator of Italy's marginality is the underlying meaning of the proposal that Germany and Japan become members of the United Nations Security Council. Even if it is some time before this happens, Italy will remain the only one of the four major Western European nations to be excluded.

The Prodi Government

The reality is not necessarily as bleak as it seems. In recent years, Italy's GNP is larger than that of the UK, which has a similar population. Italy has performed reasonably well economically, partially due to the exchange rate of the lira. At the end of November, the Italian currency returned to the European monetary system on better terms than the Germans and French were initially willing to grant.

When President Chirac accused the Italians of unfair competition due to the relatively weak lira, this should be interpreted as an expression of the French president's frustration with his own country's mediocre economic performance since he was elected.

In the April 1996 parliamentary elections, it seemed that the basis was laid for a stable, lasting government. A majority in both chambers of parliament was obtained by the left, led by the PDS party — the leftist Democrat party which regrouped the mainstream of the former Communists.

However, the PDS and its leader Massimo D'Alema felt that the country was not yet ripe for a head of government of Communist origin. So Romano Prodi, a well-known professor of economics and former Christian Democrat minister, with lengthy experience at the head of the leading state holding company IRI, became prime minister.

Many Italians thought that the country had finally become like the other major European nations. It would no longer turn over governments rapidly, but be controlled by a stable political bloc which had gone to the elections with a coalition approach.

For a short time it seemed that Italy would have a

government which would last the full parliamentary five-year period. A nation's political culture, however, cannot be changed so rapidly, and Prodi continuously faces crises. Few Italians will bet today that his government will indeed survive for five years. That would mean far more honor and power than the Italian political system is willing to grant to any single individual.

Mafia, Pizza and Spaghetti

Besides the common paradoxes with which the world is so well-endowed, Italy has many of a local make. With the political developments over the past few years, foreign interest and perplexity about Italy have increased. Tangentopoli has only served to strengthen this interest.

Unfortunately, this increased international interest in Italy tends to emphasize even more the limited stereotypical images so often associated with the country: mafia, pizza and spaghetti. The spaghetti Western has helped to promote these attitudes. While the corruption scandals have received substantial media coverage, honest Italians have never been of great interest abroad and still are not.

On the other hand, throughout the ages, Italy's creativity and esthetic sense have fascinated and attracted many talented foreigners who have come to live there for varying periods, to experience the other side of the country.

It is this "being special," in both the positive and negative sense, that makes many Northern European politicians so fearful of including in the European Monetary Union a country with such a different culture. Italy's actions are often unpredictable due to the confusion of real and virtual policies. Since cultures do not change rapidly, the Europe-Italy relationship regarding monetary unity is in for many years of tension.

In the meantime, the domestic political scene is also unstable. Parties, particularly those at the center, will have to continue to regroup. Attempts will be undertaken to resurrect the unity of the former Christian Democrats who are presently split between two blocs. It will take many years before the situation in the middle of the map will stabilize.

Israeli Aspects

A country whose leaders look so much inward has little chance of seizing an important international role. Occasionally there is some fallout which concerns Israel, but it is at the margins beyond the spotlight.

In the 1980s, official Italian politics were among the most anti-Israel in the European Union.

After the fall of Communism and Tangentopoli, the situation changed. The most powerful anti-Israel politician in the 1980s was Bettino Craxi, leader of the now almost defunct Socialist Party — at that point, after the Christian Democrats and Communists, the third-largest party. He has since fled Italy to Hamamet in Tunisia. Craxi has been condemned a number of times in various Italian corruption affairs, and the consensus is that what has come to light about him so far is only the tip of the iceberg.

The other senior Italian politician of the 1980s, Christian Democrat Giulio Andreotti, many times premier, is standing trial in the city of Perugia, accused of relations with the Mafia. One issue of the trial concerns the accusation that a scandal-mongering journalist, Pecorelli, was murdered by organized crime in order to please Andreotti, whose Libyan connections he was to expose.

However, bad habits never disappear entirely. After the Hasmonean tunnel opened in Jerusalem, Italy's Foreign Minister, Lamberto Dini, the leader of a small central party, tried early in October to take the

lead at the Dublin European Summit on a stronger role for Europe in the Middle East. In less political wording, that meant supporting Arafat's position against Israel. The main government party leaders were quite proud of Italy's leading role in this. More objective observers noted that it was Italy's way of trying to compensate for the fact that President Chirac had attacked Italian policies a few days earlier, and that Spanish Premier Aznar had embarrassed Prime Minister Prodi by stating that he had wanted him to collaborate in delaying the execution of the Maastricht Treaty.

Occasional attempts to seize centerstage in the Middle Eastern arena are just one more example of Italy's leaders treating real life like a big show.

Manfred Gerstenfeld, a Fellow of the Jerusalem Center for Public Affairs, is an international strategic consultant to the senior ranks of business and government. He is the co-author (with Lorenzo Necci) of Revaluing Italy (1992). See also his "Italy: Present and Future," Jerusalem Letter/Viewpoints No. 276 (15 June 1993).