

First interview since resignation ● Ex-premier backs Monti ● Media 'campaign' criticised

Berlusconi quits frontline politics

By Guy Dinmore and
Giulia Segreti in Rome

Silvio Berlusconi has declared he is "stepping aside" from front-line Italian politics, revealing he has no intention of running again as prime minister.

In his first interview since resigning amid turmoil in the financial markets in November, Mr Berlusconi spoke to the Financial Times at his Rome residence on a range of subjects, from what he called a media-inspired furore over his "bunga bunga" parties, to his anger at "leftwing" magistrates hounding him in the courts and his drive to promote far-reaching political and judicial reforms.

Mr Berlusconi also gave his strongest endorsement to date of the technocratic government led by Mario Monti which took over from his own, in particular its intention to implement labour market reforms opposed by trade unions.

Mr Berlusconi's praise for Mr Monti - uttered with no conditions attached although with some reservations over tax increases imposed in December - is likely to please investors and European leaders concerned that Italy's former prime minister might try to destabilise the new government and stage a political comeback.

"I have now stepped aside, even in my party," Mr Berlusconi said, noting his three election victories since 1994 had already made him Italy's longest serving postwar prime minister. His centre-right People of Liberty party is entering a transition period after 18 years under his leadership.

Mr Berlusconi said he "stepped aside with elegance" from government because he had been attacked "by an obsessive campaign by the national and foreign media that blamed me personally and the government for the high spread of Italian state bonds and the crisis on the stock market".

An animated Mr Berlusconi insisted he was "still young" at 75, showing a bruise he said came from playing ice hockey with Vladimir Putin, the Russian prime minister. But he indicated he would be getting too old to run for prime minister

again in elections expected in the spring of 2013.

Instead Mr Berlusconi reiterated his backing for Angelino Alfano, the 41-year-old former justice minister from Sicily and current party secretary, as his heir apparent.

Mr Berlusconi - a billionaire media mogul - showed he had no intention of quitting politics entirely, signalling he would remain influential behind the scenes as the party's "founding father". He said he might stand for election as a member of parliament, claiming that opinion polls gave him much higher ratings than France's Nicolas Sarkozy or Angela Merkel in Germany.

"I still have strong popular backing, almost twice as much as my colleagues Merkel and Sarkozy," he said. "In opinion polls, I personally have 36 per cent support. If I walk out in the street I stop the traffic. I am a public danger and I cannot go out to do the shopping!"

Mr Berlusconi's declarations - which will doubtless be met with scepticism by his critics - could throw wide open the race to succeed the unelected Mr Monti who has also made clear he will not stand for office when

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his mandate is over. While attacking the foreign media in particular for damaging his image abroad over his alleged personal scandals, Mr Berlusconi said he was "serene" about the outcome of his two separate trials on charges - which he denies - of corrupting his former UK lawyer to give false evidence, and having a relationship with an alleged under-age prostitute.

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Yesterday's man looks back in anger

Interview

Silvio Berlusconi
Former prime minister

Political reform and securing his legacy are occupying the billionaire businessman, write
Guy Dinmore and Giulia Segreti

Since being hounded out of office 12 weeks ago under the combined pressures of panicking debt markets, personal scandals and growing dissent within his own party, Silvio Berlusconi has been notably absent from the front pages that once tracked his every utterance, public and private.

So in deciding to give his first interview since submitting his resignation – while crowds bayed for his blood outside the presidential palace – Italy's greatest political survivor might have been expected to launch yet another comeback.

Instead, the former prime minister sets out a course that he says will lead to a new and younger leadership of his People of Liberty party, just as the reins of his business empire have already been handed down to his five sons and daughters, whose portraits he proudly displays in his Palazzo Grazioli residence.

"No, no," he replies when asked if he might go back into business, having just revealed that he will not run for prime minister again. "My companies are working well with my children, who are all very good."

In his living room of dark wood and gold damask armchairs, with a glass Christmas tree in one corner and an enormous flatscreen television in another, where he watches his AC Milan football team, Mr Berlusconi speaks of a future outside politics.

This year he intends to open his International University for Liberty near Milan for young postgraduates seeking a career in politics. "It is very elitist," he declares. He wants to build about 10 hospitals for children, with two already in place in Thailand and South America. Finally, there is his AC Milan – currently trailing Juventus by one point in Serie A, Italy's top football division. (He has plans to install a synthetic pitch in its home stadium. He doesn't want to buy Carlos Tevez, the Manchester City striker.)

While he speaks animatedly of future projects, the rancour he expresses when talking about the past – particularly his treatment by the media and "leftwing" magistrates – suggests that Mr Berlusconi is far from renouncing politics altogether.

Instead of delivering his standard stump speech reciting his

achievements as prime minister for 10 of the 18 years since he first took office in 1994, Mr Berlusconi delivers a lecture on why Italy has a dysfunctional system that hobbles any prime minister, and how a Constitutional Court dominated by leftwing judges blocked his reforms.

"The prime minister doesn't even have power over his own ministers. He only has the power of drafting the agenda of cabinet meetings," he says. Parliamentary procedures in Italy "are the longest in the world", he says, and a proliferation of small parties cripples coalitions, so far producing about 60 governments since 1946.

Mr Berlusconi says he has started talks with Mario Monti, Italy's new technocratic prime minister, on following up his economic reforms drive by backing efforts by the main parties to implement constitutional change.

"The hope is that this government, which is supported for the first time by the whole of parliament, will have the chance to propose great structural reforms, starting from the state's institutional architecture, without which we cannot think of having a modern and truly free and democratic country," he says.

Mr Berlusconi's insistence that he does not intend to run as prime minister – at one point he says he "hates politics" – could contribute to a wholesale shake-up of Italian politics in the run-up to elections that must be held by the spring of 2013.

It is far from certain that Angelino Alfano – Mr Berlusconi's anointed successor – will be able to hold their centre-right party together, even with the former prime minister pulling the strings. The centre-left Democratic party is divided over policy and future coalition partners, while speculation is focusing on whether Corrado Passera – the former head of Intesa Sanpaolo bank appointed industry minister by Mr Monti – will decide to run for office.

For the moment it appears that Mr Berlusconi has decided to hitch his party to Mr Monti's wagon, backing the new government's economic reforms which so far are proving broadly popular, even when coupled with higher taxes and cuts in spending.

"We are the liberal soul of the country," says Mr Berlusconi of his party. He endorses Mr Monti's plan to change the controversial Article 18 of the workers' statute that would make it easier for companies to lay off employees.

One proposed law Mr Berlusconi failed to implement and is keen for Mr Monti to resurrect would sharply curb the powers of the judiciary to use wiretaps, and the media to publish leaked transcripts.

"It is barbaric to tap and more than barbaric to publish," says the

former prime minister, whose private conversations have been splashed across the media.

He says he no longer uses a mobile phone, claiming he discovered he was being tapped by seven different sources.

None of his recorded conversations were "out of place", he insists, although he adds that once, late at night, he did use a "vulgar expression" whose meaning was "completely changed" because part of the sentence was cut out. It is not clear if he is referring to a description of Angela Merkel, Germany's chancellor, that was widely published in her country and led to chillier relations with Berlin.

He also blames the media for detouring him in suggesting that his "bunga bunga" dinner evenings – which prostitutes claim to have attended – featured anything other than dancing.

"It is nothing. It does not exist," he says. "The word spread because after a dinner, rather than saying 'let's dance', people said 'let's do some bunga bunga'. It means dancing, just like in weddings."

Mr Berlusconi says he gave up dancing in his 20s, but that the Hollywood actor George Clooney, who has a house in Italy, performed a few steps at one of his dinners.

Dozens of his guests will testify at his trial on charges of having relations with an alleged underage Moroccan prostitute that his evenings were "nothing but elegant", Mr Berlusconi says. He also notes that Karima el Mahroug – the teenage nightclub dancer he believed to be related to Hosni Mubarak, Egypt's former president – had also denied anything improper had happened.

The trial is a "waste of public money", he says. "It is infamy. This attack to my person is unacceptable in a democracy."

Former prime minister or not, Mr Berlusconi is fighting to defend his name, and his legacy.

In his words . . .

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... his parties, attended by
Karima el Mahroug
(pictured above)

'It is infamy. This
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democracy'

... on his impending trial

Career path

1936: Born in Milan to
middle-class family

1961: Graduates in law

1965: Marries first wife.
They have two children
and divorce in 1985

1973: Sets up cable TV
company. This grows into
Mediaset, Italy's largest
commercial broadcaster

1990: Marries second wife
Veronica Lario. They have
three children

1993: Enters politics by
founding Forza Italia

1994: Elected prime mini-
ster. His coalition collapses

2001: Re-elected to serve
five-year term

2007: Launches People of
Freedom party

2008: Wins third election

2009: Veronica Lario sues
for divorce, saying he is a
"dragon to whom virgins
offer themselves for
success and notoriety"

2010: Scandal breaks over
teenage dancer

May 2011: Suffers
drubbing at local elections

Nov 2011: Resigns