

## Wheeler dealers: Silvio Berlusconi in comparative perspective

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### Abstract

Silvio Berlusconi is uniquely successful as a political entrepreneur, but that does not mean he is unique. Others have trod that path as well, albeit with lesser success. This paper looks at why others have failed where Berlusconi succeeded in order better to understand the secrets of that success. The conclusion is that Berlusconi needed to progress on many fronts at the same time – opportunistic, financial, institutional, ideological and personal. Hence even if Berlusconi has not made the most of his opportunities, what is remarkable is that he illustrates the possibility of bringing the whole constellation of factors together. Others may not have followed in his footsteps yet, but that does not mean they will not be able to do so in the future.

### Keywords

Berlusconi, populism, entrepreneur, ideology, elections.

On 17 January 1988, Carlo De Benedetti launched a hostile takeover bid for the *Société Générale de Belgique*. It was the age of ‘leveraged buyouts’ and the start of the great consolidation in the European financial industry. De Benedetti’s Olivetti group – operating through a holding company called Cérus – wanted to expand its footprint in the markets of northern Europe. The *Société Générale* made an attractive target. As one of the oldest and largest financial holding companies in Belgium, it had a network of assets and contacts dating back to the origins of the industrial revolution. Through these, it not only held a prominent position in Belgium, but it offered useful gateways into France and the Netherlands as well. These attractions were obvious and De Benedetti faced staunch opposition. The French group Suez also sought the *Société Générale* and the Belgians themselves were reluctant to give ground. As winter yielded to spring, the three-way battle was intense. In the end, De Benedetti was forced to yield (Lamy 1990).

The battle for the *Société Générale* was one of the first major events I followed as research assistant to Patrick McCarthy and it introduced me both to Belgium and to Italy at the same time. Belgium became a subject of prolonged research interest and Italy became my home. So clearly this introduction had a

lasting effect. Still I could never quite understand why McCarthy saw this take-over battle as so important and what his fascination with De Benedetti was all about. I remember asking him to explain what was so controversial about an Italian industrialist trying to buy a Belgian Bank. His response led me to believe that there is something fundamental I was missing in my understanding of the world. Everyone knows, he said, that De Benedetti is a ‘wheeler dealer’.

It took me years to appreciate the significance of the concept. A ‘wheeler dealer’ is much more than just an industrialist or an entrepreneur. It is a person of great abilities and even greater ambition, an opportunist willing to take on risk, to bend the rules, and to trample on convention. Hence McCarthy (1997a: 98) uses De Benedetti’s take-over bid for the *Société Générale* to illustrate the dynamics of Italian capitalism. Moreover, a wheeler dealer is willing to work in front of the scenes and not just behind them. They have a clear and demanding presence; you know when they are about. McCarthy was fascinated by wheeler dealers, whom he regarded with equal measures of admiration and suspicion. He respected their ability to change the world around them; he rejected that they left others to clean up the mess.

De Benedetti could never be the best illustration of the wheeler dealer in action. Although his bid for the *Société Générale* was dramatic and controversial, the fact is that it also failed. Silvio Berlusconi offers a more attractive example. He is a wheeler dealer who suffers important setbacks and yet he still finds the energy for even greater success. Indeed, for McCarthy – and many others – this success became a consuming riddle. McCarthy looked for answers in language and symbols. Berlusconi had great wealth to be sure and he had unparalleled access to the media as well, but McCarthy believed that even together these are not enough to explain Berlusconi’s success in politics. If the Belgians can recognize De Benedetti as a wheeler dealer, then the Italians should see the same in Berlusconi as well. Therefore, McCarthy believed that we have to ask what it is that Berlusconi does to make himself more attractive to the people – how he manipulates images; how he crafts his words (McCarthy 1997b: 36–7).

My own interests are very different. I am less concerned with why Berlusconi succeeded than with why others like him have failed. Of course the easy answer is to suggest that Berlusconi is unique. He came at a unique moment in history, with unique opportunities and the possibility to bring unique resources to bear. His appearance was so improbably contingent that we will not see his like again (Bellamy 2006) and once Berlusconi finally passes from the scene, we will no longer have to puzzle over him either. His anomaly has changed the course of Italian history to be sure, but a close study of Berlusconi as a phenomenon does not yield much insight because there are no comparable cases.

A different possibility is that Berlusconi is much less successful than we might like to believe (or fear). While he has managed to win elections, he has not managed to rewrite the rules of the game. His victories are personal and not institutional, let alone constitutional. Hence his legacy is likely to ‘prove minimal and not very positive’ (Pasquino 2007: 52).

There is much truth in both critiques. Berlusconi is in many ways a uniquely Italian phenomenon and he has also been ineffective in shaping the Italian political system, particularly given the opportunities at his disposal. Nevertheless, both views underestimate the analytic significance that Silvio Berlusconi represents. By contrast, Paul Ginsburg (2004) takes the argument one step further. Berlusconi is not the only political wheeler dealer and others have tried to do much the same. Even so, measured in terms of achievements, Berlusconi is simply the best. By implication, if we focus on everyone else's failings, we can better understand the secrets of Berlusconi's success.

### **The secrets to Berlusconi's success**

The starting point is to realize that Berlusconi is not so much historically contingent as overdetermined. At least five different factors had to be present for Berlusconi to rise to power:

- (1) *Opportunistically*, he needed to have an opening in the political environment and a problem or motivation to justify his making the shift. Here the focus is on the collapse of the Christian Democrats, the clean hands investigation and the economic crisis.
- (2) *Financially*, he needed to be able to support himself through the transition from business to politics and to support his immediate circle of advisors as well. Here we need only make a hand-wave at Berlusconi's great wealth.
- (3) *Institutionally*, he needed some mechanism for mobilizing the voters and getting out the message as well as another for fielding candidates and negotiating coalitions. This is where the media empire and *Forza Italia* come into play.
- (4) *Ideologically*, Berlusconi needed a set of manipulable images and symbols and a policy program that could appeal to one or more important groups. Here we might focus on McCarthy's work on football imagery and anti-communism.
- (5) *Personally*, Berlusconi needed both the energy or ambition to throw himself into the fray and the charisma to make it all work.

Of course it would be a mistake to assume that Berlusconi was unassailable on any of these fronts. Although he portrays himself as a political outsider, the Berlusconi that appeared on the political scene in the early 1990s was no stranger to the Italian ruling class or to its ways of doing business. Once in office, Berlusconi's great wealth implied equally great conflicts of interest that became powerful constraints (Hopkin 2005). His political party was structurally weak, particularly once merged into a wider coalition (Diamanti and Lello 2005). His rhetoric was contradictory and impractical (Roncarolo 2005). Indeed, Berlusconi's weakness in each of these areas makes the situation all the more interesting. The question is whether Berlusconi actually needed all of these things to succeed.

The answer is that he probably did. If we look at enough comparable cases, it is possible to find examples where wheeler dealers failed for want of just one of the five factors: opportunity, finances, institutions, message or personality. The problem of finances is the most ubiquitous insofar as we cannot even imagine how many potential wheeler dealers we never encountered in politics because they had too little money to get our attention. Once finances are covered, however, the other problems can still prove fatal.

### **Pim Fortuyn and institutions**

Consider the case of the Dutch populist Pim Fortuyn. He was a man of great charisma and ambition and he came at the right time in Dutch politics. After more than seven decades of centrist Christian-Democratic rule, the Netherlands spent the 8 years from 1994 to 2002 under the tutelage of a non-confessional coalition representing both left and right. When that coalition came to an end, the Dutch were almost completely exasperated with consensus politics (Jones 2002). Fortuyn offered an iconoclastic alternative. He was provocative, conflictive, unconventional, outrageous. By themselves, these qualities gave him a strong appeal with a large swathe of the Dutch electorate. Based on this appeal, a small grass roots movement called 'Livable Netherlands' gave Fortuyn the opportunity to enter into politics as their spokesperson. What they underestimated was Fortuyn's willingness to manipulate language and images (particularly with respect to race and religion) to extend his reach even further. The leadership of Liveable Netherlands soon learned to rue their choice of spokesperson but they could not put the genie back into the bottle. Fortuyn had sufficient wealth to play the political game without their support and access to enough resources to bring others along as well. When the leadership asked Fortuyn to leave Livable Netherlands, he responded by founding his own electoral *List Pim Fortuyn* (LPF).

In terms of the polling data, the LPF was an immediate success that looked set to steal most of support away from Livable Netherlands. Such polling results, however, overstated the true potential of the movement. What Fortuyn lacked was a meaningful organization. His eponymous list was comprised of a grab-bag of political outsiders who knew as little about each other as they knew about the Dutch political process. Hence while Fortuyn could access the media, he had great difficulty fielding candidates and he was hopeless in coalition. When Fortuyn was assassinated, his organization soon collapsed and while his message continues to reverberate his legacy has no direct line of inheritance (Jones 2008).

### **Simeon II and personal commitment**

Simeon II of Bulgaria is a different case. His problem was not so much the weakness of his political organization, but that he lacked the personal energy and commitment. The opportunity was certainly his for the taking. Bulgaria was a slow mover in the transition from a centrally planned to a market

economy. The explanation given by most analysts is that too many of the country's elites remained in power from the old communist system which gave them few incentives to transform Bulgaria and too many incentives to engage in a corrupt exploitation of the country's meager resources (Ganev 2001). By the time a new group of elites came to power in the mid-to-late 1990s, much of the damage had already been done. They could stabilize the economy, but only as a prelude to a long and painful reform (Mihov 2001). With the turn of the new century, the Bulgarian electorate had had enough. They not only wanted to be rid of the former communists, but they wanted to be away from the new generation of reformers as well. Any alternative would be preferable, so long as it was 'none of the above'.

Simeon II stumbled onto this political opportunity. Indeed, he only entered into parliamentary politics because he was prevented by the country's political elites from campaigning to become the Bulgarian president. A parliamentary campaign was Simeon II's way of taking revenge. He campaigned on a message of fighting corruption and bringing competence back into government. His 'National Movement for Simeon II' centered on an electoral list populated with MBA's and managers with private-sector experience. All along, however, he remained coy as to whether he would actually assume the role of prime minister. His campaign was a dramatic success and within just a few weeks he captured a substantial plurality of the electorate and a slim majority of the parliamentary seats in the June 2001 parliamentary elections. Simeon II chose to form a coalition with the ethnically Turkish Movement of Rights and Freedom and to accept the responsibility of governing the country himself.

The success of Simeon II's national movement was short-lived. Although his coalition ruled competently and his parliament lasted to term, Simeon II faced a series of popular setbacks starting with the December 2001 presidential elections. A major part of the problem lay with the lack of energy or dynamism coming from the prime minister himself. Simeon II refused to promote a candidate for the president (although he was widely known to support the candidate of the center right, who lost). His ministers worked effectively, and yet Simeon II never managed to make a case for the government's program as a whole. As a result, popular support for Simeon II's national movement declined sharply never to recover. When the Bulgarians went back to the polls in 2005, the formerly communist Bulgarian Socialist Party recovered its position as the country's largest political group (Ganev 2006). Unlike the List Pim Fortuyn, however, the National Movement for Simeon II did not disappear altogether. Instead it joined into coalition with the former communists. For his own part, Simeon II chose not to enter into the government.

### **Ross Perot and the message**

Ross Perot is a different case as well. In many ways, Perot is the closest analogy to Berlusconi. His wealth is considerable, and not just enough to play the game

like Fortuyn. His energy and commitment are formidable as well – certainly greater than Simeon II. As an entrepreneur Perot has a reputation for strict discipline and long hours. He came out of the culture of IBM to found a data processing empire based on the idea of leasing out computer mainframes during the small hours of the morning when they otherwise would go unused (Mason 1990). Finally, Perot recognized the importance of organization. As he assembled his presidential campaign, he also made the first steps toward the founding of a Reform Party capable of recruiting electors and putting his name on the ballot in each of the 50 states. Of course much of his support was spontaneous and voluntary. But there was significant central coordination as well – not always congenial, but significant. When Perot abruptly pulled out of the 1992 Presidential contest in July, he was already on the ballot in 24 states and had enough signatures to qualify for an additional 16 (Luce 1992).

The problem for the Perot campaign was with the message. Perot had great success in putting forward a new economic agenda that mixed elements of market competition with elements of protectionism. He also managed to challenge the prevailing style of politics, calling for more ‘straight talk’ and often using folksy homilies. Moreover, he had significant access to the media – much of it for free. The news and talk shows offered him so much coverage, in fact, that he quickly achieved national name-recognition and for a while was the front-runner in public opinion polls. What Perot did not anticipate was the extent to which his message would be absorbed by the traditional political parties: Clinton’s famous dictum ‘It’s the economy, stupid!’. Perot also appears not to have foreseen how his prior connections with the Nixon and Reagan administrations or with public procurement processes in Texas would expose him to charges of being part of the traditional elite (Luce 1992).

Perot’s campaign was overwhelmed briefly in the summer of 1992 and the candidate withdrew from the race. He returned later to push his economic platform but he made it clear that he did not expect to win the office. Voters showed their support for Perot in protest to the politics of the day and not with a real hope that Perot could be the agent of change. Even so he attracted more than 20 per cent of the vote in the states where he was on the ballot and achieved the most significant third-candidate showing in recent memory. When Perot ran again in 1996, his showing was more lackluster – garnering less than half his previous share of popular support. Nevertheless, the reform movement he founded continued to recruit candidates and stand for elections with some success at the state and local level.

### **Michael Bloomberg and opportunity**

A final illustration is the campaign that was not: Michael Bloomberg’s run for the US presidency in 2008. It is hard to place Bloomberg in a category populated by the likes of Pim Fortuyn, Simeon II and Ross Perot. In addition to his remarkable career in business, Bloomberg is a serious politician who has

had considerable success as mayor of New York. It is even harder to press the analogy between Bloomberg and Berlusconi – not because they are so dissimilar, but because they stand for very different political issues and values. That said, if there was an American wheeler dealer capable of making the jump to the presidency, Bloomberg would seem ideally suited. He has vast financial resources. He can build a competent organization using his New York operatives as a base and Perot's Reform Party as a model. He has a broad appeal (having been both a Democrat and a Republican). And he has the determination and energy to succeed.

The problem for Bloomberg has been the lack of opportunity (Martin 2007). In a campaign dominated by change, his candidacy offers more of the same (change) rather than something different. There is widespread discontent with the Republican and Democratic parties, to be sure, but this discontent has precipitated out of the electorate as support for John McCain and Barrack Obama, leaving Bloomberg little opportunity to gain traction in the public debate. On 28 February, Bloomberg conceded the point and declared that he would not stand for the presidency in order to focus his attention on encouraging other candidates to promote change (Bloomberg 2008).

### **Berlusconi is unique but not impossible to repeat**

Bloomberg's withdrawal from the 2008 US presidential race illustrates how difficult it is for wheeler dealers to make an entry into national level politics. Ross Perot shows how much trouble they have staying on message to stay in the game. Simeon II illustrates the personal demands that many wheeler dealers may be unwilling to support, and Pim Fortuyn shows the importance of building an organization in addition to running a campaign. The uniqueness of Berlusconi is that he has succeeded in each of these endeavors – in addition to the obvious fact that he needed substantial financial resources in order to make a political career in the first place. Berlusconi may not have made the most of his opportunities, but he has got farther than many others and he may yet still have time (Pasquino 2007).

More important, Berlusconi illustrates that success is possible – just as Fortuyn, Simeon II, Perot and Bloomberg suggest that it is possible to fail (or, in Bloomberg's case, to fail to try). Reversing the analysis, somewhat, it is interesting to see how close these others came to achieving their objectives. Had Fortuyn survived to build a more coherent organization, had Simeon II been younger and more dynamic, had Perot been able to hold onto his message and had Bloomberg found a different field of mainstream candidates, the story in each of these cases could have been very different. In this sense, Patrick McCarthy was right to have such a fascination with the wheeler dealers of this world. They have a huge potential to change the political landscape even if they do not always use that potential to great success.

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