



ITALY

**A MEDIA CONFLICT OF INTEREST:
ANOMALY IN ITALY**

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Introduction

Silvio Berlusconi is both Italy's prime minister and the richest person in the country. The news media are at the heart of his economic empire. He owns Mondadori, one of Italy's biggest press and publishing groups, and Mediaset, which has three commercial TV stations. At the same time, as head of government, he also is able to wield great influence over *RAI*, Italy's state-owned TV broadcaster.

Individual media conglomerates control a significant portion of the national news media in several European countries, such as Bertelsmann and Kirch in Germany, Rupert Murdoch's empire in the United Kingdom or Vivendi in France. But Berlusconi's combination of media empire and political power is unique in Europe.

The conflict between Berlusconi's business interests and government functions is especially flagrant and problematic as regards the media. The need to resolve this conflict of interests has posed a major challenge for Italian democracy since Berlusconi first became prime minister in 1994. Now, almost 10 years later, this "Italian anomaly" is worrying the international community.

Freimut Duve, the Organisation for Security and Co-operation in Europe's representative for media freedom, has repeatedly condemned the concentration of so many Italian news media in the prime minister's hands. The OSCE says it is both a "challenge to the European constitutional architecture" and a bad example for the new democracies in transition. The Council of Europe's parliamentary assembly also holds that "the potential conflict of interest between the holding of political office by Mr Berlusconi and his private economic and media interests is a threat to media pluralism" (Report on freedom of expression in the media in Europe, 14 January 2003). Finally, the Reporters Without Borders ranking of press freedom worldwide placed Italy as low as 40th out of 139 countries primarily because of Berlusconi's conflict of interests.

The prime minister's repeated meddling in the management of the *RAI* in the middle of an institutional and identity crisis, and the dismissal of two journalists with the state-owned media prompted Reporters Without Borders to conduct an investigation from 17 to 24 March into the consequences of Berlusconi's conflict of interest for press pluralism in Italy.

I. *Mr. Television's unresolved conflict of interests*

The issue of Berlusconi's conflict of interests has been raised ever since he entered politics. In a country where TV is the preferred medium of the overwhelming majority of the population and the only news source for 9 per cent (CENSIS report on The Italians and the Media, 2002), the influence of Berlusconi's TV stations was widely questioned during the 1994 elections, which he won. His political allies hasten to point out that he lost the 1996 election despite being supported by the same TV stations. None of Berlusconi's associates deny the existence of this conflict of interests and the need to resolve it, but Fedele Confalonieri, chairman of the Fininvest group, argues that: "The conflict of interests is more potential than real. Silvio Berlusconi did not seize power in a coup d'état and his three TV stations are not tanks or weapons of mass destruction."

An entrepreneur specialising in construction and real estate, Berlusconi began to build his media empire in 1973 through his holding company Fininvest. In 2003, *Forbes* magazine of the United States estimated his fortune at around 5.5 billion euros. He owns 84.7 per cent of Fininvest. The rest of its shares are held by his daughter Marina, vice-president of Fininvest and president of Mondadori, and his son Piersilvio, vice-president of Mediaset. Run by Confalonieri, Fininvest has extended Berlusconi's interests into the fields of finance, film, sports and new economy. But the news media represent the core of Berlusconi's economic empire. Sometimes referred to as "Sua Emittenza," Berlusconi owns 48.2 per cent of Mediaset, which groups the three commercial TV stations, *Canale 5*, *Italia 1* and *Rete Quattro*, and its powerful advertising agency Publitalia 80. He also owns 48 per cent of the Mondadori group, which controls 31 per cent of the publishing industry and 45 per cent of the magazine market. It is estimated in financial circles that Fininvest today has between 12 and 13 per cent of the Italian communications market.

Several attempts were made to resolve Berlusconi's conflict of interest by means of legislation beginning in 1994, but they were cut short by the change of government at the end of 1995. The left, which was in power for the next five years, was clearly unable or unwilling to apply itself to the task. During the 2001 election campaign, Berlusconi undertook to settle this issue during his first 100 days as prime minister. Parliament is still discussing the draft law submitted by the Berlusconi government on 4 October 2001 which says a conflict of interests exists when a member of the government uses his position for personal ends and at

the expense of the general interest. The bill proposes that the job of determining whether there is a conflict of interests be assigned to the anti-trust authority and the authority for telecommunications guarantees, an independent body tasked with monitoring respect for broadcasting legislation and for ensuring pluralism and accuracy in the news media. Set up in 1997, this authority reports to parliament, which appoints its members.

The bill accepts that the management of a business enterprise is incompatible with public office but says there is no conflict if the public officer holder puts a third party in charge of managing his business interests. Berlusconi does not appear in the organisation chart of any of his businesses (except the Milan football club, of which he is the chairman). Family members and associates have been put in charge of running his businesses, so according to the draft law, there is no conflict. But the blind trust formula – whereby a trust administers a public office holder’s private interests without his being aware of or having any say in its decisions – is not applicable in the case of Berlusconi as he is inevitably aware of the nature and concerns of Fininvest, Mediaset and Publitalia. The distinction between owner and administrator is completely illusory in his case and can in no way be considered a satisfactory solution to the prime minister’s conflict of interests.

II. The threats to press pluralism

On 23 July 2002, as the debate about the conflict of interests raged within the political class, President Carlo Azeglio Ciampi for the first time since the start of his term in office three years earlier addressed a message to the two chambers of parliament that was entirely about press freedom. Dropping his usual reserve, the president said the goal of the new legislature should be to “better guarantee the fundamental rights of the opposition and minorities by means of press pluralism and impartiality.” He ended his message saying, “without press pluralism and impartiality, there is no democracy.”

Print media – free and diverse, but weakened by TV’s dominance

Il Corriere della Sera is Italy’s biggest daily newspaper with a circulation of 700,000. It is owned by the Rizzoli Corriere della Sera group (RCS), run by industrialist Cesare Romiti, who is well known for his conservative views. But this newspaper of reference has opposed the government on a range of issues including the conflict of interests, the judiciary and, more recently, the *RAI* crisis and the war in Iraq.

With a circulation of 650,000, *La Repubblica* is the second biggest daily. Owned by Carlo de Benedetti, its political position is centre-left, like the same group's weekly *L'Espresso*. A daily with a circulation of 70,000, *L'Unità* is financed by the opposition Left Democrats (DS) but its editorial line is independent of the party's. *La Stampa*, a 420,000-circulation daily owned by the Agnelli family, and the 415,000-circulation *Il Sole 24 Ore*, owned by the General Confederation of Industry (Confindustria), could be described as neutral.

The 230,000-circulation *Il Giornale*, owned by Berlusconi's brother Paolo Berlusconi, openly supports the government, like the biggest news weekly, *Panorama*, owned by the Mondadori group. According to *Panorama* deputy editor Luciano Santilli, editorial decisions are made in complete autonomy: "We've never received a phone call from Silvio Berlusconi. He's the owner of Mondadori, but *Panorama*'s editorial choices are its own and it has had the same position for years." There is one other Berlusconi newspaper that must be mentioned, the 10,000-circulation *Il Foglio*, owned by his wife Veronica Berlusconi.

While the print media therefore offer a range of political views that fairly reflect the reality of the Italian political arena, they suffer economically from the broadcast media's dominance and this could ultimately pose a threat to their independence. The bottom line is profitability for Italy's press groups, whose owners for the most part are industrialists who have business interests in other sectors as well (such as finance, automobiles and TV).

In what is the opposite of the situation in other European countries, an average of around 60 per cent of advertising budgets are assigned to television in Italy, to the detriment of the print media. Roberto Zaccaria, a former chairman of the *RAI*'s board, has criticised the TV stations for repeatedly exceeding advertising ceilings and has lamented the failure of the authority for telecommunications guarantees to monitor them systematically and thereby control and sanction them effectively.

The Berlusconi government's draft law on telecommunications (the Gasparri law) currently under discussion would allow companies to have interests in more than one news medium. In theory, this would benefit the big print media groups which until now have been unable to own TV stations. But in practice, because of the disproportionate financial resources involved, only Mediaset would be in a position to take advantage of the proposed legislation by making print

media acquisitions, and not the other way. *L'Espresso* editor Daniela Hamau and *Corriere della Sera* editor Ferruccio De Bortoli have both voiced concern about this aspect of the law and have suggested a provision that would temporarily bar the owners of TV stations from buying up print media groups.

While diversity of news and views is generally respected in the print media, there have been attempts to pressure *Corriere della Sera*. Its editor Ferruccio De Bortoli said at a news conference on 22 February 2002: “We have always said and written what we think of the government’s policies at *Corriere*. We have carried political news stories on the government’s economic projects and we have not minced our words when saying what we think about the prime minister’s conflict of interests. Pressure has been applied. My impression is that they want a servile press.”

Amid mounting hostility between the government and judiciary, *Corriere della Sera* carried many stories on Berlusconi’s conflict of interests with the judiciary and the ongoing prosecution of Berlusconi and one of the parliamentary representatives of his party Forza Italia, Cesare Previti, on charges of bribing judges. Friction between *Corriere della Sera* and Berlusconi’s associates became visible in autumn 2002 when the newspaper published photocopies of Swiss bank account statements showing payments from Fininvest accounts to a number of judges via Previti’s account. Previti and two of Berlusconi’s lawyers, Niccolò Ghedini and Gaetano Pecorella (both also Forza Italia parliamentarians), responded by impugning reporters Gianantonio Stella, Giovanni Bianconi, Francesco Merlo, Paolo Biondani and Luigi Ferrarella, accusing them of violating the principle of presumption of innocence. The newspaper’s editor has acknowledged that he received several calls from Paolo Bonaiuti, the prime minister’s under-secretary and spokesman, demanding right of response for Previti. The newspaper granted Previti that right on several occasions.

RCS Editori chairman Cesare Romiti and the late Giovanni Agnelli of FIAT, one of the main shareholders in the HdP group, the firm that controls RCS Editori, warned shareholders against any threat to the newspaper’s independence. Vincenzo Maranghi, the former executive director of Mediobanca, one of HdP’s shareholders, tried in vain in July 2002 to expand the group of HdP shareholders to include Salvatore Ligresti, a Sicilian financier and Berlusconi associate. This initiative caused an outcry at *Corriere della Sera*, which viewed it as the start of an attempt by Berlusconi to progressively take control of the newspaper.

Corriere della Sera nowadays prefers to play down the importance of these events. The editor points out that Italy's newspaper of reference has always aroused the envy of the various ruling parties, which have all tried to influence its editorial line. He said: "There is a potential threat to pluralism in Italy, but the conditions in which we are working now are still good. The fact that pressure is applied is no cause for scandal. But it is a scandal that economic, political and media power are all in the hands of one person. The Berlusconi success story is a nice one from the business point of view, one that has created a lot of wealth in Italy. But you cannot have this kind of conflict of interest in a modern democracy like ours. This is the biggest problem facing Italian democracy." *La Repubblica* editor Ezio Mauro shares this view: "Italian democracy is not in danger. The press is free, the opposition exists. But Silvio Berlusconi's conflict of interests is a serious anomaly. The law on conflict of interests is ridiculous. If Berlusconi has decided to go into politics, then he should sell his businesses."

Squeezed between the *RAI* and Mediaset giants, a third force struggles to emerge

The situation in television is much more problematic than in the print media. Since it was set up in 1965, the *RAI* has been heavily politicised because of the traditional policy of "lottizzazione," whereby each of the main political currents is assigned its own *RAI* channel. During the *RAI*'s early years, the Christian Democrats dominated the ruling majority. Subsequently, as a result of a political shift toward the centre-left and the *RAI*'s development, the phenomenon of "lottizzazione" emerged as a way to ensure pluralism within the public television corporation. *RAI 1* was assigned to the Christian Democrats, *RAI 2*, created in 1961, was assigned to the Socialist Party and *RAI 3*, created in 1979, was assigned to the Communist Party. The same tradition is reflected in the make-up of the *RAI*'s five-member board of governors, with three seats going to the ruling majority and two to the opposition. This tradition nonetheless resulted in the *RAI* being directly dependent on the government and a marked politicisation of its journalists and executives. Many today deplore the fact that more importance is attributed to their political affiliation than their professional competence.

Still, the political line of the main TV news programmes seems relatively balanced. The *RAI* news programme with the most viewers is the one on *RAI 1*, which could be described as neutral. It is followed by the *RAI 2* news programme, which is more pro-government and the *RAI 3* one, which leans noticeably to the left. As regards Mediaset's channels, Confalonieri

claims that “commercial considerations prevail over political ones.” He has said: “We keep the good journalists, regardless of whether they are left-wing or right-wing.”

The Mediaset news programme with by far the highest ratings is the one on *Canale 5*. It is presented by Enrico Mentana, who was close to the socialists in his youth. After 11 years with the *RAI*, he was hired by this Berlusconi station to present the main evening news programme for an “ecumenical” public. Mentana says it is politically balanced. “If this weren’t the case, TG 5 would not have such high ratings,” he said. “We are often critical of the government’s position. For example, we are opposed to the war in Iraq. We have not ignored any prosecution or investigation against Berlusconi. I even had an exclusive, one day, when I broke the news that he was the subject of an official investigation. It is not so much limits on freedom as conformism that threatens press pluralism in Italy.”

The news programme with the second highest ratings is the one on *Italia 1*, which is targeted at a youthful audience with no set political views. Finally, *Rete Quattro*’s news programme, presented by Emilio Fede, openly supports Berlusconi. Fede readily acknowledges that Berlusconi is “not just a friend, more like a brother.” This is clearly confirmed by the Berlusconi photographs hanging in his office and the sizeable and always approving segment of his programme which he often dedicates to Berlusconi. Nonetheless, he says: “I am a social democrat, my loyalty to Silvio Berlusconi is not a political one but one based on personal friendship, and I don’t receive any instructions from him.” He maintains that, “there is a potential risk for press pluralism but, for the time being, the scales tilt distinctly toward the left.”

The only alternative to Mediaset and the *RAI* is *La 7*, which has pinned all its hopes on news coverage. The original *La 7* project was very ambitious. When Lorenzo Pelliccioli, then president of Seat-Pagine Gialle, and Roberto Colaninno, the head of Telecom Italia, bought *Telemontecarlo* from Vittorio Cecchi Gori in August 2002, they dreamed of a third major force in general viewing TV that would break the hegemony of the Mediaset and *RAI* giants. But the Pirelli group lead by Marco Tronchetti Provera bought Telecom Italia in September 2001. Thereafter, the *La 7* project was deemed to be too risky and too costly and its ambitions were reined in. New people joined *La 7* from Mediaset, including Maurizio Costanzo, a *Canale 5* star presenter and producer who was hired as a consultant even though his “Constanzo Show” was in direct competition with the “Fab Show” of Fabio Fazio, who was

finally dropped by *La 7*. *Il Foglio* editor Giuliano Ferrara, who is close to Berlusconi, began presenting programmes on *La 7*.

Gad Lerner, editor of the main news programme in the first version of *La 7* and thereafter presenter of the news magazine “L’Infedele,” says: “It is impossible to distinguish the political from the business aspects. Obviously, if we were too successful, someone would definitely try to put a spoke in our wheel.” With six hours of news coverage a day, *La 7* has set new a standard in news. But with a signal that reaches only 83 per cent of the country and an average viewer rating of only 2.1 per cent (and peaks of between 3 and 4 per cent), *La 7* is dwarfed by its two rivals.

Many observers think the *RAI*’s privatisation would help resolve the prime minister’s conflict of interests and ensure more diversity. Italy is the only European country to have three public service TV channels and could therefore privatise one or even two of them. The reform of the broadcasting system proposed by communications minister Maurizio Gasparri on 25 September 2002 calls for the *RAI*’s progressive privatisation but no investor would be allowed to hold more than 1 per cent of the shares and the economy ministry would retain control. Meanwhile, Mediaset’s *Rete Quattro* is meant to move to satellite broadcasting by the end of 2003, according to a law adopted by the left in 1997. The Gasparri bill is also betting on terrestrial digital television, which would end the *RAI*-Mediaset duopoly by 2006. But the Gasparri bill also envisages raising the advertising ceiling, which would just tend to increase the *RAI* and Mediaset dominance in TV advertising. The two groups together already take 93 per cent of the money spent on TV advertising, with 63 per cent of that going to Mediaset. The difficulty of breaking into this market is likely to continue to be the main obstacle to the emergence of new broadcasters.

III. Flagrant meddling in the *RAI* crisis

Under the *RAI*’s tradition of “lottizzazione” (see Section II), the corporation’s management is supposed to reflect the country’s main political tendencies. The five members of its board, including the chairman, are appointed by the presidents of the senate and lower house while the director general is appointed jointly by the chairman of the board and the economy minister. A parliamentary commission has the job of monitoring public television. So the intermingling of politics and public television broadcasting did not start when Berlusconi

became prime minister. But the fact that the prime minister, who has considerable political influence over the *RAI*, is also the owner of three rival commercial TV channels has had a substantial impact on the way the *RAI* is run.

The prime minister's conflict of interests aggravates an institutional crisis

The two members of the five-member *RAI*'s board who are linked with the opposition, Luigi Zanda and Carmine Donzelli, resigned in November 2002 in protest against a series of decisions they considered contrary to the *RAI*'s interests. Their resignation led on 22 February 2003 to the fall of the entire board, which had been appointed in March 2002 for a two-year term. The board's other three members, including chairman Antonio Baldassarre, were all linked to the ruling coalition. The then director general of the *RAI*, Agostino Saccà, was a Berlusconi associate. He had publicly said that he and all his family voted Forza Italia. The appointment of other Berlusconi associates to other important, albeit less visible posts had been criticised by some of the *RAI*'s journalists. These associates included Deborah Bergamini, who had once worked closely with Berlusconi and who had been appointed deputy director in charge of marketing strategy.

In his letter of resignation to the presidents of the two houses of parliament, Luigi Zanda, one of the two opposition board members, criticised a desperate financial situation, a lack of pluralism, the mediocrity of the programmes, their standardisation along the lines of the competition's programmes, and "the unjustified dismissal of journalists of great value." The resignation letter of Carmine Donzelli, the other opposition board member, attacked the chairman and director general, accusing them of "responsibility for a management style that is likely to jeopardise the *RAI*'s strength, its economic and productive capacity, and its image as a company tasked with the sensitive duty of offering a public service and protecting democracy and pluralism." Donzelli told Reporters Without Borders that: "The crisis in the *RAI* began before Berlusconi became prime minister but he did nothing to remedy it. In their daily management of the corporation, the chairman and director general followed Berlusconi's orders. He intervened systematically and directly in all of the *RAI*'s decisions. It was a non-stop occupation for a year."

The crisis was aggravated by the twists and turns in the appointment of a new chairman. Paolo Mieli, a former editor of *Corriere della Sera* and editorial director of the pro-opposition RCS press group, was named on 7 March as chairman of a new board whose four other

members were close to the ruling coalition without being clearly identified with any party. The opposition saw Mieli as the guarantee they had been demanding with insistence. But Mieli set several conditions, including a say in the appointment of the director general and the return of Michele Santoro and Enzo Biagi, two journalists who had been fired from the *RAI*. He viewed these conditions as a test of the degree of autonomy he would be allowed in this position. Following an outcry from the Northern League and some Forza Italia members, and the rejection of his conditions, Mieli resigned without ever taking office. Lucia Annunziata became chairman instead on 14 March but, contrary to the established rule, she had no say in the appointment on 27 March of Flavio Cattaneo, a supporter of the ruling coalition, as director general.

The selection of this new board was marked by unprecedented interference on the part of the prime minister, which scandalised the opposition and elicited parliamentary censure. The day the previous board resigned, Berlusconi had summoned all the leaders of the ruling coalition to his home, in order to reach agreement on the composition of the new board. The five names proposed by the coalition were subsequently cited by star presenter Maurizio Costanzo during his popular talk show on *Canale 5*, one of Berlusconi's TV stations.

Two of the *RAI*'s star journalists singled out

While on a visit to Cáceres in Spain on 9 February 2002, Berlusconi accused the *RAI* of "jeopardising democracy" in the previous elections (in which he was the challenger). He deplored "the offensive of Zaccaria's *RAI*, with the likes of Travaglio¹, Santoro and Biagi and all their pseudo-satire aimed solely at destroying the opposition leader." At the Alleanza Nazionale party congress in Bologna on 5 April 2002, he said that: "In the future *RAI*, there will be no centre-right versions of Santoro, Biagi and Luttazzi who attack the left. We will not make criminal use public television, which is paid for with everyone's money." Berlusconi repeated these accusations at a press conference during an official visit to the Bulgarian capital of Sofia on 18 April 2002, the day after a new *RAI* director general had been appointed: "Public television, which is funded by everyone's money, was put to criminal use by Santoro, Biagi and Luttazzi. I think it is the duty of the *RAI*'s new management to prevent

¹ Comedian Daniele Luttazzi invited *La Repubblica* journalist Marco Travaglio on to *RAI 2* two months before the elections to present his book, "The Smell of Money," which details Berlusconi's judicial wrangles. As soon as the *RAI*'s new director general, Agostino Saccà, took over in April 2002, he fired Carlo Freccero from his position as the head of *RAI 2*.

that from happening again.” These repeated attacks were therefore not occasional verbal excess, as Berlusconi’s defenders claim.

The dean of Italy’s journalists, Enzo Biagi, 82, is respected throughout the profession. A journalist since 1941, contributing to *La Stampa*, *La Repubblica*, *Corriere della Sera* and *Panorama*, he had worked for the RAI since 1961. Since 1995, he had presented “Il Fatto” on RAI 1. This was a popular, five-minute programme screened every day after the evening news in which Biagi commented on the news and had well-known personalities, often government opponents, as guests. On 13 May 2001, on the eve of the parliamentary elections, Biagi’s guest was the left-wing comedian and director Roberto Benigni, who did a satire of Berlusconi, a candidate in the elections. Berlusconi never forgave Biagi, claiming he had deliberately tried to turn voters against him. In one of his last programmes, Biagi addressed Berlusconi directly: “What crime am I supposed to have committed? Rape, murder, hold-up, theft, incitement to crime, forgery, defamation? (...). I remain convinced that there is still room for press freedom in our republic (...). Mr. Prime Minister, it’s not up to you to fire me.” According to an ABACUS poll of 24 May 2002, 83 per cent of TV viewers thought that Biagi’s programme helped them to reflect on the news. But the RAI management thought otherwise and “Il Fatto” was taken off the air in June 2002.

Michele Santoro’s programme “Sciuscià” suffered the same fate. A journalist who did not hesitate to criticise Berlusconi openly on the air, Santoro presented various news magazines on the RAI between 1986 and 2002, with a spell with Mediaset from 1996 to 1999. His news and comment programme “Sciuscià” on RAI 2 had an ironic and irreverent style. His presentation of a “Sciuscià” special edition on the “Biagi affair” on 24 May 2002 and his programme of 17 July 2002 on drought in Sicily, resulted in his being sanctioned with four days suspension. RAI’s management said he had broken the public service’s rules on “impartiality, propriety and objectivity.” In his special edition on the “Biagi affair,” which implicitly concerned his own case as well, Santoro failed to defend the RAI when guest Maurizio Costanzo said: “It seems that we have more freedom in Mediaset than you do in the RAI.” Santoro also questioned the principle that a journalist should be impartial, arguing that his role was not that of a referee. The programme, which used to draw 18 per cent of TV viewers, was dropped from the Autumn 2002 schedule. It was replaced by an entertainment programme, “Destination Sanremo,” which has an average rating of 7 per cent.

The facts are undeniable: the *RAI* dropped two journalists after they were singled out for strong criticism by the prime minister. Pro-opposition journalists used the harshest language to condemn what they regarded as a flagrant and unacceptable abuse of authority by the prime minister. Some, including Santoro himself, spoke of a “return to fascism.” Berlusconi’s associates were reluctant to recognize any direct link between his statement in Sofia and the removal of the journalists. One notable exception was *Il Giornale* deputy editor Roberto Papetti, who deplored the existence of what he acknowledged to be “evidence.” *Panorama* deputy editor Luciano Santilli said the journalists’ removal was not “the result of a decision directly taken by Silvio Berlusconi but rather the result of an interpretation of his speech in Sofia.”

As regards the targets of the prime minister’s criticism, Santilli insists on the need to distinguish between Biagi and Santoro: “Biagi is a great journalist. It would be a pity for television to lose such a great professional. But it is different for Santoro. He is a demagogue who does not respect the principles of the profession.” Even Emilio Fede, the journalist who is Berlusconi’s biggest fan, claims to have proposed to Biagi that he come and work with him at Mediaset, and he points out that, “Berlusconi never called to ask me not to do it.” Only Fedele Confalonieri has expressed full support for Berlusconi’s statements about Biagi and Santoro: “He just said the truth. One the eve of the elections, public television was used against the candidate Silvio Berlusconi. Enzo Biagi invited Roberto Benigni and Indro Montanelli² to express views hostile to Silvio Berlusconi without any possibility of responding. Michele Santoro presented talk shows that were deemed to have been biased by the authority for telecommunications guarantees, which fined him 200 million liras (103,000 euros).”

Loss of momentum and credibility

The average combined rating of the *RAI*’s three channels has fallen from 49.24 per cent in 2000 to 45.71 per cent so far in 2003 and its expected deficit in 2002 is 190 million euros. The source of its income is the TV licence fee and advertising, but more than 60 per cent of the spending on TV advertising goes to the Mediaset group with a combined audience rating of 43.71 per cent. There is no way of proving the claim that Berlusconi and his associates

² Indro Montanelli edited *Il Giornale* from the time of its creation until its then owner, Berlusconi, entered politics. Opposed to the idea of his newspaper becoming the mouthpiece of Forza Italia, he left it to found the daily *La Voce*, which is very critical of Berlusconi.

have deliberately tried to put the *RAI* at a disadvantage vis-a-vis its Mediaset rival. But the fact remains that Berlusconi's channels this year overtook the *RAI* in prime time ratings for the first time.

Stripped of "Sciuscià," *RAI 2* has been overtaken in the ratings by the Mediaset group's *Italia 1*. The *RAI* management's refusal to provide live coverage of the peace demonstration that drew several million participants in Rome on 15 February 2003 was regarded by many journalists as a political decision that would hurt its ratings and image. Similarly, the decision taken in March 2003 to relocate *RAI 2* to Milan was viewed by the opposition as a political concession to the Northern League (a member of the ruling coalition) that would weaken the channel by giving it a markedly regional character. Luigi Zanda, the former *RAI* board member, said, "Mediaset has become more dynamic, aggressive and free than the *RAI*." But Fininvest chairman Confalonieri insisted that Mediaset had no interest in a weaker *RAI*. "Our interest is that the *RAI* should be a quality product and we should be even better." In the same category as "Il Fatto" and "Sciuscià," only *RAI 3* still has attractive programmes such as "Ballarò" and "Blob." *RAI 3* director general Paolo Ruffini acknowledges that his channel has now become a sort of "Indian reserve" for journalists who are critical of the government: "*RAI 3* has made freedom its trademark." Ruffini has several times suggested to the *RAI* management that Santoro should join his channel and has indicated he would also welcome Biagi, but his proposals have not been taken up.

It's not the first time Ruffini has clashed with the *RAI* management. On 8 October 2002, Agostino Saccà, the *RAI* former director general, refused to approve the broadcasting of the third episode in the satirical series "Blob," which was about Berlusconi. In Ruffini's view, "this is clearly censorship."

Conclusion

The very close links between politics, the economy and the news media were an Italian characteristic long before Berlusconi became prime minister, and never prevented the press from enjoying considerable freedom. But the concentration of political and broadcasting power in a single person's hands is unprecedented. This has not directly jeopardised press

pluralism, especially pluralism in the print media, but it constitutes a real threat for the autonomy of public television. Berlusconi's intervention in the appointment of the *RAI*'s new board, regardless of the constitutional rules, and his vitriolic attacks on *RAI* journalists are inappropriate and unacceptable from someone in his position. His conflict of interest rarely manifests itself in such a palpable manner, but a final and effective solution must be found, if only to put an end to the poisonous atmosphere and the suspicions it arouses.

On 2 April 2003, the lower house passed an amendment limiting the number of TV channels that can be held by a privately-owned group to two, and banning anyone from owning TV stations and newspapers at the same time. This amendment to the government's broadcasting reform bill was an unexpected setback for the prime minister and represents a decisive advance for press pluralism in Italy. However, the amendment was voted when many members of the ruling coalition were absent, and it still has to be endorsed by the senate, where the opposition is also in the minority.

Recommendations

- The blind trust formula proposed by the government as a solution to Silvio Berlusconi's conflict of interests is neither satisfactory nor credible. Reporters Without Borders calls on the Italian parliament to make it a priority to find an effective and appropriate solution to the prime minister's conflict of interest regarding the media.
- Reporters Without Borders calls on Silvio Berlusconi to refrain from any form of interference in the *RAI*'s management, all the more so because of the particular position he occupies in the media domain.
- In view of the legitimate doubts about the reasons for their dismissal and in line with the decision of the Rome court of 9 December 2002 in the case of Michele Santoro, Reporters Without Borders urges the *RAI* management to reinstate Enzo Biagi, Michele Santoro and their team members as soon as possible.
- In view of the possibility of this situation being repeated in other European countries, Reporters Without Borders recommends that the European Commission look at the impact of Silvio Berlusconi's conflict of interests on press pluralism as part of the preparation of its

green paper on the concentration of news media in the hands of a few individuals or companies.

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