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ITALY IN EUROPE: PRIORITIES AND STRATEGIES

by Elisabetta Brighi

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1. Introduction

Common wisdom has it that Italy is, among all member states of the European Union (EU), one of its most enthusiastic and long-standing supporters. One of the six founding members of the then European Communities (EC); the country that hosted the signing of the Rome treaties of 1957, as well as more recently, and more controversially, the signing of the European Constitution in 2004; the home of intellectuals and public figures such as Altiero Spinelli whose work was inextricably linked to the idea of a federal Europe? for half a century Italy has looked at Europe as a cardinal reference point for its foreign and domestic policies. Indeed, when the choice for Europe was made, in the years following the end of the Second World War, it was famously defined by the Prime Minister Alcide De Gasperi as a 'civilisational' choice, a term whose resonance with contemporary debates surely will not go lost.

While this narrative has lost some of its lustre since the end of the Cold War, the assumption of Italy as a 'Europeanist' country still holds today. But how does this assumption translate into actual objectives, strategies and policies? This paper aims to provide an overview of Italy's position in Europe across the three main issue-areas? namely the politics, security and economics of European integration. As will be seen in what follows, Italy's positions combine its traditional *habitus* of integrationism with the occasional pursuit of particular specificities, often to be ascribed to domestic political concerns. This exploration will start, however, from a brief account of the background to Italy's current posture vis-à-vis Europe, looking in particular at the development of Italy's position since the end of the Cold War, and with a special reference to the 'waves' of Euro-realism and Europeanism which have characterised Italy's European policy after 9/11, with the governments of Silvio Berlusconi and Romano Prodi. Then it will move on to analyse Italy's priorities in the field of political integration, security and economics. Finally, it will sketch out a few policy recommendations which should inform Italy's European strategy in the years to come.

2. Background: Italy and Europe at Critical Crossroads? 1945, 1989, 2001

The traditional reading of Italy enthusiastically embracing the European project since its inception at the end of the Second World War is arguably overstated if one considers the uncertainty which in fact surrounded Rome's participation in the very first phases of integration? suffice it here to mention Rome's reservations concerning the Brussels Pact which was to lead in time to the creation of the Western European Union (WEU) in 1954, and the laborious ratifications of both the European Coal and Steel Community (ECSC) and the European Defence Community (EDC), between 1948 and 1953. Despite these difficulties, however, in a few decades Europe progressively came to be

internalised in Italy's domestic political debate as almost a 'fact of life', and a largely positive one as well. Beside the normative motive of federalism, to which large sections of the post-war political spectrum adhered, it was the political, economic, and security rationale of the process of European integration which appealed to Italian policy makers. The incentives were apparent: regaining a high political status after the disastrous parenthesis of fascism, strengthening a nascent democracy, modernising the country by anchoring its economy to Europe's continental 'engine' and, finally, benefiting from the security umbrella that the US was willing to offer.

Italy's wholehearted decision to join European integration, culminated in Rome treaties of 1957 instituting the EC, did not however always translate into an active, let alone entrepreneurial, role in the process. Notorious was the lack of information and relative apathy which accompanied Italy's engagement with European institutions in the 1970s; or the stark contrast between the chronically high level of infringements of European regulations on the one hand and the launching of grand proposals for further integration in the 1980s, on the other.

Be that as it may, however, the fact that momentous events such as the end of the Cold War and the German reunification could be managed in the framework of strong European institutions undoubtedly constituted yet another benefit of participation for a relatively small country such as Italy. 1989 was a key date in Italy's foreign policy in that it threatened to signify a loss of (geopolitical) status, and the upsetting of the delicate architecture which had governed Italy's external relations during the Cold War and which had proved to be so virtuous. The reconfiguring of the continent's geopolitical landscape, with the collapse of the Soviet Union and the transformation of Eastern Europe, the wave of instability which spread across the Balkans through to Central Asia and North Africa, and the political process of reform inside NATO, however, did not pull Italy away from Europe. On the contrary, all of these revived Italy's Europeanism and pushed the country to join important projects such as the European Economic and Monetary Union (EMU) from its start in 1997? an objective which at the time was generally considered well beyond the country's reach.

In the domestic sphere, however, the 1990s also saw the gradual but progressive emergence of a division over the merits and benefits of European integration? a gap which widened further in the wake of the Twin Towers attacks of 11 September 2001, and the concomitant rise of Silvio Berlusconi to a second mandate, after his first short-lived government of 1994-1995. At least at the level of political discourse, the centre-right articulated a vision of foreign policy in which Atlanticism seemed consistently to prevail over Europeanism. In fact, Berlusconi's critical stance vis-à-vis European integration was such that talk of 'Euroscepticism' gained currency, possibly for the first time in Italy's post-war history. The recently re-elected centre-left government of Romano Prodi, on the other hand, championed Italy's multilateral vocation and traditional attachment to European institutions? indeed, it made Europeanism one of the key points in its electoral platform of 2006. Needless to say, differences at the level of policy were actually less marked than at the level of discourse. Yet, it is important to note that Italy's European policy today, for the first time in many decades, is produced in a field in which alternative paradigms are at play. In other words, European policy has ceased to be the consensual, bipartisan policy as it had been for many decades in the past. In today's political circumstances, it can no longer be simply taken for granted.

3. Italy's European Policy Today: An Overview

The economic, security and political conjuncture in which Italy is today called to formulate its objectives and articulate its policies vis-à-vis Europe is rather complex, though by no means necessarily disadvantageous. Economically, the stagnation which has affected most of the continent for the last decade or so has not yet abated, and the issue of how to revert this trend and promote growth in an increasingly globalised world economy is still unresolved, and possibly one of the most critical of all. In terms of security, the instability of the post-Cold War 'interregnum' has been further complexified by, on the one hand, the rather dramatic appearance of transnational terrorism and, on the other, creeping neo-nationalist, re-assertive tendencies in the foreign policy of many major and middle-sized powers (Russia being the most obvious, but by no means the only, case in point). Politically, the stalemate and malaise which have followed the failed ratification of the European Constitution in 2005 have still not given way to a comprehensive attempt to re-launch the political project of integration, despite encouraging (yet still insufficient) signals in this direction, and the opening up of new windows of political opportunity.
The picture resulting from all of this is one of great uncertainty, complexity and potential for fragmentation. No unifying principle, narrative or logics of power could at present organise all of these tendencies into a single, intelligible and manageable order. The situation therefore still invites a rather cautious and pragmatic approach which, however, should not altogether eschew long-term considerations, or fall short of projecting a vision for the future. In what follows I will review how Italy has approached such task, highlighting the objectives which have been identified and the strategies been pursued in the three major areas of European policy: politics, security and the economy. In the final paragraph, by way of conclusion, I will sketch out a few policy recommendations concerning how this process should be taken further.

3.1 Politics

Undoubtedly, the political climate which dominates EU politics is still affected by the shadow of the failed ratification of the European Constitution. The two-year 'pause of reflection' finished, the French presidential elections now held, the German presidential semester currently running? it would seem that some of the conditions for a re-evaluation of the 'next phase' of integration are already here. And yet, caution and uncertainty still prevail, despite a few proposals being articulated, which perhaps will garner some consensus: the Brussels European Council scheduled for the end June will be, in this sense, very indicative.

Rome has clearly made its voice heard amongst those wishing to re-launch the political process which had led a few years ago to the work of the European Convention, to which political figures such as Giuliano Amato and Gianfranco Fini had contributed, and the drafting of the European Constitution. In recent times Prime Minister Romano Prodi and Foreign Minister Massimo D'Alema, in fact, have explicitly made reference to a new 'Pact for Europe' able to push Europe out of the current political impasse. In articulating this plan they have found a naturally cooperative partner in the Germany of Angela Merkel, and more recently a degree of convergence with the neo-President of France Nicolas Sarkozy's idea of a mini-treaty (though resolutely rejecting the name of the proposal).

Two ingredients are necessary for the new 'Pact for Europe' to succeed: on the one hand, a re-viewing of the European Constitution able to take stock of the criticisms raised against it but at the same time preserve its essential reforms and enhance its potential; secondly, the acceptance of the new realities of post-enlargement Europe, and especially of the idea that reinforced cooperation and different levels of commitments inside Europe are not only an inevitable, but a desirable outcome. Consistently with its traditional emphasis on the 'political' aspect of integration, Italy seems to be once again not inclined to accept the minimalist position that specific policy issues (such as energy, or the Lisbon agenda) should take precedence over the constitutional question; or that a lowest-common-denominator type of compromise is what Europe needs. Italy's approach, therefore, once again refuses to start from anywhere other than politics, and aims to place itself at the vanguard of this process.

As to the first point, Italy has expressed a wish to 'save' those parts of the Treaty which regard the founding principles and institutions of the EU (part 1) and those provisions specific to particular policies such as the Common Foreign and Security Policy (CFSP) (in part 3), while remaining open to a variety of solutions regarding part 2 of the Treaty, the Charter of Fundamental Rights. The list of reforms which Italy is committed to support is well known: the single legal personality of the EU, the designation of a full time President of the European Council; the extension of majority voting for all those cases foreseen in the Constitutional Treaty; a streamlined Commission; and finally, the creation of a Minister of Foreign Affairs, simultaneously chairing the External Relations Council and being a member of the Commission. It is also hoped that this process of reassessment and amendment of the Constitution will be achieved and ratified by the next election of the European Parliament in 2009.

Beyond the list, however, and more generally, is the idea that a strengthening and a simplifying of European institutions is essential for any progress on the political front. In particular, legitimacy and democracy must be the two principles guiding the process of constitutional reform. To downplay these principles and the importance of institutional issues means, in Italy's view, to make the EU vulnerable once again to the kinds of criticism that have manifested themselves so spectacularly in the French and Dutch 'no'.

Concerning the second point, both Prodi and D'Alema have invoked the principle that in a Europe at 27 it is simply unrealistic to expect institutions to work with the straightjacket of the unanimity clause. Reinforced cooperation, variable geometry, and different speeds are an essential instruments for integration to proceed. Indeed, they seem an inevitable development if a consensus about the necessary institutional reforms will not be achieved by the suggested deadline of 2009. Certainly they are, at present, a rhetorical weapon that Italy is trying to use against those countries resisting change, or favouring only cosmetic reforms.

3.2 Security

Security constitutes one of the areas in which progress in European integration has been more noticeable over the last decade or so. Yet it is also the sector which arguably offers the greatest challenges and threats in the contemporary scenario. There are two aspects of the European security agenda which are of particular interest to Italy : one is the internal aspect of the creation and functioning of common foreign policy and security institutions, of a common defence industry, and the articulation of a common

strategy; the other is the projection of Europe's role in the world, as a regional and global player, as well as its relations with the United States and the other main actors and institutions of world politics.

To start from the first set of issues, since the turning point of the Saint Malô summit of 1998 Italy has backed the process of acceleration in integrating defence and security across Europe, under the twin umbrellas of CFSP and ESDP. In fact, Italy had traditionally favoured measures in this direction even before the convergence (and conversion) of interests which led to Saint Malô. Since 1998, Italy has actively supported the creation of the set of institutions which now govern ESDP, such as the European Defence Agency, the Military Staff and Military Committee: indeed, it is present at top levels of these institutions with officials such as the Gen. Mosca Moschini, currently President of the Military Committee. Now that the phase of establishment of these institutions has been completed, however, remains the equally difficult phase of making these institutions work effectively.

Part of the effectiveness would come, quite simply, from a greater integration of the two policies underlying this process? namely CFSP and ESDP. The strengthening of CFSP institutions (and especially the creation of a EU Foreign Minister) would go some way towards ensuring greater coordination and success and would be, in this sense, quite instrumental. Italy's already mentioned support for this provision of the constitutional treaty therefore ties in with the general objective of strengthening CFSP and Europe's role in the world.

Another question, however, concerns the modest financial resources available to these institutions and, more generally, the still inadequate and poorly coordinated security & defence market in Europe. There is still a long way before integration successfully manages to shape this sector and overcome many states' resistances. Italian policy-makers, both of the centre-right and centre-left, have increasingly realised that integration is in the country's interest not only because of the virtuous economies of scale that it would produce. Most importantly, Italy is finding it increasingly difficult to sustain the military effort necessary to back its foreign policy commitments on the basis of a constantly shrinking defence budget. As international commitments grow in number, it becomes more and more clear that just as any other middle-sized European country, Italy cannot simply afford to 'go it alone' in defence and security. Integration *and* specialisation of the defence sector in Europe are objectives which Italy supports in tandem.

Naturally, underlying all this should be a sort of 'grand strategy' for security and foreign policy, which however does not exist as yet? this would provide the logical link between the internal and external dimensions of the security integration process, establishing a healthy correspondence between ends and means. So far Italy has however not been as forthright as one would have hoped in encouraging the process of articulation of a strategy. There are, in fact, a number of ambiguities which surround Italy's position on a number of questions relating to what exactly a European grand strategy should look like. One need not look any further than the controversial issue of enlargement to spot these ambiguities. Italy is notoriously in favour of enlargement to Turkey and to Balkan states such as Serbia (in the latter case, despite the judicial issues still pending), but is much less favourable to the accession of states from the former Soviet space, such as, for instance, Ukraine. The criteria with which such distinctions are drawn are unclear at best, and can hardly lead to a comprehensive and consistent set

of recommendations in terms of where and why enlargement should stop, or how the European Neighbourhood Policy (ENP) should be reformed or supplemented.
Another issue with considerable security implications on which Italy has recently seemed more proactive, perhaps for natural reason, has been that of immigration and justice. Exposed as it is to considerable migration flows coming from the Balkans and Africa, Italy has called for greater cooperation in managing this issue at the European level, and establishing fruitful cooperation with those countries from which immigration originates. In this process it has found a supportive partner in Spain, and has gone so far as to invoke the mechanism of reinforced cooperation to catalyse progress in the area. An element of self-interest is no doubt present in this position. Yet, now that the link between migration and security has been exposed via the painful experience of transnational terrorism, there is no doubt that such measures should be taken in great consideration, and combined with those aimed at increasing cooperation in matters of intelligence and police.
Lastly, with regards to Europe's relation with the outside world, two aspects have been of particular concern for Italian policy makers. On the one hand, in terms of the transatlantic partnership, the position of Italy has changed somewhat over the last few years. After a phase of convinced Atlanticism under the centre-right government, Italy now seems to have gone back to its more traditional strategy of balancing Europeanism and Atlanticism? avoiding at all costs to choose between the two. Incidentally, this is possible because the notorious divisions on the war in Iraq have now been overcome at least in part, hence there are more immediate grounds for convergence. On the other hand, concerning multilateralism and EU's relations with the international institutional architecture, Italy has been pioneering in its proposals to create European unified seats in all major multilateral institutions, from the UN Security Council to the IMF. Naturally, this proposal responds to a noble principle, that of further integration at the European level, but is also a rather clever strategy to maximise the country's limited power vis-à-vis other, more powerful states such as France and Great Britain (if not Germany). Once again, in the pursuit of this objective Italy shows a rather typical combination of idealism and national concerns, a trait which is not at all uncommon in the history of Italy's engagement with Europe.

3.3 Economics

The third and last main area in which briefly to measure Italy's objectives and strategies vis-à-vis Europe is economic integration. In the past, this area presented particularly difficult challenges for Italy, a country that not too long ago had to 'punch above its weight' to qualify for the EMU and the introduction of the Euro. Today the uncertainties surrounding Italy's ability to keep pace with economic integration in this area are certainly still indication of the country's relative economic weakness. Yet, for most part they also reflect the wider, and still unfavourable economic conjuncture in which Europe more generally currently operates.

Firstly, the discipline which the Stability and Growth Pact imposes across the Euro zone has proved so far unsuccessful in promoting significant growth so far, and has put Italy under great pressure. The good news is that the country is no longer addressed as the 'sick man of Europe', as *The Economist* graphically indicated only a couple of years ago. In fact, many of the measures which the Prodi government have put in place to discipline the country's budget and reduce the public debt have been not only

fairly successful, but well received by Brussels. As the latest Economic Forecast of the European Commission testifies, there are clear indications that the country's deficit could decrease to the very encouraging figure of 2.3% of GDP in 2007. However, as Brussels has repeatedly warned, these efforts are by themselves hardly sufficient. Much will depend on the ability of the government to tackle a few, particularly intractable issues, such as for instance the reform of the pension and of the health system.

More generally, the lingering structural weakness of the Italian economy unfortunately does not enable the country fully and actively to participate in the vanguard of the Euro-group, pushing for important reforms to make integration proceed on this front as well. Suffice it to mention here the need to complete the common market in key services. Amidst rising protectionist trends? which, incidentally, had been embraced by members of the Berlusconi government as well in recent years? Italy has probably the least to gain from a market not entirely integrated. One needs to think only of the high level of energy and bank charges, possibly amongst the highest in Europe, to realise how much the Italian economy could gain from further integration. Thus the country should resolutely sponsor the process of integration, but for that it needs credibility and leadership.

The last set of issues which are of particular concern to Rome have to do with the so-called 'social model' in Europe, a question with which the current government of the centre-left has certainly been more concerned than the previous government. In brief, what Italy stands for is reforms of the labour market and of the systems of social protection (as suggested by the Lisbon Agenda) which however keep social standards into account, allow for a degree of flexibility given specific national sensitivities, while aiming at harmonising legislation across Europe in the long run.

4. Policy Recommendations & Conclusions

If one considers the uncertainty and threats characterising the contemporary international scenario, the benefits of European integration for a middle-sized country such as Italy appear rather apparent; indeed, *mutatis mutandi*, they are probably as apparent today as they were at the time the process was first launched, some fifty years ago. It is therefore in the interest of Italy to be able to articulate a comprehensive set of policies aimed at engaging Europe, its institutions and its member states effectively. While the country has been successful in identifying some objectives and priorities, the task of weaving them together in a consistent policy has not always been successfully managed. Partly, this has to do with the traditional lack of coordination amongst those domestic institutions and decision-making bodies responsible to articulate foreign policy, with the inevitable, and often sub-optimal result of an ad-hoc centralisation in the hands of the Prime Minister.

More generally, Italy's European policy is produced today in a domestic political context which, despite its merits, no longer assumes integration to be necessarily a value in itself. Alternative visions, or policy paradigms, are now at play. This means not only that European policy is less consensual and bipartisan, but also that it should hopefully be subject to more critical inquiry? no doubt, a potentially positive development. The debate, however, needs to be encouraged further and significantly raised from the level of petty confrontation which too often dominates the current

political scene. In this process, the role of the media seems to be particularly instrumental.

Overall, Italy's engagement with Europe still reflects a combination of its traditional *habitus* for integration with the pursuit of more national specificities, determined by domestic political or economic considerations. Two general recommendations can be advanced in conclusion. On the one hand, Italy continues to privilege the political and 'ideal' dimension of integration, and aims to place itself at the forefront of the process of political re-launching of the idea of Europe. This is certainly valuable, yet it runs the risk of translating itself in a (rather typical) declaratory strategy which simply cannot be self-sufficient, especially in today's scenario. As in many other times over the course of the European integration process, the challenge for Italy is to 'put its money where its mouth is', namely to support integration factually by conforming its actions to its declarations of principles. The measures taken in the economic and defence sector will be a particularly meaningful test in this respect. On the other hand, it is probably time to decide what model of European policy a country such as Italy should go for? whether a balanced approach aiming to pursue a number of strategies in a variety of fields in parallel, or whether to specialise its policy in particular areas, pushing for objectives which are of greatest concern (in the case of Italy, for instance, immigration). The first strategy is of course more comprehensive and appealing, but also requires more resources and greater coordination; the second is less ambitious but certainly more economical. In any case, an overall reassessment of Italy's place in Europe seems to be a logical precondition for such a choice: it is a matter, in other words, of identifying not only what Italy wants for and in Europe, but what Italy can effectively contribute to the process of integration, and then operate choices that clearly follow from these considerations.