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The interplay between domestic and foreign affairs

Possibly no country other than Italy has so closely reflected the international strategic set-up with its own domestic political system. The latter was described as an "imperfectly bi-party system" as it centered around two major opposing parties - the Christian Democrats (DC) leading the government coalitions with the smaller lay parties, and the Communists dominating the opposition. Similarly the Cold War international system could have been described as "imperfectly bipolar" one of the two superpowers leading an alliance with two other nuclear powers and two emerging economic giants; the other ruling the opposite alliance.

When the Soviet empire collapsed, the Italian Communist Party (PCI) was inevitably affected, though it had shown increasing independence from Moscow over the previous one or two decades: it had to change its name, which it did promptly enough at the cost of a split by the "conservative" communists. As the West has since engaged in the search for a new role - almost a new soul - so has the Italian majority. But this latter process was disrupted by the rapid increase of illegal financial practices by parties and companies being unveiled by magistrated increasingly aware of their new freedom of action.

Italy has often been called unstable because of the frequent, nominal changes in the composition of its goverments (each of which has lasted an average of one year since 1945), but in fact all these governments have been formed by nearly the same coalition. In most cases the dismissal of a prime minister was the product of quarrels within the majority rather than an opposition victory.

Primarily because of international considerations, the PCI (Communist Party) could not join, let alone run the government - a normal objective for a leading opposition party elsewhere. Hence the definition of "imperfectly" bi-partisan democracy. One might ask whether even its own voters had perceived the constraint since they tended to grow in number when local government was at stake.

To find a similar situation one has to look at a country as distant as Japan with the difference that the DC never reached the same pervasive power as the LDP, and the Japanese opposition never was as strong as the PCI. The "stability" was similar, i.e. there was no turnover in the parties in power, with the result that many felt beyond moral and judicial scrutiny. Furthermore, scandals broke out in unprecedent proportions almost at the same time in both countries, and new kinds of government have been sworn in, with the former opposition becoming part of the majority, both in Rome and in Tokyo. The surgery seems to be more radical in Italy than in Japan. Italian scandals never made headlines in the past. What has changed is that the ruling class was no longer able to emerge with limited losses or succeed in cover-ups thanks to the partly frozen political system.

If such a "stability" has had costs in terms of public ethics that now have come to the surface, it has advantages too, the major one being continuity in foreign policy. In other words the international ties of the country - NATO and the European Community in the first place - provided the Italian leadership with an unwritten certificate of permanent residence in power. In exchange the governing coalitions have been predominantly pro-Atlantic and pro-Europe.

Reference to another country could again be helpful, this time to underline a difference rather than a similarity. Italy's political scene, as it was until 1992, is somehow reminiscent of the French Fourth Republic. De Gaulle's 1958 coup d'état brought about a new constitution, which led to a more "perfect" biparty system, so that elections eventually did provoke a turnover in power. But one consequence was the breakup of the central coalition that had previously run the country - a predominantly Atlanticist and Europeanist one, like its Italian counterpart. It is therefore not surprising that something of a crisis occurred in French foreign policy in the mid-sixties: France left NATO and resisted further integration through the so-called "empty chair policy" - the absence of French representatives from EC meetings.

Throughout the post-war period, the United States, as the leading country of the anti-Soviet alliance, exerted influence over Italy in every possible way to strenghten the pro-Atlantic majority against the Communist party and trade unions. During the sixties the Italian Socialist broke their unequal alliance with the PCI and joined the governing coalition to become an increasingly influential partner. The transition was anticipated by a radical change in their standing on European and Atlantic issues. Moreover, the advent of the Kennedy administration in Washington generated a favorable international condition for what was called the "opening to the left" in Rome.

In the following decade the PCI, the largest communist party of the West, embarked in a slow process of distancing itself from the CPSU, as already mentioned, and began to look with less antagonism at the social-democratic parties which were reaching government positions all over Western Europe. As other parties in the neighbouring countries followed suit, this evolution became known as Eurocommunism.

Both in Italy among the proponents of the "historic compromise" (meaning a compromise between Communist and Catholics to run the country jointly) and abroad among the liberal academia, where Eurocommunism had become rather fashionable, many thought that what had been achieved with the Socialists could be reproduced with the Communists some twelve to fifteen years later. This prospect however generated such strong concerns both domestically and with the Carter administration, that it ended up damaging an evolution - Western and democratic - of the Italian Communists that was in everyone's interest.

Nevertheless, foreign policy, which had been a deeply divisive issue until then, became more "bipartisan". In 1976, a resolution stating the traditional main guidelines of Italy's foreign policy - Europe and the Atlantic Alliance - was passed by the parliament with a nearly unanimous vote. This must be seen in the context of a de facto power sharing with the PCI in the legislative branch, which is given more weight by the Italian post- World War Two constitution than in most other Western democracies.

Only a few years later, however, the PCI voted against Italy's participation in the European Monetary System (1978), the deployment of "cruise" missiles in Sicily (1979) and the dispatching of troops within UN peace-keeping missions in the Middle-East (1980). These major decisions marked the beginning of a more active international role for Italy and served as new cement for the governing five-party coalition. This coalition ran the country until the early nineties with a growing sense that it was becoming irreplaceable - a feeling which contributed to the spread of corruption ever higher in the power pyramid.

Italy and the process of European integration

Prominent in this new phase of more active foreing policy was Rome's contribution to

further steps in the European integration process. In fact, Italians were among founders of this process since its inception: Altiero Spinelli is commonly associated with Jean Monnet as having had the vision of European unity, while Alcide De Gasperi joined Robert Schumann and Konrad Adenauer to lay its foundations.

When it joined the Community (originally formed in 1951 by six coutries to pool coal and steel), Italy was the only member distant from the Ruhr basin. In 1957, it was at the Messina conference that two new institutions were conceived - the EEC and Euratom. When France was resisting further supranational integration, Italy was supportive of enlarging the Community to Britain, Denmark and Ireland. Italy has also played an active role in enhancing the combined effect of transition to democracy and EC membership which culminated in the entry of Greece (1981), Portugal and Spain (1986) in what had become one Community of twelve members.

When the EC was able to resume strengthening its institutions, Italian Foreign Minister Colombo and his German colleague Gensher co-authored the initiative that later on led to the Single European Act (1986) which provided for the integrated market and enhanced political cooperation. And it was under the Italian presidency that the stubborn resistance of Margaret Thatcher was overcome (she resigned shortly afterwards) and the two intergovernmental conferences were convened to draft the Maastricht treaty.

Italy's partners in the EC have frequently pointed out what they see as contradictions between a propensity for advanced solutions and supranational institutions on one hand, and, on the other, the country's endemic sluggishness in respecting the laws and the directives coming from Brussels. In fact, the dark side of Italian Europeanism has been the high number of procedures pending against Italy in the European Court of Justice and, for instance, the many cases of non-compliance with the integrated market rules in late 1991 - one year before the deadline.

One way of explaining these contradictions is that Italians like the idea of a European government in Brussels simply because they have given up the hope of having a decent one in Rome. If there is any truth in this easy answer, it has the weaknesses of the Machiavellian stereotype and neglects both the above-mentioned Italian contribution to the origin of the integration process and the European roots of postwar Italian society.

In a way, Maastricht is part of the paradox. The treaty was initially popular in the country (and was ratified by the parliament with 85% of votes), though it codified quantitative requirements for future membership in the third stage of EMU that Italy could not possibly meet by 1999 if quantitative criteria are all literally maintained. Its current public debt/GDP ratio is approximately twice as much as the ceiling allowed.

However, this and other numerical targets indicated in the treaty provided a clear measure of the country's distance from Europe. The incentive for the government to make a dramatic shift in its economic policy was tremendous, as was the impact on public opinion about the need for much tighter conditions. The Amato government in July 1992 and the Ciampi government one year later were able to reach agreements with the Trade Unions, so as to stop the automatic spiral of wages and inflation ("scala mobile"). Moreover, in a short time Italy moved from last place to the second in the list of EC members having properly incorporated the integrated market rules.

When in the summer of 1992 the lira hit the bottom of the fluctuation band (2,25%) allowed by the Exchange Rate Mechanism (ERM) of the European Monetary System (EMS), the Italian government tried to press its partners for a realignment of all parities that would make up for the imbalances brought about by German unification and, specifically, for the clear overvaluation of the lira. Given the negative response, Italy had to quit the ERM - a political defeat that turned out to be a deep breath of fresh air for exports, even more than expected as the devalutation went twice or even three times as much as predicted according to the "fundamentals".

Italy in the Atlantic Alliance

The 1979 Italian decision to have some 80 cruise missiles or Intermediate Nuclear Forces (INFs) deployed on Italian soil was of major significance for NATO as it fulfilled Germany's condition that it not be the only continental country to host them. Moreover the internal debate that led to such decision was rather innovative with respect to any previous ones in the country. Indeed, by that time there were already some 1000 to 1500 nuclear warheads stationed on NATO ground-, air- or sea-bases scattered around the country. But the corresponding deployments had been smuggled through the decision-making process as "technical" implementation deriving from membership in the alliance. Paradoxically, both the government and the opposition converged in considering the Atlantic Alliance as embodying Italy's choice of the West and did not pay much attention to allied strategic and miltary measures. In sum, until 1979, Italy's role in NATO had been useful but passive.

The deployment of cruise missiles was, instead, accompanied by an unprecedent degree of analysis of the impact of tactical nuclear weapons on deterrence and arms control. As already said, if the parliamentary vote was not fundamentally different with respect to the past, all observers noted that there was new attention to security matters - something for which Italians certainly have no particular inclination. No wonder then that there has since been a more active Italian role in NATO and elsewhere. For instance, when in 1987, Spain asked for the removal of the NATO F-16 deployed at Torrejon, near Madrid, Italy was quick in making the Aviano base in the Venetian region available for the job.

In 1979 Italy hosted for the first time the meeting of the leaders of what became called the G-7, and it has continued to be a permanent member of this "group", which has been increasingly dealing with political matters in addition to economic ones. This has been a major recognition of the international role of the country

Italian military contingents of various kinds and sizes have been part of UN humanitarian and peace keeping operations in the Red Sea, Lebanon, South Asia, Angola, and subsequently in Mozambique, Somalia and the Balkans. Air force and naval groups were engaged against Iraq in 1989 and though they played a marginal role in it, the two pilots who were captured, mistreated and shown on TV by the Iraquis attracted worldwide attention to Italian participation in the Gulf war. Gradually, Italy has become a security producer and not only a security consumer. The end of Cold War, however, has changed its geo-strategic situation to an extent that has still to be fully assessed.

The cultural background

These foreign policy achievements and, at times, shortcomings must be seen against the background of a certain contradiction between the major cultural currents and the international milieu with which the Italian society has been increasingly integrated and has undergone such accelerated economic development as to reach parity with the British GNP from roughly half as much in the immediate postwar period.

The dominant culture has been traditionally either Catholic or Marxist. Sometimes it has been both. Officially, 83% of the Italian population is Roman Catholic. The party of relative majority was Catholic (not Christian, i.e. mixed with Protestants as in Germany) and a certain

distrust of Western secularism has been visible in part of it as in the Church hierarchy; factions of the Christian Democrats (DC) were, for instance, opposed to joining the Atlantic Alliance - a difficult decision because of the already strong opposition by the left. Later on, a large majority of the DC became more homogeneous with other liberal-democratic political forces in Europe.

In order to abrogate the laws allowing divorce and abortion - an issue dividing the ruling majority - the DC introduced referenda, but was defeated on both issues, in 1974 and 1981 respectively. The secular evolution of the Italian society became evident. Those Catholic traditionalists who disliked the increasing integration of Italians in Western civilization had good reasons: behind its Catholic façade, the society has been growing even more secular than its supposed models: in the recent years in Italy there have been around 1.3 children per woman compared with an average of 1.45 in the EU, 2.1 in the US and 3.3 in the world - if this is a meaningful indicator. Last year Italy has been the first country in the world where inhabitants below 20 have become less in number than those above 60.

The culture on the progressive side of political spectrum was dominated by Marxism. Until the seventies this meant that there was a societal model, alternative to Western capitalism, which claimed to be more "democratic", in line with the rhetoric undeservedly allowing, say, Eastern Germany to wear this label. The Communist culture was fiercely opposed to Atlantic solidarity and West European integration, which was originally depicted as a capitalist plot. On the other hand, this same strong cultural background of the PCI contributed to its disenchantment with the "real socialism" in the Soviet empire - an earlier (by the '70s) and deeper reappraisal than, say, that of its French cousins.

The Italian Socialist Party (PSI), junior allies of the PCI in the early postwar period, had gone through such a reappraisal a decade before - the invasion of Budapest (1956) being the trigger. As already mentioned, they gradually became pro-European and then pro-Atlantic, as they joined the majority. However, their profound cultural evolution later became secondary with respect to taking power per se, with the consequence that they were caught first when the cleanup began.

The parallel existence of Marxist and Catholic cultures has been an obstacle not only to Western secularism (Communists opposing the West, Catholics resisting secularization), but also to capitalism and efficient state institutions. Italy's industrial structure is predominantly family-owned or state-owned - a rather unique case. The fomer has been extraordinarily dynamic, but it tends to remain small; the latter is the right size, but it has grown increasingly inefficient. Despite the strong projection on foreign markets, both have found it difficult to integrate with international capitalism. Both have thought that corrupt or inefficient civil servants and subservient politicians were in their interest - wrongly, as they have now discovered.

Italians are not nationalists - the positive side of having a weak sense of patriotism. They have tended to be pacifists because of their combined Catholic and Communist vision of utopia. For instance, a harsh debate accompanied the participation in the anti-Saddam coalition and prevented the deployment of ground forces, with the Pope and some PCI leaders sometimes striking the same chord.

Despite these obstacles, Italian society has done remarkably well in developing its economy capitalist-style and integrating with the West. It has been less successful in building up an efficient state. This, in a nutshell, has been the "demi-victoire" of the minority culture of liberal-democracy, which now has become so very fashionable as to be disputed, at least verbally, between the left and the right, and indeed the center of Italian political spectrum, whatever that means today.

The uncertain beginning of the new phase

The vacuum left by the DC and the Socialist Party was initially filled up by Forza Italia (FI), the movement founded by the TV tycoon Silvio Berlusconi after having been conceived by the marketing experts of his media empire. Berlusconi's most effective slogan was that he would run the country as he did with his company.

In 1994 he was able to make an electoral alliance with the Northern League, a leading force in the protest against corruption, and in promoting internal federalism and with the former fascists of AN, whose political re-legitimation most people - in Italy and abroad - thought would take a much longer time. Despite conflicting views on many fundamental issues (such as national unity, liberalism, etc.) the alliance, after having won a majority in one of the two houses, became a government coalition. More importantly, it was a decisive factor in changing the political landscape of the country as it forced its opposers into a center-left coalition.

However, what appeared to be the final jump into a "perfect biparty system" soon ran into troubles. Fractionism proved to be resilient and only eight months after the Berlusconi government had been inaugurated the leader of the Northern League, Umberto Bossi, broke away for political rather than ideological reasons. Berlusconi, in anger, had to resign.

It contributed to the byzantine image of the Italian politics that Berlusconi after resignation indicated as a successor his non-political Minister of Treasury, Lamberto Dini; that Mr. Dini formed a government of "technocrats"; and that such a government was supported by the centre-left parties (including the PDS, currently the largest party) against Berlusconi. Mr. Dini has continued the course of his predecessors, including Amato and Ciampi, to restore confidence in the public finances, both nationally and abroad, something indispensable when you are heavily indebted. The results are not trivial: the public budged has been showing a growing primary surplus of some 3% or above and the stabilization of the debt/GNP ratio. Moreover a process of privatization of public owned companies and banks has been initiated.

Possibly the field in which the Dini government, last year has more openly differentiated itself from its predecessor is foreign policy. Berlusconi and his ministers did not have much of an international experience. The image of the country's international role came out seriously damaged. With Mr. Dini and Mrs. Agnelli a return to committed European policies has in particular been perceived among our EU partners. To steer the Lira back into the ERM was a declared ambition of the Dini government which it could not fulfill.

A reason to prolong Mr. Dini's premiership into the first part of 1996 came from the EU presidency, which Italy was due to run during the first semester. Both Germany and France had elections during their turns and this did not help the efficacy of their presidencies. Spain was able to postpone them and this did help its presidency.

It was felt that for Italy it may be worse, also because the current delicate phase in the life of a now 15-member European Union and the need to reform the Maastricht Treaty make it more than routine. Previous Italian presidencies of the Brussels institutions were successful. It now appears that also the present one is being conducted properly despite the domestic political turmoil. The Turin Summit inaugurated the IGC in promising terms and Italy was able to combine a good platform, rather close to the German positions, with a balanced role in the chair.

Attitudes towards the conflict in former Yugoslavia show the evolution of the Italian public opinion. Pacifist attitudes seem increasingly confined to the political fringes where usually one finds a pecular combination of marxist and catholic roots. The concept that military force must be used for peace making as well as for humanitarian purposes and that international

cooperation helps legitimizing the use of force has become a matter of consensus. The Italian government is now contributing a contingent of 2000 men or more to the NATO force that it is hoped will implement the American-brokered Dayton agreement.

This helps overcoming the disappointment for not being invited in the so-called "contact group", something the government resented after having made ground forces available since 1992 and after all the logistical support the country has given both to NATO and the UN.

An other foreign policy issue is currently putting Italy on a collision course with Germany and Japan: the membership in the UN Security Council. The Italian government has come up with two proposals in order to avoid a solution that would discriminate it against its two former allies in WWII and current G-7 partners: 1) a common seat for the European Union, which has been refused by Paris and London, and 2) an enlargement of the Council so as to introduce semi-permanent members, which is not such as to please Bonn and Tokyo. Both proposals have on their side the proposition that if the Council has to be reformed in order to take account of the new world realities after 50 years since the founding of the UN, this appreciation can hardly be as partial and focussed as the socalled "quick fix" solution seemed to suggest.

The elections of last April indicated a centerleft government majority that is such as to ensure continuity in the Italian foreign policy. More than the voters were able to catch in a confused and predominantly parochial campaign, Europe was to a large extent the central issue at stake. The Italians have chosen Europe and the markets have understood it.