

The Italy–France Treaty is an Example of Wise Diplomacy

by Riccardo Alcaro

The recently concluded Treaty on Enhanced Cooperation between France and Italy¹ has created some interest in Europe. Dubbed the “Quirinale Treaty” after the sumptuous residential palace of the Italian president of the Republic where the signing ceremony was held, the agreement is indeed a significant development. It could preside over an expansion and deepening of the bilateral relationship, lead to a degree of rebalancing in Europe’s power relations and usher in a new era of greater coordination between Paris and Rome in EU negotiating formats. These three elements – the bilateral dimension, Europe’s balance of power and EU policymaking processes – make up the rationale of the treaty and are consequently worth analysing

¹ The treaty was signed in Rome on 26 November 2021 by French President Emmanuel Macron, Prime Minister Jean Castex and Foreign Minister Jean-Yves Le Drien and Italy’s Prime Minister Mario Draghi. The treaty’s Italian and French versions are available here: Italian Government, *Italy-France Treaty Signed at the Quirinale Palace*, 26 November 2021, <https://www.governo.it/en/node/18662>.

separately.

Bringing order into a deep and complex relationship

Italy and France have strong commercial ties, especially in the automotive, pharmaceutical, agri-food and electronics sectors. In 2019, the last “normal” year for which comprehensive data is available, total trade amounted to over 80 billion euro, with Italy retaining an edge in the trade balance. The covid-induced crisis does not seem to have altered the picture, as data from the first half of 2021 point to trade having not just rebounded but even expanded compared to 2019. Italy is France’s third largest supplier of goods (after Germany and China) and its second-largest export market (again, after Germany).

It is not just trade that connects the two economies. The two countries espouse fairly integrated production systems: around 1,700 Italian companies operate in France and 3,000 French ones in Italy.

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France is the largest foreign investor in Italy, with an overall stock worth almost 88 billion euro in 2020. Italy only ranks ninth in the list of foreign investors in France, yet the volume of cash flowing northwards across the Alps has been growing (it hovers around 42.6 billion euro).² France has invested in critical sectors of the Italian economy, ranging from energy to banking, while mergers have generated multinationals of global scale such as the eyewear company EssilorLuxottica and carmaker Stellantis (a fifty-fifty conglomerate between US–Italian FCA and French PSA Group).

To be sure, not everything is rosy. The French government's veto on Fincantieri's bid to purchase the STX shipyards,³ to make just one example, did not go over well in Rome.⁴ Irritations about a perceived lack of reciprocity have surfaced time and again in Italy. Besides, France and Italy have disagreed on issues ranging from managing irregular migrants at the French–Italian border⁵ to supporting different warring factions in Libya.⁶ Even in areas where

their interests are more closely aligned, such as counterterrorism and migration control in the Sahel,⁷ or energy relations in the East Mediterranean,⁸ cooperation has not always been optimal.

The strength, but also the asymmetries of the economic relationship and the urge to address mutually strategic foreign policy dossiers have long persuaded French and Italian officials of the need for a more permanent accommodation of diverging views.⁹ Initial talks over a bilateral treaty began in 2017 but ground to halt after a very public spat in early 2019, when Luigi Di Maio, then leader of the anti-establishment Five Star Movement (*Movimento 5 Stelle*, M5S) and a cabinet member in the first Giuseppe Conte-led government (2018–19), publicly met with prominent *gilets jaunes* protesters.¹⁰ An infuriated French President

² All data are taken from InfoMercatiEsteri, *Francia*, last updated 15 December 2021, https://www.infomercatiesteri.it/overview.php?id_paes=68.

³ Tara Patel, Alessandra Migliaccio and Geraldine Amiel, "France, Italy, Pull Fincantieri Shipyard Deal on Pandemic", in *Bloomberg*, 27 January 2021, <https://www.bloomberg.com/news/articles/2021-01-27/france-italy-are-said-to-call-off-fincantieri-chantiers-merger>.

⁴ "French Shipyard Move 'Incomprehensible' Says Angry Italy", in *Reuters*, 27 July 2017, <http://reut.rs/2uBEqIx>.

⁵ Arnab Béranger, "France-Italy Border Dispute Over Migrants - Is the EU Breaking Up?", in *Rfi*, 21 October 2018, <https://www.rfi.fr/en/europe/20181021-france-italy-migrants-salvinimacron-police-border-Claviere-Bardonecchia-Montgenevre>.

⁶ Federica Saini Fasanotti and Ben Fishman,

"How France and Italy's Rivalry Is Hurting Libya", in *Foreign Affairs*, 31 October 2018, <https://www.foreignaffairs.com/node/1123308>.

⁷ Silvia D'Amato, "Patchwork of Counterterrorism: Analyzing European Types of Cooperation in Sahel", in *International Studies Review*, Vol. 3, No. 4 (December 2021), p. 1518-1540, <https://doi.org/10.1093/isr/viab024>.

⁸ Michaël Tanchum, "Turkish Military Maneuvering Pushed Italy and France to Join Forces in the Mediterranean. Now What?", in *Foreign Policy*, 23 September 2020, <https://bit.ly/361a9Gd>.

⁹ Gilles Gressani, "The Franco-Italian Relationship on the Eve of the Quirinal Treaty: Between Asymmetry and Proximity", in *European Issues*, No. 599 (7 June 2021), <https://www.robert-schuman.eu/en/european-issues/0599-the-franco-italian-relationship-on-the-eve-of-the-quirinal-treaty-between-asymmetry-and-proximity>.

¹⁰ "France Recalls Italy Ambassador After Worst Verbal Onslaught 'Since the War'", in *France24*, 7 February 2019, <https://www.france24.com/en/20190207-france-recalls-italy-ambassador-after-worst-verbal-onslaught-war>.

Emmanuel Macron – the *gilets jaunes*' main target – responded by temporarily recalling the French ambassador from Italy. A thaw came only after the pro-EU centre-left Democratic Party replaced the Eurosceptic (and slightly anti-French) League as M5S's ruling coalition partner in mid-2019. The atmosphere then markedly improved with the appointment of Mario Draghi as Italian prime minister in February 2021.¹¹

The cordial relationship between Macron and Draghi, who share views on such issues as European integration and EU relations with Russia and China, undoubtedly played a role in the diplomatic acceleration that led to the treaty's conclusion.¹² The fact that neither Macron nor Draghi may be in office for long, with the former facing re-election in April 2022 and the latter destined to leave office in early 2023 at the latest, gave greater urgency to the whole process. Placing the bilateral relationship on the stable platform of a formal treaty is also a way to shelter it from the vagaries of future, less aligned administrations. Remarkably, the agreement met with no significant domestic opposition in either Rome or Paris.¹³

¹¹ Mathilde Ciulla, "Enter the Dracon: Franco-Italian Relations and European Cohesion", in *ECFR Articles*, 29 October 2021, <https://ecfr.eu/?p=79556>.

¹² Ben Hall, "Mario Draghi and Emmanuel Macron – the EU's New Power Couple?", in *Financial Times*, 2 March 2021, <https://www.ft.com/content/88e68da5-9fae-478d-9f1e-c33ebd80fac4>.

¹³ Stefano Folli, "Trattato, la strana cautela della destra", in *Repubblica*, 26 November 2021, https://www.repubblica.it/commenti/2021/11/26/news/stefano_folli_quirinale_mattarella_macron_lega_sovranismo_italia_francia-327819557;

Shifting Europe's balance of power

The Quirinale Treaty establishes a web of formal interactions at multiple levels of government and between various agencies, including an annual intergovernmental summit, a number of inter-ministerial fora for permanent consultation, as well as joint training and exchange programmes for officials. Its focus encompasses ten areas of cooperation, including foreign and European affairs, justice and home affairs, migration, cultural and societal ties, research, as well as economic and industrial cooperation in such sectors as space and digital innovation specifically in AI, cloud and 5G-6G).

The treaty is unlikely to generate permanent strategic alignment between France and Italy. What the treaty does is to provide French and Italian officials with regular institutional channels through which conflict may be prevented – or at least managed before spilling into the open and common positions may be worked out. A more stable relationship would over time become a stronger partnership and therefore boost both countries' standing in Europe, mostly notably vis-à-vis their main interlocutor in the EU, Germany.

Italian and especially French relations with Germany have featured prominently in media commentaries,

Stefano Montefiori, "Marine Le Pen: «Referendum sull'immigrazione. Meloni e Salvini devono unirsi»", in *Corriere della Sera*, 17 November 2021, https://www.corriere.it/esteri/21_novembre_17/marine-le-pen-referendum-immigrazione-8b90c726-4720-11ec-8bc9-3ede90e62115.shtml.

which have drawn a parallel between the Quirinale Treaty and the 1963 Elysée Treaty (renewed in Aachen in 2019) with which France and (West) Germany buried past enmities and lay the foundation of a long-term friendship.¹⁴

There is indeed an element of counterbalancing in the Quirinale Treaty.¹⁵ Beside the leverage France and Italy would get if they acted in unison, stronger bilateral coordination could increase their ability to channel concerns, expectations and proposals of the EU's southern member states, most notably Spain and Greece. As of late, these countries have felt they are not always protected by EU institutions, are lorded over by the financially healthier countries in the north and to an extent have been neglected by a Germany that seems to tilt more eastwards than southwards.

While targeted at Germany, the Quirinale Treaty is by no means directed *against* Germany. Paris is not going to place any less importance on its deep post-war relationship with Berlin because of Italy. For its part,

Rome is not interested in alienating Berlin – to the contrary, it bets on the Quirinale Treaty to increase the appeal for Berlin to engage Rome more extensively and intensively than it does now (there are already rumours about a possible German–Italian treaty).

In these terms, the treaty should be seen as an instance of how bilateral intergovernmental coordination is becoming entrenched as an additional layer to the complex EU policymaking process. It is important to note that neither France nor Italy aim to further “intergovernmentalise” EU decision-making. Bilateral intergovernmental coordination is meant to strengthen France and Italy's hand *ahead* of critical negotiations within the EU. Tellingly, the Quirinale Treaty frames French–Italian cooperation as supplementing EU policymaking processes, even going as far as to state that the two countries will explore options to extend qualified majority to more policy areas than is currently the case. This leads to the third component of the treaty's rationale, namely EU policymaking itself.

Sustaining EU integration

The Quirinale Treaty is meant to facilitate consultation between France and Italy on the definition of common position within the EU and coordination on how to leverage that position in EU negotiations. In particular, Paris and Rome eye three main EU policy dimensions.

First is the need to strengthen the intra-EU bloc in favour of revising the macroeconomic consensus and set

¹⁴ “A New Treaty between France and Italy Upends EU Politics”, in *The Economist*, 27 November 2021, <https://www.economist.com/europe/2021/11/25/a-new-treaty-between-france-and-italy-upends-eu-politics>; see also Alessandra Migliaccio and Chiara Albanese, “Italy, France to Sign Treaty to Show Closeness Post-Merkel”, in *Bloomberg*, 16 November 2021, <https://www.bloomberg.com/news/articles/2021-11-16/italy-france-to-sign-bilateral-quirinale-treaty-next-week>.

¹⁵ Melvyn B. Krauss, “The New Franco Italian Alliance in Europe”, in *Project Syndicate*, 24 November 2021, <https://www.project-syndicate.org/commentary/draghi-macron-alignment-new-eu-leadership-dynamic-by-melvyn-krauss-2021-11>.

of rules that has dominated Eurozone governance since the Maastricht Treaty in the early 1990s. Both Macron and Draghi want to review the Eurozone governance system to make room for anti-cyclical fiscal measures, ideally by making some of the provisions of the Next Generation EU (NGEU) fund permanent – notably the much-expanded authority of the European Commission to borrow money on the markets.¹⁶

Second, France and Italy have an interest in creating an EU migration governance system – spanning external border controls, asylum rules and management of migration (both irregular and regular) – that resembles that of the Eurozone, as recently advocated by Macron.¹⁷

Last, the treaty may boost cooperation between Italy and France on one of Macron's most pressing concerns, namely the need to achieve a higher degree of "strategic autonomy" for the EU (the term recurs five times in the treaty's text). France has been a champion¹⁸ of the push to equip the EU with greater geoeconomic, industrial, space, digital and foreign and security

policy assets. These would be needed to reduce the EU's vulnerability to external pressure, be it in the form of energy blackmails (by Russia), unfair economic practices (by China) or even the weaponisation of finance through sanctions with extraterritorial reach (by the US), as well as to project security abroad.¹⁹ While largely mainstreamed into EU policy plans, strategic autonomy is at times regarded as a French pet project ultimately aimed at reducing Europe's reliance on US security guarantees.²⁰ Italy's, and particularly Draghi's, solid Atlanticist credentials should help place the strategic autonomy into a transatlantic framework.²¹

In sum, the Quirinale Treaty is a sensible act of diplomacy that should inject stability into a deep and often unnecessarily troubled political relationship, expand economic and cultural ties and foster alignment over both countries' foreign policy positions. Critically, it is meant to reinforce Italy and France's European identity without prejudicing their Atlantic commitments.

¹⁶ Davide Ghiglione and Sarah White, "Draghi Urges EU to Confront 'Inevitable' Reform of Fiscal Rules", in *Financial Times*, 26 November 2021, <https://www.ft.com/content/f3377da4-2ec6-4edb-b9b8-6a5af22bc2a2>.

¹⁷ Victor Mallet, "Macron Calls for EU to Strengthen Borders and Forge Closer Defence Ties", in *Financial Times*, 9 December 2021, <https://www.ft.com/content/374ce080-f29d-4242-bcc4-cb09aa9985b3>.

¹⁸ Roger Cohen, "A New Ambition for the European Union: 'Power'", in *The New York Times*, 9 December 2021, <https://www.nytimes.com/2021/12/09/world/europe/macron-france-eu.html>.

¹⁹ Nathalie Tocci, *European Strategic Autonomy: What It Is, Why We Need It, How to Achieve It*, Rome, IAI, February 2021, <https://www.iai.it/en/node/12819>.

²⁰ Duncan Robinson, "The EU Will Try to Work Out What 'Strategic Autonomy' Means", in *The Economist*, 8 November 2021, <https://www.economist.com/the-world-ahead/2021/11/08/the-eu-will-try-to-work-out-what-strategic-autonomy-means>.

²¹ Dario Cristiani, "Italy Positions Itself as the Driver of 'Transatlantically Sustainable' European Strategic Autonomy", in *GMF Insights*, 2 September 2021, <https://www.gmfus.org/node/19646>.

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While there is no certainty that Macron or Draghi's successors will be as interested in cultivating the bilateral relationship, the treaty provides a pattern for regular institutional interaction that it will hard to neglect. This is as good an insurance policy as it gets in the volatile realm of international affairs.

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