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## Italy, Russia's Voice in Europe?

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Nadezhda Arbatova

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## Summary

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Italy is one of Russia's most important partners in Europe. They have established extensive cooperation in practically all areas: economic cooperation is at a very high level, and on most issues of world politics Russia and Italy's positions are close or coincide. The numerous meetings held in recent years between the two countries' leaders have developed into special and privileged Russian-Italian relations. This paper analyses the specifics of the relationship between the two countries and the rationale that defines it.

## Introduction

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Italy is one of Russia's most important partners in the European Union, having developed extensive cooperation across a broad base of areas. Today, Italy is Russia's fourth largest foreign trade partner, third among EU member states. Italy also supports the introduction of a visa-free travel regime between the EU and Russia, and in contrast to other NATO members is more receptive to many of Moscow's initiatives in the sphere of European security. Russian-Italian relations are based on the Treaty of Friendship and Cooperation between the two countries of October 1994 and the Action Plan between the Russian Federation and the Italian Republic, signed in February 1998, although relations between the two countries have a long history. This is a rare case where the definition of "close traditional ties" is not an exaggeration or a tribute to diplomatic etiquette, but a reflection of the close intertwining of cultural, political and economic contacts shared between the two countries since the eighteenth century.

To a large extent, this mutual historical and cultural affinity allowed the development of relations between the two countries during the second half of the twentieth century, despite belonging to opposing political blocs. Italy became one of the pioneers of international detente. In addition, its distance from the epicenter of East-West confrontation, its flank position in NATO made for a more relaxed attitude in Italian ruling circles to the USSR, despite the anti-Soviet rhetoric typical of the era.

However, as the Russian researcher, Svetlana Knyazeva noted, the intellectual and political elite of Italy, including Italian Communist Party, made an active contribution in this period to the formation of a negative image of the Soviet Union and the policies to deploy against it. "The Italian Communist Party [...] whose influence increased considerably in the 1970s, especially after the adoption of the Eurocommunism doctrine and historic compromise, became a major critic, exposing the arbitrary nature of the Soviet Union."<sup>1</sup> At the same time, trade and economic relations between the USSR and Italy were rather dynamic, unaffected by the nature of political relations between the two countries. As noted by the famous Italian diplomat and writer Sergio Romano, "Italy [was] one of the Western countries most consistent in applying the principle of peaceful coexistence between states with different social and political systems."<sup>2</sup>

Italy, as with all of Europe, has for much of its history looked at Russia with mixed feelings of superiority, fear and respect for its political and state systems, embodied in the various segments of its history from monarchical

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Translated from Russian by Joe Carter.

<sup>1</sup> S. Knyazeva, "Rossiya glazami italiyantzev: vchera i segodnia" [Russia through the Eyes of Italians: Yesterday and Today], *Vestnik Evropy*, No. 22, 2008, <<http://magazines.russ.ru/vestnik/2008/22/kn8.html>>.

<sup>2</sup> S. Romano, "Ambassador Reflects," *International Affairs*, No. 6. Vol. 34, 1988, <<http://dlib.eastview.com/browse/doc/20297143>>.

absolutism and the Stalinist tyranny, to Gorbachev's perestroika reforms, and the “enlightened authoritarianism” of post-Soviet leaders.

Russia's systemic transformation after the collapse of the Soviet Union ushered in a new stage in relations between the two countries. If traditionally the foundation for Russian-Italian relations were the economy and culture, the collapse of the Soviet Union and of communist ideology opened opportunities for political cooperation, notably on major international issues.



## Imperatives of Economic Partnership

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The development of foreign trade between Russia and Italy is based on economic complementarities of their economies. Italy does not possess enough raw materials to sustain its industrial production, and the relative narrowness of its domestic market makes the Italian economy heavily dependent upon the export of industrial and agricultural goods. Russia is both a major supplier of energy resources and a promising market for Italian-made goods. Like many other EU countries Italy is dependent upon energy supplies from Russia and interested in developing trade relations with Russia. However, the historical links between the two countries, political ambition and the personal ties between the two countries' leaders form a context favorable to their bilateral rapprochement. In 2010, Italy ranked third in Russia's trade partners in the EU, after Germany and the Netherlands, with a turnover of 37.3 billion US dollars (in 2010, trade turnover with Germany was 51.8 billion US dollars, and 22.6 billion US dollars with France).<sup>3</sup> Around 500 Italian companies operate on a permanent basis in Russia and the Italian Minister of Economic Development Claudio Scajola commented at the Russian-Italian economic forum in Moscow in April 2009 that "opportunities for further growth are not only offered to large enterprises, but also to small and medium-sized businesses..."<sup>4</sup>

In terms of the volume of accumulated investments by EU countries in Russia, Italy held only 15<sup>th</sup> place in March 2011 (\$896 million, of which direct investment was \$658 million) and 16<sup>th</sup> in terms of accumulated investment in Russia by EU countries.<sup>5</sup> However, these statistics do not account for the presence in some EU countries (Cyprus, for example) of Russian repatriated capital, which is returned to Russia as foreign investment, meaning Italy's real ranking is higher. Nevertheless, Italy's position is modest due to the reduced opportunities of Italy's industry-specific economy, its small size and the unfavorable investment climate in Russia.

### "Economic pragmatism" as a driving force

It should be noted that Italian businesses were often ahead of those from other EU countries in developing relations with Soviet/Russian counterparts. Rome also distinguished itself by making some unorthodox business decisions: in 1964-1965 Italy provided the Soviet Union with loans of up to 100 million rubles

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<sup>3</sup> Ministry of Economic Development, Russia-EU statistics on foreign trade and investment cooperation, <[www.gosman.ru/?news=15666](http://www.gosman.ru/?news=15666)>.

<sup>4</sup> Italo-Russian economic forum in the format of "business to business", *Itogi*, 16 April 2009, <[www.italynews.ru/material\\_5778.html](http://www.italynews.ru/material_5778.html)>.

<sup>5</sup> Ministry of Economic Development, Russia-EU statistics on foreign trade and investment cooperation, <[www.gosman.ru/?news=15666](http://www.gosman.ru/?news=15666)>.

over 10 years at the rate of 6.2% per annum to finance the supply of machinery, equipment and ships from Italy; in doing so, Rome bypassed agreements between the European Common Market countries that limited loan terms to socialist countries to a period of five years. In addition, at the conclusion of trade agreements covering 1966-1969, Italy—contrary to its EEC membership—renounced the clause allowing for the termination of the contract if it contradicted Common Market rules.<sup>6</sup> Italy made the first purchase of oil from the USSR in the 1950s; in the 1980s, was the first to supply gas compressor stations under embargo by the major Western countries; and recently reached an agreement on the possibility of re-exporting gas supplies from Russia, together with the creation of “industrial districts” with Italian participation and the development of financing schemes for projects without a Russian sovereign guarantee of using debt conversion.<sup>7</sup> In 2003, Russian energy giant Gazprom reached an agreement with the Italian energy company Eni regarding the removal of articles in existing contracts prohibiting re-export of Russian gas; they simultaneously inserted new economic mechanisms preventing unfair competition (the essence of this new mechanism has not been disclosed).<sup>8</sup>

The intensification of economic cooperation between the two countries is linked to the economic recovery in Russia itself, which in turn coincided with the election of Vladimir Putin as president in 2000. Italian analysts tend to attribute the economic recovery in Russia and the attractiveness of the Russian market as results of Putin’s first term as president, even though one of the main reasons for this growth was exceptionally high oil prices.<sup>9</sup> Nevertheless, average annual GDP growth was 6.5%; there was a budget and foreign trade surplus; external debt decreased from 50% to 30% of GDP; foreign exchange reserves increased, capital flight was reduced, coupled with the rising wealth and well-being of Russia’s population. In addition, some observers noted that Putin’s foreign policy, characterized by vigor and pragmatism, strengthened Russia’s international position and won favor with the West. Journalist F. Valentini of the Italian daily *Corriere della Sera*, commented in his article “Russia Surrenders to Putin” that the Russian president’s immense popularity was based on the “slow but steady” increase in Russians living standards. According to Valentini, under Putin, “Moscow has rediscovered the national interest and the determination to defend it.”<sup>10</sup> In light of these developments, Italy and other EU countries see Russia as a more attractive economic partner.

In 2002 a Russian-Italian Working Group was created for the implementation of development agreements signed by Russian President Vladimir Putin and Italian Prime Minister Silvio Berlusconi. The aim was to facilitate the construction of industrial clusters and special economic zones in

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<sup>6</sup> See “Istoriya rossiisko-italyanskikh torgovo-ekonomicheskikh otnoshenii” [History of Russian-Italian Economic and Trade Relations], Website of Russian Trade Missions, <[www.torgpredstvo.ru/torg\\_pred.php?id\\_land=36&view\\_doc=1&id\\_doc=45](http://www.torgpredstvo.ru/torg_pred.php?id_land=36&view_doc=1&id_doc=45)>.

<sup>7</sup> S. Zonov, “Novy impuls rossiysko-italyanskikh otnosheniy” [New Impetus for Russian-Italian relations], the federal information-analytical magazine *Senator*, 2004, <[www.senator.senat.org/russia-italia.html](http://www.senator.senat.org/russia-italia.html)>.

<sup>8</sup> Long-term contracts: A brief review of existing export contracts, 24 September 2007, <[gasforum.ru/obzory-i-issledovaniya/583](http://gasforum.ru/obzory-i-issledovaniya/583)>.

<sup>9</sup> S. Guriev, “Russia’s Future: What Legacy Will Putin Leave?” *New York Times* (trans. Inopressa.ru). 25 March 2004.

<sup>10</sup> Cit. of M. Corti, “Vo glave sammita G8—president Rossii” [At the Head of the Summit G8—Russia’s President], *Nevskoe vremia*, 27 June 2006. <[www.mario-corti.com/press/](http://www.mario-corti.com/press/)>.

Russia, enhancing industrial cooperation, research and technical cooperation at the regional and company levels.<sup>11</sup> The plan to create industrial districts in Russia has received lively interest in the Russian and Italian regions and business associations. At present 17 Russian regions are involved to some extent in this project. The first results are already starting to show. One example is the establishment of an industrial district in the Lipetsk region producing various kinds of electrical appliances, at its centre is a plant producing refrigerators owned by the well-known Italian household appliance company Merloni.<sup>12</sup> In 2010, despite the ongoing global economic crisis, Italy and Russia began to launch new projects, such as the FIAT-Sollers joint automotive project in Tatarstan, the creation of an agro-industrial complex Kremonini on the outskirts of Moscow and the beginning of mass production of the Sukhoi Superjet a joint venture between Russian and Italian aerospace manufacturers Sukhoi and Finmeccanica. An agreement has also been made for the establishment for a factory in Russia producing Iveco military vehicles for export to CIS countries.<sup>13</sup>

## Energy security, Italian style

The economic pragmatism of Italian businessmen has encouraged them to act boldly and be active in the Russian market's most sensitive area—the energy sector, where many problems and between Russia and the EU exist. Russian energy giant Gazprom, which Putin describes as “a powerful lever of economic and political influence of Russia in the world,” has never frightened Italian businesses. According to the Economist magazine, in April 2007;

"Italian energy companies Eni and Enel have directly promoted Gazprom's interests, acquiring expropriated natural gas assets from the bankrupt Yukos at auction, the legality of which was doubted by many. Previously, both companies agreed to transfer control over these companies to Gazprom, which did not dare to participate in the auction".<sup>14</sup>

As a reward, Eni and Enel gained access to Russian gas fields and the promise of seats on the board of Gazprom's oil division. In addition, Gazprom signed long term contracts with Eni, which demonstrate the stability of the business even in the changing environment of the reformed EU energy market.

Furthermore, President Medvedev's proposal to enhance European energy security by offering a syndicated loan to Ukraine was received more favorably by the Italian businesses community reacted more favorably than the institutions in Brussels. In turn, Prime Minister Silvio Berlusconi vowed to suggest

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<sup>11</sup> The Working Group is based on a Memorandum of Understanding signed during Putin's visit to Italy in July 2003, as well as a joint Action Plan for 2009-2011. Working Group meetings are held twice a year on a parity basis in Russia and Italy.

<sup>12</sup> S. Zonov. Op. cit. [7].

<sup>13</sup> "Italiya I rossiya: partnerstvo na gosudarstvennom urovne" [Italy and Russia: Partnership at the State Level], interview with Ambassador Extraordinary and Plenipotentiary of Italy to Russia, Mr. Vittorio Claudio Surdo, 11<sup>th</sup> May 2010, <<http://bujet.ru/article/77480.php>>.

<sup>14</sup> *The Economist*. "The Position of Gazprom Depends on the Support of European Concerns that are Leaders in their Countries of Industries—Gaz de France, Eni and Ruhrgas," 13 April 2007, <[www.rosinvest.com/news/281540/](http://www.rosinvest.com/news/281540/)>.

that the European Union assist Kiev with the payment of the Russian gas—namely, to pay half the debt.<sup>15</sup>

Since its inception, Italy has lobbied on behalf of the South Stream pipeline project—in which Eni participates—in spite of the cautious attitude in Brussels. In May 2009, Gazprom and Eni signed a second supplement to the Memorandum of Understanding of 23 June 2007 on further steps to implement the South Stream project. In January 2011 the Italian Minister of Industry, Paolo Romani openly opposed US attempts to merge the Nabucco and South Stream projects.<sup>16</sup>

Italy's desire to establish itself in the Russian energy market has been met with mixed reactions in Brussels, where there is little support for such close bilateral cooperation with Russia in the energy sector. In Brussels, there is a perception that the desire to ensure stable energy supplies from Russia often leads Italy to compromise on political and economic issues. Refuting concerns from the US and some EU countries of Italy's increasing dependence on Russian natural gas, Foreign Minister Franco Frattini stated that:

"Italy depends less on Russia for its energy needs than other countries. We acquire 30% of our energy needs from Russia and the rest from Libya, Algeria and the Gulf states. We have one of the most diversified portfolios of energy suppliers in Europe".<sup>17</sup>

As Italian journalist Andrea Forti has noted, relations between Italy and Russia cannot be reduced to just the personal friendship between the two Prime Ministers, Berlusconi and Putin. Nonetheless, nor can they be viewed solely through the prism of energy policy, which would inevitably lead to a conclusion of a "risk of energy dependence on Russia".<sup>18</sup>

## More than friends

The personal friendship between Prime Minister Silvio Berlusconi and Russian President Vladimir Putin has played a role in the bilateral economic relationship. It has provided an informal, favorable context and greater Italian business confidence in Russia's future. However, it would be simplistic to explain this factor solely through the development of economic ties between the two countries. The economic partnership was left largely unaffected by changes in the political leadership in Italy. As Italian journalist Mario Corti wrote after the victory of Romano Prodi in 2006,

"Relations between states are not built on the friendly relations of their governments. As a rule, Economic ties are not dependent on the ideological

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<sup>15</sup> "Evropa ne budet pomogat' Ukraine oplachivat' rossijskii gaz" [Europe will not Help Ukraine Pay for Russian Gas], <<http://ru.tsn.ua/ukrayina/evropa-ne-budet-pomogat-ukraine-oplachivat-rossijskii-gaz.html>>.

<sup>16</sup> Along with Gazprom and Eni's involvement in the South Stream project, oil companies from France, Austria, Bulgaria, Serbia, Greece, Hungary, Romania, Slovenia and Croatia have also contributed.

<sup>17</sup> "Italia vystupila protiv Nabukko i podderzhala Youzhniy potok" [Italy Opposed the Nabucco Project and Supported South Stream], *Finansmag.ru*, 21 August 2009, <[www.irex.uz/italiya-vystupila-protiv-nabucco-i-podderzhala-yuzhnyj-potok/](http://www.irex.uz/italiya-vystupila-protiv-nabucco-i-podderzhala-yuzhnyj-potok/)>.

<sup>18</sup> A. Forti. "Italia-Rossiya. Delo ne tolko v gaze" [Italy-Russia. It's not Just Gas], *Ragionpolitica.it*, 5 December 2009, <[www.inosmi.ru/europe/20091207/156882485.html](http://www.inosmi.ru/europe/20091207/156882485.html)>.

orientation of the political forces in power at any one time. In their relations, countries are guided by purely national interests, and seek to sign agreements on the basis of mutual benefit."<sup>19</sup>

Even before the elections, Italian businesses tried to convince Putin in advance that the two countries could continue to cooperate efficiently even if Silvio Berlusconi lost power. In this respect, the visit to Moscow of the leading Italian industrialist and Finmeccanica CEO, Pier Francesco Guarguaglini was very revealing. Experts believe the timing of Guarguaglini's visit to Moscow, on the eve of the general election was no mere coincidence. Taking into account the apparent weakness of Berlusconi's position at that time, the visit could only mean one thing: big business had decided to demonstrate that relations with Russia could be conducted without Berlusconi's mediation.<sup>20</sup>

It was under the leadership of Prime Minister Romano Prodi in 2007 that the Russian-Italian forum concluded 10 agreements between ministers and businessmen of both countries. In addition, a project of cooperation was negotiated between Italy's Enel and Russia's Rosatom. Contracts were also signed between banking group Intesa Sanpaolo, Mediobanca and the Russian VTB Bank on cooperation in certain lending programs. Steps were also outlined to modernize the Russian energy sector. Italy's new Prime Minister confirmed his own warm relationship with the Russian president, while criticizing his predecessor:

"I have excellent relations with Vladimir Putin, but I have never liked to flaunt them."<sup>21</sup>

With Prodi's departure and Berlusconi's return in 2008, and Vladimir Putin's move to the Prime Ministerial position did not change the economic cooperation between Russia and Italy. It continued on a steady path, until slowed by the effects of the global financial crisis. Indeed, the global crisis highlighted the defects of Russia's export-commodity economy, and clearly showed that without modernization, Russia risked remaining on the sidelines of world development. Moreover, modernization outside the developed world is impossible by definition.

The concept of modernizing Russia was embodied in the Joint Declaration of the EU-Russia "partnership for modernization" at a summit in Rostov-on-Don in 2010. The declaration was signed by all the major EU member states except Poland and the UK. However, three countries—Germany, France and Italy—were awarded responsibility for the development of trade and economic ties. The main tenets of the Russian-Italian partnership for modernization focused on the South Stream project; upgrading and developing Russia's railway network, ports and airports; and cooperation over the Sochi 2014 Winter Olympics. Even if the idea of using EU cooperation to aid Russia's modernization is a sign of real progress, it would be naïve to overestimate its practical value. Indeed, in some EU countries and in Russia there are different interpretations of this partnership, in the end it comes down to a number of limited projects.

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<sup>19</sup> M. Corti, "U ikry i vodka ne mozhet byt plokhih otnoshenii" [Caviar and Vodka cannot have a Bad Relationship], *Nevskoe vremia*, 24 June 2006, <[www.mario-corti.com/press/#-22](http://www.mario-corti.com/press/#-22)>.

<sup>20</sup> N. Filchenko, "Druzhiba na sluzhbe" [Friendship in Service], *Kommersant-Prilozhenie Guide* (Italy). No. 68 (3399), 18 April 2006. <[www.kommersant.ru/Doc/665676/Print](http://www.kommersant.ru/Doc/665676/Print)>.

<sup>21</sup> E. Utkin, "My ne dolzhny boyatsya krizisov" [We should not Fear Crisis], *Ekspert*, No. 13 (507), 3<sup>rd</sup> April 2006, <[http://expert.ru/expert/2006/13/interview\\_prodi\\_77929/](http://expert.ru/expert/2006/13/interview_prodi_77929/)>.

Prime Minister Berlusconi, when discussing the “Partnership for Modernization” with President Medvedev, recognized that the visa regime between Russia and the EU is a problem and promised to promote the abolition of visa requirements for Russia. He also expressed his support for the modernization in Russia through Italian investment:

"Many companies are already working in Russia. But they face a great obstacle: bureaucratic pressure. We would like to see the businesses thrive without having to obtain countless licenses and permissions... Our companies hope that the Russian government is willing to simplify these procedures."<sup>22</sup>

It is obvious that Russia's economic modernization cannot be done through informal arrangements; it requires political modernization and the democratization of the country. To attract foreign investment, Russia needs to provide systematic protection of property rights and intellectual property rights. This requires independent courts and—for them to function—real, not symbolic separation of powers. Only such a system would put an end to bureaucratic arbitrariness and corruption, which is often a complaint of Italian entrepreneurs.<sup>23</sup> Despite their relative adaptability to the peculiarities of the Russian market, businesses and business leaders need economic relations to be independent of the personal friendships of their leaderships, which cause suspicion in Italy's EU partners.

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<sup>22</sup> I. Granik, “Razgovor shel na ‘ty’ I na vyzy” [The conversation Turned to “you” and the Matter of Visas], *Kommersant*, No. 133 (4433), 24 July 2010, <[www.kommersant.ru/doc/1475416](http://www.kommersant.ru/doc/1475416)>.

<sup>23</sup> Prime Minister Berlusconi also commented upon the bureaucratic obstacles to economic cooperation during a visit of President Dmitry Medvedev to Italy in February 2011.



## Political Partnership: Personal Friendship and Realpolitik

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The political partnership between Russia and Italy is called in both countries “privileged” and “strategic.” According to President Medvedev:

“Russian-Italian relations are very important, in fact strategic for European countries—working in the EU and bilaterally—to create strong foundations for a relationship with Russia.”<sup>24</sup>

Italy is not the only country in “old” Europe with a close strategic relationship with Russia. One can hardly find a country whose leader has spent more time conducting bilateral meetings with Russian top officials. Italy cannot compete with Germany on the scope and level of trade and investment in Russia, but thanks to the relations between Putin and Berlusconi, Italy is considered the Kremlin’s most reliable European partner.<sup>25</sup> Italy’s interests in the development of stable and political relations with Russia are not exclusively limited to the maintenance of a favorable background for a foreign economic partnership. Italy considers Russia a fundamental component of the European security architecture and an important factor in redefining the post-Cold War identity of NATO. In the opinion of the Italian leadership, the best way to ensure the long-term security of Europe is through the rapprochement of Russia with NATO and the EU.<sup>26</sup> It would be simplistic to attribute this attitude to mutual affection between Silvio Berlusconi and Vladimir Putin, as it is shared in Berlin and Paris and in many other capitals of “old Europe.”

### Personality over interests

The special relationship between the two countries' top officials often gave the impression that Italy prefers to advance cooperation with Russia rather than fulfill its obligations within the EU and NATO. Media in both Italy and abroad have taken the personal relationship between Putin and Berlusconi and concluded that Italy pursues a policy of “appeasement” toward Russia. However, contrary to accepted interpretations, the personification of interstate relations has often brought more harm than good to both Russia and Italy.

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<sup>24</sup> D. Medvedev: “Rossiisko-italianskie otnosheniya yavlyautsya strategicheskimi” [D. Medvedev: Russian-Italian Relations are Strategic], *Rossiyskaya Gazeta*. 16 February 2011, <[www.rg.ru/2011/02/16/italia-anons.html](http://www.rg.ru/2011/02/16/italia-anons.html)>.

<sup>25</sup> “Putina i Beruskoni svyazyvayut delovye otnosheniya” [Putin and Berlusconi are Linked by Business Relations], *Financial Times* (trad. Inosmi). 18 April 2008. <[www.inosmi.ru/translation/240878.html](http://www.inosmi.ru/translation/240878.html)>.

<sup>26</sup> R. Alcaro. *The Italian Government and NATO’s New Strategic Concept*, Documenti IAI 1012. 7 July 2010, <[www.iai.it/pdf/DocIAI/iai1012.pdf](http://www.iai.it/pdf/DocIAI/iai1012.pdf)>.

Berlusconi's return to power (after a brief period as prime minister in 1994-1995) in May 2001 was seen by many in the EU as a blow to European unity. For Berlusconi, his victory was "sweet revenge" and an opportunity to realize his political ambitions. In this, he placed emphasis on the role of Italian-Russian relations and the establishment of special relations with the Russian leadership. Berlusconi has spoken in support of Russian President Vladimir Putin on Chechnya and human rights in Russia, causing dissatisfaction in the Western international community and Italian opposition circles. Silvio Berlusconi is the only European leader to have offered to bring Russia into the EU. In October 2008 he restated his support for Russia's membership of the Union—a position he defended for many years: "I consider Russia a Western country and my plan is to make sure that it joins the EU in the coming years."<sup>27</sup>

Berlusconi has always aimed to create himself a role in the Euro-Atlantic community as mediator between Washington and Moscow. On the one hand, relying on his good personal relations with George Bush and Vladimir Putin, Berlusconi has repeatedly tried to convince Moscow that NATO enlargement is not directed against Russia. Having failed in this regard through diplomatic mediation, he abruptly changed course. At the NATO summit in December 2008, Italy in conjunction with six other member countries of the alliance blocked the granting of the Action Plan for NATO membership to Georgia and Ukraine, disappointing Washington.

However, from an objective point of view, it should be recognized that Berlusconi's efforts played a positive role overcoming the Caucasus crisis after the Russo-Georgian war in August 2008. Speaking at an emergency EU summit on 1<sup>st</sup> September 2008, Berlusconi stated that: "We must prevent a confrontation with Russia. It is inconceivable that the Caucasus crisis should be allowed to spark a new Cold War."<sup>28</sup> Berlusconi himself attempted to revive the work of the NATO-Russia summit during Italy's 2009 chairmanship of the G8. The Italian prime minister stressed the importance of strengthening NATO-Russia ties at a time when the work of the NATO-Russia Council (NRC) was blocked by the US. Berlusconi travelled to the island of Corfu in June 2009 for a meeting of foreign ministers of Russia and NATO. He reminded them that he was one of the founding fathers of the NRC, and urged them to think about European security and Russia, rather than their differences over Georgia.<sup>29</sup> Once again, Berlusconi acted as a mediator between Russia and Europe.

However, Berlusconi's multi-vector foreign policy—combining Italy's European choice and special relationships with Washington and Moscow—did not bring a major diplomatic success for Italy. Rather, it contributed to its marginalization in the EU. Neither did it bring political dividends for Russia in its relations with the EU. Berlusconi's fervent lobbying of Russian interests in the EU caused irritation in Brussels, even when defending reasonable positions, for example, talking about the benefits of moving toward a visa-free regime with Russia or defending the importance of NATO-Russia cooperation. The numerous

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<sup>27</sup> "Russian Forest Fires Point toward EU," 12 August 2010,

<[www.theoligarch.com/russia\\_forest\\_fires\\_point\\_to\\_eu\\_membership.htm](http://www.theoligarch.com/russia_forest_fires_point_to_eu_membership.htm)>.

<sup>28</sup> J. Bensi, "Nevrazhdebnaya sila. Italijskie politiki protiv kholodnoy vojni s Rossiej" [Non-hostile Force. Italian Politicians against the "Cold War" with Russia], *Vremia Novostey*, No. 161, 3 September 2008, <[www.vremya.ru/2008/161/5/211763.html](http://www.vremya.ru/2008/161/5/211763.html)>.

<sup>29</sup> "Berluskoni vernul pamiat" [Berlusconi Returned to Memory], 29 June 2009, <<http://skandalov.ru/.../berluskoni-vernul-pamyat.html>>.



scandals in which Berlusconi became embroiled created an awkward context for high-level contacts. During President Medvedev's visit to Rome in February 2011, news programs and the main Russian and Italian television channels shyly avoided the subject, whilst newspapers and Internet publications actively discussed the "misadventures" of the Italian prime minister.

According to experts at the Italian Institute of International Relations, Italy will maintain good relations with Russia no matter who is in power in Moscow or Rome.<sup>30</sup> This view was fully confirmed by Russian-Italian relations during Romano Prodi's time as prime minister. While relations with Russia and Italy under Berlusconi bore an unmistakable imprint of personal ties, Romano Prodi implemented a clear change in foreign policy. Italy's special relationship with both the US and Russia certainly owe a lot to Silvio Berlusconi's friendship with Bush and Putin; Prodi tried his to distance himself from both these personalities. According to expert Romana Maruna at Munich Center for Applied Policy Research, Prodi to banish any whiff of personal ties in Italian foreign policy.<sup>31</sup>

The fact remains that, despite the personal friendship between Vladimir Putin and Silvio Berlusconi, the differences between them in the field of international security—from Kosovo to Iraq—are far greater than between Putin and Prodi. Today, Moscow and Rome's positions on some important international issues differ, particularly on the situation in Libya. The Russian prime minister opposes ground operations by the international coalition, while the Italian prime minister is a supporter of this idea. However, both men have avoided personal criticism of the other. This is the value of the mutual personal disposition factor—they avoid public criticism of the other, while keeping their own hands free.

## The Russian factor in Italy's foreign policy

Despite the special relationship between Rome and Moscow, it would be rash to describe Italy as appeasing the Kremlin. Regardless of Berlusconi's preferences, there exists a political consensus in Italy on the country's key foreign policy orientations. Since Italy's entry into NATO in 1949 and the European Economic Community (EEC) in 1957, Atlanticism (hard orientation to the US in NATO) and Europeanism (construction of a united Europe) have been the main vectors of foreign policy of every Italian government, regardless of their ideological leanings. The fact that Italy favors involving Russia in European affairs over a policy of "containment" does not mean it agrees automatically with Russia on all subjects. While promoting a policy of dialogue with Russia, Italy understands that constructive cooperation with Moscow needs a coordinated approach, firstly within the EU, and secondly within NATO.

"Although views hostile to Russia are well represented in the Italian parliament and the media",<sup>32</sup> Italian politicians—both left-wing and right-wing always understood that stability in Greater Europe, including the CIS, cannot be

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<sup>30</sup> R. Alcaro, *op. cit.* [26].

<sup>31</sup> "Prodi ochishchaet rossiisko-italyanskie otnosheniya ot anomalii" [Prodi Clears the Russian-Italian relations of Anomalies], *Deutsche Welle-World*, 20 June 2006, <[www.dw-world.de/dw/article/0,,2062095,00.html](http://www.dw-world.de/dw/article/0,,2062095,00.html)>.

<sup>32</sup> A. Grego, "After Scandals WikiLeaks: Conspiracy Atlanticist Failed, the Development of Russian-Italian Relations Continues," 25 January 2011, <[www.esteri.it/mae/it](http://www.esteri.it/mae/it)>.

achieved without taking the interests of Russia into account. Many of them recognize the mistakes of the West's policies towards Russia in the past. For example, they interpret Vladimir Putin's "Munich speech" on foreign policy as a reaction to the unwillingness of leading Western countries, primarily the US, to recognize the new realities in the relationship Russia, and to reconsider the old rules of the game, ones established when Russia was weak and habitually joined the West's declarations on major international issues. In his article "Two weights and two measures", published in the newspaper *Panorama*, the diplomat and political commentator Sergio Romano wrote:

"The Americans have not understood that the accession of Ukraine and Georgia to NATO would be seen by Moscow as an intolerable intrusion into their sphere of influence. They have not realized that the deployment of US bases in Poland and the Czech Republic would be perceived by Russia in a similar fashion to the reaction of the US during the 1962 Cuban missile crisis."<sup>33</sup>

Attention should be drawn to the fact that Italy reacted to the Caucasus conflict in a more measured manner than other EU countries. Rome stressed the responsibility of President Mikhail Saakashvili in starting the crisis. Sergio Romano, criticizing the actions of Georgia, began one of his last articles in the Italian daily *Corriere della Sera* with the words "my interpretation might seem to some readers as too pro-Russian." In the West to be pro-Russian is not currently *in vogue*. Italy however is an exception. Many politicians and journalists do not want to just accept the official line that Russia alone was responsible for the war in the Caucasus.<sup>34</sup> Foreign Minister Franco Frattini expressed "regret" over President Medvedev's recognition of Abkhazian and South Ossetian independence and called for the need to "continue dialogue with Moscow," as "a return to Cold War scenario could have disastrous consequences for the security of all."<sup>35</sup> It is telling that the decision to hold the 2011 Year of Russian culture and Russian language in the Year of Italy and Italian culture and Italian language in Russia was made almost immediately after the Caucasus crisis (in November 2008), during high-level Russo-Italian bilateral consultations.

Russia's cautious, negative attitude toward the new EU "Eastern Partnership" initiative—seen by Moscow as a "partnership against Russia" and the EU's aspiration to create a sphere of influence in the CIS—prompted a more cautious attitude from Italy towards the project. Italy urged that the EU's "Eastern Partnership" should not be anti-Russian. In March 2009 in Brussels, the Italian Foreign Minister, Franco Frattini, also proposed to involve Moscow in the program and, in particular, invite the Russian delegation to the Eastern Partnership summit in Prague.<sup>36</sup> Since Rome's opinion was not taken into account, Italy didn't attend the Eastern Partnership summit. As pointed out by leading Italian politicians,

"over and above a short-sighted protection of parochial interests, especially in the energy sector, and the imprudent inclination of Prime Minister Berlusconi to justify Putin at every opportunity, Italy is concerned by the generally ambivalent attitude

<sup>33</sup> S. Romano, "Dva vesa I dve mery" [Two Weights and Two Measures], 26 August 2008. <[www.inosmi.ru/translation/243577.html](http://www.inosmi.ru/translation/243577.html)>.

<sup>34</sup> J. Bensi, *op. cit.* [28].

<sup>35</sup> *Ibid.*

<sup>36</sup> "Glava MID Italii opasaetsya antirossiyskoy napravlenosti programmy ES 'Vostochnoe partnerstvo'" [Italian Foreign Minister Fears of Anti-Russian Orientation of the EU "Eastern Partnership"], 16 March 2009, <[www.regnum.ru/news/1137757.html](http://www.regnum.ru/news/1137757.html)>.

of European countries toward Russia, which stems from her sincere belief that it is counterproductive."<sup>37</sup>

In Italian political design, Russia played an important role in the crisis of Euro-Atlantic relations. In Italy, as in the EU as a whole, it is gaining an understanding that the security agendas of the United States and Europe are different, that Europe is no longer a priority for the United States and that European security is becoming more a matter for Europe; in this context, Russia's point of view cannot be ignored. Like it or not, Russia is an important partner for the EU in solving a range of problems, including those of Transnistria, Nagorno-Karabakh and Iran's nuclear program, etc. That is why there is more enthusiasm from Italy—compared with other EU and NATO countries—to support the Russian initiative for a new European security architecture. Moreover, this support is based not only on Berlusconi's desires but also those of other government and political figures in Italy. During his visit to Russia in 2008, Italian President Giorgio Napolitano remarked that Italy was interested in Moscow's security proposals. Moreover, he was ready to push this idea in Europe:

"I personally listened with great interest to the ideas put forward by President Medvedev on the new Euro-Atlantic security architecture. Italy will encourage close attention to this issue in Europe and begin a detailed discussion of this proposal."<sup>38</sup>

While committed to Atlanticism, Italy supports the revision of the current NATO strategy, based on its adaptation to the critical problems of international security. This is necessary for the preservation of the transatlantic relationship in its new form, which Italy describes as "neo-Atlantic". Here, the Italian political elite have very clearly marked its priorities: Russian cooperation with NATO is indispensable. They call upon the "spirit of Corfu," referring to an intergovernmental agreement on transit of Italian soldiers and military equipment across Russia to Afghanistan signed during Medvedev's visit to Italy in February 2011.<sup>39</sup> Thus, Italy was one of five members of NATO (with Germany, France, Spain and the US), to conclude such an agreement with Russia. Italy's leadership also shared the idea of NATO Secretary General Anders Fogh Rasmussen on the importance of Russia's participation in President Barack Obama's program of European missile defense, which—in contrast with George W. Bush's program—takes into account the interests of European allies.

However, there is no doubt that Rome would back a European missile shield program, even if it met with Moscow's objection.<sup>40</sup> The Italian leadership opposes the withdrawal of tactical nuclear weapons from Europe in the near future, not least because of the desire to maintain leverage over Russia. At the same time it opposes the hypothetical "geographical redistribution" of these weapons to the territories of new NATO members in Central and Eastern Europe, which would almost certainly create problems with Russia.

Despite Russia's objections regarding NATO's military operation in Libya, Italy took part in it without regard to its preferred partner, as was the case during

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<sup>37</sup> *Ibid.*

<sup>38</sup> V. Kuz'min, "Napolitanskij romans" [A Neapolitan Romance], *Rossiyskaya Gazeta*, No. 4708, 17 August 2008, <[www.rg.ru/2008/07/17/napolitano.html](http://www.rg.ru/2008/07/17/napolitano.html)>.

<sup>39</sup> "Medvedev schitaet otnoshenia Rossii s Italiej strategicheski vazhnymi" [Medvedev States the Strategic Importance of Russia's Relations with Italy], RIA Novosti, 16 February 2011, <[www.rian.ru/politics/20110216/334881617.htm](http://www.rian.ru/politics/20110216/334881617.htm)>.

<sup>40</sup> R. Alcaro, *op. cit.* [26].

the war in Iraq. Rome not only provided air-force bases for air strikes against the troops of Muammar al-Gaddafi, it decided to strengthen the role of the Italian Air Force in Libya. Italy's participation in crisis management is an integral part of its foreign policy aimed at improving the country's role in NATO and in the international arena generally. The attempt to move from being a "middle power" to a "global player" does not interfere with the Italian leadership's desire to build relations with Russia.

During recent meetings, the two leaders signed important agreements on bilateral cooperation in the military sphere. In December 2010, President Medvedev held talks with Italian Prime Minister Silvio Berlusconi in the resort city of Sochi, where it was decided to hold joint naval and land military exercises in 2011 (unusual given that Italy is a NATO country). The defense ministers of both countries, Anatoly Serdyukov and Ignazio La Russa, also discussed various aspects of bilateral cooperation, such as visits to navy ships at in the two countries' bases, the exchange of cadets in military schools and sharing experiences in military medicine and training.

## Conclusion

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Relations between Russia and Italy can indeed be summarized as a "privileged partnership" the foundation of which lies in both rational and emotional factors. The Moscow-Rome axis weaves pragmatic economic and political interests, cultural and historical traditions, the mutual disposition of the two leaders, and finally, the personal friendship of top-level politicians; nevertheless, at the heart of these relations are the practical long-term interests of both countries in the economic and in the political sphere. These interests—as shown in the last twenty years—are not subject to sharp changes of expediency. While it may change the style of diplomacy, and shift the emphasis in accordance with certain preferences of politicians, these changes still occur within the same system of foreign policymaking.

Italy is not the only country that has a special relationship with Russia. The same can be said about Germany and France. The centre-left leader and Euro integrationalist, Romano Prodi, sought to build a special relationship with Russia in the same way as the leaders of France and Germany, especially in the context of the European Union. As an Atlanticist and populist Silvio Berlusconi's emphasis has been Italy's special role in mediating relations between Russia and the US-NATO. Moving away from the evaluations of the two leaders in personal terms and analyzing the relationship between the two countries in the context of the post-Cold War problems of Europe, it must be admitted that Italy is one of the first who volunteered to respond to the serious challenges facing Europe today. It is necessary to include Russia—a huge territory, suffering accumulated delay in its modernization. But this country, which is rich in natural resources, is culturally Slavic and Orthodox, and thus part of the European space.<sup>41</sup>

The more consistent EU and NATO policy towards Russia becomes, the more the more transparent Russo-Italian relations will become, and the more comprehensible they will be to the outside world. While the EU remains split between Atlanticists and Euro-integrationists and the division between "old" and "new" Europe, neither the EU nor NATO can be effective working structures. Once the EU and NATO have established clear, positive strategies towards Russia, the need for intermediaries such as Berlusconi will be redundant.

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<sup>41</sup> A. Forti, *op. cit.* [18].