

3. ITALY: THE ADVOCATE OF COOPERATION

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INTRODUCTION

Italy has a long tradition of positive relations with Russia. The seeds of Italian–Russian cooperation were already sown in the Cold War period, when key Italian companies (ENI, FIAT) began to import Soviet oil and gas and opened factories in the USSR.² While being firmly anchored in the Western world through its membership of NATO and the European Economic Community, Italy maintained a good working relationship with the Soviet Union. The end of the Cold War provided Rome with an opportunity to expand contacts and develop a full-fledged partnership with post-Soviet Russia. Italian politicians were among the most ardent supporters of Russia’s integration in Western structures. Whenever relations between the Kremlin and the West became tenser, as during NATO’s Eastern enlargement or the 2008 Russian–Georgian war, Italian politicians attempted to mediate and preserve the partnership with Russia.³ When NATO’s Eastern enlargement was decided, Italy qualified its support with the request for a simultaneous upgrade of the Alliance’s relationship with Russia, which led to the establishment of the NATO–Russia Council in 2002. Rome also supported the prompt resumption of relations between

1 I would like to thank Carolina de Stefano and Cono Giardullo for their comments on this chapter.

2 Marco Siddi (2016a), ‘Privileged partners? Italy should use its leverage for constructive policies towards Russia’, FIIA Briefing Paper 197, Helsinki: Finnish Institute of International Affairs.

3 Analyses of Italian prime ministers’ and foreign ministers’ inaugural speeches have highlighted how the belief that Italy should play a mediating role between Russia and the West has been a constant factor since the early 2000s. See Anna Caffarena and Giuseppe Gabusi, ‘Making sense of a changing world: foreign policy ideas and Italy’s national role conceptions after 9/11’, *Italian Political Science Review* 47(2), 138.

the EU, NATO and Russia in the months after the August 2008 war in the Caucasus.⁴

Italy's friendly stance towards Russia is partly due to their significant trade and energy relations. These are complemented by the deep-rooted belief among Italian policymakers that European security can only be achieved with the inclusion and active participation of Russia. Since 2014, however, Russia's actions in the Ukraine crisis have posed a serious challenge to both Italy's cooperative approach and its preference for *détente* in Western relations with Moscow. Italy has condemned the annexation of Crimea and voted in favour of EU sanctions against Russia. It also contributed to recent NATO troop deployments in the Baltic states, in response to pleas by its transatlantic allies.

Nevertheless, the push for partnership with Russia has remained strong in Italy. To this end, the sanctions policy has come under growing criticism. As the country struggled to recover from the post-2008 economic crisis, numerous economic actors and political forces lamented the weakening of lucrative commercial ties with Russia. After 2014, the refugee crisis, the civil war in Libya, the rise in terrorism and instability in the broader Mediterranean region highlighted how Italy's geopolitical priorities lay in the Southern neighbourhood. Moreover, Russia's increasing involvement in Mediterranean politics (its military intervention in Syria, contacts with key actors in the Libyan civil war and stronger ties with Egypt and Algeria) suggested that Rome should revive cooperation with Russia. Accordingly, the Italian government has opposed the imposition of new EU sanctions on Russia concerning the Syrian crisis, and proposed having more frequent EU-level political discussions concerning the extension of sanctions related to the Ukraine crisis.⁵

The following sections analyse the long-term factors of Italy's Russia policy and the main developments in the relevant domestic debate after the onset of the Ukraine crisis. Italy's cooperative stance towards Russia is discussed with reference to the broader international challenges that Rome is currently facing. It is argued that the Italian government sees the current level of confrontation with Moscow as undesirable, particularly in the light of the urgent security and humanitarian crises in Italy's immediate neighbourhood. While Italy has adhered to EU and NATO measures to counter Russia after the Ukraine crisis, this policy line has faced growing

4 Riccardo Alcaro (2013), 'Italy', in M. David et al., *National Perspectives on Russia: European Foreign Policy in the Making?*, Abingdon: Routledge, 71. See also Serena Giusti (2009), 'Le relazioni Italia-Russia: una partnership strategica', in G. Bonvicini and A. Colombo, eds. *La politica estera dell'Italia*, Bologna: Il Mulino, 121-131.

5 See Marco Siddi (2016b) 'Understanding Italy's Russia dilemma', *Russia Direct*, 24 October, <http://www.russia-direct.org/opinion/italys-russia-dilemma>, accessed 17 January 2018; Hans von der Burchard and Florian Eder (2015), 'Renzi blocks smooth extension of Russia sanctions', *Politico*, 12 October, <https://www.politico.eu/article/renzi-blocks-extension-russia-sanctions/>, accessed 17 January 2018.

domestic scepticism. The lack of solidarity from Italy's European partners in contexts that are particularly urgent for Rome, such as the refugee crisis, has contributed to this scepticism.

ITALY'S FOREIGN POLICY AND STANCE ON RUSSIA IN CONTEXT

Italy's post-Cold War foreign policy has revolved around three main pillars: European integration, the transatlantic alliance and multilateral action. Italy has been among the staunchest supporters of European economic and political integration. Since the 2000s, Rome has made significant contributions to UN and NATO missions. For instance, it is among the largest contributors to the United Nation's UNIFIL mission in Lebanon and to NATO's ISAF and Resolute Support missions in Afghanistan. In Europe, Italy has been a strong advocate of cooperative security within the framework of the OSCE, of which it is taking over the Chairmanship in 2018. Moreover, the Italian stance towards European and world affairs has been deeply influenced by the concept of 'middle power' (*media potenza*), which has been influential among Italian policymakers since the 1980s.⁶ According to this concept, Italy is a middle-ranking power with limited natural and military resources that can achieve its foreign policy goals by expanding its influence in international organisations and through bilateral relations with larger powers. Within this context, Russia is seen as one of the larger powers with which Rome has solid economic and political contacts, which can prove useful in serving the national interest.⁷

Economic and energy relations provide the main foundation for Italian-Russian cooperation. Bilateral trade increased considerably during the 2000s and early 2010s, peaking at over 30 billion euros in 2013 (including 10.7 billion euros worth of Italian exports). Despite the decrease in trade that occurred after 2013, Italy remains the sixth largest commercial partner of Russia worldwide and the second largest in the EU (after Germany).⁸ Around 500 Italian firms operate in Russia, including most notably Finmeccanica (active in the aerospace and telecommunications sectors), ENEL (power generation) and other large companies producing

6 For a critical assessment of the 'middle power' concept, see Federico Romero (2016), 'Rethinking Italy's shrinking place in the international arena', *The International Spectator* 51(1), 1-12. For a broader discussion of challenges facing Italy's post-Cold War foreign policy, see Pierangelo Isernia and Francesca Longo (2017), 'The Italian foreign policy: challenges and continuities', *Italian Political Science Review* 47(2), 107-124.

7 See also Alcaro (2013), 7.

8 Info Mercati Esteri, Russia, Scambi commerciali, 31-32, http://www.infomercatiesteri.it/public/rapporti/r_88_russia.pdf, accessed 17 January 2018.

electrical appliances, foodstuffs and machinery.⁹ By the same token, the Russian economic presence in the Italian market has increased too. Russian tourist flows to Italy nearly doubled between 2008 and 2013 and have remained substantial thereafter, despite the economic crisis in Russia.¹⁰

While Italy exports machinery, products of the clothing and chemical industries and other manufactured goods to Russia, fossil fuels and energy products make up the largest share of its imports.¹¹ Italy acquires approximately 15% of its oil and over 30% of its gas from Russia, and is thus the second largest importer of Russian energy in the EU after Germany. This reflects the interdependent nature of the bilateral trade and the long-standing energy relationship between Rome and Moscow. During the Cold War, Italy was one of the first Western European countries to sign long-term energy supply contracts with the Soviet Union. After the fall of the USSR, the Italian energy company ENI developed a close partnership with the Russian state company Gazprom. In the late 1990s and early 2000s, ENI cooperated with Gazprom in the construction of the Blue Stream pipeline between Russia and Turkey. In 2006, the two companies extended long-term contracts for the supply of Russian gas to Italy until 2035. Although another major joint pipeline project, South Stream, was cancelled following the Ukraine crisis, ENI and Gazprom have maintained cooperation and recently (in March 2017) renewed their interest in building a southern corridor for the export of Russian gas to the EU.¹² Moreover, in 2012 ENI began cooperating with Rosneft (another large Russian state energy company) on upstream projects in the Barents Sea and the Black Sea. This cooperation was later extended to the Eastern Mediterranean. In December 2016, Rosneft acquired a 30% stake in ENI's recently discovered Zohr giant gas field off the Egyptian coast.¹³

The important energy and commercial partnership between Rome and Moscow has also influenced Italian political debates on Russia. The absence of serious historical or political disputes in bilateral relations allowed Italian leaders to address their Russian counterparts in pragmatic and cooperative terms. This stance was maintained regardless of the political orientation of Italian governments, as it was broadly perceived to match the national interest. Silvio Berlusconi (Italy's prime minister in 1994–5,

9 Ambasciata d'Italia a Mosca, Cooperazione economica, http://www.ambmosca.esteri.it/ambasciata_mosca/it/i_rapporti_bilaterali/cooperazione_economica, accessed 17 January 2018.

10 Info Mercati Esteri, Russia, Flussi turistici, 40.

11 See footnote 8.

12 Eni signs MoU with Gazprom, 21 March 2017, https://www.eni.com/en_IT/media/2017/03/eni-signs-mou-with-gazprom, accessed 17 January 2018.

13 See https://www.eni.com/en_RU/eni-russia/partners-projects/rosneft/rosneft.shtml and https://www.eni.com/en_IT/operations/upstream/exploration-model/zohr-egypt.page, accessed 17 January 2018.

2001–2006 and 2008–2011) personalised the relationship by developing a close friendship with Vladimir Putin. However, relations were also good under the centre–left government of Romano Prodi (2006–2008) and during the premierships of Mario Monti (2011–2013), Enrico Letta (2013–2014) and Matteo Renzi (2014–2016). The current government of Paolo Gentiloni has followed the same approach and even attempted to intensify dialogue through several official meetings with the Russian leadership during 2017.

Despite the continuity of the Italian approach to Russia, the relevant domestic debate has become more heated in recent years. This is due to several factors, including the negative economic consequences of the crisis in West–Russia relations, the emergence of new political forces in the Italian political scene and the rise of other foreign policy and security challenges in Italy’s Southern neighbourhood, which public opinion broadly perceives as being more urgent. Recent studies have shown that neither Italian political elites nor the broader public consider Russia a major threat.¹⁴ According to a survey conducted in October 2017, a majority of Italians tend to be sceptical about the current EU sanctions towards Russia: 53% of the interviewees believe they should either be softened or lifted, whereas 38% think they should be kept as they are, and another 9% want tougher sanctions. On the other hand, 77% believe that Italy should cooperate with Russia on fighting terrorism.¹⁵ Prominent critics of the sanctions against Russia include the General Confederation of Italian Industry (Confindustria), the nationwide farmers’ association Coldiretti, and the General Confederation of Craft (Confartigianato).

None of the main Italian political parties has taken an anti–Russian stance. The governing Democratic Party and its smaller centrist allies have adhered to the EU’s sanctions policy in the context of the Ukraine crisis. However, they have voiced reservations about the automatic extension of the sanctions that takes place at the EU level every six months (delaying it on one occasion, in late 2015), and have argued that a deeper European political debate is necessary. The official line of the governing coalition, as articulated by foreign minister Angelino Alfano, highlights that engagement with Russia is the right path, not confrontation.¹⁶ Silvio Berlusconi’s Forza Italia, the largest centre–right party, has explicitly

14 See Francesco Olmastroni (2017), ‘The alleged consensus: Italian elites and publics on foreign policy’, *Italian Political Science Review* 47(2), 160–161. Both among public opinion and elites, Russia ranked last among perceived threats to Italy, after international terrorism, global warming, the economic crisis, transnational crime, human rights violations in foreign countries and immigration.

15 Gli italiani e la politica estera, 2017, http://www.iai.it/sites/default/files/laps-iai_2017.pdf, accessed 17 January 2018.

16 Riccardo Alcaro (2017), ‘Germany’s Ostpolitik. An Italian perspective’, IAI Working Paper 17/22, 7–8.

called for the withdrawal of EU sanctions against Russia.¹⁷ Significantly, while Berlusconi no longer dominates Italian politics as in the 2000s, he may play a key role in the formation of the next Italian government after the spring 2018 elections, either in a grand coalition with Renzi's Democratic Party or together with the far right. In either case, Berlusconi (who has maintained good relations with Putin throughout the Ukraine crisis, and even visited Crimea in September 2015) would most likely advocate the removal of sanctions and a return to 'business as usual' with Russia.

The main opposition party, the Five Star Movement, seems to have taken a Russia-friendly stance, but different views exist within the party. Initially, in 2014, the Movement criticised Russia's actions in Ukraine and the business links between Italy and Russia. Subsequently, however, it shifted its position and opposed the EU's sanctions against Moscow. The Movement argues that the Italian government is too subservient to its European and NATO allies and neglects the national interest.¹⁸ Some of its members – such as Manlio Di Stefano, who plays a role in defining the party's foreign policy programme – have established links with Putin's United Russia party and called for the normalisation of relations with Moscow. On the other hand, the candidate for the post of prime minister in the 2018 elections, Luigi di Maio, has openly supported Italy's alliance with the United States, arguing that it takes priority over relations with Russia.¹⁹ The Five Stars have been accused of disseminating (and being manipulated by) Russian propaganda.²⁰ Practically, however, the Movement's stance on Russia is not very different from that of most other Italian parties. Rather than by ideological affinities, its rapprochement with the Kremlin may be explained by instrumental and contextual factors. The construction of the Movement as a threatening populist party among mainstream national and European politics has probably been an important factor pushing the Five Stars to seek partners in Russia.

On the other hand, the vocally pro-Russian stance of the Northern League can be seen as part of the European far right's alignment with the Kremlin. The shared backlash against liberal values, criticism of the EU and of its handling of the refugee crisis, as well as the claim of purport-

17 Sergio Rame (2015), 'Forza Italia sfida il governo: "Ora via le sanzioni alla Russia"', *Il Giornale*, 11 June, <http://www.ilgiornale.it/news/politica/forza-italia-sfida-governo-ora-sanzioni-russia-1139526.html>, accessed 17 January 2018.

18 'Di Battista e la politica estera del M5s di governo: né con Putin né con Trump', *La Repubblica*, 18 April 2017, http://www.repubblica.it/politica/2017/04/18/news/di_battista_e_la_politica_estera_m5s_ne_con_putin_ne_con_trump-163313013/, accessed 17 January 2018.

19 Ilaria Lombardo, 'Di Maio vola a Washington: "Fedeli agli Usa, non a Mosca"', *La Stampa*, 30 November 2017, <http://www.lastampa.it/2017/11/14/italia/cronache/di-maio-vola-a-washington-fedeli-agli-usa-non-a-mosca-WlF12mUaKeqmj8P3nibE7J/pagina.html>, accessed 17 January 2018.

20 Jacopo Iacoboni (2016), 'L'abbraccio dei Cinquestelle con i due emissari di Putin', *La Stampa*, 5 November, <http://www.lastampa.it/2016/11/05/italia/politica/labbraccio-dei-cinquestelle-con-i-due-emissari-di-putin-17G0E540aCbpgn9gUqrjN/pagina.html>, accessed 17 January 2018.

edly being the ‘defenders of Christian Europe’, constitute the ideological foundations of this alignment.²¹ For the Northern League, ideological affinities are intensified by economic factors. The Northern regions of Veneto, Lombardy and Emilia Romagna – the party’s main reservoir of votes – have been the hardest hit by the effects of EU sanctions and Russian countersanctions, accounting for over 72% of the decline in Italian exports to Russia.²² In this context, in May 2016, the region of Veneto (which is governed by the Northern League together with Forza Italia) passed a resolution in which it recognised Russia’s annexation of Crimea and called for the removal of sanctions. The resolution had no practical effect, as foreign policy is a prerogative of the central government.

ITALY’S POST-2014 APPROACH TO RUSSIA: BETWEEN CRISIS AND PARTNERSHIP

The Ukraine crisis and sanctions

In late February 2014, as Russian troops took control of Crimea, Matteo Renzi had just replaced Enrico Letta as Italy’s prime minister. Renzi swiftly joined other EU heads of state and government in condemning Russia’s annexation of Crimea. As emerged during Renzi’s first official visit to Angela Merkel in Berlin, in mid-March 2014, Italy’s and Germany’s positions were closely aligned. Both Renzi and Merkel hoped to resolve the crisis through negotiations, thereby avoiding a protracted international crisis. When a diplomatic solution proved impossible, Italy agreed to the imposition of EU sanctions on Russia.²³ At the same time, Renzi and foreign minister Federica Mogherini stressed that the sanctions were a reversible measure intended to bring Russia to the negotiating table. In June, Italian leaders welcomed the beginning of negotiations in the Normandy Four format, including Germany and France as mediators (which were perceived as having a similar stance to Italy in the crisis). In addition, Italy kept bilateral communication channels with the Kremlin open. Despite the escalation of hostilities in Donbas and the imposition of EU sectoral sanctions during the summer, Renzi and Italian president of the republic Giorgio Napolitano held talks with Putin at the margins of the Asia Europe

21 Max Seddon and James Politi (2017), ‘Putin’s party signs deal with Italy’s far-right Lega Nord’, *Financial Times*, 6 March, <https://www.ft.com/content/0d33d22c-0280-11e7-ace0-1ce02ef0def9>, accessed 17 January 2018.

22 ‘Sanzioni ed embargo, la Russia è costata all’Italia 3,6 miliardi’, *La Repubblica*, 26 March 2016, http://www.repubblica.it/economia/2016/03/26/news/export_russia_sanzioni_embargo-136323510/, accessed 17 January 2018.

23 ‘Crimea, arrivano sanzioni da Usa e Ue’, 17 March, <http://www.lastampa.it/2014/03/17/esteri/la-crimea-sceglie-la-russia-di-s-mosca-gi-al-lavoro-per-lannessione-6L88uWoZ1CDQyY8EOZSZEM/pagina.html>, accessed 17 January 2018.

Summit, which took place in Milan in October 2014. In March 2015, a few weeks after the signing of the Minsk-2 agreement, Renzi was the first European leader to visit the Kremlin after the annexation of Crimea.²⁴

However, these diplomatic contacts could not prevent the deterioration of economic relations. In 2015, Italian exports to Russia fell to 7.1 billion euros, a drop of 34% compared to 2013. The biggest losses occurred in the manufacturing sector (machinery, textiles, clothes, furniture, electrical appliances); food exports decreased by nearly 40% as a result of the Russian countersanctions.²⁵ In late 2014, due to the political crisis in EU-Russia relations and pressure from the European Commission, Italian leaders ceased to support the South Stream pipeline project, which they had previously regarded as strategic.²⁶ Shortly thereafter, Putin announced the cancellation of the project. As a result, ENI (owner of a 20% stake in the project) incurred serious losses, while Italy remained fully reliant on Ukrainian transit pipelines for its large imports of Russian gas. It is important to note that the disruption of commercial relations with Russia occurred while Italy was reeling from several years of economic recession and stagnation. The reputable financial daily *Il Sole 24 Ore* calculated that trade sanctions with Russia had led to the loss of 80,000 jobs in Italy. In this context, domestic support for the sanctions quickly waned.²⁷

Moreover, Italian leaders and public opinion began to realize that the most vocally anti-Russian EU member states in East-Central Europe were not willing to reciprocate Italy's solidarity in other (more urgent, from an Italian perspective) policy areas, most notably the refugee crisis. Nearly 154,000 migrants arrived in Italy via the Mediterranean in 2015 and over 181,000 in 2016, but only a fraction were relocated to other EU member states; some members, such as Poland and Hungary, have refused to implement the EU's relocation plans altogether.²⁸ While Renzi clashed with the EU's Eastern European members over the relocation of refugees, Italy was receiving requests to contribute to the strengthening of the NATO deterrent in Poland and the Baltic states. Despite considerable domestic

24 Alcaro (2017), 4; Siddi (2016a), 6.

25 See footnote 22.

26 'Italy: South Stream pipeline is no longer a priority', Euractiv, 19 November 2014, <http://www.euractiv.com/section/energy/news/italy-south-stream-pipeline-is-no-longer-a-priority/>, accessed 17 January 2018.

27 Laura Cavestri, 'Russian sanctions have cost Italy €4 billion', *Il Sole 24 Ore*, <http://www.italy24.ilssole24ore.com/art/business-and-economy/2017-02-07/russian-sanctions-have-cost-italy-4-billion-135157.php?uuid=AEjvD4P>, accessed 17 January 2018.

28 See International Organization for Migration, 1 June 2017, <https://www.iom.int/news/mediterranean-migrant-arrivals-top-363348-2016-deaths-sea-5079> and European Commission press release 16 May 2017, http://europa.eu/rapid/press-release_IP-17-1302_en.htm, accessed 17 January 2018.

opposition, the Italian government decided to comply with the request and deployed 140 soldiers within a larger NATO force in Latvia.²⁹

Another contentious issue in relations with EU partners emerged in the context of energy policy. Italian leaders accused Germany of applying double standards in energy relations with Russia. While Italy had been pressured to abandon the South Stream project, Berlin defended plans to double the capacity of the Nord Stream pipelines (connecting Germany and Russia).³⁰ Italian officials feared that Italy might become dependent on the Nord Stream pipelines and Germany (an industrial competitor) for its imports of Russian gas, and end up paying higher prices. Confronted with the erosion of intra-EU solidarity, the worsening of the refugee and security crises in the Mediterranean and the growing involvement of Russia in the Syrian and Libyan civil wars, Italy intensified diplomatic talks with the Kremlin.

The civil war in Libya and Russia's turn to the Mediterranean

The Libyan civil war was one of the main topics addressed by Renzi during his talks with Putin in March 2015. Renzi asked Putin to help resolve the Libyan crisis, citing Russia's influence in the UN Security Council.³¹ Together with Egypt and the United Arab Emirates, Russia was considered one of the main supporters of General Khalifa Haftar and of the Tobruk-based government, two influential actors in the Libyan crisis. Haftar's subsequent meetings with Russian officials in Moscow and his visit onboard the Russian aircraft carrier Admiral Kuznetsov in the central Mediterranean confirmed the Italian perception of Russia's growing involvement in Libya. The Kremlin also upheld contacts with the UN-backed government of Fayeze al-Sarraj based in Tripoli, possibly with the aim of profiling itself as a mediator in the Libyan civil war.³²

Moreover, Moscow consolidated its partnership with Egypt, an important regional player and key supporter of Haftar. This was highlighted

29 See 'Italy's PM Renzi calls for funding cuts for EU states which refuse to take in refugees', Deutsche Welle, 12 October 2016 <http://www.dw.com/en/italys-pm-renzi-calls-for-funding-cuts-for-eu-states-which-refuse-to-take-in-refugees/a-36026000>, accessed 17 January 2018; Siddi (2016b).

30 Marco Siddi (2016c), 'Italy at loggerheads with the European Commission and Germany', FIIA Comment 7/2016, Helsinki: Finnish Institute of International Affairs.

31 James Politi and Kathrine Hille (2015), 'Renzi appeals to Putin for Russian help to stabilise Libya', *Financial Times*, 5 March, <https://www.ft.com/content/c1ef0ec4-c35e-11e4-9c27-00144feab7de>, accessed 17 January 2018.

32 'East Libya strongman visits Russian aircraft carrier in Mediterranean', Reuters, 11 January 2017, <https://www.reuters.com/article/us-libya-russia-haftar/east-libya-strongman-visits-russian-aircraft-carrier-in-mediterranean-ria-idUSKBN14V1T2>, accessed 17 January 2018. See also Yuri Barmin (2017), 'Russia weighs its role as arbiter in Libya', *Al-Monitor*, 22 August, <https://www.al-monitor.com/pulse/originals/2017/08/russia-role-libya-arbiter-hifter-moscow-libyan-national-army.html> and Nikolay Kozhanov (2017), 'Moscow's Presence in Libya Is a New Challenge for the West', Chatham House, 30 May, <https://www.chathamhouse.org/expert/comment/moscow-s-presence-libya-new-challenge-west>, accessed 17 January 2018.

by the Russian–Egyptian \$3.5 billion arms deal signed in 2014 and the two–day visit which Putin, foreign minister Sergei Lavrov and a delegation of Russian businessmen paid to Cairo in February 2015. Under these circumstances, the Italian government was eager to include Lavrov in the international talks on Libya that took place in Rome in December 2015. Before the Rome conference, international talks on Libya had taken place without Russian participation in the P3+5 format, including France, the United Kingdom, the United States, Germany, Italy, Spain, the EU and the UN.³³

Russia’s military intervention in the Syrian civil war was a major turning point marking its growing involvement in the Mediterranean.³⁴ While Libya has been the main focus of Italian foreign policy, the Syrian crisis is seen as a partly related issue within the broader framework of Mediterranean politics. Rome would like to avoid the extension of the confrontation with Russia to Mediterranean politics and would rather maintain a positive working relationship with the Kremlin in this area. This helps explain why, in October 2016, Italy and a few other EU member states opposed plans to impose new EU sanctions on Russia regarding the Syrian crisis. Italian opposition was also motivated by the perception that some of the advocates of the sanctions, most notably the UK, had previously objected to seeking a greater political role for the EU in the Syrian crisis and were simply pursuing a bilateral agenda.³⁵

Towards the resumption of cooperation?

By late 2016, political and economic pressure was mounting on the Italian government to improve relations with Russia. In December 2016, Italian farmers’ association Coldiretti estimated that EU sanctions and Russian countersanctions had cost Italy 10 billion euros in lost revenue.³⁶ It was argued that losses would continue to grow as Russia focused on import substitution and Russian domestic producers began to imitate ‘Made in Italy’ products, thereby taking over their market shares permanently. As discussed earlier, Italian public opinion increasingly saw Russia as a partner in the fight against terrorism, particularly as it successfully tilted the balance of forces in the Syrian civil war and sidelined the West in the

33 Siddi (2016a), 6–7.

34 For an analysis of Russia’s relations with countries on the southern shore of the Mediterranean, see Tobias Schumacher and Cristian Nitoiu (2015), ‘Russia’s Foreign Policy Towards North Africa in the Wake of the Arab Spring’, *Mediterranean Politics* 20(1), 97–104.

35 Interview with Italian diplomat at the Italian embassy in Moscow, 28 October 2016. See also Siddi 2016b.

36 Luigi Grassia (2016), ‘Sanzioni alla Russia, per l’Italia il costo è di 10 miliardi (finora)’, *La Stampa*, 19 December, <http://www.lastampa.it/2016/12/19/economia/sanzioni-alla-russia-per-litalia-il-coste-di-miliardi-per-ora-xRlUMsidTa8C0inDj80huO/pagina.html>, accessed 17 January 2018.

subsequent peace negotiations.³⁷ The disengagement of Italy's Western allies from the Libyan crisis, as well as negative perceptions of newly elected American President Donald Trump,³⁸ may have influenced Italian strategic thinking too. On the other hand, suspected Russian hacking attacks on Italy's political institutions and the growing contacts between Russian officials and the main Italian opposition parties increased the perceived cost of confrontation with Moscow for the Italian government.³⁹

Under the leadership of Paolo Gentiloni, who replaced Renzi as prime minister in December 2016, Italy has continued to adhere to the EU's sanctions policy towards Russia. Simultaneously, however, relations between Rome and Moscow have warmed up. After three years of drastic decline, bilateral trade has experienced remarkable growth. In the first seven months of 2017, Italian exports to Russia grew by nearly 23% compared to 2016 (from 3.7 to 4.5 billion euros), while imports from Russia increased by nearly 18% (from approximately 6.3 to 7.4 billion euros).⁴⁰ Following a strategy that has been adopted successfully by many German businesses, Italian companies are trying to develop joint ventures with Russian counterparts in order to produce on Russian territory some of the goods that were previously manufactured in Italy and then exported to Russia.⁴¹ The rise in the oil price and economic recovery in Italy and Russia certainly influenced the growth in trade. However, the improved political atmosphere in bilateral relations and several high-level official meetings in 2017 may have contributed too.

In April 2017, Italian President of the republic Sergio Mattarella met with both Putin and Russian Prime Minister Dmitri Medvedev in Moscow. On this occasion, he stressed that Russia is a 'strategic partner' for Italy and called for increased cooperation in economic relations and the fight against terrorism.⁴² In May, Gentiloni met with Putin in Sochi. Here, he praised the revival of economic relations and argued that Italy and Russia 'can and should cooperate in Libya, Syria and Afghanistan'. Significant-

37 See also Wolfgang Mühlberger (2017), 'Astana's Syria Conference: Musical chairs on Moscow's terms', FIIA Comment 4/2017.

38 'Trump spaventa gli italiani: addio sogno americano', *Il Messaggero*, 22 June 2017, http://www.ilmessaggero.it/primopiano/esteri/usa_trump_sondaggio_italiani_sogno_americano_addio-2519483.html, accessed 17 January 2018.

39 See Stephanie Kirchgaessner (2017), 'Russia suspected over hacking attack on Italian foreign ministry', *The Guardian*, 10 February, <https://www.theguardian.com/world/2017/feb/10/russia-suspected-over-hacking-attack-on-italian-foreign-ministry>, accessed 17 January 2018.

40 Info Mercati Esteri, Russia, Scambi commerciali, 31-32.

41 'Made in Italy' is thus being replaced with 'Made with Italy'; see Andrea Carli (2017), 'Forte interesse dei russi a nuovi rapporti commerciali con le aziende italiane', *Il Sole 24 Ore*, 7 November, <http://www.ilsole24ore.com/art/notizie/2017-11-07/forte-interesse-russi-nuovi-rapporti-commerciali-le-aziende-italiane--133952.shtml?uuid=AERQBJ5C>, accessed 17 January 2018.

42 Antonella De Gregorio (2017), 'Mattarella in visita a Mosca. Putin: «Superare le difficoltà»', 11 April, http://www.corriere.it/esteri/17_aprile_11/mattarella-mosca-putin-la-nostra-amicizia-solida-b818cd7c-1e97-11e7-a4c9-e9dd4941c19e.shtml, accessed 17 January 2018.

ly, he stressed that the [Italian–Russian] ‘strategic partnership should not be suspended because of the crisis involving Ukraine’.⁴³ Gentiloni’s statements reflected the Italian fatigue with the West’s confrontation with Russia. However, they should not be interpreted as a sign that his government wanted to break ranks with EU partners. They were rather an attempt to compartmentalise the Ukraine crisis (where Italy continues to support the Minsk–2 agreement and does not recognize Russia’s annexation of Crimea) and promote cooperation in other fields. The Italian government also promoted this approach during the G7 summit of foreign ministers in Lucca (Italy) in April 2017; the joint final communiqué of the summit recognised Russia’s importance as an international actor and advocated cooperation in areas of shared interest (including terrorism, migration, nuclear proliferation and climate change).⁴⁴

In Sochi, Putin and Gentiloni witnessed the signing of several agreements between large Italian and Russian companies, most notably in the energy and infrastructural sectors. Moreover, a large Italian delegation including Minister for Economic Development Carlo Calenda and the directors of major Italian companies attended the Saint Petersburg International Economic Forum in June 2017. In the energy sector, ENI and Gazprom have renewed cooperation on a range of issues including the modernisation of gas supply agreements, potential partnerships in the liquefied natural gas (LNG) sector and the construction of a Russian gas corridor in Southern Europe.⁴⁵ While the value of bilateral trade is still far from the pre-crisis level, Italian businesses and politics are striving for a cooperative *modus vivendi* in the current difficult context.

CONCLUSION: ITALY AS A BRIDGE BUILDER?

Italy is one of the main advocates of dialogue and cooperation with Russia in the EU. Its stance is influenced by Russia’s importance as an energy and economic partner and the belief that no stable European security system is possible without Russia’s participation. Russia’s increased political and military presence in the Mediterranean region, Italy’s most immediate neighbourhood, has only reinforced this view. Rome has supported the

43 See Gentiloni’s and Putin’s press statements in Sochi, 17 May 2017, <http://en.kremlin.ru/events/president/news/54511>, accessed 17 January 2018.

44 Riunione dei Ministri degli Esteri del G7, Lucca, 10–11 aprile 2017, Comunicato congiunto, http://www.esteri.it/mae/resource/doc/2017/04/g7incontroministri_itaupdated11-04_ita.pdf, accessed 17 January 2018. See also Carolina de Stefano, ‘Dialogo con la Russia: Italia meno sola in Europa’, *MondoDem*, 15 June 2017, <https://www.mondodem.it/uncategorized/litalia-meno-sola-nel-cercare-il-dialogo-con-la-russia/>, accessed 17 January 2018.

45 ‘Eni signs MoU with Gazprom’, 21 March 2017, https://www.eni.com/en_IT/media/2017/03/eni-signs-mou-with-gazprom, accessed 17 January 2018.

EU's sanctions policy against Russia in the context of the Ukraine crisis. It has condemned Russia's annexation of Crimea and the destabilisation of Eastern Ukraine, and contributed to NATO's defence posture in Eastern Europe. At the same time, Italian officials have continued to stress that the crisis can only be resolved through dialogue, rather than confrontation.

Rome is keen to compartmentalise the crisis with Russia over Ukraine, so as not to extend confrontation to other geographical areas and policy contexts. This explains why Italy opposed a new round of sanctions against Russia for its military campaign in Syria. From an Italian perspective, Russian help or consent may be necessary to resolve crises in the Southern neighbourhood, particularly the civil war in Libya. The weakening of the transatlantic relationship after Trump's election and the lack of solidarity of many of Italy's European partners during the refugee crisis have probably influenced recent Italian attempts to revive cooperation with other long-standing partners, including Russia. Domestic public opinion also seems to favour this posture, particularly on issues such as the fight against terrorism.

Several opposition parties, ranging from the Northern League to Berlusconi's Forza Italia and the Five Star Movement, have called for the lifting of EU sanctions against Russia. The question remains as to whether they would maintain this stance once in power and advocate it at the EU level. Most importantly, based on current polls (conducted in late autumn 2017), none of the main parties and coalitions seems to have sufficient support to govern alone after the parliamentary elections in the spring of 2018.⁴⁶ This suggests that the next government may be the outcome of another precarious compromise among political forces, and will not make radical changes to Italy's foreign policy. The main focus will be on domestic politics and on sustaining the modest economic recovery that Italy has experienced in 2017, after years of recession and stagnation.

On the other hand, in 2018 Italy has taken up important foreign policy responsibilities, most notably the chairmanship of the OSCE. Italian political leaders have already declared that they would like to use the Chairmanship to recapture the 'authentic spirit of Helsinki' (a reference to the 1975 Helsinki accords) through dialogue and co-operation.⁴⁷ Prime Minister Paolo Gentiloni has announced that the Ukraine crisis and the protracted conflicts in the OSCE area will be at the core of the Italian agenda, together with the refugee crisis and Mediterranean politics.⁴⁸ For

46 'Le intenzioni di voto degli italiani dopo le elezioni in Sicilia', *Corriere della Sera*, 11 November 2017, http://www.corriere.it/politica/17_novembre_11/intenzioni-voto-italiani-le-elezioni-sicilia-1360674a-c6a8-11e7-99d7-14600f2d5761.shtml, accessed 17 January 2018.

47 See <http://www.osce.org/chairmanship/330701>, accessed 17 January 2018.

48 See <http://www.osce.org/cio/257036>, accessed 17 January 2018.

relations with Russia, this means that Italy will try to encourage dialogue and cooperation. The success of this approach will, however, depend on numerous factors that remain largely outside Italy's influence, most notably the willingness of the various parties in the post-Soviet conflicts to find a compromise. It is unlikely that Italy will seek or achieve a significant role in the Syrian conflict. Most likely, Rome will continue to concentrate its efforts towards the resolution of the Libyan crisis and seek the cooperation of influential interlocutors, including Russia.