

A Test Case for Europe: Sino-Italian Relations in the ‘Old’ and ‘New’ Cold War



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Abstract This chapter considers the evolution of Sino-Italian relations since the founding of the People’s Republic of China in 1949, until today. The chapter will be divided in four sections: an analysis of Sino-Italian relations in the emergence of the Cold War structure in 1950s and 1960s; an account of the development of bilateral relations from the establishment of diplomatic relations in 1970 until the end of the Cold War with a special focus on the ‘golden era’ of Sino-Italian relations in 1980s; and a description of Italy’s failed attempt to consolidate its share in the growing Chinese markets in the post-Cold War era. Finally, a session will be dedicated to the most recent evolution of Sino-Italian relations during Xi Jinping’s leadership, concluding with a set of policy prescriptions for a reassessment of Italy’s China policy in the framework of the so called ‘New’ Cold War.

Keywords Sino-Italian relations · Old and New Cold War · Golden era · ‘New Cold War’ era

Among the many threads that compose the matrix of history, some of them gain or lose intensity according to the *Zeitgeist* that generates the perspective of the observer. In the last seventy years, the People’s Republic of China has moved from the periphery to the centre of the international system becoming one of the main engines of transformation of the system itself. Looking back at the twentieth century through this prism then—with the privilege of those who knows how the story ends—we might be attracted by three specific threads that seem animating the mechanic of this transition: the demise of European centrality, the hegemony of the superpowers and the rise of the developing world. These three movements somehow embrace the flow of power distribution across the century. The end of the Second World War preluded to

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the bipolar condominium of the superpowers at the expenses of European imperialism and led to a sudden proliferation of new actors in the former colonial territories. The rise of the People's Republic of China is certainly the most successful component of this dynamic. The anti-hegemonic physiology of PRC politics led to a set of strategies aimed at breaking the monopoly of the superpowers and transform China and the developing world in the new demiurge of global dynamics. In this antagonist nature between the third and the second movement, the demise of European centrality—the first movement that described the twentieth century's power dynamics—was then perceived by Mao's China as an instrumental partner in the global struggle for power redistribution.

At the beginning of the Cold War, Mao's China did not yet have the capacity to exert direct influence on Europe. According to the division of labour agreed with the Soviet Union in 1950, China was meant to promote the revolution in Asia. The Chinese leadership, however, shared a vision of China's role in the international system that transcended the bipolar logics of the Cold War. In fact, it identified itself as a champion of an 'intermediate zone' whose independence was restrained by the hegemonic pressures of the superpowers.

Within this "intermediate zone", the developed countries of the European bloc were perceived by Beijing as "indirect allies" with which China could collaborate to dilute the hegemonic strength of the superpowers and at the same time import useful know-how to strengthen its economy.

The momentous growth of the Chinese economy since the end of the 1970s and the strategy to promote Chinese investments abroad developed by the Chinese government since the end of the 1990s has progressively improved the 'proximity' of Europe and China, allowing China an even greater capacity to influence the dynamics of this "intermediate zone". The launch of the Belt and Road Initiative (BRI) by President Xi Jinping in 2013 signalled not only China's awareness of its unprecedented capacity to shape global dynamics but also its ambition to create new ones.

In this framework then Sino-European relations seem gaining a powerful light. Their strategic relevance goes beyond the volatile contours of the bilateral relations, and de facto reverberates over the decisive factors that shape global power distribution.

In this regard—given the historical dominance of Paris and Berlin on EU politics—Sino-Italian relations may appear as 'peripheral' and therefore marginal. A closer look at this smaller thread of our recent history, however, reveals an experience that might emerge as a useful paradigm for the future of Sino-European relations. In the Cold War framework, Sino-Italian relations—alongside Sino-French relations—stood as fruitful element of cooperation in the 'intermediate zones' favouring at the same time China's 'socialisation' with the international community—marked by China's accession to the UN—and a progressive multipolarization of the international system.

Since 1990s, Chinese economic growth and Beijing's investments in logistics and maritime infrastructure have played a decisive role in the exponential increase of incoming freight traffic in the Mediterranean and in the capacity of regional ports to absorb and sort it, thus giving the region a new 'centrality' in international trade. In

this context, Italy has found itself caught in between the natural propensity—inspired by its geography—to absorb and manage this traffic and its loyalty to the NATO and EU that have recently perceived these alluring opportunities as a Trojan horse of Chinese systemic challenge to the Western liberal order.

If Italy's remedy to this conundrum is yet to be found, a journey through Sino-Italian relations in the last seventy years might help us confirm once again that *historia est magistra vitae*.

1 Navigating the Cold War: Sino-Italian Relations in 1950s and 1960s

Since the founding of the People's Republic of China, the Italian government had consistently shown a desire to recognise the new government in Beijing. In February 1950, Italian Foreign Minister Carlo Sforza sent a telegram to Zhou Enlai in which he expressed the intention of the Italian government to normalise the relations with the PRC.¹ At first, the USA seemed willing to let the European countries make the first move and were thus preparing American public opinion for what was perceived as an inevitable step²—the US's own normalisation with the PRC. Yet, the political climate would soon change drastically due to the events during the first half of the 1950s. The Sino-Soviet alliance, McCarthyism in the USA, and the outbreak of the Korean War suddenly stopped Italy in its tracks. These events symbolically marked the beginning of Italy's China policy, and its long-term effort to bypass the restraints imposed by the Cold War on the independent pursuit of its national interest. Since then, Italy looked to China as an opportunity to gain leeway and a stronger standing among its allies in the NATO system. To Beijing, the relationship with Italy was not important in itself. China's policies towards European countries were driven by China's position towards the two main superpowers, the Soviet Union most of all. Between 1949 and 1956, China steered away from European affairs and mainly toed the Soviet line. Emerging frictions with the Soviet Union led China to engage in Europe as confirmed by Beijing's role in Poland and Hungary in 1956.³ It marked the beginning of China's competition with Moscow in Europe. It was rather low-key in Eastern Europe: through the *Interkit* system, Moscow coordinated the China policy of its satellites at the highest level and all Eastern European countries had major limitations in developing an independent China policy until the beginning of the 1980s. The only two countries that showed greater autonomy in their stance towards China were Romania and Albania.

China's policy was much more aggressive on the other side of the Iron Curtain: as the tension with the Soviets progressively heightened, the relationship with Western Europe became an important part of Beijing's strategy to ease Moscow's threat in

¹ Mario Pini, *Italia e Cina*, 67.

² *Ibid.*, 70.

³ Chen (2001).

Asia. Western Europe, according to Beijing, was the focal point. As the Chinese foreign minister told Kissinger in 1975 ‘if the Soviet Union could not get hegemony over it, it could not control the world’.⁴

At the same time, normalisation with the United States’ European allies was instrumental in undermining the US-led front of non-recognition, isolating the ROC and favouring Beijing’s entry at the United Nations (UN).⁵ A first success came in 1964 when Mao and De Gaulle’s quest for multi-polarity found common ground, resulting in mutual recognition.⁶ The emergence of the Soviet ‘social-imperialist’ threat in 1968 drove China to normalise its relations with other Western countries.⁷ From the 1950s, Italian governments repeatedly sought to establish diplomatic relations with the PRC, but the US veto and the unflinching position of the PRC on the terms for mutual recognition greatly curbed the scope of their action. Unlike the UK or France, Italy did not have any specific interests in Asia and was more dependent on Washington and its containment policies towards China than either of those European powers.⁸ Nevertheless, in 1964, three new factors emerged, paving the way for a Sino-Italian rapprochement: the Sino-Soviet split; De Gaulle’s courageous initiative towards Beijing; and the beginning of the centre-left season in Italy, with the Italian Socialist Party (PSI) playing a key role in this effort. These factors led to the opening of a commercial office that served as a *de facto* embassy. Yet, proper normalisation still failed.⁹ China’s role in Indochina proved to be an insurmountable obstacle, and Washington left no leeway to governments in Rome to formally recognise a country that was killing US troops in Vietnam.¹⁰ The window of opportunity for normalisation came in 1968 with the heightening of tensions in the Sino-Soviet conflict, which

⁴ Memorandum of Conversation, Washington, 12 August 1975. Ford Library, National Security Adviser, NSC Staff for East Asia and Pacific Affairs, Convenience Files, 1969–1977, Box 39, Richard Solomon Subject Files, 1974–76. Secret; Nodis. Drafted by Gleysteen.

⁵ MOFA: 110-00605-01 (25 June 1955), ‘Industrial Italian Delegation to China’, Ministry of Foreign Affairs (MOFA) to London Embassy; MOFA: 110-01765-01 (4 December 1964) ‘Sino-Italian Relations’, Bern Embassy to MOFA. On China’s entry into the United Nations see: Masina (2012).

⁶ Enrico Fardella, Christian Ostermann, & Charles Kraus, *Sino-European relations in the Cold War*, 203.

⁷ According to Romanian Amb. Budura, the Cultural Revolution aimed in fact at correcting the distortion of the *yibiandao so*, as Li Danhui put it, the ‘social-imperialist’ label served as the theoretical basis for Mao to make strategic adjustments that were functional both for Beijing’s security and for independence. *Ibid.* 28 and 74.

⁸ For a detailed account of the negotiations between China and Italy in the 1950s and 1960s, see Fardella (2013).

⁹ *Ibid.*; See also MOFA: 1110-2011-011 (10 June 1964), Memorandum of Conversation: Chen Yi-Vittorelli. Chen Yi said that the office would represent the government and would have diplomatic status (代表政府, 具有外交身份, *daibiao zhengfu, juyou waijiao shenfen*), but not in an official way. This could push the ROC to recall its ambassador and pave the way for normalising relations between Rome and Beijing. According to Chen Yi, Italy and China had the opportunity to create a new ‘Sino-Italian model for normalization’ (我们创立中意方式, *women chuangli Zhong Yi fangshi*).

¹⁰ Because of the conflict in Vietnam, the Chinese thought that the USA had forced the Italians to cool down the political side of their relation with the PRC. MOFA: 110-01902-01 (15 December 1965), ‘Change in Italian diplomacy’, COR to MOFA. In January, the leader of Christian Democrats Amintore Fanfani, who worked for normalisation with Beijing, told the Chinese diplomats that

resulted in a turnaround in Beijing's foreign policy towards Vietnam and the West, the USA included. Mao tamed the ideological tension of the Cultural Revolution and progressively engaged with the West to form a united front against Moscow.

Of course, this also called for a more appeasing stance on the Taiwan issue. When negotiations with Italy began in February 1969, the Sino-Soviet conflict had not yet reached its climax and Beijing, encouraged by the eagerness of Italy's Foreign Minister, Pietro Nenni, to normalise relations, adopted a maximalist approach with Italy.¹¹ The final round of negotiations was conducted by Aldo Moro, Italy's new foreign minister and one of the leading figures of the Italian Christian Democrat Party. Moro was much more sensitive to Washington's stance, making him more cautious about the form of deal.¹² The conflict with the Soviets, however, degenerated, and by autumn 1969, the USA secretly sided with Beijing and avoided a Soviet strike.¹³ As a result, the Chinese accepted the offer to table high-level talks without preconditions over Taiwan.¹⁴ This was matched by the dropping of some of China's more radical demands for normalisation with Italy, namely separating progress in talks from the issue of Italy's relations with Taiwan and Italian support of the PRC at the UN.¹⁵ Beijing's opening resulted on 6 November 1970 in Italy's recognition of the People's Republic of China as the sole government of China by taking note of the PRC's 'declaration' of its rights over Taiwan. The final wording was actually a last minute concession made by China: just a few days before Canada had recognised Beijing and acknowledged Beijing's 'position' on Taiwan. The difference was subtle, but the Chinese were seemingly sending a message to Washington on a viable path for recognition.¹⁶ As the Chinese ambassador to France, Huang Zhen, plainly admitted to Italian diplomats in September, negotiations with Ottawa and Rome were "test cases" to create a precedent that could be used with other major powers like the USA or Japan.¹⁷ From Beijing's perspective, normalisation with Italy was a step on the path to rapprochement with the USA, as the hegemonic threat of socialist

the tension caused by the Vietnam War prevented them from normalising their relations. MOFA: 110-01899-01 (20 September 1965), "Sino-Italian relations", COR to MOFA.

¹¹ The Chinese posed three conditions for normalising relations: (1) recognition of the PRC as the sole legal government representing the Chinese people; (2) recognition of the province of Taiwan as an integral part of the Chinese territory and the dissolution of all relations with Chiang Kai-Shek's China; and (3) support to the PRC in the pursuit of its legitimate rights within the UN and suspension of any support to the "Chiang Kai-shek clique". ASMAE (no date, probably 5 May 1970), 'Sino-Italian negotiations for the mutual recognition', a. Gabinetto to Moro.

¹² Moro wrote that Nenni gave the Chinese everything they asked for without specifying who 'should state what and how it should be stated [...] This is the core of the dispute. We have to figure out whether we should formally declare or carry out in practice what Nenni had already promised [i.e. discontinuing relations with Formosa and vote for the Albanian motion]', ASMAE (8 November 1969), Moro's note on a. n. 061/429, Gaja to Moro.

¹³ Henry Kissinger, *On China*, 217–219.

¹⁴ *Ibid.*, 223.

¹⁵ ASMAE (28 November 1970), 'Establishment of the diplomatic relations between the Italian Republic and the PRC', DGAP (no name). See also Mario Pini, *Italia e Cina*, 119.

¹⁶ See Footnote 15.

¹⁷ See Footnote 15.

imperialism became predominant. It was a major diplomatic success for Italy: as ambassador Menegatti put it, normalisation with Beijing was a success of the universalist inspiration of Italian diplomacy - the universal right to emancipation of peoples in the case of the socialist Nenni, and Christian universalism in the case of Moro—was reflected in the effort to pursue inclusion, dialogue and strong support for the United Nations.¹⁸ Furthermore, the ability to reach this goal before the USA and right after France was proof of a certain independence of Italian diplomacy and sent a positive message to the Chinese. At the same time, under the shrewd guidance of Minister Moro, Italy managed not to annoy Washington in the final stage of the negotiations.¹⁹ At that point, Washington's main concern was not so much recognition, but the repercussions on Taiwan's seat at the UN. There were two different contrasting motions at the UN on the Chinese seat. One was a US procedural motion that treated it as an "important question" and called for a two-thirds majority to approve it. The other was an Albanian motion that called for a simple majority to give the PRC the seat held by the ROC. The support to the US motion had prevented so far the success of the Albanian motion, preserving US prestige within the UN and its defence of Taiwan's image. Italy had always voted in favour of the US motion and against the Albanian one. A few days before recognition of the PRC, Italy decided to keep supporting the American motion and simply abstaining on the Albanian one showing consideration for Washington's concerns. This position emerged again in October 1971 with the PRC's admission to the UN: the Italian government had to support the Albanian motion as a consequence of the recognition of the PRC and ultimately opted for abstaining on the 'important question' to respect Washington's *desiderata*. This time, though, Italy's diplomatic balancing act proved to be rather inconsistent when compared to the firm opposition of other European countries, such as France and the UK, to the American motion. Similar inconsistencies continued to characterise Italian diplomacies towards Beijing in the early years of official relations.²⁰

2 The Golden Era of Sino-Italian Relations: From Normalisation to the End of the Cold War

Right after normalisation, the Italian Socialist Party (PSI), the main advocate for the recognition of the PRC, pushed to show Italian public opinion that the relationship with Beijing could be a great opportunity for the Italian economy. Following a commercial agreement signed with Beijing in 1971, the first of this kind within the European Community, Italian exports to China rose markedly.²¹ The agreement

¹⁸ Menegatti (2012).

¹⁹ Enrico Fardella, Christian Ostermann, & Charles Kraus, *Sino-European relations in the Cold War*, 78.

²⁰ Mario Pini, *Italia e Cina*, 146.

²¹ The agreement established a mixed commission that aimed at evaluating efficient measures to expand bilateral trade and cooperation.

symbolised Italy's willingness to eliminate quantitative restrictions to trade with China and to expand and stabilise commercial flows. Nevertheless, structural flaws in bilateral trade and growing competition from other countries impacted Italian exports to China. Consequently, Italy's presence in the Chinese market shrunk. In the early 1970s, a new world was emerging and China was increasingly at its centre. Italian foreign policy in Asia lacked the same breadth of British and French diplomacy. Italy was mainly a bystander, as it watched China's rise in North Africa and the Mediterranean—areas within Italy's traditional sphere of influence. The progressive ebbing of Chinese support to revolutionary movements in the region and an emerging pragmatic approach in Chinese diplomacy to North Africa and the Middle East seemed to match Italy's interest and search for stability. In this context, the Sino-Soviet rivalry was an opportunity for Italian diplomacy to gain more leeway and ward off the threat of a 'progressist' exclusive zone of influence—whether Chinese or Soviet—in Africa.²² The anti-Soviet rationale of the new Chinese strategy in the 1970s, however, eventually clashed with Italy's support to a *détente* in Europe and in the Mediterranean. As the Italian Foreign Minister Giuseppe Medici experienced during his visits to Beijing in January 1973, growing attrition was emerging between Italy's ecumenist approach that pursued a dialogue with all actors—an approach in line with the emerging climate of *détente* in Europe—and Beijing's confrontational stance towards the Soviet threat. This conflict deepened during the negotiations at the Conference on Security and Cooperation in Europe from 1973 to 1975 and the signing of the Helsinki Final Act. Beijing feared that the success of the CSCE would allow the Soviet Union to divert its attention to Asia—and China first and foremost—and vented its criticism of Europe's logic of *détente*. The Chinese opposition to the CSCE talks—perceived by Beijing as a threatening model that the Soviets might try to apply also to Asia to impose their hegemony—conflicted with Italy's support to the *détente* as an opportunity to benefit politically and economically from relations with the Soviet Union, especially in terms of energy supplies, a crucial need for Italian security after the embargo that followed the Yom Kippur War in 1973.²³ The same thirst for energy in 1977 drove the Italian foreign minister of the time, Arnaldo Forlani, together with the president of Italy's main oil and gas company, ENI, to rush to Beijing in June 1977 right after the completion of a second terminal for oil exports in Dalian. Between 1973 and 1976, Sino-Italian imports and exports grew by 96%, but the total value was still quite modest if compared with other Western countries. This was mainly due to the scarce complementarity of the economies of the two countries and the negative economic conjuncture of those years that restricted the capabilities of the medium-sized Italian enterprises to promote themselves in the Chinese market. Furthermore, Beijing's traditional aversion to foreign credit limited the total volume of imports. Nonetheless, the growth of the Chinese oil sector seemed to be a promising opportunity at the time, providing

²² OVM-1973, *Politica Cinese in Africa*.

²³ OVM-1973, *La Cina e l'unificazione europea; Cina: Mediterraneo e Medio Oriente*. See also Mario Pini, *Italia e Cina*, 160-1.

revenues for it to invest in Italian energy technologies.²⁴ At the time of Forlani's visit to Beijing, there were still political divergences on the détente process and the CSCE, but a new positive juncture both in China and in Italy seemed to offer broader space for Italian diplomacy. In China, Deng Xiaoping, after his rehabilitation in July 1977, began his race to take control of the Party and launch his Reform and Opening. With his economic reform, Deng Xiaoping expanded Mao's opening to the West into a symbiotic relationship that linked China's growth to cooperation with international markets. This offered a window of opportunity for Sino-Italian relations: Italy, one of the most industrialised and developed countries in the West, could make up for its diplomatic flaws with robust support to the transformation of China's economy. The Italian political situation also seemed favourable to stepping up economic cooperation with China. The third Andreotti government, elected in 1976 with the external support of the Italian Communist Party—called '*governo di solidarietà nazionale*' (national solidarity government)—aimed at proving to the USA that they were not giving in too much to the Communists and their allies in Moscow, while concurrently pushing for broader cooperation with Beijing.²⁵ In those years, the consolidation of Sino-American strategic cooperation against the Soviets through Zbigniew Brzezinski's manoeuvres favoured military contacts between China and Europe.²⁶ In 1978, a Chinese mission led by the vice-head of the Chinese army Zhang Aiping—the former—'father' of the PRC's nuclear weapon—was received by senior Italian army officers. Zhang toured Italian security infrastructures for two weeks and attended military exercises in Sardinia.²⁷ These events raised deep concern in Moscow, and in December 1978 the Secretary of PCUS Brezhnev wrote a letter of protest to Italy's Prime Minister Andreotti stating that military cooperation with China violated the logic of détente and marked a threat to global peace.²⁸ The strategic entente between Deng's new grand strategy and Brzezinski's confrontational attitude towards Moscow eventually altered the détente logic in Europe. Many in Europe saw Chinese diplomacy as potentially risky: according to Italian and Polish diplomats for example, Beijing's friendly relations with Romania, celebrated by Premier Hua Guofeng's visit in 1978, risked tightening Moscow's grip over the rest of Eastern Europe to

²⁴ OVF-1977, Elementi di Sintesi per le conversazioni con i dirigenti della Repubblica Popolare Cinese: Rapporti Bilaterali e Questioni economiche. For the data on import-export (calculated in millions of lira): 1973 total volume 119.266; 1976 total volume 233.755. OVF-1977, Questioni Economiche: scheda statistica, 24.

²⁵ Mario Pini, *Italia e Cina*, 172. In those months, Beijing was looking with great interest at Italian domestic politics and in particular at 'Eurocommunism'. Although China officially considered the Italian Communist Party revisionist, as observed by the Italian diplomats at the time, Beijing seemed ready for a re-evaluation of the nature of the relationship between the PCI and Moscow (in the same way as they did with the Yugoslav 'revisionists'). OVF-1977, Colloqui politici: politica interna, 6.

²⁶ Shambaugh (1979).

²⁷ Memorandum, Situation Room to Brzezinski, May 2nd, 1978, Folder 2, Box 6, Brzezinski Material- President's Daily Report File, Jimmy Carter Library.

²⁸ Mario Pini, *Italia e Cina*, 172.

stop any emulation of Bucharest's independent policy.²⁹ As proven by Brezhnev's reactions to the Sino-European arm deals, the allure of the Chinese market on Europe facilitated Beijing's strategy. Italy walked a thin line trying to balance the partnership with China with the détente process with Moscow: according to Italian diplomacy, heightened tensions with the Soviet Union were potentially destructive for the process of European détente and integration, both of which were the pillars of Italian diplomacy.³⁰ Italian domestic politics seemed to respond to the changes at global level. The experimental governments of 'national solidarity'—with the external support of the PCI—ended in June 1979, and Francesco Cossiga, a Christian Democrat, formed a new government rehabilitating cooperation with the Socialists. It was a positive signal for Beijing, as the Socialists had proven to be favourable to Beijing's interests until then.³¹ Cossiga's cabinet favoured a tougher line towards the Soviet Union, and his approval of the deployment of Pershing missiles seemed well received in Beijing. Cossiga's decision came at a critical moment for China, as the Soviets' invasion of Afghanistan posed a new threat to Beijing's border security and confirmed China's fear of Soviet expansionism. The 1980s were the 'golden age' of Sino-Italian relations, boosted by rapid growth in economic cooperation and the Socialists' presence in the Italian government. The level of Italian investments in China grew exponentially through the so-called *cooperazione allo sviluppo*, a system of foreign aid for developing countries launched by Rome and Beijing with a three-year deal (1982–1984). Under this agreement, Italy would invest USD 48 million in the construction of strategic infrastructure—developed in partnership with Italian companies—and would donate USD 25 million in Italian goods crucial for the development of the country.³² The growing flow of money into these projects by the Italian government—USD 576 million between 1987 and 1989—proved to be a precious instrument for penetrating the Chinese market, and by the end of the decade Italy, already the single largest donor to China, became Beijing's second largest European trading partner after Germany.³³ There were frequent top-level visits in those years as a sign of a growing trust in bilateral relations. In 1984, Chinese Premier Zhao Ziyang, after the end of the National People's Congress that re-launched Deng's reforms, toured Europe in search for 'money, solidarity and weapons', as an Italian reporter wrote at the time.³⁴ In Italy, Zhao signed a deal with FIAT to build trucks and industrial vehicles and, in line with one of the key decisions taken by China's Parliament on

²⁹ OVHH-1978, Repubblica Popolare Cinese: rapporti tra la RPC e i paesi del patto di Varsavia (tranne l'Urss). Elementi di conversazione; Elementi di fatto.

³⁰ OVHH-1978, Repubblica Popolare Cinese: rapporti RPC-Costruzione europea.

³¹ In a meeting with Deng in October 1975, Kissinger complained that the Christian Democratic leadership in Italy was very weak and that the Chinese could be helpful with the Socialists in order to oppose the compromise with the Communists. Deng said that he personally believe that the so-called historic compromise could not succeed, Ford Library, National Security Adviser, Kissinger Reports on USSR, China and Middle East Discussions, Box 2, China Memcons and Reports, 19–23 October 1975, Kissinger's Trip. Top Secret; Nodis.

³² Mario Pini, *Italia e Cina*, 190.

³³ Samarani et al. (1987).

³⁴ Terzani (1984).

the eve of the official visit, asked Italian support for the modernisation of the PLA.³⁵ Zhao's request was met, and one year later, the Italian Defence Minister, Giovanni Spadolini, together with a large delegation, visited China to further boost Italian military exports to China—ITL 100 billion in 1984, 20% of the total value of Italian exports to China.³⁶ Military cooperation and the support given by '*cooperazione allo sviluppo*' drove Italian exports whose value leaped by 75% in 1985 on a year-by-year basis.³⁷ For the first time since normalisation, Beijing started to appreciate Italy's foreign policy symbolised by the bold activism of Bettino Craxi, the leader of the Socialist Party and Italy's Prime Minister from 1983 to 1987. Independence vis-à-vis Washington—as seen during the Sigonella crisis—Italy's pro-active policy in the Middle East peace process and Craxi's belief in a strong and unified Europe, were all elements that met China's approval.³⁸ Stronger bilateral relations paved the way for Craxi's visit to Beijing in 1986—the first for an Italian prime minister since mutual recognition—and the signing of the first consular convention ever ratified with a European country.³⁹ While the 1980s can be seen as the 'Golden Age' of Sino-Italian relations, the end of the 1980s brought a new strategic opportunity thanks to the ability of Italian Prime Minister Giulio Andreotti and of the Italian Foreign Minister Gianni De Michelis (PSI) to manage the crisis that followed the event in Tiananmen Square in June 1989. Immediately after the Madrid EU council that imposed sanctions on Beijing on 27 June, Andreotti and De Michelis who were convinced that isolation could alter the benefits of Chinese reforms showed solidarity with the Chinese government and called for the lifting of sanctions.⁴⁰ Japan and ASEAN's contacts with Beijing helped the Italian initiative and, a few weeks after taking the rotating chair of the European Community in July 1990, the EC Council lifted some restrictions on economic and official contacts with Beijing.⁴¹ In May 1991, Foreign Minister De Michelis visited China, the second Western Foreign Minister to do so since June 1989. De Michelis did not talk about politics, but focused his visit on trade and investments and offered ITL 600 billion in aid for the construction of Pudong in Shanghai, a development programme that promised to give Italy a strategic position in the Chinese market.⁴² On the eve of 1992, Italy seemed to be one of China's main partners, as the visit of Premier Li Peng, in January, the first to a Western country since the Tiananmen crisis in 1989, clearly signalled.⁴³ A few weeks later, however, the *Mani Pulite* corruption scandal broke out, wiping out Italy's political establishment and in particular the two parties that had favoured dialogue with Beijing, the Christian Democrats and the Socialists. As De Michelis said, Italy's

³⁵ Benetazzo (1984).

³⁶ Jacoviello (1985).

³⁷ Pavolini (1987).

³⁸ Jacoviello (1985).

³⁹ Mario Pini, *Italia e Cina*, 192-3.

⁴⁰ Caracciolo (1995), Coralluzzo (2008).

⁴¹ De Michelis (1990). The arm embargo was not included.

⁴² Lucio Caracciolo 'La Cina: Istruzioni per l'uso'. 209.

⁴³ 'L'Italia è ora seconda tra i partner europei' in *La Repubblica*, 26 January 1992; Ansaldo (1992).

role in China was one of the main victims of this scandal. The internal collapse of the Italian political system froze Italian diplomacy: the Ministry of Foreign Affairs stopped the ‘*cooperazione*’ programme, Pudong included, and for three years, the Italian Ministry of Foreign Affairs did not pay a visit to Beijing.⁴⁴ Bilateral relations between Rome and Beijing have never recovered since. The images of Italian ambulances in Tiananmen in June 1989—a symbol of the success of Italian aid to China—are now just a curious postcard for historians.

3 No Place in the Sun: Italy’s Unfruitful Initiatives in China After the Cold War

Foreign trade embargoes following the Tiananmen crisis did not obstruct China’s economic growth. The incident had momentarily halted the economic reforms implemented by Deng; a relief for the more conservative elements of the party who feared that China would stray too far from the canons of Marxism.⁴⁵ Nevertheless, Deng recognised the need to continue with the reforms as the economic failure would result in even greater popular uprisings and ultimately the downfall of the Party.⁴⁶ After the incident, the renewal of the Party’s leadership was deemed necessary. Jiang Zemin—at the time general secretary of the Chinese Communist Party and chairman of the Central Military Commission—took over power from Deng Xiaoping and gave rise to the so-called third generation of leaders. Although Jiang’s rise to power was accompanied by a generational change, he maintained firm control of the Communist Party. Jiang’s commitment to continue Deng Xiaoping’s programme of rapid economic transformation was accompanied by efforts to preserve the Party’s legitimacy and monopoly on power. At the 14th National Congress of the Communist Party of China (CPC) in October 1992, Jiang Zemin firstly introduced the concept of a ‘*socialist market economy*’. Prior to being disclosed to the public, the term was first approved by Deng Xiaoping. This progressive idea of economic reform consisted of developing productive capacity by introducing a socialist market economy into the socialist system.⁴⁷ Bilateral economic relations between Italy and China remained very limited until China joined the World Trade Organization (WTO) in 2001 when, together with the intensification of trade relations, there was an increase in direct investments by Italian companies driven by lower production costs and access to the local market.⁴⁸ China quickly became the world’s manufacturing hub, claiming a central role in world trade. China’s integration in the global market led to significant negative repercussions for the Italian productive system, resulting in distrust of

⁴⁴ Lucio Caracciolo Ibid.

⁴⁵ Pini (2011).

⁴⁶ Ibid. 208.

⁴⁷ Lo (1999).

⁴⁸ Gabusi and Prodi (2020).

Italian public opinion towards the Asian country.⁴⁹ The public's scepticism towards Beijing, bolstered by the instability of the Italian government, led to Rome giving China marginal attention. At the end of the nineties, Italy had lost its privileged position with China. Exchanges between Italy and China amounted to 65853 Ecu, placing Italy behind France, Germany and England.⁵⁰ On the one hand, the Chinese market continued to favour large Chinese State-Owned Enterprises (SOE), and on the other hand, Italy was unable to provide the high added-value products that China was beginning to seek.⁵¹ Consequently, between the nineties and early 2000s, Italy persistently suffered a negative trade balance with China.⁵² Prime Minister Romano Prodi recognised and emphasised the opportunities that Italy had not been able to seize in its economic and institutional relations with Beijing. Described as a challenge against time, Premier Prodi led a mission to China with the intention to relaunch relations between the two countries, to consolidate a real strategic alliance and lay the foundations for stronger cooperation.⁵³ In 2006, the Italian Prime Minister travelled to China with four ministers (Bonino, Mussi, Bindi and Di Pietro), a deputy minister, three undersecretaries, and eleven representatives of the regions which the Premier defined as the "greatest institutional and industrial mission of our country [Italy]".⁵⁴ Organised with the collaboration of Confindustria, the Italian banking association (Abi), and the Italian trade agency (Ice), the governmental mission had a predominant economic purpose. The itinerary touched five cities, namely Nanjing, Canton, Shanghai, Tianjin and finally Beijing where the Italian government's representatives met with the Chinese leadership, including Prime Minister Wen Jabao and President of the People's Republic Hu Jintao. During the visit, Iveco, a Fiat Group company, signed an agreement with Nanjing Automotive Corporation (NAC), for the acquisition by Naveco—an Iveco Joint Venture with the NAC Group itself—of all the commercial vehicle activities of Yuejin Motor Company, a subsidiary of NAC. China was growing at an unprecedented rate. Prodi wanted to overturn the negative paradigm that had been created around China and establish a virtuous dynamic, which would have benefited the Italian economy. Prime Minister Prodi was also among the first to draw attention towards the geo-strategic advantages that Italy, gateway to the Mediterranean and Europe, could offer China.⁵⁵ Prodi's attitude contrasted with that of his predecessor, Silvio Berlusconi. The former Prime Minister was known for his close relationship with Moscow. He also shared a seemingly critical view of China, although his business endeavours may suggest otherwise. During Berlusconi's second Cabinet in 2004, Italy and China signed a '*global strategic partnership*', thus expanding their collaborations from a strictly bilateral sphere to a global one, which involves the discussion of global and multilateral issues, as well as the Sino-European

⁴⁹ Andornino (2015).

⁵⁰ Pini (2011).

⁵¹ Gabusi and Prodi (2020).

⁵² Andornino (2012b).

⁵³ Il Sole 24ore (2006).

⁵⁴ la Stampa (2006a).

⁵⁵ la Stampa (2006b).

relationship. Despite upgrading the relationship with Beijing, it took another six years for Berlusconi to publicly acknowledge China's potential for Italian businesses. In 2010, Berlusconi was elected Italy's Prime Minister for a third time. In October of that same year, on the occasion of the 40th anniversary of diplomatic relations between Italy and China, Chinese Premier Wen Jiabao paid an official visit to Rome where he was welcomed by the highest offices of the State. Premier Wen met with the President of the Republic Giorgio Napolitano, Prime Minister Silvio Berlusconi, President of the Senate Renato Schifani, and the President of the Chamber Gianfranco Fini. After the institutional meetings, the two Prime Ministers participated in an Italy–China forum. The Italian Prime Minister expressed an admiring appreciation for China's international politics and the Chinese government. Berlusconi also praised the pace of growth of the Chinese economy, stating that it will soon be the first economy in the world. He continued by reassuring the Italian public regarding China's presence on the markets and its competition with Italian businesses. Instead, Berlusconi depicted China's vast consumer market as an extraordinary opportunity for Italian companies.⁵⁶ During the forum, 10 trade agreements worth 2.25 billion euros were signed between the two countries. The Chinese Prime Minister proposed Berlusconi to double the economic exchange in five years, going from 40 billion dollars to 80 billion dollars. Berlusconi aimed for an even more ambitious result. The meeting concluded with the two countries committing to increase the economic exchange to 100 billion dollars in 2015.⁵⁷ While the world was facing the devastating impact of the financial crisis, China's growth remained fairly robust. Conversely, the global recession had particularly negative effects on Southern European countries. In Italy, the sovereign debt crisis manifested itself in all its gravity at the beginning of July 2011. Several factors led foreign investors to question the solidity of the Italian budget, such as the high ratio of public debt to gross domestic product and the mistrust in the Berlusconi government's ability to deliver the structural reforms the country desperately needed. After months of tension on financial markets, Prime Minister Silvio Berlusconi submitted his resignation on November 2011. Following a crisis of confidence of market operators, Italy began to look at China as a potential investor in its government bonds, companies and infrastructures. Allegedly, Italian officials disclosed to the *Financial Times* that China already held 4 percent of Italy's 1,900 billion euros debt,⁵⁸ which at that time amounted to almost 120 percent of the country's GDP.⁵⁹ In September of 2011, Lou Jiwei, president of China Investment Corporation (CIC), China's sovereign wealth fund, met with Italy's former Minister of Economy, Giulio Tremonti. Although no information was officially disclosed regarding the meeting, the *Financial Times* reported the potential purchases of Italian government bonds by the CIC.⁶⁰ *Il Sole 24 Ore*, an Italian economic-financial newspaper, denied the claim

⁵⁶ Avvenire (2010).

⁵⁷ Ibid.

⁵⁸ Dinmore (2011).

⁵⁹ Andornino (2012).

⁶⁰ Dinmore (2011).

by stating that the Chinese Sovereign Fund's interest lied solely in industrial investments.⁶¹ According to the article, the meeting was also joined by Cassa Depositi e Prestiti (Cdp), a state-controlled entity which newly established the Italian Strategic Fund (Fondo Strategico Italiano, Fsi) aimed at promoting the development of Italian strategic companies.⁶² Financial markets indirectly forced Berlusconi to resign from the government, although unparalleled political pressure was exerted directly by the EU, which significantly facilitated the government transition. Following the fall of the Berlusconi administration, the financial manoeuvres launched by the new technocrat-led government obviated a devastating default. Nevertheless, the Italian economy fell deeper into recession. Against a backdrop of economic hardship characterised by stagnant internal demand, foreign demand was destined to represent an important growth factor for the economy.⁶³ China's twelfth Five-Year Plan (2011–15), aimed at enhancing the role of domestic consumption and foreign investment as drivers of growth, appeared as an unprecedented opportunity for Italian exports and industries.

4 Another Lost Romance? Sino-Italian Relations in Xi Jinping's Era

The rise of Xi Jinping as China's top leader in 2012 injected a profound acceleration into China's global ambitions. The design of the Belt and Road Initiative (BRI)—Xi's foreign policy signature project launched in 2013—graphically described this transformation and, for the first time in the history of the People's Republic, revealed the will to shape global dynamics through the construction of a new system of physical, digital and regulatory infrastructures aimed at promoting a new Chinese vision of global governance. The launch of the BRI was perfectly tuned with the European search for a solid recovery from the financial crisis. Between 2014 and 2015, following a period of stagnation caused by the economic crisis and Italy's political volatility, the Sino-Italian relations were therefore experiencing a new momentum. The enhancement of economic relations, combined with greater frequency of diplomatic visits, resulted in an unprecedented dynamism. The more recent Italian activism towards China began with former Prime Minister Enrico Letta who recognised the need to increase Italian export and to intensify the penetration of Italian companies.⁶⁴ Letta's successor, Matteo Renzi, continued the effort to court Beijing and further strengthened economic ties between the two countries.⁶⁵ On June 2014,

⁶¹ *Il Sole 24 Ore* (2011).

⁶² *Ibid.*

⁶³ *Istat* (2013).

⁶⁴ *MISE* (2014).

⁶⁵ In Italy, the Eurozone debt crisis resulted in the resignation of Prime Minister Silvio Berlusconi and the implementation of a government of technocrats led by Senator For Life Mario Monti in 2011. On February of 2013, Italians were called to the polls to determine the members of the Chamber of

Matteo Renzi conducted a high-profile tour of China with the aim of promoting bilateral economic relations. Following talks between the Italian Prime Minister and the Chinese counterpart, Premier Li Keqiang, Italy and China issued a three-year cooperation plan (2014–2016) aimed at promoting the growth of bilateral goods and service trade, minimising trade imbalance through the increase of Italian exports.⁶⁶ Although exports to China grew at an annual average of 8 percent, the Italian trade deficit exceeded 17 billion euros by 2015.⁶⁷ On the other hand, the three-year action plan was conducive to the signing of numerous commercial agreements and partnerships between Italian and Chinese companies. Later that year, Premier Li Keqiang's European tour concluded in Italy. The state visit resulted in 20 business agreements worth more than 8 billion euros.⁶⁸ Between 2014 and 2015, China's central bank, the *People's Bank of China* (PBoC), acquired 2 percent of Italian companies of strategic importance,⁶⁹ pertaining to the energy, automotive, financial and telecommunication sectors.⁷⁰ Concurrently, large Chinese State-Owned Enterprises (SOEs) entered the shareholder structure of some of the major Italian companies.⁷¹ Combined, the Chinese financial commitment in Italy exceeded 13.5 billion euros during the biennium.⁷² Although a significant trade imbalance remained, the flow of Chinese investments had a positive impact on the Italian public perceptions of China. At the end

Deputies and the elective members of the Senate of the Republic. Pier Luigi Bersani's Democratic Party (PD) received the most votes but did not have the majority in the Senate. Therefore, unable to receive the confidence of both the Senate and the Chamber of Deputies, Bersani could not take office. Following a series of failed formal talks, with none of the major parties able to form a coalition, Italian President Giorgio Napolitano appointed Enrico Letta as the country's Prime Minister. Ten months after having been appointed, Enrico Letta lost the support of the main component of the Democratic Party, the largest member of Italy's coalition government. The National Assembly—known as *Direzione Nazionale* (DN)—of the Democratic Party approved a document presented by the secretary Matteo Renzi in which expresses their appreciation for the considerable work Letta has done at the head of the government; however, the document also highlighted the urgency to form a new administration. On February 14 of the following year, Letta submitted his irrevocable resignation as head of the Italian government.

⁶⁶ Xinhua (2014).

⁶⁷ Andornino (2016).

⁶⁸ As confirmed in a tweet by the Italian Prime Minister.

Renzi, M. [@matteorenzi] (2014, October 15) Ieri firmati accordi con la Cina per oltre 8 miliardi di €. E c'è ancora tanto spazio per investire in entrambe le direzioni #italiariparte [tweet] transl. Agreements with China were signed yesterday for over € 8 billion. And there is still plenty of room to invest in both directions.

⁶⁹ Fardella and Prodi (2018).

⁷⁰ [In chronological order] Enel, Eni, Prysmian, Fca, Telecom Italia, Generali, Mediobanca, Saipem, Terna, Intesa Sanpaolo, Unicredit Banca, Monte dei Paschi Siena.

⁷¹ [In chronological order] Shanghai Electric purchased 40 percentage stake of technological company Ansaldo Energia (an Italian power engineering company owned by CDP Equity) for a total of 400 million euros; The Chinese group State Grid Corporation received 35 percent of CDP RETI Spa, an investment vehicle, for a consideration of no less than 2.101 billion euros; China National Chemical Corporation (ChemChina) bought into Pirelli, world's fifth-largest tire maker, in a 7.1 billion euro deal. The acquisition of Pirelli was partly financed by the Chinese Silk Road Fund, a BRI financing vehicle.

⁷² Andornino (2016).

of 2015, Italian President of the Senate Pietro Grasso made a weeklong visit to the Chinese capital to celebrate the 45th anniversary of diplomatic relations between the two countries. During his visit, Grasso publicly announced for the first time Italy's willingness to join China's Belt and Road Initiative (BRI). The year 2017 was a year of critical juncture for the Sino-Italian bilateral relations. Italian President Sergio Mattarella travelled to Beijing during the fourth edition of the *Italy-China Business Forum*. The forum's main subject matters were Made in China 2025 (MIC 25)—a strategic plan aimed at changing China's perception from a low-end manufacturer to a high-end producer—and the BRI. During a meeting with President Xi Jinping, Italy's Head of State reiterated the country's commitment to strengthen economic collaboration with the Asian partner, placing emphasis on the strategic importance of the Italian port and logistics system for the completion of China's Belt and Road Initiative.⁷³ Its position at the centre of the Mediterranean makes Italy naturally inclined to engage in trade relationships with countries outside of the EU.⁷⁴ Given this 'geopolitical advantage', Italy was the ideal Western terminal of the BRI and, consequently, a natural destination for Chinese investments in infrastructures.⁷⁵ In March, Italian Prime Minister Paolo Gentiloni flew to Beijing, accompanied by his wife, to attend the first *Belt and Road Forum for International Cooperation* (BRF). At the opening ceremony, particular attention was paid to the couple whom spent the evening in the company of President Xi Jinping and his spouse. The forum was a remarkable opportunity for Beijing to officially introduce the Belt and Road Initiative to the world, branding the project as truly international. President Xi presented the initiative as a multi-level infrastructure connectivity project, with a strong emphasis on free trade, technological innovation and environmental protection.⁷⁶ A vague depiction, which may have contributed to the international scepticism and mistrust that surrounded the initiative.⁷⁷ On the other hand, the ambiguity of the project granted Beijing a high level of flexibility and resilience. Differently from other Western countries, Italy did not attempt to decrypt Beijing's rhetoric in search of an underlying meaning. The BRI, often referred to as 'The New Silk Road' by Italian media, had instead an important historical connotation for the Mediterranean peninsula. Originally deeply rooted in Chinese domestic policies, President Xi's ambitious transnational project later assumed significant geopolitical implications that transcended mere infrastructures. The BRI can be defined as a project for the restructuring of supply chains, centred on China and based upon systems of economic, financial and political integration functional to the dilution of American hegemony in the region and the consequent promotion of a new global governance. The desire to expand beyond Western institution concretised with the establishment of the Asian Infrastructure Investment Bank (AIIB). By offering an alternative to the current international economic order, the first Beijing-led Multilateral Development Bank

⁷³ *la Repubblica* (2017).

⁷⁴ De Maio (2020).

⁷⁵ Dossi (2020).

⁷⁶ *Ibid.*

⁷⁷ Tiezzi (2017).

(MDB) marked a turning point in the global financial architecture. Italy joined the AIIB with an allocation of 514 million dollars, representing the 2.6 percent of the total capital of the bank. The contribution placed Italy in twelfth place in the list of fifty-seven founding members. While recognising that a unified presence of the EU would have been a preferable outcome, Benedetto Della Vedova—Italy’s Undersecretary for Foreign Affairs—described Italy’s adhesion to the Chinese MDB as “a wise and farsighted decision”.⁷⁸ Della Vedova described Asia as a region with tremendous investment potential and a geographical continuity with Europe, able to create new opportunities for the Italian infrastructure sector.⁷⁹ Addressing suspicion and opposition by the USA, Della Vedova clarified that greater engagement with China—and the Asian region at large—did not signal a revision of Italy’s foreign policy priorities.⁸⁰ Despite Beijing’s commitment to embrace the role of responsible stakeholder, demonstrating increasing willingness to contribute to international public goods, the Belt and Road Initiative and its potential implications have been subject to ample scrutiny by the European Union. European concerns regarding the BRI arose from a range of issues, namely economic over-dependence, China’s growing political influence in the region and Chinese investments in critical infrastructure or high-technology, including related potential security implications, such as data protection and cyber-espionage. Nevertheless, European governments continued to increase economic cooperation with Beijing, aiming to advance their individual interests among vigorous competition.⁸¹ While Europe was juggling sporadic criticism and aspirations for greater cooperation and partnership with China, the USA assumed a tougher approach and a significantly more critical view of Beijing. Washington showed no interest in pursuing a Transatlantic policy vis-à-vis Beijing. President Trump’s focus on isolationism and protectionism prompted EU countries to pursue even greater economic engagement with China. On August 2018, the Italian Ministry of Economic Development (MISE), on the initiative of the Vice President of the Council and Minister Di Maio and of the Undersecretary Professor Michele Geraci, set up a *China Task Force* aimed to strengthen relations with Beijing in the fields of trade, finance, investments, cooperation in third countries, as well as research and development.⁸² Italy’s Minister of Economy Giovanni Tria and Geraci went on separate but synchronous visits to China. Tria, accompanied by a large delegation of Italian entrepreneurs and bankers—including the Vice Director of Banca d’Italia, Fabio Panetta—met with Chinese investors both in Beijing and Shanghai. During his visit, the Minister of Economy held institutional meetings with its Chinese counterpart, Liu Kun, the director of the People’s Bank of China, Yi Gang and other representatives of Chinese financial and monetary authorities. Tria’s arduous mission aimed to promote Chinese investments in government bonds and private companies in order to guarantee greater diversification and stability of Italy’s sources of

⁷⁸ AGI (2015).

⁷⁹ Ibid.

⁸⁰ Ibid.

⁸¹ Gewirtz (2020).

⁸² MISE (2018).

financing.⁸³ Concurrently, Geraci travelled to Chengdu and Shanghai. His objective was to recalibrate the trade imbalance by increasing Italian exports significantly to the Mainland, as well as a share of Chinese direct investments in Italy, especially in infrastructural and industrial assets.⁸⁴ The 21st of March 2019, President Xi Jinping began a six days European tour in Italy, marking the first state visit to the country by a Chinese president in ten years. Xi Jinping landed in Rome accompanied by his wife, Peng Liyuan. The day prior to his arrival, the Italian newspaper *Corriere della Sera* published a signed article by the Chinese President titled “East Meets West, A New Chapter of Sino-Italian Friendship”.⁸⁵ In the article, recalling the two-thousand years of exchanges forged through the ancient Silk Road, President Xi wished for greater future cooperation between Italy and China under the BRI. During Xi Jinping’s state visit, the two countries signed the *Memorandum of Understanding on Cooperation within the Framework of the Silk Road Economic Belt and the 21st Century Maritime Silk Road Initiative*. The document outlines six areas of cooperation, such as policy dialogue, transport, logistics and infrastructure, unimpeded trade and investment, financial cooperation, people-to-people connectivity and green development cooperation. The memorandum is neither legally nor financially binding, and it can instead be described as a ‘list of statements of goodwill’.⁸⁶ However, given Italy’s political significance within the European Union and its G7 status, signing a MoU with China has unavoidably important geostrategic implications that go beyond its European alliances.⁸⁷ As one of the most important pillars of US alliance system in Europe and a crucial component of US military presence in the Mediterranean region, Italy’s decision to join the BRI raised great concerns in Washington. Italy not only gave a significant boost in legitimacy to the Chinese initiative in the Western hemisphere, but also a gateway into Europe for Chinese political and economic influence and access to key economic sectors. Voices of opposition coming from Brussels expressed concerns regarding the undermining of prospects for a common European stance versus Beijing. The Italian political framework at the time of signing is partly responsible for the alarmist tones surrounding the MoU. By perpetuating, a Euro-sceptic and nationalist rhetoric, as well as a puzzling alliance strategy, the anti-establishment Five Star Movement-League coalition portrayed Italy as an unreliable partner, thus holding back its European projection. The year 2020 marked the 50th anniversary of the beginning of diplomatic relations between Italy and China. That same year, the world was being hit by a global crisis of unprecedented reach and proportion. As an origin-unknown coronavirus was infecting communities and individuals at an alarming rate, governments put in place lockdown measures to counter its spread. The coronavirus pandemic had a devastating economic impact. Italy, one of the European countries hit hardest by the virus, faced its deepest recession since World War II. Beijing promptly responded by providing the Italian government with

⁸³ MISE (2018).

⁸⁴ Fotina (2018).

⁸⁵ Xi (2019).

⁸⁶ Fardella and Prodi (2019).

⁸⁷ Casarini (2019).

huge amount of medical equipment and technical assistance. The great media hype orchestrated by the Chinese media—the MoU signed in 2019 inaugurated a collaboration between some of the most important Italian media outlets with the Chinese government communications—⁸⁸ boosted the image of China among Italian public opinion. These set of events consolidated the fears of those, especially in Washington, who saw the rise of Beijing as a direct threat to the global leadership of the USA. The Trump administration responded with a manoeuvre to contain Chinese ambitions in Europe, aimed at strengthening the front of those—among the US allies in the region—that posed potential threats to national security provoked by Chinese technologies and infrastructures before the economic gains that these investments could generate. At the same time, Trump was unilaterally negotiating a trade agreement with Beijing that seemed to favour the USA at the expense of its allies, Europe in the first place, by injecting distrust into the transatlantic relationship and stimulating the Franco-German acceleration on the conclusion of the Comprehensive Agreement of Investment (CAI) just days before Biden took office in the White House. The new Biden administration has recovered the relationship with its European allies by projecting the Chinese threat onto a front that transcends mere national security and points at the constitutive values of Western democracies. The synchronicity of the European and American sanctions against some Communist Party officials in Xinjiang was a clear demonstration of this new front. In February 2021, in the midst of the umpteenth political crisis, Italy's Prime Minister Giuseppe Conte resigned and former European Central Bank President Mario Draghi was sworn in as Italy's new Premier. Draghi began to shift the country's foreign policy priorities towards the EU and Nato, with a strong focus on national security. As Sino-European relations are becoming more hostile, Italy's ability to act as a bridge between the West and Beijing has become increasingly uncertain.

5 Conclusion

The rise of Chinese global ambitions—symbolised by Xi's BRI—and Beijing's ideological profile have recently coupled with Washington's hegemonic backlash to generate fear of a potential emergence of a 'New Cold War'. Unlike what happened during the Cold War, however, the boundaries of this new 'ideological' dispute do not coincide with the spheres of economic interaction. On the contrary, with the start of a new post-pandemic phase, the desperate search for a rapid economic recovery returns to strengthen the interest of many regional actors in a revival of economic relations with Beijing, especially in the wake of the opportunities evoked by the 14th Five-Year Plan recently approved in China.

⁸⁸ Recent research carried out by *Formiche* with video material provided by the company *Data Stampa* indicates that Chinese aid received triple the media coverage compared to the USA in *Rai*, one of the biggest broadcasters in Italy.

As Prof Shi Yinong, a renowned Chinese expert on international relations, recently wrote, in the post-pandemic world the new opposition between super-powers—USA and China—will not translate into a new bipolar dispute as in the past but will instead make the 'intermediate zones', and therefore above all the European continent, increasingly strategic and relevant.⁸⁹ In this perspective, the ability of regional actors to independently decline policies capable of synthesising the protection of national security and the promotion of their own economic interests could therefore be decisive not only for the future of the region but also for the balances and outcomes of the new global dispute between Washington and Beijing.

In this framework, and in the light of the historical experience in Sino-Italian relations described in this chapter, it might be helpful to point out three crucial issues that should be addressed throughout the next few years by the Italian government to update its relations with Beijing in sight of these new emerging challenges.

The first issue that should be addressed is how to harmonise economic relations with non-democratic countries while upholding the solidity of democratic systems. Making democratic systems capable of articulating economic relations on the basis of national interests, and therefore preserving their democratic identities, is a challenge which transcends the Sino-Italian relations. Italy must reset economic relations with actors such as China, who are important economic and technological players, as well as destination markets for its exports, by establishing a clear national security framework. Recently, a first step has been taken in this direction. The Italian government is developing an organism that coordinates the intelligence and security of the country, the Intelligence Services Department (DIS). This circuit will establish Italy's cyber-safety perimeter. These efforts must continue with the creation of an impact assessment mechanism which analyses the influence of foreign economic activities and investments on the country's democratic system, in order to create more fluid and positive channels of exchange. Once a national security framework has been established, it will be possible to identify which sectors are to be developed with greater serenity and mutual satisfaction.

Another desirable aim of this mechanism is to encourage Chinese Greenfield Investments in the country which would create new jobs for the Italian people. Italy should also insist on a level playing field, creating a reciprocity system which clarifies to foreign interlocutors the specific delineations between permissible and non-permissible forms of economic engagement. In a first phase, these new dispositions may be perceived as a restriction with respect to the opportunities that the business could otherwise generate—for instance regarding the type of Chinese investment which will be allowed in the country. However, these adjustments taken by the Italian government will provide Chinese companies with clearer guidelines for the establishment of greater economic cooperation in the respect of mutual national security requirements and respective political systems.

⁸⁹ 时殷弘 [Shi Yinghong] 美国及其他主要国家对华政策与未来世界格局 [The USA and other major countries' policies towards China and the future world pattern], 2020 年第 6 期《国际安全研究》 [International Security Research].

Greater procedural clarity will also bring significant advantages to China's international image. Within Italy's domestic debate, opposers to greater cooperation with Beijing often leverage the Chinese threat to the country's political system, portraying Chinese economic operations in Italy not as an opportunity but as a risk. This anti-Chinese rhetoric, reinforced by foreign China-sceptic commentators, undermines China's international projection. A mechanism which protects Italy's sensitive sectors, and analyses through a screening all economic activities by foreign actors, will significantly contribute to the containment of "Chinese fears" within the country.

The second issue that should be addressed is the lack of cultural, political and linguistic competence on China. At a governmental level, greater expertise on China could be developed through the creation of an inter-ministerial analysis mechanism composed of non-political experts remunerated by the state to provide intelligence. Furthermore, Italian universities could provide training and refresher courses on China to Italian institutional bodies according to governmental and diplomatic needs. At an academic level, universities could equip Italian students with a multi-disciplinary expertise on China. University training courses should be supported by, or developed with the partnership of, government institutions, public organisms or companies. At a graduate level, courses on China should be made open to both students and business employees. Simultaneously, Italy should reinforce investments in Chinese universities to promote greater understanding of Italy and its culture. As previously stated by Professor Andornino, in order to develop and improve economic relations with Beijing, political impulse and business engagement solely are inefficient, "much deeper commitment at the people-to-people level needs to be prioritised on both sides".⁹⁰

Last but not least, given Italy's geopolitical role as a 'bridge' between Africa and Europe and its strategic interest in the stability and development of the Mediterranean region, and in sight of Draghi's unprecedented influence in Europe and in transatlantic relations, Italy could present itself as a leader of a new dialogue with China—possibly under the NATO framework—for stability and development in the region. In the last decade in fact, the so-called Arab Spring and the financial crisis that affected the Southern countries of the Eurozone have turned the Mediterranean region into an "arc of tension", with political instability, bursts of extremism and economic dislocation now dominating the regional landscape. These developments pose a direct risk to both Italy (illegal immigration, economic uncertainties and security threats) and China's security and economy (energy supply, spread of Salafism among Chinese Muslim minorities and the development of the BRI). Italy represents an interlocutor of critical importance for China: with its traditional economic and political influence in the region, Italy might well prove a key partner for Beijing and a promoter of a new initiative for stability and progress in the Mediterranean within the EU and, most importantly, NATO. Such an initiative could avoid fuelling the perception that China is set on dividing Europe to capitalise on its weaknesses. It could help convey the image of a world player committed to promoting stability and development in the

⁹⁰ Andornino (2012b).

region, and therefore, it could sow some fruitful seeds for a new ‘detente’ between China, the USA and Europe.

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