

The Draghi Government and Italy's International Role. Summary Report on Italian Foreign Policy in 2021

by Giulia Gozzini and Akram Ezzamouri

ABSTRACT

This document provides an English summary of the 2021 edition of IAI's annual report on Italian foreign policy entitled: *"Il governo Draghi e il nuovo protagonismo internazionale dell'Italia"*. Drafted before the outbreak of the Ukraine conflict, the report examines the key features of Italian foreign policy under the Draghi government in 2021, while also reflecting on the main challenges ahead. The report places particular emphasis on the three traditional dimensions of Italy's external projection: Europe, the transatlantic alliance and the Mediterranean. Further analysis focuses on Italy's relationships with global powers such as Russia and China, as well as other salient features of its international projection, including Italy's G20 Presidency and its implementation of the European recovery plan. Italian security and defence policies and participation in international missions abroad are also analysed, as well as Italy's approach to international migration and the country's energy policies in the context of the European Green Deal.

Italian foreign policy | Italian defence policy | European Union | Energy | USA | Mediterranean | Migration | China | Russia | G20

keywords

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Introduction

The transition from the Conte II cabinet to the new government led by Mario Draghi inaugurated a phase of renewed Italian visibility on the international scene. Backed by an unprecedented governing majority, which includes all parties in parliament with the exception of the far-right *Fratelli d'Italia* (Brothers of Italy), Draghi's appointment as Prime Minister stemmed from the need to have a non-partisan cabinet at a time of significant challenges for the country, notably the fight against Covid-19 and the planning and implementation of the National Recovery and Resilience Plan (NRRP). At the international level, the government upheld Italy's traditional stance in support of the European Union and the North Atlantic Organisation, with a resolute commitment to relaunching multilateralism. In both contexts, Draghi acted with authority, receiving support for his national reform plans from European institutions and Italy's main allies. Italy also aligned itself with its traditional partners on the most important dossiers in multilateral fora, taking advantage of its rotating presidency of the G20 and its co-presidency of COP26 with the United Kingdom. In its Mediterranean policy, the Draghi cabinet maintained a line of continuity with previous governments, confirming and even expanding existing responsibilities in the security field in support of NATO, United Nations and EU missions in the region. In light of the positive relations between Draghi and US President Biden, the government was able to live up to the challenges of a complex international order, marked by the uncertainties of the pandemic and the urgency of the ecological transition, as well as growing tensions between the US and China and the increasingly complicated relationship with Putin's Russia.

Relations with the EU

The new government effectively relaunched Italy's role at the European level, thanks to the confidence of the other European leaders in Draghi. This recognition

* Giulia Gozzini is Junior Research Fellow in the "Mediterranean, Middle East and Africa" and "Italian Foreign Policy" programmes at the Istituto Affari Internazionali (IAI). Akram Ezzamouri is intern in IAI's "Mediterranean, Middle East and Africa" and "Italian Foreign Policy" programmes.

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was enhanced by the results achieved by the government in its first 100 days: by mid-June 2021, Italy ranked among the top three countries in the EU in terms of vaccination numbers, had submitted the NRRP with the aim of receiving over 200 billion euro in grants and loans from the EU and was planning a series of key reforms, from public procurement and concessions to competition, from public administration to justice reform. The NRRP, which includes a new governance structure, was approved by the Council of Ministers on 25 April and submitted to the European Commission by the scheduled deadline of 30 April, after its approval by Parliament. The main challenge in implementing the NRRP lies in executing investments and, before that, the related reforms, for which the Draghi government set a very ambitious schedule. Nonetheless, at the end of December 2021, all 51 objectives of the national plan had been met.

At the European level, among the main files that concerned the country were migration – despite the lack of concrete proposals for reform of the Union's migration and asylum policies – and the climate emergency. On the latter, Italy worked to create a link between European initiatives and those of the G20 and COP26. Draghi also focused on rekindling traditional European alliances: namely, those with Germany and France (the latter being strengthened by the signing of the Quirinale Treaty in December 2021). Overall, the country's European policy and international positioning benefited from greater governmental stability. Nonetheless, due to a combination of international instabilities (tensions with China and Russia, skyrocketing energy prices, the spread of the Omicron variant) and internal structural weaknesses, chief among which stands the country's mounting public debt, Italy's position remains fragile.

Energy and climate

The "energy" and "climate" dossiers played a major role in the government agenda throughout 2021. Prime Minister Draghi seemed to be well aware of the complex challenge of reconciling environmental sustainability with energy security and competitiveness. In early March 2021, the Ministry of Ecological Transition (Mite) was established, tasked with certain policy responsibilities traditionally assigned to the Ministry of Economic Development. The reorganisation of the Ministry for Infrastructure and Sustainable Mobility (Mims) was also inspired by the principle of environmental sustainability. The Interministerial Committee for Ecological Transition (CITE) was also created with the task of ensuring coordination among national policies for the ecological transition and related planning processes. Finally, the role of "Special Envoy for Climate Change" was created, entrusted to Minister Plenipotentiary Alessandro Modiano. At the European level, the Italian contribution to the green transition in the national recovery plan meets the 37 per cent target of the total allocation of the Recovery and Resilience Facility (RRF). Overall, compared to other European countries (for example, Germany or France), Italy proposed a more diversified allocation of "green" expenditure. Despite the activism shown on certain European dossiers, the government remained cautious on others, especially the issue of European taxonomy, due to the heterogeneous views represented in the governing coalition.

The staggering increase in energy prices led Italy (like many other EU member states) to approve short-term measures to provide temporary relief to citizens and businesses. Among European member states, Italy was rather favourable to EU interventions in the gas and electricity sector, while other countries opposed structural interventions, preferring to preserve the existing regulatory framework. High utility bills will remain a central theme for the Italian government in 2022. Despite soaring energy prices, however, Italy managed to play a proactive role in climate diplomacy, by promoting and adhering to – significant commitments and initiatives on many fronts at the G20 and through COP26 (and pre-COP26). Nevertheless, it remains to be seen how these announcements will translate into concrete medium-term projects, especially looking ahead to 2030.

Relations with the US

In 2021, Italy-US relations largely benefitted from the commonality of views between President Biden and Italian Prime Minister Draghi. In Draghi's vision, Europeanism and Atlanticism are closely intertwined and interdependent. The Italian prime minister was therefore a trusted interlocutor with whom the US administration could collaborate on the G20 and COP26 agendas. Biden also showed openness on involving Italy in a dialogue over issues of strategic importance for the US and the Atlantic Alliance.

2021 was marked by the 160th anniversary since the inception of US-Italy diplomatic relations, which was the occasion for several official meetings and state visits. Italy and the US cooperated in the fight against Covid and the climate emergency, NATO, the crises in the Mediterranean, democracy and women empowerment – although, especially on the Mediterranean and democracy promotion, no real progress was achieved. An important development was the re-establishment of the so-called "Quint", an informal consultation group including France, Germany, Italy, the United Kingdom and the US that had been particularly active at the turn of the millennium, chiefly on Balkan issues. The "Quint" was reactivated by the US in late 2021 to adopt a common stance on the risk that Russian President Vladimir Putin would order a new armed intervention against Ukraine.

Furthermore, the Draghi government's stance on China was widely appreciated by the Biden administration. As early as 2020, the Conte II cabinet had taken steps to temper US concerns about Italy becoming more vulnerable to Chinese influence by strengthening the so-called "golden power", a mechanism that allows the Italian government to block or limit the acquisition of "strategic" Italian companies by foreign firms (or even mergers with such firms). It was Draghi, however, who made use of golden power in a more assertive way. Overall, and thanks to a realignment that involved numerous files (from Ukraine to the evacuation of Afghan civilians, from the Italian commitment to NATO in Iraq to the new stance towards China and Russia), an expansion of bilateral economic relations and greater coordination in multilateral fora, Rome rediscovered its status as a reliable interlocutor of Washington in Europe.

Italian defence policy

In 2021, the Draghi government promoted significant reforms in the defence sector. Defence spending rose to 28.28 billion euro in 2021 (from 26.02 billion in 2020), and the government launched a number of new initiatives, including an increase in Italian missions abroad, the inclusion of space and cyber as new operational domains for the armed forces, the establishment of new operational commands as well as a clear industrial policy through the adoption, for the first time, of a specific ministerial directive. With the 2021 missions decree, Italian foreign military missions increased from 38 to 40, while the numbers of military personnel that can be deployed abroad rose to 9,255 units (+23.5 per cent compared to 2020). Allocated resources for the defence sector also grew both in absolute terms and as a proportion of the total defence budget: 6.81 billion euro in 2021 (24 per cent of the total) compared to 5.45 billion (20.9 per cent) in 2020. New missions abroad included the maritime security operation in the Strait of Hormuz, part of the French-led political-military initiative EMASOH, and a new contingent that will be deployed in Somalia to take part in the UN-led UNSOM mission. Existing deployments in the Middle East were also confirmed, with nine missions currently active, including UNIFIL in Lebanon (since 2018 under Italian command), as well as the presence in the Western Balkans with the NATO KFOR mission. In 2022, Italy will also assume the command of NATO Mission Iraq, with an expansion of the allied contingent, including the share of Italian personnel. Africa, with 17 ongoing missions, still figures as the continent with the highest number of Italian missions abroad. Among these the most important in terms of funding, personnel and equipment were the Takuba Task Force to fight terrorism in the Sahel and the Niger mission.

Italy and the "enlarged Mediterranean"

The Draghi government retained Italy's traditional focus on the "enlarged Mediterranean", with a view to promoting Italian energy and trade relations in the area. It also confirmed the growing importance of North Africa and the Sahel (as well as Africa more generally) as priority areas for engagement, pursuing political and institutional stabilisation goals in the region with the aim of promoting commercial interests and limiting migratory flows. The Draghi cabinet stressed the broad complementarity of transatlantic interests in the area, accelerated the mending of relations with France, another pillar of European policies towards Mediterranean Basin states, and assumed significant new responsibilities in the security field in the context of a retrenching US. Alongside a clear improvement in the regional environment after heightened tensions during the previous two years (especially in the Persian Gulf and Eastern Mediterranean), some countries and dossiers have shown clear signs of deterioration in 2021, as illustrated by developments in Israel-Palestine, Tunisia, Afghanistan and, with the postponement of national elections scheduled for December, Libya. Activism in bilateral relations (especially on the Libyan and Tunisian files) was accompanied by the government's renewed commitment at the multilateral level. In this regard,

Italy not only increased its participation in international missions in the area, but will also assume the command of NATO Mission Iraq in 2022, a role that will entail an expansion of the national contingent. Finally, relations with the Egyptian regime remain controversial: despite the more cautious approach adopted by the Draghi government towards Cairo and the partial success in the case of Patrick Zaki, Egypt continues to refuse cooperation on the investigation into the murder of Italian researcher Giulio Regeni. Meanwhile, bilateral relations continue to flourish in the energy and trade domains, with Egypt remaining the chief destination for Italian arms exports.

Migration and Italian foreign policy

Migration issues retained a central role in Italian foreign policy in 2021, continuing to shape relations with Mediterranean Basin countries as well as Italian priorities in EU negotiations. Nonetheless, growing irregular flows towards Italy once again put pressure on the government to find long-term solutions. In 2021, irregular arrivals via the central Mediterranean route almost doubled compared to 2020 (34,000 arrivals), reaching over 67,000. In this regard, Draghi tried to “Europeanise” the migration issue, bringing it back to centre stage in European debates, although little concrete progress was made. Meanwhile, in the Mediterranean, cooperation with Libya, still subject to strong criticism, continues to be a cornerstone of Italian policy. The main challenge lies in developing a structured and long-term approach to migration, thereby moving away from the usual emergency mindset on the issue. In this sense, Draghi marked a change of tone, describing migration as a resource rather than a threat and endorsing an increase in the maximum quota of non-EU workers admitted with regular permits (67,900 entries in 2022, up from 30,850 in 2021). Nonetheless, at the European level, concerns over migrants at the Belarusian border may further complicate the search for shared approaches to Mediterranean Basin states and migration flows from Africa.

Draghi's pragmatic approach to China

The Draghi government inaugurated a substantial shift in Italy-China relations in accordance with the changed international context marked by a tightening of relations between the Asian power on one side and both the US and the EU on the other. Indeed, while Biden sought – unlike his predecessor – support from US allies in creating a common front against China, for its part, the Union also pursued a new approach, less economically dependent on Beijing and more attentive to the protection of human rights and fundamental freedoms. Draghi's Atlanticism and Europeanism led his cabinet to depart from the initiatives not only of the Conte I government (the signing of an agreement on the Belt and Road Initiative) but also of the Conte II government, which had attempted to make Italy a bridge between the West and China. Although trade between the two countries remains extremely significant, with growth in Italian exports, the Draghi government subjected economic relations with Beijing to more careful scrutiny, embracing the golden power regulation to block Chinese acquisitions of (or mergers with) strategic Italian companies on several occasions. Overall, the Draghi government

seemed well aware that the centrality of China in Euro-Atlantic relations requires overcoming unilateral initiatives and seeking an alignment with principal allies when it comes to relations with Beijing.

The Draghi government and relations with Russia

The Draghi government's relations with Russia revolved around two key issues: the need to maintain a dialogue with the Kremlin and the concurrent promotion and defence of human rights and fundamental freedoms. In the economic field, relations between the two countries continued to develop, with significant growth in both trade and Italian exports. Italy and Russia also started a dialogue on the climate emergency and the situation in Afghanistan, and adopted a common position on the peace process in Libya. At the same time, the government progressively aligned itself with the European and US stance on the main dossiers concerning Eastern Europe and Russia (from Belarus to Ukraine, from the Navalny case to the more general defence of human rights and freedoms in the post-Soviet space), thus distancing itself from Moscow. This approach, consistent with Draghi's pro-European and Atlanticist position, marks a break with the Conte II government, which had adopted a more accommodating posture towards the Kremlin in the name of economic and energy interests.

The Italian presidency of the G20

In a context marked by a profoundly changing multilateralism, Italy took over the rotating presidency of the G20 for the first time. While the summit's results have yet to be assessed, some major victories were attributed to the Italian presidency, including the agreement on corporate taxation, support for economic recovery in low-income countries and the strengthening of international cooperation on economic policies in response to the pandemic crisis. At the same time, commitments to global health and climate change fell short of expectations. Furthermore, no progress was made in the field of international trade and investment, despite Italy's firm and sustained commitment to increasing multilateralism in order to address key challenges facing the international system. Key results from the Italian presidency reveal that, despite growing international tensions (which at times affected diplomatic action within the G20), active leadership such as that shown by Draghi can create a climate of collaboration conducive to identifying concrete solutions to common problems. In this sense, the Biden administration's support for multilateralism and a more relaxed and cooperative transatlantic landscape was crucial. Draghi focused on European and transatlantic relations, showing that Italy can navigate and successfully reconcile Europeanism and Atlanticism in its foreign policy. Overall, it can be argued that the country's visibility and influence as an international player were strengthened as a result of the Draghi government's handling of the Italian G20 Presidency.

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Via dei Montecatini, 17 - I-00186 Rome, Italy

T +39 06 6976831

iai@iai.it

www.iai.it

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