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# 5

## Italy:

### The Maze of Domestic Concerns

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**ITALY IS TRADITIONALLY KNOWN AS BEING A "PRO-EUROPEAN country."** In this chapter we explore what this really means and whether it translates to effective influence in EU decisionmaking. In doing so, we first briefly look at how the relations between Italy and the EEC/EU have evolved over time; second, we discuss how domestic institutions have adapted to deal with EU policymaking; third, we analyze the Italian presence and negotiating strategies in the EU institutions. In each part, concrete case studies are presented.

#### **Italy and the European Communities in Historical Perspective**

Italy ended World War II as a loser, leading to regime change and the new Republican Constitution (January 1, 1948). Prime Minister Alcide De Gasperi and Foreign Minister Carlo Sforza saw in Robert Schuman's 1950 proposal an important political and economic opportunity for Italy: they were convinced that to balance domestic instability, a strong counterweight of international dimensions was needed. Yet most of the country did not favor this option. Only the trade unions looked upon the European Communities with some interest. De Gasperi and Sforza decided to take the risk and make Italy a European Coal and Steel Community (ECSC) founding member.

In Messina in June 1955, the six ECSC foreign ministers called for further integration, and France's prime minister Pierre Mendès-France, fearing that the Italy would "export" its unemployment, tried to prevent Rome from joining. Dramatic international events then provided the necessary impetus for sealing the negotiations: the invasion of Hungary (November 4, 1956) and the nationalization of the Suez Canal (July 20, 1956). Thus, in March



1957, the treaties creating the European Economic Community (EEC) and Euratom were signed in Rome. In Italy, the invasion of Hungary had a lasting effect on domestic politics as the Socialist Party (PSI) sharply criticized the Soviet Union's intervention and broke its alliance with the communists, thus becoming pro-European. The Communist Party joined in supporting European integration by the end of the 1970s.

In July 1970, the Italian Franco Maria Malfatti was named EEC Commission president; he resigned less than two years later to stand for political elections in Italy. Despite the fact that other commissioners have also resigned early, Malfatti's departure is held up as an example of the Italians' lack of trustworthiness, undermining the role of future Italian commissioners. France eventually used this argument to strip Italy of the agriculture portfolio, the main one at the time.

In October 1973, the third Arab-Israeli conflict erupted. One repercussion in Europe was an increase in oil prices, and Italy was hard hit. For the first time, Italian politicians blamed the European Community for its economic difficulties, which also conveniently offered a sort of justification for the country's lack of respect for EEC deadlines and obligations. The end of the dollar's convertibility into gold also hit Italy, weakening the national currency, the lira. The EEC member states tried to protect themselves through the "European Monetary Snake," created March 7, 1972, but it was not enough for Italy. Once the European Monetary System (EMS, 1978) came into force, Italy was forced to ask for partial opt-outs. Italy's European counterparts, especially Germany, stigmatized these systemic weaknesses and called Italy the European Cinderella (or the "sick one"). Similarly, within the Common Agricultural Policy debates, Italy was disadvantaged by its lack of a global agriculture strategy and its patchwork domestic agriculture organization. Italy counted just one triumph in this period: it succeeded in establishing the European Regional Fund in 1973, thanks to British support and despite the German refusal to fund it until Rome proved capable of using the financing in an efficient way.

The long "Euro-sclerotic" period finally ended in the mid-1980s. Meanwhile, European political geography had changed with the elections of François Mitterrand in France (1981) and Helmut Kohl in Germany (1982). Despite personal and political differences, they became the heart of Europe, and only the skillfulness of Italian leaders like Giulio Andreotti avoided Italian sidelining. In the first semester of 1985, Italy held the EEC presidency. Foreign Minister Andreotti unlocked the stalemate on fisheries and fishing quotas that were blocking Spain and Portugal from signing the accession treaties and, on the wake of Altiero Spinelli's 1984 Draft Treaty, made convening an Inter-governmental Conference (IGC) to reform the EEC treaty the presidency's priority. However, at the European Council in Milan (June 28–29, 1985), the UK and Greece opposed the idea. After a tense debate, the Italian presidency took

the unprecedented move to ask for a vote, in which Greece, Denmark, and the UK were defeated and the IGC was summoned. Despite the difficulties, the Single European Act was agreed on in December 1985.

That same year, Italy gained an important victory over the so-called Delors package. The package introduced the idea of a fourth source of income for the EEC budget, calculated in terms of gross national product (GNP), which Italy strongly opposed, as it was bound to be penalized. Despite yet another change of government, Italy managed to hold firm on this issue and finally, thanks to Kohl, a compromise was reached: Italy's proposal to calculate the fourth resource on the difference between the GNP and value added tax (VAT) revenues was accepted.<sup>1</sup> On the other hand, Italy's poor implementation record for the directives needed to complete the single market caused difficulties. In Italy, some blamed the problem on the EEC for failing to match Italian interests, while asking and succeeding in obtaining a two-year delay in the liberalization of capital movements.<sup>2</sup>

A year of great change in Eastern Europe was 1989. The transformations had lasting consequences on Italian domestic politics, too. On July 1, 1990, the day that marked the beginning of the monetary union between the two German republics, Italy again held the EEC presidency. The Italian presidency gave top priority to the preparation of the IGC for the European Monetary Union (EMU). To that end, Prime Minister Andreotti proposed holding an informal European Council meeting in Rome (October 27–28, 1990) where, notwithstanding UK opposition, the Carli Report on the EMU was approved. This eventually led to Margaret Thatcher's defeat and resignation at home (November 28, 1990). John Major replaced her, and Andreotti and his foreign minister, the socialist Gianni De Michelis, used their personal and political networks to secure a successful formal meeting of the European Council in Rome (December 14–15, 1990), thus managing to successfully convene two IGCs to reform the treaties.

Later, speculators attacked the Italian lira and the British pound sterling. On September 4, 1992, Italy was forced to raise its interest rates and had to devalue by 7 percent. Then, on September 17, both the Italian lira and the British pound sterling had to leave the EMS. As Italy progressively drifted from the EU following two subsequent sets of enlargements, to the north in 1995 and to the east in 2004, its old ruling parties were wiped away by history. The end of communism had in fact made the old Italian parties redundant and led to the rise of new political actors such as Forza Italia, the Northern League, as well as postcommunist and post-Christian Democrat parties. In March 1994, a right-wing coalition led by Silvio Berlusconi won the elections, and this Italian government expressed rather anti-European sentiments. In his first speech to Parliament, Berlusconi aggressively declared that Italy was to play "a leading role in the framework of the European Union."<sup>3</sup> Under pressure from the postfascists in the coali-



tion, his government even tried to oppose Slovenia's EU membership.<sup>4</sup> For the first time, an Italian government was isolated in Europe; none of the coalition parties belonged to major European political families, and a number of European counterparts objected to the presence of Alleanza Nazionale (the postfascists) in the government. Berlusconi learned his lesson and devoted much of his party's energy in the following years to becoming a member of the European People Party.

The Italian EU presidency of 2003 started with a major incident. On July 2, Berlusconi was attending the plenary of the European Parliament to present the presidency's priorities. During the discussion, the German Member of European Parliament (MEP), Martin Schulz, aggressively attacked Italy for its immigration policies and for Berlusconi's conflicts of interest between his own business and political activities. Berlusconi, in turn, overreacted, essentially accusing Schulz of being "like a Nazi," creating a serious diplomatic row with Germany and gravely endangering the beginning of the Italian presidency.<sup>5</sup> Soon afterward, the president of the European Convention, Giscard d'Estaing, presented the "Draft Treaty establishing a Constitution for Europe" to the Italian presidency. To complete the EU reform process, it was now necessary to convene another IGC. Opinion diverged about how to proceed, and negotiations were not easy. Italy recognized that the primary obstacle to an agreement was the question of qualified majority voting, due in particular to the opposition of Spain and Poland (though Poland was not yet an EU member state). Italy's strategy, therefore, was to reach a compromise on this point above all, hoping that the resolution of all other outstanding problems would follow smoothly. Unfortunately, these efforts were useless. Without French or German support, Italy faced deadlock. Unable to make a proposal that would be acceptable to everyone, it issued a statement declaring that negotiations had failed and asking the Irish presidency to continue consultations.

After five years in power, Berlusconi was narrowly defeated in the legislative elections. Back in power, Romano Prodi sought to relocate European integration at the center of Italian foreign policy. In so doing, he followed the tradition and the strategic approach of the Christian Democrat governments of the past: that is, equating the European interest with the national one, thereby somehow taking a step backward.<sup>6</sup> The discussion on the national interests had meanwhile progressed, especially while Massimo D'Alema was prime minister (1998–2000), leading to a shared consensus on the idea that national interests must be defended in Brussels.

The case of the redistribution of seats in the post-2009 European Parliament, however, shows a gap between words and reality. Under the new Lisbon Treaty (2009), the number of Italian MEPs was to be cut on the principle that the number of MEPs should be calculated on the basis of the number of residents in a given country, rather than on the number of voters.

According to this system, Italy would have six fewer MEPs than with the previous system and, most important, fewer MEPs than France. The European Council meeting in Brussels on June 21–23, 2007, approved the Lamassoure Report, but when word reached the Italian press, people protested vehemently. Calls were made for Italy to use its veto. There was general outrage again when the European Parliament approved new provisions in the Lamassoure Report on October 11, 2007. Yet according to a witness at the meeting, the two Italian representatives in the European Council, Prodi and his foreign minister, D'Alema, were not even present. Apparently, while the new numbering was being approved, they were outside the meeting room, trying to resolve a domestic political problem. Eventually, a diplomatic solution was found. One more MEP was added to the final number, the formula being "750 plus the president," and that extra MEP was promised to Italy.

### *Handling the Economic Crisis of 2008 and After in the Italian Way*

Prodi's tiny majority in Parliament did not create the foundation for a long reign; the Prodi II government fell after less than two years. In May 2008, Berlusconi was back in power, essentially concentrating on domestic politics and leaving European policy and most foreign policy to Foreign Minister Franco Frattini. By that time, European policy again was a consensual policy, as a unanimous vote in the Italian Parliament to ratify the Treaty of Lisbon showed on August 31, 2008. When the economic crises started to hit Europe, Berlusconi initially denied it was affecting Italy, too.<sup>7</sup> Ironically, however, the rising spread of the Italian economic crisis (and sexual scandals) forced him to resign in November 2011.

The two subsequent prime ministers, Mario Monti (2011–2013) and Enrico Letta (2013–2014), both gave the EU high importance. Italian president Giorgio Napolitano chose both for their supposed "international credibility,"<sup>8</sup> which should have helped them address the economic crises. Monti's government was particularly focused on it, yet his approach of mainly horizontal cuts and an increase in taxes may have cut the public debt but did not help overcome the economic crises, with Italy progressively sinking deeper into it.<sup>9</sup> In EU policymaking, given Monti's distrust of his foreign minister, Giulio Terzi, the minister for EU affairs, Enzo Moavero, a former advocate general at the EU Court of Justice (ECJ), got free rein to move the core of EU policies to the presidency of the Council. He subsequently focused on reducing the Italian gap in EU legislation enactment and litigation cases with the EU Commission. Moavero worked well in coordinating with Italians (MEPs, permanent representatives, etc.) in Brussels; however, interministerial coordination in Rome lingered, and the inability of the two governments to control Parliament led to an impasse.



Then Matteo Renzi, the youngest ever prime minister of Italy, took office in February 2014. Contrary to Monti and Letta, Renzi did not have previous experience in foreign and European policies and tended to consider them dependent variables of domestic politics, with special attention to relevant photo ops. In a way, his approach to European politics recalled the 1994 Berlusconi for his confrontational approach to Europe. Renzi particularly emphasized a supposed Italian “leading role in Europe” and his other mantra — “Europe cannot dictate to Italy what to do.” He skillfully mixed highly rhetorical references to Europe, seen as the natural venue for his own generation, with virulent attacks on dull-witted “European bureaucrats.” In July 2014, he did not hesitate to cause a diplomatic row when his counterparts failed to support his foreign minister, Federica Mogherini, as European Union High Representative (EUHR). Despite advice to change candidates or change portfolios, Renzi did not give up until he got what he wanted. He presented the appointment as the ultimate Italian victory. Whether it was in the best Italian interest to have the foreign policy portfolio rather than an economic one, few in his entourage questioned. One immediate price that Italy had to pay were sanctions on Russia, which are a heavy burden for Italian business.<sup>10</sup> Having Mogherini named to the EUHR post meant taking a tougher stance on Russia following the Ukraine crises. Mogherini was in fact initially opposed by many EU member states for her pro-Russia attitude.<sup>11</sup> Renzi adopted a similar attack strategy for the European economic crises:<sup>12</sup> Domestically, he used an odd rhetorical mix of pro- and anti-Europeanism — “European bureaucrats cannot tell Italy what to do”<sup>13</sup> — while asking for growth policies in the European Council.<sup>14</sup> As a result, in November 2014, the EU Commission decided to postpone its judgment on Italy’s, France’s, and Belgium’s budgets until early March 2015.<sup>15</sup>

### Italy’s Domestic Institutions and EU Decisionmaking The Italian Constitution and EU Law

The Italian constitution does not deal with the EU in an organic way. The legal basis for the delegation of powers to the EU is Article 11 of the constitution, which was designed in anticipation of UN membership. The 2001 constitutional reform then “constitutionalized” the relationship between the regions and the EU, yet without rethinking the whole EU–Italy relation in an overall, coherent framework. The relation between EEC law and national law has also been rocky: for a long time both legal doctrine and the Italian Constitutional Court’s rulings did not recognize the principle of supremacy of EEC law over national law and supported the principle of the separation between the two juridical systems. Only in 1984 did the conflict between the Italian Constitutional Court and the ECJ finally come to an end, with the *Granital c. Ministero delle Finanze* ruling.<sup>16</sup> This setting, coupled with the inefficiencies of the Ital-

ian bureaucracy and the parochial attitude of most Italian politicians, occurred in making Italy a passive actor in EU policymaking.

### The Italian Parliament and EU Affairs

The Italian Parliament was also slow to realize the importance of actively dealing with EU policymaking. From the early Community years until the Single European Act, the Italian Parliament maintained a low level of Europeanization with weak structural adaptation and minimal time and energy devoted to the scrutiny of EC law. The EEC was seen as a part of foreign policy and therefore considered primarily a matter for the government and namely for the Foreign Ministry. For a long time, the two branches of the Parliament, the Chamber of Deputies and the Senate, did not even establish standing committees for European affairs or set up specific scrutiny procedures. In both houses, EC legislation and policies were reviewed, sporadically, by the committees for foreign affairs through the normal parliamentary procedures, leading to significant backlogs in the implementation of EC directives and to the European Court of Justice repeatedly condemning Italy for its failure to implement EC law correctly or in a timely fashion. The Single European Act and the expected wave of directives for the completion of the Internal Market finally provided the catalyst for a radical reorganization of internal decisionmaking on EU matters.

Between 1987 and 1989, the Italian Parliament adopted two laws, providing a framework for domestic decisionmaking on EEC affairs: the so-called Fabbri Law<sup>17</sup> and the La Pergola Law.<sup>18</sup> Together, the two laws introduced a number of innovations: they redefined the government’s structures for coordinating the national position on EU policies, they made it the government’s duty to transmit EC draft legislation to Parliament, and they formalized the Parliament’s right to adopt resolutions on EU matters. The La Pergola Law also set up the “Annual Community Law,” a mechanism for the systematic and timely implementation of EU legislation. As a result, both the Senate (in 1988) and the Chamber of Deputies (in 1990) adapted their internal rules of procedure to take advantage of the opportunities offered by the new legal framework: special procedures were established to deal with EC policies and standing committees were empowered to express their position on EC proposals. In practice, however, the reforms had a limited impact and Parliament’s influence on EU affairs remained marginal.

The Treaty of Amsterdam and subsequently the Constitutional Treaty thus triggered a new wave of reforms. The reforms, embodied in the national legislation ratifying the Treaty of Amsterdam<sup>19</sup> and in the changes introduced by the “Community Laws”<sup>20</sup> for 1995–1997, expanded the scope of parliamentary scrutiny, obliging the government to forward all draft EU legislation, including (then) second- and third-pillar acts. They also simplified and rationalized government reports on EU affairs<sup>21</sup> and introduced a



“soft version” of “parliamentary scrutiny reserve.”<sup>22</sup> The Chamber of Deputies significantly revised its internal rules of procedure in 1997 and in 1999; the Senate did so in February 2000 and 2003. These changes addressed a number of issues left unresolved by the post-Single European Act reforms as well as some newly emerging issues, signaling a qualitative change in the Italian Parliament’s approach to EU matters.

The accumulation of amendments to the Fabbri and La Pergola Laws had, however, fragmented the legal framework into a plurality of sources, raising some issues of clarity and consistency. In response to these factors, the parliament adopted the so-called Stucchi-Buttiglione Law,<sup>23</sup> which consolidated and clarified the legal framework for Italian participation in EU decisionmaking, replacing the Fabbri and La Pergola Laws and their subsequent amendments. The Stucchi-Buttiglione Law provided for a comprehensive definition of the domestic decisionmaking processes as related to EU affairs.

In a short span of time, the Italian Parliament has thus successfully addressed many issues that had remained unresolved for years, gradually putting in place a well-developed scrutiny system in which the standing committees specializing in EU affairs play the leading role. It has expanded the scope of its scrutiny of EU policies, is kept regularly informed of developments in EU affairs, and has developed specific procedures for scrutiny and fact-finding; it has even protected its prerogatives by introducing a scrutiny reserve system. Thus, the Italian Parliament’s role in EU affairs moved away from primarily implementing EU directives toward a more positive and proactive role in shaping the national position on draft EU legislation. Yet although the Parliament now has a new system of scrutiny reserve, it is used infrequently. This is what Law 234 (2012),<sup>24</sup> which took over three years to negotiate (2009–2012), intended to accomplish. Law 234 is a comprehensive normative law regulating the ensemble of the relations between the EU and Italy at all levels (national, regional, local). On paper, it establishes the ultimate framework, the highest level of institutional maturing and Europeanization that Italy has ever reached.

There are now two different kinds of legal provisions: the so-called European Delegation Law and European Law. The European Delegation Law shall only be used to enact EU directives and decisions into domestic law: by February 28, the government shall send the bill to the Parliament; in case of need, it can introduce a second one July 31. European Law, on the contrary, has no set deadlines and shall be used whenever needed to adapt (or repeal) national law that contrasts with EU law. If needed, the government can also introduce “urgent bills” to deal with other aspects of EU law as they emerge, such as to implement ECJ rulings, remedy cases of infringement of EU laws brought about by the European Commission,<sup>25</sup> or deal with EU norms of particular political, social, or economic relevance.

The 2013 European Delegation Law and 2013 European Law were approved in July 2013, making up for part of the delays accumulated in the previous years. Yet by March 2014, Italy had again piled up as many as 120 infraction procedures.<sup>26</sup> The Italian Parliament adopted the European Delegation Law 2013 and a European Law 2013 in September 2014. The 2014 European Delegation Law was enacted in October 2014.<sup>27</sup> Also in 2014, Italy’s deficit in directives’ implementations amounted to 0.7 percent, finally equaling the EU average.<sup>28</sup> Complying with the Treaty of Lisbon, Law 234 also further increased the potential influence of the Italian Parliament in EU policymaking law. The government now has to inform the Parliament about its positions and take into account eventual recommendations by the Parliament. Whether this will actually happen is too early to tell. It does not look good, though, considering that the ECJ has just condemned Italy to pay €40 million for failing to tackle the dumping of illegal waste.<sup>29</sup> In a clear lack of understanding of EU procedures and rules, the minister for environment responded that Italy was not going to pay a cent.<sup>30</sup>

### *The Executive and EU Affairs*

In Italy, the Ministry of Foreign Affairs (MAE or Farnesina, for the building that houses it) has traditionally played the main role in EU affairs. There are a number of explanations: the initial idea that the European Communities were a classic international organization, the supremacy of the Council in EU decisionmaking, the uncertain distribution of tasks among ministries until the reforms of the 1980s and 1990s, and the Farnesina’s technical superiority in linguistic and negotiating skills. The centrality of the MAE was also consistent with the coordination tasks given by the founding fathers to the General Affairs Council (GAC), for a long time formed by the foreign ministers, before giving way to the EU ministers. (Coincidentally, Italy was the last country to adapt: only in late 2011, and then EU Minister Moavero rightfully became the Italian representative in the GAC.)

Gradually, the MAE’s supremacy in European affairs eroded, to the advantage of the presidency of the Council. Three subsequent laws<sup>31</sup> increased the Italian prime minister’s responsibilities for Italy’s participation in the EU, in line with the increasing role of the European Council at the EU level. In 1999, the prime minister was entrusted with the coordination of the Italian Council of Ministers, relations with other institutions (such as the Parliament), and relations with EU institutions. Many of the day-to-day duties in EU affairs, starting with the enactment of EU law into national law, are, however, delegated to the minister for EU policies.

The minister for the coordination of EC policies, as he was initially called, is a minister “without portfolio” and thus is attached to the presidency of the Council. The position was created in 1980, then suppressed in 1995 by Prime Minister Lamberto Dini, who assigned its tasks to the under-



secretary of state for economics, and reintroduced in 1998, when Prime Minister D'Alema entrusted the new Ministry for EU policies to Enrico Letta who, despite his young age, used his knowledge of EU affairs to elevate the role of the ministry. Since then and until Renzi's government (2014), all governments have included a Ministry for EU Policies. Yet only a few had Letta's technical competence and passion for the issue: Ugo La Malfa (2005–2006), Emma Bonino (2006–2008), Enzo Moavero (2011–2014), and Sandro Gozi (from 2014), are among the few.

Formally, the ministers for EU policies' tasks have not changed significantly over the years; the main focus is the incorporation of EU law into national law. The ministry also deals with ECJ cases; promotes the professional training of public officials in EU affairs; disseminates information about the EU; (in theory) promotes the careers of Italian citizens in the EU institutions; represents Italy in the Council for the Internal Market; and coordinates the involvement of the other branches of the Italian public administration and of the social parties in EU policymaking. Until November 2011, however, the minister for EU policies was included in the delegations attending the GAC or the European Council, a fact that has at times undermined its role both domestically and at the European level, due to opposition from the MAE.

The minister for EU policies has the logistical support of the Department for EU Policies. Located at the presidency of the Council, this department was introduced in 1987 by the Fabbri Law. Its fortunes have varied over the years, though it has generally always suffered from understaffing. Although initially only the foreign affairs ministers were to be involved in European affairs, today virtually no national ministry can avoid dealing with the EU. Yet unlike in other EU countries, most Italian ministries still lack "European offices" or units charged with negotiating and implementing EU law. In general, while EU enactment is mostly coordinated by the various legislative offices, the negotiating phase, if it is dealt with at all, is coordinated in any number of ways, and often ends up in the hands of the diplomatic advisers. This has partially changed with the application of Law 234 (2012), as shown shortly.

For years, the lack of intraministerial coordination together with the typical Italian interministerial rivalry have prevented any real chance of creating an efficient system of interministerial coordination on EU affairs. In 2005, one of the important changes brought by the Stucchi-Buttiglione Law was the creation of an Interdepartmental Committee for Community and European Affairs (CIAE). The idea was to create a sort of cabinet for EU affairs at the presidency of the Council, as other countries had done. Staffed by some twenty people, individually chosen for their commitment and expertise and drawn partially from the Department for EU Affairs, the CIAE was given the task of finally enabling the government to coordinate

and deepen its actions on issues of relevance to Italy. Regions and local communities were also invited to participate. The CIAE functioned at two levels: the political level and the technical level. However, the political level slowly moved from the ministers themselves to their aides.

The CIAE did a good job coordinating the Italian position on a number of relevant cases. A case in point is the 20–20–20 Climate-Energy Package, where the CIAE managed to conciliate rather opposite views of the different ministerial departments across two opposite governments.<sup>32</sup> However, it had a number of weaknesses. First and foremost, the establishment of an interdepartmental coordination body did not coincide with the introduction of corresponding facilities in each ministry. The coordination work performed by the CIAE was not adequately supported by all the units it intended to coordinate. Second, the CIAE was understaffed and could only manage to coordinate the ascending phase of community law in a limited number of cases, leaving many negotiating areas completely uncovered. Third, the involvement of the regional governments in the coordination effort was fraught with difficulties, despite the progressive increase of the regions' powers and prerogatives in matters of EU and foreign affairs. Last, the CIAE did not always succeed in framing its positions quickly enough to keep pace with the European decisionmaking process. The CIAE worked well as long as its founder, Massimo Gaiani, who also served as diplomatic adviser to the minister of EU affairs, led it (2006–2011). After his departure, however, the CIAE stopped working, following a common pattern in the Italian public administration: the incapacity of real institution building. Consequently, Law 24 (2012) introduced another interministerial coordination body: the CIAE (Inter-ministerial Committee for European Affairs). However, as long as Moavero stayed as minister for EU affairs (February 2012), he did not bother to convene it, claiming that he could more efficiently bring EU issues directly to the Council of Ministers.

As mentioned, for the first time since 1998, Renzi marked a discontinuity by not naming a minister for EU affairs, instead having Gozi serve as undersecretary at the presidency of the Council. Gozi, a former EU official turned politician, resumed the CIAE both at the technical and political levels and tried to ensure that each ministry finally created its own intraministerial coordination bodies<sup>33</sup> as mandated by Law 234. Yet the EU Department, with its staff of seventy-five, still suffers from understaffing. Gozi also partially followed on the path inaugurated by Moavero by attending most General Affairs Councils, a long-due measure that for too long had been prevented by the opposition of the Foreign Ministry, fearing a reduction of its influence in EU affairs, but which is key for an efficient coordination of EU affairs domestically. Following tradition, he also represents Italy in the Single Market Council. A member of Parliament, and one of the Law 234 proponents, he also enjoys good relation with its EU Committee.



### The Italian Regions and EU Affairs

One of the CIACE's weaknesses was the absence of some of the Italian regional governments, which are still lagging behind in EU affairs. Suffice it to say that since 2002, the Italian regions have not succeeded in spending all of the structural funds allocated to them. Despite a massive (and costly) presence in Brussels, only few regions have the necessary political weight and economic might to have any direct impact on EU policies at the EU level. These include Lombardy and the regions of central Italy led by Tuscany, Emilia-Romagna, and to a lesser degree, Veneto, Piedmont, Liguria, and Puglia.

Law 234 (2012) was aimed at upgrading the regions' participation in EU decisionmaking and EU law implementation. The government must take the State-Regions' Conference's advice in formulating its position (it can, however, proceed if the conference does not give its opinion within thirty days), and the conference now has the possibility to ask for a scrutiny reserve, just like the Parliament (a thirty-day time limit applies here, too). Regions also acquired the right/duty to directly implement EU directives. However, should they fail to act past the deadline, the state can step in. This still seems to be needed as about a third of the EU law infractions are caused by problems in the regions.<sup>34</sup>

### Negotiating Strategies and Alliances

#### How Italy Attempts to Maximize Its Voice in EU Policymaking

According to Andrew Moravcsik, European high politics are determined by the convergence of domestic policy preferences in the largest member states: the UK, Germany, and France.<sup>35</sup> Italy is therefore excluded from the group of the leading countries that count. Nevertheless, there have been important cases of high politics in which Italy has played a crucial part. Two good examples are the Single European Act (1985) and the Treaty of Maastricht (1991–1992). But the case of the 2003 IGC shows that although the Italian presidency had technically prepared the IGC very thoroughly, the lack of German and French support eventually caused the negotiations to fail.<sup>36</sup>

In theory Italy is on the same footing as the UK, France, and Germany with regard to voting in the Council, inasmuch as they are all “big” countries, but the reality is different. A country's ability to pool its votes with those of other countries obviously enhances its ability to enforce its positions; in a multilateral environment, it is important to act in conjunction with others and work within a framework of alliances. Ultimately, a country's ability to move on the complex multilateral chessboard depends on the professional skills of the players. Negotiating methods used in the Council are akin to those of traditional multilateral diplomacy, despite the innovative nature of the EU initiative. A multilayered and lengthy process makes decisions difficult to reach and often requires procedural ploys such as

“very selected meetings,” “confessionals,” and “package deals.” It has also become customary to debate the most controversial issues on the agenda at lunchtime, possibly in the presence solely of the ministers, when the more controversial issues can be turned from technical to political, and giving an expert chair the chance to win larger support than in an open debate. However, when ministers are nonspecialists or do not speak English well, the risk is, as has often been the case with the Italians, that they may find themselves endorsing decisions they cannot subsequently deliver.<sup>37</sup>

A member state is successful in European negotiations if it has properly defined goals and credible players and if it uses them to formulate and pursue consistent strategies. Properly defining one's goals demands efficient underlying coordination. For many years until the CIACE was established, Italy's weakness was a lack of interdepartmental coordination. In its absence, Italy's negotiating positions were often defined by its permanent representatives on the eve of the Council meetings. Italian diplomats have experienced this situation as both a source of frustration and as an opportunity. While the absence of properly defined national positions enabled Italy's representatives to enjoy a broader negotiating spectrum, in the long run this situation has undermined the nation's credibility in the EU arena. A credible player is one who, regardless of rank, role, or position, is well known around the negotiating table for his or her authoritative standing at home or in the institution he or she represents at the community level. In some cases these individuals manage to stave off difficulties thanks to their personal credibility. In other cases, the lack of continuity in the representatives sent to Brussels by different departments can cause serious damage. This situation has frustrated Italian diplomats, an elite corps within the Italian civil service, but it has also provided an opportunity for them to play a greater role in EU negotiations than their European colleagues do.

Unfortunately this parochial standpoint typifies the Italian political classes at all levels and allows them to avoid addressing European issues. By *parochialism*, I mean Italian politicians' tendency to give priority to local over national issues and, even more detrimentally, over European and international issues. Italy's ministers and undersecretaries tend to delegate their attendance at Council meetings to their underlings to a far greater extent than do their European counterparts. The result of this practice is that the person attending ministerial-level meetings is often the permanent representative, which means that Italy has a far weaker negotiating capacity, as mentioned in the case of the reduction of Italian MEPs.

Two additional factors need to be considered: the degree of flexibility in negotiations and a country's propensity to use its veto power. While the Council has hitherto worked behind closed doors, and individual member states' positions are never (officially) disclosed, it is also the case that the member states' flexibility in negotiations varies. Italy's representatives, for



example, usually enjoy a higher degree of flexibility than do Danish and Swedish representatives, who often have no option but to go along with the positions approved by their parliaments.<sup>38</sup> Italy's representatives on the Council now have the theoretical option of resorting to the parliamentary scrutiny tactic. Nevertheless, parliamentary scrutiny is not something the Italian Parliament fully appreciates; as far as I know, it has only been used once.

The other factor is a country's use of its veto power. While qualified majority voting is the official method of reaching decisions in the Council, in practice there is still a desire to reach a consensus whenever possible. Formal votes are mostly taken only when a member state or a minority group of states, not enough to constitute a minority bloc, insists on vetoing a proposal. The member states that tend to use their veto power include the UK, the Scandinavian countries, Germany, France, and, since the recent enlargement, Poland. Italy, on the other hand, tends not to. Even when some parties were calling for it during the Treaty of Lisbon negotiations, Italy did not use its veto. Breaking with tradition, Renzi de facto used his veto power with regard to the Commission's nominations in July 2014. He finally obtained Mogherini's nomination as EUHR but in exchange gained a bully reputation that is likely to hurt him in future negotiations.

Finally, there is the "cross-table bargaining" technique, which requires member states to be in control of the situation at every negotiating table (in other words, they need a strong degree of domestic coordination) and invest heavily in bilateral diplomatic relations. Former prime and foreign minister Andreotti, for instance, was well known for forging ties with the "small" and "medium-sized" countries, so that by the time the Council meeting was held, he could rely on those countries to vote with Italy. Yet the lack of coordination at the national level has made it difficult to employ cross-table bargaining strategies. There is also an ethical aspect that needs to be highlighted, which has carried some weight in the past. This is Italy's desire to emphasize the difference between the EU and other international organizations, such as the United Nations. In these other forums, which are solely in the Foreign Ministry's hands, Italy often succeeds with cross-table bargaining.

Italy does not appear to be part of any stable alliance. Although the six larger member states (the UK, Germany, France, Italy, Poland, and Spain) have regular consultations, they cannot be considered to have a stable alliance. Jan Beyers and Guido Dierick studied the negotiating patterns of a representative sample of working groups within the Council, showing the importance of two particular variables in the choice of allies by the member states' representatives.<sup>39</sup> The first variable is a player's credibility: the round of informal negotiations varies according to the players' nationality and the perception of their credibility. Southern countries, with the partial exception of Spain, are defined as "peripheral" and are less sought after as allies. Countries deemed to be the most desirable as allies are the ones holding the

rotating presidency and the "major" countries, except Italy. If a country is seeking allies in Southern Europe, it will most likely prefer Spain's representatives over Italy's. The authors argue that the reason for this lies in the "lack of consistency" in Italian policymaking: Italy's representatives are not perceived as reliable, and neither are they considered to be strategic allies. It also appears that sociogeographic homogeneity is more highly valued by the Northern European member states than by the southern states. According to the authors, the representatives of the northern countries (Germany, Denmark, Benelux, the UK, and Ireland) tend to communicate mainly among themselves rather than with representatives of the southern countries. The southern countries' representatives also interact mainly with each other, but their interaction (unlike that of the Scandinavian countries) tends not to constitute a full-fledged network. There is no stable cooperation among the countries of Southern Europe, despite the fact of the closeness of their interests and their substantial convergence on several issues.

During the "First Republic," Italy was part of a stable framework of alliances under Christian Democratic (DC) leadership, comprising the Benelux countries and Germany. Yet Italy has slowly lost its allies beginning in the mid-1990s. The disappearance of the old political parties revolutionized that framework, leaving Italy frequently excluded from the core group of countries that carry weight and exert influence; a lack of stable alliances has proven to be extremely costly. The first Berlusconi government (1994–1995) was a spectacular example of the consequences of losing allies. That government, which comprised not only Berlusconi's party, Forza Italia, but also the Northern League and the postfascist National Alliance, found itself up against a wall of obstructionist resistance from its European partners. When his European counterparts met their respective European political families before the European Council (and on other occasions), Berlusconi was totally isolated. It is no coincidence that Berlusconi's first priority, once out of government (1996–2001), was to get Forza Italia into the European People's Party (EPP), thus pegging his party to a framework of stable European alliances.

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The first thing that Renzi did was firmly anchor his Democratic Party into the European Socialist Party (PES) in February 2014, of which he became the major stakeholder after gaining 41 percent of the votes in the European Parliament elections in May 2014. He then decided to almost immediately cash in his credit by forcing his PES colleagues to support Mogherini's candidacy as EUHR. Incidentally, Mogherini was the person who closed the deal between the PES and the Italian Democratic Party.

Last but not least, while other countries put the promotion of their national interests before political loyalties, in Italy the reverse is often the



case. Domestic divisions make it more difficult to appoint Italians to strategic posts. In addition, traditionally Italians tend to prefer “status” posts over “authoritative” positions: “armchair politics” has been one of the axioms of the Italian diplomatic tradition and political culture. When the opportunity arises to appoint Italians to fill international posts of responsibility, Italy’s governments often choose undistinguished candidates from their own parties over qualified, rather than possibly winning, candidates from the other side of the political divide. Or they put up a fight at the domestic level. A case in point is related to the position of the EUHR, seemingly an Italian obsession. Former prime minister D’Alema twice tried to self-candidate, in 2009 and 2014. In 2009, despite being supported by the Berlusconi government for the sake of pure domestic politics, he met the opposition of the Eastern European countries because of his past as a Communist Party leader (supposedly he speaks better Russian than English), as well as US (and Israeli) reservations about his views on the Middle East and Russia. His very own European political family, the socialists, finally turned him down. In 2014 again D’Alema tried to float his name, notwithstanding that Italy had already named Mogherini as a candidate to the post. As mentioned, despite that opposition to Mogherini’s candidacy by a number of European partners,<sup>40</sup> the candidacy was finally imposed by Italy, not without taking prisoners. In particular, in having Mogherini appointed to the post, Renzi discarded the possibility of having Letta named at the rather more influential post of EU president. Fearing a potential threat to his political leadership in Italy, Renzi abruptly ousted Letta from the government in February 2014. Relations between the two remain rocky.<sup>41</sup>

In other European countries we see the opposite approach: when it comes to international appointments, governments search for their best national candidate, regardless of political affiliation. Two examples of this have been the appointments of Javier Solana (a socialist) to the post of “Mr. CFSP” (Common Foreign and Security Policy) by a government headed at the time by José María Aznar (a member of the People’s Party) and the appointment of Pascal Lamy (a socialist) by the French president Jacques Chirac (a conservative), as director general of the World Trade Organization. This practice of Italian politicians—namely, their failure to consider the national interest and promote that interest at the European level—is part of an approach to politics that hampers Italy’s participation in the EU decisionmaking process.

## Conclusions

Without doubt, since the early 2000s a process of Europeanization has been characterizing the main Italian institutions: Parliament, government, and the regions. Yet this was not enough to change the mind-set of Italian policymakers. Italy’s image as an unreliable country is proving hard to bury. There are both historical and more recent grounds for this. On a continent where history

weighs heavily, Italy is still the country that changed sides in both world wars. This historical perception is further strengthened in the suspicious eyes of European partners when they see Italy’s wavering positions, for example, in the matter of alliances. Many other Europeans have networks of alliances that remain stable over time, with homogeneous geographic and socioeconomic interests. But for twenty years Italy has played the game of shifting alliances. Furthermore, Italy seems to be wavering today between its past as an honest European broker and giving way to temptations of power, with the result that its conduct is increasingly perceived as unpredictable.

Our last task is therefore to try to understand why the changes have been incomplete and what prospects lie ahead. Until the mid-1990s, Italy’s difficulties were largely attributable to its unstable governments, lack of government cohesion, inability to implement a learning process, and political culture.<sup>42</sup> Italy’s greater political stability between 1996 and 2011 has made it possible for the country to embark on a series of reforms encompassing the executive and the legislature, as well as the regional governments, and these changes have enabled the country to make major strides forward. There remained, however, a lack of government cohesion and a problematic political culture. Taken together, they prevented Italy from achieving the prominent position that it might otherwise occupy in European relations.

Since 2011, Italy has returned to political instability, with three different non-elected governments seizing power in a row, with a high level of infighting among the different government coalitions’ parties. Without a widespread external perception of stability, there cannot be any beneficial fallout from the political and administrative system, particularly with regard to the complex management of European affairs. In a climate of political instability, in fact, bureaucracy becomes the most important variable. In Italy, civil servants do not fail to remind us that politicians come and go, while they stay. This enhances resistance to change, explaining for example why the creation of the CIACE did not trigger a series of reforms within the various ministries and why, once CIACE’s founding director left, it ceased to function.

One of Renzi’s main goals is a comprehensive reform of public administration.<sup>43</sup> Others before him had tried and failed. As Gozi bluntly told the Parliament,<sup>44</sup> there still is an urgent need to change the administrative culture in Italy. If this change does not happen, change and positive action will continue to be limited to the will and leadership capacity of single actors. This way Italy will never be a relevant actor at the EU level and will continue implementing what others decide in Brussels.

## Notes

1. Ferraris (1996), pp. 341–342.
2. Ferraris (1996), pp. 243–245.
3. *Il Sole 24 Ore*, May 17, 1994.
4. *Il Sole 24 Ore*, July 17, 1994 and July 31, 1994.



5. *European Voice*, July 3, 2003.
6. In an early speech in front of the Italian Parliament (May 18, 2006), Prodi affirmed: "We are convinced that the Italian national interest and the European interest are one and the same. We are convinced that Italy will count—even in relations with its greatest ally—only if it counts in Europe. We will work to put Italy back among the leaders of a new Europe" (see <http://www.camera.it>).
7. See <http://www.6aprile.it/featured/2011/11/04/berlusconi-in-italia-non-ce-la-crisi-i-ristornati-sono-pieni-video.html>.
8. See <http://temi.repubblica.it/limes/con-monti-italia-ricoquista-la-credibilita-interazionale/32317>.
9. See <http://scenarieconomici.it/il-bilancio-del-governo-monti-valutazione-finale-il-peggiore-governo-della-2-repubblica-valutazione-analitica-delle-performance-dellitalia-rispetto-alla-ue-di-tutti-i-governi-2/>.
10. See <http://www.affarinternazionali.it/articolo.asp?ID=2844>.
11. See <http://www.europeanvoice.com/article/federica-mogherini-italys-scape-goat/>.
12. See <http://www.matteorenzi.it/idee/>.
13. See <http://www.lastampa.it/2014/08/10/italia/politica/renzi-non-prendo-ordini-dalleuropa-xXMsNyAHuHmkum45MFDXJ/pagina.html>.
14. See <http://www.europaquotidiano.it/2014/10/22/renzi-4/>.
15. See <http://www.reuters.com/article/2014/11/27/us-eu-budgets-exclusive-idUSKCN0JB11520141127>.
16. Ruling 170 of June 8, 1984, where the Constitutional Court finally declared that national judges have to apply EC norms whenever they conflict with national legislation.
17. Law 183 (1987).
18. Law 86 (1989).
19. Law 209 (1998).
20. Community Laws are omnibus laws that shall be passed annually to implement EU directives.
21. Law 25 (1999).
22. Law 422 (2000).
23. Law 11 (2005).
24. "Norme generali sulla partecipazione dell'Italia alla formazione europea e all'attuazione della normativa e delle politiche dell'Unione europea," L. 234/2012, in G.U. no. 3, 4 (January 2013).
25. Article 37, Law 234 (2012).
26. In a hearing of the Undersecretary of State for European Affairs Sandro Gozi in front of Italian Parliament, April 29, 2014.
27. Law 154 (2014) in GUCE (*Official Journal of the European Union*, Italian) no. 251, October 28, 2014.
28. The Single Market Scoreboard: Italy 2013–2014. Available at <http://ec.europa.eu/single-market-scoreboard>.
29. See <http://www.theguardian.com/world/2014/dec/02/eu-court-fines-italy-illegal-waste>.
30. See [http://www.repubblica.it/ambiente/2014/12/02/news/rifiuti\\_corte\\_di\\_giustizia\\_ue\\_condanna\\_italia\\_sanzione\\_di\\_40\\_milioni-101920712/](http://www.repubblica.it/ambiente/2014/12/02/news/rifiuti_corte_di_giustizia_ue_condanna_italia_sanzione_di_40_milioni-101920712/).
31. Laws 400 (1988), 300 (1999), 59 (1997).
32. Bindi (2011), pp. 182–190.
33. "Nuclei di valutazione."
34. Hearing at the EU Affairs Committee in the Italian Parliament, October 1, 2014.
35. Moravcsik (1991), pp. 41–84.

36. The EU governments began an IGC on October 4, 2003, to revise the draft constitutional treaty that had been adopted by the European Convention on July 10. During the IGC session of December 12–13, 2003, however, the EU heads of state and government failed to agree on the Council voting system. On June 17–18, 2004, the European Council finally brought the IGC to a conclusion.

37. Blondel and Thiebault (1991).

38. Spence, David: *Negotiations, coalitions and the resolution of interstate conflict* pp. 256–267 in Westlake & Galloway, D., ed., 2004 (338=9. edition)

39. Beyers and Dierick (1998).

40. See <http://www.dw.de/eu-summit-fails-to-reach-agreement-on-top-jobs/a-17791114>.

41. See [http://www.huffingtonpost.com/federiga-bindi/knock-on-wood-matteo-renzi\\_b\\_4783224.html](http://www.huffingtonpost.com/federiga-bindi/knock-on-wood-matteo-renzi_b_4783224.html).

42. Bindi and Cisci, (2005).

43. See [http://www.washingtonpost.com/opinions/is-italy-finally-ready-for-radical-reform/2014/02/17/807842fc-95ac-11e3-afce-3e7e922ef31e\\_story.html](http://www.washingtonpost.com/opinions/is-italy-finally-ready-for-radical-reform/2014/02/17/807842fc-95ac-11e3-afce-3e7e922ef31e_story.html).

44. Hearing of the EU Committee of the Italian Parliament, October 1, 2014.