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Guest Editorial

Italy's Foreign Policy: A New Agenda for Europe and its Global Challenges

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'Happy surprise'. This is how an American newspaper some weeks ago chose to comment on Italy's return to the international scene. Indeed, there is a widespread agreement that Italy has actively pursued a more visible and clear cut foreign policy in the past year and a half.

Of course, Italy has always had a foreign policy in the past. But its recurrent political instability, the all too frequent turnover of governments and ministers, and a widespread cultural and political provincialism meant that there was often a tendency to make do with the small margins for manoeuvre allowed by the bipolar balance, without pursuing a proper foreign policy strategy.

Today, this is no longer the case. This is in the first place because the end of the bipolar equilibrium and of the positions of relative advantage it afforded calls on each nation to take on new, first-hand responsibilities. In addition, Italy's current government, and the political majority backing it, have chosen to place Italy and its future squarely within the world's changing overall trends and dynamics.

Integration in all of its facets – be they political, cultural, social, economic, ethnic or religious – is the unavoidable context within which each country must place itself in order to safeguard and further its own legitimate interests, while at the same time contributing to building an international order which will be 'new' only inasmuch as it is more just and democratic.

This holds all the more true for Italy, first because of its place in Europe, the region where integration is most advanced in all areas. Secondly, because factors such as our country's geographic position, economic characteristics and structural backwardness in some areas urge us to shy away from a nationalistic and protectionist outlook and position Italy's foreign policy well within the framework of globalization.

Globalization ties each country's interdependent and integrated future to that of the entire planet. If the Hong Kong Stock Market crashes, there is a spillover effect throughout the world. A nuclear

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power reactor in Ukraine can place the lives of men and women of the entire European continent at risk. Criminal organizations act transnationally and require a worldwide coordinated effort to counteract them. Continent-wide strategies are needed to deal with problem areas such as immigration, unemployment and social marginalization.

But our own, everyday life is also affected by globalization. Our television sets are Dutch, our watches Taiwanese, and our cars are assembled in Poland by Korean companies. Our children, wherever they may be, watch the same Japanese or South American cartoons. The growing speed of communications makes out-sourcing easier while creating new mechanisms of interdependence. Foreign policy is both a conveyor and a driving force behind this process.

There is, however, greater public interest when foreign policy issues are directly connected to domestic matters, such as the debate on the single currency and its impact on the reform of the welfare state. The interest is also there when issues affecting our country's prestige are at stake, as for example when it comes to UN Security Council reform, or when issues like the Algerian crisis carry a particularly intense emotional content. Today we need to make the definitive 'cultural logical leap' and finally come to consider international issues as a normal, and not an abnormal, aspect of our daily existence.

There is the need to overturn once and for all the belief that foreign policy is a luxury, a costly overhead from which we can draw in times of wealth and which we can cut during times of crisis. There needs to be an effort on everyone's part – politicians, diplomats, the military, experts on international affairs, as well as by the media – to ensure that foreign policy is clearly perceived not as a cost but as an investment which can contribute to the country's growth and generate employment and economic development.

We therefore need to invest in foreign policy. Italy today is doing this by taking on first-hand responsibilities, as in Albania first by leading the Multinational Protection Force which launched Operation Alba and today by setting up a reconstruction programme for Albania's institutions and economic infrastructure.

Italy is the fifth or sixth largest industrialized country in the world, a five-time member of the UN Security Council, and a member of the G7. It is a primary actor in the three pan-European security systems, NATO, the WEU and the OSCE, and a founding member of the European Union. The responsibilities which go with this position therefore require an adequate overall strategy.

Italy's level of 'internationalization' has also grown considerably in the past few years. Our banks, our financial and industrial system, our

businesses and universities and our newspapers are active in an increasingly international 'network'. Italy's interests as a 'country-system' span the entire globe.

There are, furthermore, single issues which cut across political lines: safeguarding our environment, fighting international crime, managing population growth, implementing equal opportunities across gender lines, the rise of cultural and religious movements. All of these urge a foreign policy which is no longer dictated simply by a country's geo-political position.

We therefore need to maintain a bilateral approach which takes into account the increase in the number of states recognized by the UN from 165 to 185 since 1989, and a multilateral mechanism which is of increasingly central importance, due to the growing trends of inter-dependence, integration and globalization. Italy's foreign policy is set in this context, and moves within two all-encompassing scenarios. The first is dictated by its geopolitical position, and the second is the wider framework of globalization.

Looking at a map of Europe, one sees how Italy is placed at the crossroads of three European dimensions: the European Union, Central Europe and the Mediterranean.

The shape the new European Union will take is the greatest challenge we will face in the coming months. The enlargement of the Union, which is a priority on the political agenda of all European countries, represents a radical shift in the way in which we conceive of Europe.

An immediate and fundamental question, which remains as yet unanswered, has to do with the geographic definition of Europe itself: where do its borders ultimately lie? The answer we can give today is that it extends from Portugal to Poland, from the Baltics to Turkey. But we cannot rule out these borders extending tomorrow to include countries which see their future as lying in Europe. For instance, we should not underestimate the significance of a recent declaration by Russian Prime Minister Victor Chernomyrdin, in which he states that in the future Moscow may consider the possibility of applying for European Union membership.

It is certainly true that the Union is built around essentially homogeneous cultural, social, political and economic entities. But it is likewise true that it has within it the means to absorb external entities and to ensure that differences do not become obstacles towards further integration. In fact, Europe will increasingly become the space, the place and the dimension of our daily lives and of our future. For this reason, the road to European integration, though a difficult one, is irreversible

and cannot be abandoned. No European nation would be safer or more prosperous today if it were to withdraw into economic protectionism and political isolationism. On the contrary, it is precisely the progressive integration of every aspect of the life of Europe's societies which creates new opportunities for economic growth and development.

This is all the more true in Italy, a country which has for many years been characterized by a more acute political instability, higher inflation, a higher public debt and a greater inefficiency of its public sector than many of its neighbours. It is thanks to Italy's strengthened position at the heart of European integration, developed in the past months also through an assertive foreign policy, that there are those abroad who state that they 'should follow the Italian example'. Italy's entry into the Schengen system, which abolishes border controls and allows the free circulation of people, and even more importantly the efforts undertaken to guarantee that our country will be among the founders of Europe's single currency, are tangible demonstrations of the current government's determined pro-European stand implemented through policies (and this in itself is extraordinarily significant) which are consistently backed by a vast majority of the Italian public.

Italy's commitment to enlarging the European Union is consistent with this overall policy. The Union must certainly expand. But this requires us to rethink its institutional set up. Italy is committed to creating a sustainable institutional framework which meets the needs of both current and future members without conflicting with the enlargement process, and has worked to this end in carrying out the Maastricht Treaty and in finding solutions to the issues left unanswered in the new Treaty of Amsterdam. Can a European Commission whose numbers increase indefinitely maintain its current degree of effectiveness? Can we continue to require unanimous decisions on so many subjects? Can an enlarged Union continue to use the current weighting of votes among Member States? These are the issues we have raised with our partners, and on which the debate remains open.

But there is another crucial aspect to the enlargement of the European Union. It must be carried out in a way which avoids the marginalization or exclusion of any single candidate country or, worse still, creates dividing lines or potential conflicts between 'ins' and 'outs'. Our strategy gives utmost priority to stabilizing the countries of Central and South-Eastern Europe and preventing new walls ever coming to divide Europe again.

The accession of Central and South-Eastern Europe into the Union represents first of all a strategic choice with symbolic value, more so even than a choice for security and economic growth. I say this not

only because I have heard it repeatedly from the political leaders in those countries – in Warsaw and Bucharest as well as in Lublijana – but also because I have sensed how rooted this feeling is among the general population. For everyone there, a stable and irreversible link to the West and to a prosperous and free Europe, denied for almost fifty years, has a tremendously strong psychological impact. For this reason, Italy supports an enlargement strategy based on a 'global approach' which brings into the fold all twelve candidate countries, including Turkey.

My own view in leading up to the European Council in Luxembourg, at which the decision on how to launch the enlargement process was taken, was that a simultaneous start of negotiations with all candidate countries would have been the clearest solution. All the more so because this would not automatically imply simultaneous entry into the Union; the timing of entry would be regulated in any event by the outcome of the negotiations themselves. In the event it proved impossible to reach an agreement along these lines between the Union's members. However, in Luxembourg the Commission's proposal to launch the negotiations with a first group of six countries was clearly set within a wider, global strategy.

Italy therefore welcomed the decision taken by the Union's Member States at the European Council in Luxembourg, to convene a Standing Conference – now set for 12 March 1998 in London – which adopts this 'global approach' and reaches out to all twelve countries which have applied for membership. It will be structured with periodic meetings at the levels of Heads of State and of government and of ministers. The Conference will precede both the formal launch of the enlargement process with the eleven eligible candidate countries – a process which will issue regular reports on the progress of their convergence towards meeting the criteria for Union membership – as well as the bilateral negotiations with the six countries singled out by the Commission. Both the formal enlargement process and the negotiations are due to begin at the end of March.

The Standing Conference should not, however, become a purely formalistic affair, and should instead become a stable framework in which issues in the second and third pillars of the Maastricht Treaty (common foreign and security policy, and justice and home affairs) are discussed. The Partnership Accords on accession, which will be signed in the near future, will provide further incentives to support and accelerate the convergence policies being implemented in these countries. Specific pre-integration initiatives, such as the participation in particular Community programmes, should form part of this overall strategy.

This same inclusive approach should be used in developing an overall security and stability strategy and in approaching the enlargement of NATO. Europe's security continues to hinge on the Alliance and on the continued presence of US military bases on the continent. This is why Italy forcefully asked and obtained that the signature of the Paris Act, which has brought in Russia as a partner in strengthening the continent's stability, be signed before officially launching NATO enlargement. For this same reason, Italy strongly supports that the first phase of enlargement, launched with the inclusion of Poland, the Czech Republic and Hungary, be completed with the accession of Slovenia and Romania. By this means, we will set up a gradual process which keeps the doors of the Alliance open to other countries as well.

Looking towards Central–Eastern Europe on a bilateral level, my extensive contacts with political leaders throughout the region have enabled me to ascertain the strong demand for strengthened cooperation with Italy coming from those countries. This 'demand for Italy' ranges from a pressing request for Italy's political sponsorship of these countries within the multilateral fora of which it is a founding member, to requests to set up tighter cooperation mechanisms in the military field and in fighting international crime. There is also a constant call for extended investment and trade, complemented by a widespread interest in strengthening cultural ties.

Italy intends to continue and expand its attempts to answer this variety of requests. We have established an ongoing and regular political dialogue with all of the countries of the region aimed at backing their objective of becoming full participants in the Euro–Atlantic institutions. As part of this policy of 'reinforced cooperation' aimed at rendering the region more cohesive and no longer prone to potential conflicts, Italy has also relaunched the Central European Initiative. We have signed a Trilateral Agreement with Slovenia and Hungary, a strategic partnership with Romania, and a four-way accord on economic cooperation with Albania, Macedonia and Bulgaria. Our bilateral ties on all levels have therefore strengthened throughout the region. With some countries, as for example Croatia, Italy has now become the first trade partner. Treaties of friendship and cooperation, closer coordination among foreign ministries, agreements on the protection and promotion of investment and on the elimination of double taxation have been signed. Italy has also built up a wide network in the field of military cooperation through common military drills and planning and through the creation of a Trilateral Brigade with Budapest and Lublijana, which should become operational during 1998. A number of significant steps have also been taken in the field of immigration policy, which rest on

agreements for the return of illegal immigrants to their original countries and on the simplification of the rules which regulate legal immigration flows. Accords have also been reached which aim to enhance cooperation in the fields of justice, transport and telecommunications and, finally but no less important, furthering already strong cultural exchanges.

This range of agreements is closely linked to our efforts in consolidating peace in Bosnia through a constant presence in the Contact Group, through the commitment of Italian ground troops in the IFOR/SFOR mission, and by means of bilateral cooperation programmes in which Italy is among Bosnia's primary partners. We have maintained an open dialogue and presence in Sarajevo, Zagreb and Belgrade, and we have worked to promote a dialogue between government and opposition in Serbia aimed at achieving a democratic stability in the Republic of Yugoslavia while entailing a balanced solution to the Albanian population issue in Kosovo.

Italy's commitment to stability in the Balkans has been furthered in Albania. Mission Alba, carried out under Italian leadership together with a number of other European countries to which we are grateful, has enabled Albania to embark on a progressive path toward political and economic normalization. Our commitment in Albania continues. Following the success of Mission Alba, a ministerial conference and a donor conference have launched Phase II of assistance to Albania, aimed at the reconstruction of Albania's state structures and of its economy.

Italy's new 'Ostpolitik' – as our country's policy initiatives in Central and Eastern Europe have been dubbed by the press – is projected beyond our immediate neighbours towards Russia, Ukraine and Moldova, the Caucasus, and reaches into Central Asia.

Italy's relations with Moscow are consolidated through permanent political cooperation, as shown by Foreign Minister Dini's personal commitment in preparing the Paris Founding Act and NATO enlargement. This cooperation has been extended to other members of Italy's government, and to the economic, commercial and cultural spheres as well. Economic relations with nations in the Caucasus and Central Asia are equally intense, as is testified by a number of agreements signed during the visits of President Shevardnaze of Georgia and President Alyev of Azerbaijan in Rome, and those of President Scalfaro and Prime Minister Prodi in Uzbekistan and Kazakhstan. All of these initiatives provide us with important assets in terms of credibility, and opportunities on which we need to capitalize and which we need to use to establish further common ground for cooperation.

All pan-European infrastructural corridors are a concrete example of how to further this cooperation. These axes will revolutionize communications across Europe. Italy has been in the forefront in setting the groundwork for corridor 5 – which will link Lisbon to Kiev through Milan–Trieste–Lublijana–Budapest; and corridor 8 – which will start from Brindisi, cross the Balkans through Durres–Tirana–Skopje and Varna, continue across the Black Sea through Turkey and the Caucasus, and reach into Central Asia.

The area around the Caspian Sea, the Caucasus and Kazakhstan is regaining the strategic significance it had lost in the recent past. The region's immense natural and energy resources are dramatically reshaping the republics of Central Asia. The 'Great Game' involving the nineteenth-century's imperial powers is being played out once again. Only this time it is over oil and gas, and the ability to transfer these enormous reserves out of a region ever surrounded by the highly unstable territories of Afghanistan, Cechnya, Iran and Iraq.

The corridors are therefore more than a road and rail connection route. They include technologically advanced oil and gas pipelines. In other words, they represent growth axes which can unify the continent while providing a new level of economic integration.

These corridors are clearly of fundamental importance for Italy. Friuli–Venezia–Giulia can become the 'gateway' to a region undergoing dynamic growth. Trieste will no longer be a *finis terrae* but will become a natural outlet for Central Europe. The same will hold true for Brindisi and Puglia with respect to the Balkans. There is strong potential for cross-border cooperation among countries bordering on the Adriatic in the spheres of telecommunications, transport, tourism, pollution control, and the fight against organized crime and drug smuggling.

Looking southward, Italy is likewise projecting itself into the highly volatile area of the Mediterranean. This region's dramatic difficulties include the difficult dynamics of the Middle East peace process, the spread of Islamic fundamentalism, the population and immigration explosion, the risks inherent in managing large oil reserves. All of these directly affect Europe and its future, and especially Italy and other countries directly bordering the region.

For these reasons Italy has strongly backed a consolidation of the Euro–Mediterranean dialogue begun in Barcelona. Political partnership is a crucial factor in furthering democratic growth and institutional stability in countries on the borders of the Mediterranean. Building an economically stable free trade area in the Mediterranean by 2010 is the surest way to control and manage inevitable immigration flows. Italy

has worked in this direction during the Euro–Mediterranean Conference in Malta last April and we are continuing our efforts on the political, economic and socio-cultural dossiers set up by Barcelona. Italy has launched a number of initiatives in areas such as the activation of a common prevention mechanism for natural disasters, the creation of a Mediterranean-wide audiovisual network, common strategies on the use of water as a resource, and an integrated strategy for the transfer of technology. We have proposed a package of confidence building measures among the Mediterranean countries which will be applied in the next few months. Italy has also suggested that a mid-term review conference be held in Italy in 1998 in order to stimulate and adequately prepare for the Third Euro–Mediterranean conference, which will be held in Germany in 1999.

Italy also feels the urgent need to act in order to overcome the serious stalemate in the Middle East peace process and reach a solution based on the principle of land for peace which recognizes the legitimate desires of all those involved. The European Union can play a more active role in the process, not only through the search for a political understanding, but also by carrying out regional cooperation projects aimed at better directing the use of water, liberalizing trade, and modernizing infrastructures. All of these projects can help to strengthen the interdependence and common growth of countries in the region.

These policies can also prove useful in approaching crisis areas such as Libya and Algeria. Events there in the past weeks urge us, alongside our European partners, to back a real dialogue between the government and the political and parliamentary opposition, a dialogue based on an unequivocal rejection of any and all violent methods and finalized towards a fully democratic outcome and a shared, more effective, and firmer fight against terrorism.

But if Italy is to provide itself with an adequate foreign policy, it cannot limit itself to the regions immediately adjacent.

Our country's foreign policy is determined by its geopolitical position but is also necessarily formulated in the context of a increasingly interdependent world. Globalization opens up both opportunities and responsibilities well beyond our doorstep. In the United States, Latin America and Asia, Italian businesses have huge market opportunities in the technological and financial services sectors. In Africa, dramatic social conflicts require that wealthier nations such as Italy take on not only political responsibilities, but also moral duties.

Italy also has two other assets which can serve a crucial function in developing a truly global foreign policy: Italians living abroad, who

amount to 60 million Italian speakers throughout the world, and Italy's unique cultural and artistic legacy for the history of Western civilization.

Italy's global strategy is also consistent with its proposals for reform of the UN and of its Security Council, whose aim is to create a greater measure of internal democracy, more equitable criteria for representation, and increased efficiency. These proposals have been opposed by some, but have also been welcomed by the majority of the planet's countries.

Indeed, foreign policy in general is increasingly directed towards single issues which cut across borders and populations. It is no coincidence that the UN has convened frequent world conferences on issues such as the environment, demographic shifts, women's issues, poverty and urban development.

A foreign policy with these objectives and this scope clearly requires Italy to provide itself with the means to implement it. Simply declaring a policy as official and effective does not imply that it can then be automatically carried out. Italy's foreign policy is no exception. It requires financial resources above the 21 per cent of GDP currently allocated, and private resources to match public funds. The extension of Italian diplomacy into new, more technical fields, requires a different quality of human resources. There is the need for a 'systemic approach' which ties in the government's platform and choices with the needs of businesses and the cultural sector, and develops a military structure which faces increasing demands for peace-keeping and democratic stabilization in countries such as Bosnia and Albania. Italy needs to back its economic projections by reorganizing and better utilizing corollary institutions such as the chambers of commerce, the Institute for International Commerce as well as, more generally, the presence of Italy's banking sector internationally. Italy's Foreign Ministry is working on an overhaul of its development aid activities in terms of new objectives and new tools to implement them, and Italian institutes of culture are being strengthened, with an accent on language learning. All of these initiatives need to be accompanied by an appropriate, incentivizing legal and regulatory framework.

In other words, being part of the G7 or of the Contact Group, or negotiating an adequate role in the UN Security Council, requires that greater attention be paid to and increased resources be allocated to foreign policy. In a recent trip in Kirgystan, that country's Minister of Finance provided me with a pamphlet on the international financial help which the country received. The entries for assistance provided by the international financial institutions included specific budget lines

relating to contributions by Germany and Japan. Although I do not believe this is the only way to create space for oneself on the international scene, it is certainly true that diplomatic formulations are insufficient on their own to guarantee a recognition of the role a country plays internationally.

Once again, I wish to recall the example of Italy's mission in Albania, a case which is exemplary and which continues to receive widespread recognition from our partners. This leadership was achieved thanks to our soldiers sent over to avoid the country's descent into chaos, and thanks to the money we are investing in its reconstruction.

In conclusion, foreign policy is increasingly strategic for the life of each country, with a spillover effect in what are often distant fields. It is striking, in fact, how the intense debate in Italy over unemployment and the job market tends to ignore the fact that in the next few years more jobs will be created externally through foreign policy than through internal investments. The job market and foreign policy are indeed concepts which we are used to keeping distinct and separate. They are in truth ever more interconnected, and allow us to measure the extent to which the challenges and opportunities inherent in globalization and interdependence exist for individual countries.

It is high time for 'foreign policy' to become a full-fledged and centrally strategic issue in Italy as it is elsewhere. It is not a question of flexing one's muscles or searching for a 'place in the sun'. There is nothing worse than fencing oneself into a narrow and dangerous nationalistic outlook. The true challenge, and not only for Italy, is to pursue a foreign policy which connects its legitimate national interests with its full participation in a new multilateral, international and increasingly integrated world context.

In order to do this, Italy and Italians need to rid themselves of the recurring and commonplace idea that foreign policy does not concern them. It is time to remove this lack of interest and acquire full awareness of Italy's current position and its potential, a 'self-awareness' which is indeed an essential precondition for furthering any policy. The history of great nations has seen economic and social success. But it has also witnessed tragedy and disgraceful chapters. However, it is precisely this 'self-awareness' which has enabled great nations to avoid becoming prisoners of their past. And Italy, which has less to be ashamed of than other countries, has the assets and the capacity to exercise its own clearly distinctive role in a new world scenario at the turn of the century.