



Republic of Italy

Italian foreign policy

During his term as Prime Minister of Italy (from 1996–1998), and President of the European Union (EU) Commission (from September 1999–November 2004), Romano Prodi concentrated his efforts on EU enlargement, and on the final stages of negotiations for the new European constitution. However, when Italy took over presidency of the EU Council in the second half of 2003, it chaired the Africa working group of the EU Council in the 7 meetings held, produced 29 official statements and held seven political dialogue meetings with regional and sub-regional organisations in Africa.¹

Italy's Africa policy

Italy's previous colonial administration of Eritrea and Somalia and its brief military occupation of Ethiopia have contributed substantially towards its Africa policy. Since World War II, Italian governments and politicians have considered the Horn of Africa a natural priority in their foreign policy regarding sub-Saharan Africa. Because the Horn is a frontier between the Arab world and sub-Saharan Africa, a substantial share of Italian co-operation has been, and continues to be, focused towards the countries of that region. In Somalia, for example, the Italian government is developing initiatives aimed at bringing the international community and the newly constituted Somali institutions together, and promoting the desirability of inclusiveness, transparency and functioning democratic institutions in government.

There is also a geographical reason for Italy's interest in the Horn of Africa. Italy has long concentrated its attention and development assistance on politically strategic regions. The need to safeguard the security and stability of the Mediterranean and

¹ www.esteri.it

Balkan regions and the will to control immigration from neighbouring countries have both helped to determine the country's African aid policy. Development aid has traditionally been concentrated on a few countries: 'the closer to Italy, the more "worthy" of aid allocation'.² This was apparent in 2003, when both Tunisia and Algeria featured among the top 10 recipients of Italian ODA.³ Some of Italy's aid is provided through bilateral arrangements, but other assistance is given through the EU's Euro-Mediterranean Partnership agreement and the European Neighbourhood Partnership (and their Association Agreements).

Security issues

Much of Italy's interaction with the Horn of Africa is channelled through the Intergovernmental Authority on Development (IGAD), regional organisation which aims to foster economic development and security co-operation among countries of the Horn. In its capacity as chairman of the IGAD Partner Forum on the Somalian Peace Process, the Italian government supported the IGAD diplomatic initiative that began in 2002. The objective was to mediate a peaceful solution to the civil conflict in Somalia, and to restore a single government to the country. Together with Norway, the US and the UK, Italy took part as an observer in the peace negotiations sponsored by IGAD. It is now one of the international guarantors of the implementation of the Comprehensive Peace Agreement (CPA) signed in January 2005 by the Sudanese government and the Sudan People's Liberation Movement (SPLM) in Khartoum.⁴

Italy played an important role in the reconstruction of Sudan after its civil war ended, committing €60 million to development programmes over the period 2005–2007. Moreover, Italy contributed 220 soldiers to the United Nations Mission in Sudan (UNMIS, which monitored the implementation of the peace agreement in Khartoum. Italy's financial contribution to the African Union's (AU) Mission in Sudan (AMIS) was split between bilateral assistance and the EU's Peace Facility.

² 'Development and Foreign Policies in Italy, France, Denmark and Sweden: Implications for the EU'. Europe in the World. Chapter 5. (48).

² www.esteri.it

³ www.oecd.org/dac

⁴ Pallotti, A. 'Italy's foreign policy in the Horn of Africa and the challenge of the Darfur crisis'. Department of Politics, Institutions, History. University of Bologna.

The Italian government backed the diplomatic mediation between Ethiopia and Eritrea undertaken by the Organisation of African Unity (OAU), and later contributed a military contingent to the United Nations Mission for Ethiopia and Eritrea (UNMEE). Italy has supported the United Nations missions in the Democratic Republic of the Congo (MONUC) and in Burundi (ONUB).

Italy's role as a member of the G8

The G8 Action Plan, 'Expanding Global Capability for Peace and Support Organisations', was discussed at length at the G8 Summit held in Sea Island in June 2004. The G8 members supported the Italian initiative to establish an international training facility in Vicenza, Italy, that would serve as a Centre of Excellence for Stability Police Units (CoESPU). The Centre will build on the experience and expertise of the Carabinieri, Gendarmerie and other similar forces. Over the next five years, CoESPU has committed itself to a 'train-the-trainer' programme, in which 3 000 commissioned and non-commissioned officers will be briefed, and return to their own countries to instruct at least 4 500 additional personnel. According to this model, this will be done before the end of 2010.⁵ Italy has agreed to make the logistical structures of the Centre available. The introductory course for policemen was offered to 30 officers, at staff and lower ranking levels, from seven countries. Three of these (Cameroon, Senegal and Kenya) were from Sub-Saharan Africa.⁶

Italian development assistance to Africa

Since taking office in June 2001, the centre-right coalition government of Silvio Berlusconi has yet to alter the formal policy framework for development co-operation of the administration that it preceded. In 2001 Berlusconi declared that Italy would commit 0.39% of its national wealth to aid assistance by 2006, and 0.51% of its gross national income (GNI) as Official Development Assistance (ODA) by 2010. Italy further aims to meet the target set by the UN of contributing 0.7% of its GNI by 2015. In 2002 and 2003 Berlusconi called for significant increases in aid as a consequence of external debt reduction, an approach favoured by Italy

⁵ Arma dei Carabinieri. www.carabinieri.it/internet/Coespu

⁶ www.esteri.it

The lack of clear direction in Italy's foreign policy arena has created some uncertainty. Berlusconi's vision for renewing Italy's role on the global stage involves boosting bilateral co-operation so that it becomes a tool for promoting better political and economic relationships with developing countries. This would involve a new focus for Italian aid which would be based on a policy and institutional framework that does not at present exist. The changes in leadership have created discontinuity in Italian foreign policy strategy. The new foreign agenda will be set only after Italy's next general election, which is due to take place in April 2006.

Despite Berlusconi's expressed intentions, total Italian ODA has been steadily shrinking since the beginning of the 1990s. Italy's aid declined in real terms between 2003–2004. Today Italy is a minor donor of development aid,⁷ and seems to be falling below its agreed commitment at the Barcelona Process of donating 0.33% of its ODA/GNI to poor countries by 2006.⁸

Italy allocates over 75% of its aid or approximately 0.2% of GNI on assistance to Less Developed Countries (LDCs)⁹. In 2003 the DRC was the major recipient of Italy's gross ODA (\$235 million). A large proportion of Italy's development assistance (72.8% of total aid in 2001) goes through multilateral donor funds. This can be compared with an average of 31.36% for other Organisation for Economic Co-operation and Development (OECD) countries.

Italian trade and investment in Africa

Italy's main international trading partners are Germany, France, the Netherlands, Spain and the UK. However, the Italian Ministry of Foreign Affairs claims that Italy is Africa's sixth-largest trade partner.¹⁰ According to the International Trade Centre, in 2003 Tunisia was the African country to import the largest amount of Italian goods,

⁷ *Europe: A true Global Partner for Development*. CIDSE Shadow report on European Progress towards Millennium Development Goal 8. Final version. May 2005.

⁸ Speech at the ACP-EU Joint Parliamentary Assembly in Bamako, Mali, on 18 April 2005.

⁹ *Europe: A true Global Partner for Development*. CIDSE Shadow report on European Progress towards Millennium Development Goal 8. Final version. May 2005:11.

¹⁰ www.esteri.it

followed closely by South Africa and Algeria.¹¹ That year Tunisia was also the African state to export the highest volume of goods to Italy, ranking higher than European countries such as Denmark, Ireland and Finland. Libya and Italy also have close trade relations. The latter is Italy's main supplier of oil (accounting for 25% of that country's oil needs), while Italy is Libya's main trading partner.¹²

Since the mid-1980s Italian businesses have shown little desire to invest in sub-Saharan Africa, for reasons related to far distances, as well as the restrictive investment climate. Africa's Action Plans, which were approved by the G8 in June 2002, and positive development under Nepad, have improved the attractiveness of Sub-Saharan states and offer new opportunities for Italian businesses and investors.

South Africa

South Africa and Italy have good diplomatic relations, which began in 1929.

In May 2005 President Mbeki visited his Italian counterpart, President Carlo Azeglio, and met the prime minister, Silvio Berlusconi. Issues discussed during this period included the consolidation of political and economic bilateral relations; European support for the African agenda; peacekeeping and conflict management in Africa; and the forthcoming G8 Summit.¹³

Trade and investment

Italy has been one of South Africa's top 10 trading partners for the past decade. In 1994, Italy ranked ninth among South Africa's ten most important trading partners (with total trade representing \$4,749.60). This changed to eighth position in 2003 (with a total trade of \$15,371)¹⁴. Italy is the world's largest producer of gold jewellery, and consumes a great deal of coal. Thus South Africa's main exports to Italy are gold and coal, but others include laminated iron and steel, machines, non-

¹¹ International Trade Centre, UNCTAD/WTO. <http://www.intracen.org/menus/countries.htm>

¹² Cataldi, B. 'Analysis: Italy woos Libya'. BBC Monitoring. BBC News. 10 September 2004.

¹³ www.dfa.gov.za

¹⁴ Sidiropoulos, E. 2004. 'South Africa's Foreign Policy 1994-2004: Apartheid Past, Renaissance Future'. The South African Institute of International Affairs.

electrical appliances, hides and skins, fruit, granite and wool. South Africa's imports from Italy consist mainly of machine tools, office and other electronic equipment, industrial machinery and telecommunications equipment.¹⁵

Italian investment in South Africa has increased significantly since 1998. Italian companies committed R668 million to South Africa in 1998 alone. However, 2001 was the start of a global economic downturn. As a result foreign direct investment decreased substantially. According to the latest statistics available from the Italian Central Institute of Statistics, investments from Italy to South Africa amounted to €5,2 million (R44 million) in 2003 and €38.5 million (R302 million) in 2004.

Italian companies that have invested in South Africa include FIAT Auto, Parmalat, Capstone-Papini (Textile Machinery) and *Confezioni L'Uomo* (Menswear). In 1998 *Aeroporti di Roma* (ADR) purchased a 20% stake in the Airports Company of South Africa (ACSA), with an investment value of R819 million. Although, ADR originally indicated that it intended to take up a further share of 10%, the company recently (September 2005) sold its 20% stake to the Public Investment Co-operation (PIC) for R1.7 billion.

South African companies have also invested in Italy. SASOL, for example, has five production plants in Italy producing olefins, surfactants and solvents. It also has a Research and Development facility in Milan. This company is a major player on the European and world chemicals market. SAB Miller bought a 60% stake in the main Italian beer brewery, Peroni, for €246 million in 2003, with the option of increasing its shareholding to 97.8% over a period of five years.

¹⁵ www.dfa.gov.za