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A Backup Partnership: The Significance of Franco-Italian Relations for the EU and NATO

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Ideological disputes, different approaches to the migration-management crisis, and rivalry in the Mediterranean have hampered the development of Franco-Italian relations in recent years. France's preferred partnership with Germany will remain the basis of its European policy. Good relations between new Italian Prime Minister Mario Draghi and President Emmanuel Macron create the ground for Franco-Italian rapprochement, especially in view of Germany's lower activity in the EU before the elections to the Bundestag. Conflicting economic and geopolitical interests, though, may be an obstacle to Franco-Italian cooperation.

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A Time of Disputes

Franco-Italian relations have been marked by disputes and rivalry in recent years. The feeling of unequal partnership has been building up in Italy since the economic crisis of 2008-2012 when Italy—one of the most indebted members of the EU—came under heightened scrutiny in exchange for European Central Bank (ECB) support for the Italian banking system. Italian politicians accused France of a lack of solidarity and of supporting German austerity policy (via the Stability and Growth Pact) in exchange for political benefits.

Although Franco-Italian economic exchange—which amounted to €81 billion in 2019—plays a key role in the EU where both countries are among the most important trading partners for each other and the value of mutual investments is €110 billion, specialisation in similar industries encourages French and Italian companies to compete. France and Italy also have had different approaches to the role of foreign capital in their economies, which has resulted in the greater presence of French capital in Italy than Italian capital in France. A sense of unequal partnership has been rising in Italy, particularly since the French government's recent blocking of the merger between the Italian shipbuilding group Fincantieri and the French Chantiers de l'Atlantique. France's response has usually been to cite its trade deficit with Italy—€7 billion in 2019.

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Conflicting economic interests between France and Italy also influence different strategic decisions in the Mediterranean area. This has made it difficult to achieve, among others, the basic goal of the Union for the Mediterranean, launched in 2008 as a regional stabilisation project. Libya became another area of the Franco-Italian dispute after an international coalition led by NATO contributed to the overthrow of Muammar Gaddafi in 2011. Although Italy did not oppose the operation at the time, Gaddafi's ouster and the subsequent civil war led to the weakening of traditionally strong Italian ties with Libya and increased migration towards the EU, especially Italy.

Libya plays an important role in the energy policies of France and Italy: French companies Total and GdF Suez compete with Italian ENI for access to oil and gas fields. Thanks to the purchase of a mining concession from the Libyan company Waha in 2018 by Total, French oil production in Libya may undo Italy's dominance in this sector in the coming years. The economic disputes exacerbated the political situation in Libya, with France and Italy supporting opposing sides in the civil war. France, along with Egypt, Russia, and the UAE, back the rebel troops of Gen. Khalifa Haftar against the UN-recognised Government of National Accord (GNA).

The recent Franco-Italian disputes surfaced in 2018 when, after the parliamentary election, the Italian political scene came to be dominated by the far-right La Lega (the League), led by Matteo Salvini, and the populist Five Star Movement (M5S). At that time, the new M5S foreign minister, Luigi di Maio, provoked France by saying it was still colonising Africa and pushing migration to Europe. Di Maio's statement was his reaction to Macron's criticism of the new Italian government's migration policy, notably its refusal to allow ships carrying migrants and refugees to enter Italian ports. Italy has been a transit country for migrants wishing to reach, among other places, France, which has led to tensions between the two countries.

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The disputes culminated in February 2019 with France called back its ambassador in Rome for consultations after Di Maio met with and offered support for representatives of the French "Yellow Vests" movement. The dispute between Macron on the one hand, and Salvini and Di Maio on the other was also related to the election campaign to the European Parliament at that time.

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Breakthrough

The conditions for an improvement in Franco-Italian relations appeared after the EP elections, and especially after the parliamentary crisis in Italy in summer 2019. As a result, [the second Conte government was formed](#), with the centre-left Democratic Party (PD) and M5S becoming the dominant forces. After the League left the coalition, M5S quieted its criticism of France, although Di Maio remained foreign minister. The change of tone was evidenced by the decision of the Italian parliament in July 2020 to send a military contingent [to Mali](#) as part of the *Takuba* task force, a French initiative aimed at equalising burden-sharing among EU partners in this region.

Talk about the conclusion of the bilateral treaty also made their return. Such a treaty would facilitate the settlement of disputes and the coordination of activities in the EU and in its southern neighbourhood. The agreement reminiscent of the [Franco-German Aachen Treaty](#) could strengthen the position of France and Italy in relation to Germany, a preoccupation which has become [especially important after Brexit](#).

Meanwhile, the COVID-19 pandemic created a new context for Franco-Italian relations. During the [very tough first wave in Italy](#), there were fears that Eurosceptic sentiment could strengthen there, especially in view of the bans imposed by some countries on the export of medical materials to Italy.

Despite the pandemic, Macron not only did not abandon France's aspirations to reform the EU, announced in his speech at the Sorbonne in 2017, but he saw the epidemiological threat as an opportunity to accelerate it. Already in March 2020, a letter by some EU leaders, including France and Italy, was published that called for the introduction of the "common debt mechanism" that Italy had proposed during the 2008-2012 financial crisis. [France's ability to breakdown resistance by Germany and the "frugal" group of countries](#) finally created some common goals in Franco-Italian relations: deepening integration in its social and fiscal dimensions and loosening EU budget rules.

Common Plans and National Ambitions

Macron's support for the EU recovery plan financed by a common debt mechanism is due to the increase in public debt in France (around 115% of GDP in 2020) and Italy (157%) during the pandemic. Italy's insolvency would pose a threat to the eurozone, while spending to fight the pandemic in France thwarted the debt-reduction plans implemented by the end of 2019. Macron abandoned his rhetoric of fiscal responsibility in favour of [calling for more pro-investment and interventionist EU policy](#).

In Italy, a crisis in the government that in January 2021 led to the fall of the Conte government and left Italy with the prospect of new elections raised fears in France as to whether Italy—through a sudden increase in spending—would not jeopardise the common debt push. It turned out, however, that the Italian political class supported Draghi, the former head of the ECB, who [formed a government with the participation of almost all parliamentary parties](#). The French authorities welcomed the creation of the Draghi government with optimism.

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The prospect of the autumn 2021 Bundestag elections and the [uncertainty about the directions of German foreign policy under a new coalition](#) have encouraged Macron to look for European policy partners ahead of the French presidency of the EU Council in 2022. In a signal to Italy, France indicated readiness to reform EU criteria for budgetary discipline, including a departure from the deficit limit of 3% of GDP. In Italy, Macron's declarations that the common debt mechanism should remain permanent were

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also warmly welcomed. In return, the French authorities expect Italy's support [for its geopolitical concept of Europe as a global power](#).

Draghi supports closer European integration, especially in the economic and fiscal dimensions, but also has strong pro-Atlantic convictions. The presence of U.S. troops in Italy and the Mediterranean is a guarantee of stability for Italy. Hence, the scepticism of the Italian authorities towards the French concept of European strategic autonomy, which assumes to an extent that the EU would become [a geopolitical player independent of the U.S. and NATO](#).

Aware of these differences, the leaders of both countries are first trying to bring about an agreement of interests on the Mediterranean and North Africa. During a meeting in Rome in March 2021, the French and Italian foreign ministers jointly supported the appointment of a new Libyan government—a symbolic end to the competition for influence in that country.

The attitude of both countries towards Turkey, [with which France has had tense relations for many months](#), may turn out to be equally important. In view of the dispute over energy resources in the Eastern Mediterranean, Italy has so far tried to remain neutral, believing that the agreements with Turkey and the pro-Turkish government of Libya to stop migration and to keep ENI's oil and gas fields in Tripolitania are the higher priority. The Draghi government may opt for more confrontation with Turkey, visible in April 2021 when the Italian prime minister called Turkish President Recep Tayyip Erdoğan a “dictator”. Draghi's description was noted with satisfaction in France, but in Italy there were voices that the government should not jeopardise the €18 billion in trade with Turkey.

EU relations with China are problematic for the Franco-Italian relationship. Negotiations on the [new investment agreement \(CAI\)](#), held in December 2020 under pressure from the German Council presidency, coincided with the peak of the political crisis in Italy. The Italian authorities felt offended that Macron participated in a virtual meeting of the EU authorities with Chinese President Xi Jinping. Italy also expressed reservations that the CAI had been concluded despite clear warnings from then President-elect Joe Biden's advisors. There was a conviction that [France had once again—and for political gain—agreed to solutions that would benefit Germany](#).

It is easier for France and Italy to find agreement when it comes to [policy towards Russia](#). Both countries see danger in Russia's actions in the EU (particularly assassinations, propaganda, and interference in elections) but believe that the Union cannot afford to isolate that country. Despite vigorous trade and numerous investments in Central and Eastern Europe, France and Italy have so far treated the region as secondary. They attach more importance to the development of economic exchange, especially investments involving Russia, which have suffered as a result of sanctions. Italy—more than France—is interested in cooperation with the Western Balkans and supports the integration of the countries of the region.

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Conclusions and Recommendations

Although the importance of Italian-French cooperation in the EU may increase, it will not replace the Franco-German tandem given the former's narrow scope of common interests. The Franco-Italian partnership has so far contributed to the evolution of EU economic policy towards greater interventionism. There are fears that the proposals to loosen EU budgetary rigour, combined with the liberalisation of the rules on granting state aid, will lead to a race of protectionism. From the point of view of Poland and Italy (characterised by high regional stratification), a more favourable solution would be to continue supporting cohesion policy.

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France and Italy's focus on the EU's southern neighbourhood, an area where their interests conflict, prevents them from presenting a coherent vision of European foreign policy. It also has failed to stabilise the region. Italy's actions there are subordinated to economic interests. France, convinced of the necessity of its presence in Africa and the Middle East (e.g., Lebanon) to ensure stability, intervenes more willingly in conflicts and does not hesitate to use its armed forces, over the objections of Italy. Despite Macron and Draghi's willingness to cooperate, Franco-Italian disputes may heat up because the conflicts of interest between these countries will not disappear.

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Greater activity in the Mediterranean area by EU countries that do not directly border it, including Poland, could facilitate the shaping of more stable Union-wide policy in this area. It is in Italy's interest as a weaker partner in relation to France to encourage the countries of the eastern part of the EU to increase their involvement in the South, for example, through cooperation in the Three Seas Initiative (TSI), the Bucharest Nine, or the Visegrad Group.

Greater involvement of France and Italy in Central and Eastern Europe also would be desirable. Engaging companies from these countries in investments in TSI projects or the Eastern Partnership is one way to achieve this goal. Italy's ties with the Western Balkans are an opportunity for Poland to propose joint initiatives, such as development cooperation. France and Italy's aim to maintain good relations with the Biden administration, and Italy's attachment to NATO, could encourage these countries to become more involved militarily on the Alliance's Eastern Flank. This could ease the tendency in France and Russia to perceive Russia as a key partner in Eastern Europe, which is unfavourable for Poland and not justified by the realities of the economic exchange.