EXECUTIVE SUMMARY

Italy has been one of the leading advocates in the EU of dialogue and cooperation with both Russia and China, and its longstanding political tradition of 'trying to sit in the middle' sometimes faces other EU states' criticism. This paper seeks to explore the dynamics between Italy and Russia, and Italy and China, through an examination of political, security, economic and cultural ties. It also attempts to understand the degree to which Rome's policy positions are shaped by external influences or internal choices.

While it is inherently difficult to demonstrate influence, this paper stresses Italy's agency in driving the relationships forwards, though it is clear that interference attempts and the economic connections that exist between the three powers play a role in influencing Italian planning. Even if Russia's invasion of Ukraine in February 2022 is heavily impacting the relationship between Rome and Moscow, how this will play out in the longer term is hard to predict.

INTRODUCTION

Italy has been one of the leading advocates in the EU of dialogue and cooperation with Russia, to the point that it has been accused of being Russia's trojan horse in Europe. Rome has faced similar accusations about China, especially after it became the first G7 and major EU power to sign a Memorandum of Understanding (MoU) with China on the Belt and Road Initiative (BRI) in 2019. Yet, these perceptions miss the underlying dynamics in Italy's choices, which draw on a long history of trying to sit in the middle – a consistent practice no matter which of the many political parties have taken power in Rome. From Beijing's and Moscow's perspectives, these internal dynamics are par for the course for Rome, where governmental instability has been the norm since the end of the Second World War.

Italy has consistently sought to hedge between its close transatlantic ties and its longstanding connections with Moscow and Beijing. Both see Italy as a useful power to support them, given its prominent role in the G7 and as a central member of NATO and the EU. As President Xi Jinping wrote on the eve of his 2019 visit to Italy, 'China hopes to strengthen coordination with Italy in international affairs and multilateral organisations'. President Vladimir Putin took this further, often expressing the view that Italy could act as a bridge for Russia and even calling for Italy to 'play its role in normalising Russia-EU relations', shortly before launching a full-scale invasion of Ukraine.

1. Maurizio Carbone, ‘Russia’s Trojan Horse in Europe? Italy and the War in Georgia’, *Italian Politics* (Vol. 24, No. 1, 2009).
on 24 February 2022. Although this paper was initially drafted before the invasion, it has tried to incorporate what has been seen in Rome’s approach under Prime Minister Mario Draghi towards Russia in the wake of the war in Ukraine (though is unable to speculate about what might come next). During Draghi’s brief reign, Italy had for the most part consolidated its transatlantic and European bonds in Russia policy. While Rome harshly condemned the invasion, Italy’s subsequent push to support NATO, US and European positions backing Ukraine have highlighted the importance of transatlantic relations to Rome and have undermined the narrative that Italy is in Russia’s thrall. Of course, it remains to be seen how Italy (like other powers) approaches the war and Russia in the longer term.

This paper seeks to explore the dynamics between Italy and Russia, and Italy and China. It does this through an examination of political, security, economic and cultural ties to understand the degree to which Rome’s policy positions are shaped by external influence or internal choices. It is inherently difficult to demonstrate influence, but from what is observable this paper concludes that Italy is driving the relationship forwards. Nevertheless, it is clear that the economic connections that exist between the three powers play a role in influencing Italian planning and there have been efforts by both Moscow and Beijing to influence Rome’s thinking.

The paper first outlines the historical background to Italy’s deep bilateral ties with both Russia and China. It then explores Rome’s complex and multifaceted relationship with Beijing and Moscow in the political, economic, military and cultural spheres, focusing on developments since 2010. The research draws on secondary literature and is informed by the authors’ longstanding engagement with officials and experts in Italy, China and Russia.

INFLUENCE AND INTERFERENCE

It is difficult to define and demonstrate influence, which in its attempt to advance national interests can be malign, benign or a complex mix. For example, the causal links between a business transaction and a subsequent government decision can only be proven if a specific trail of evidence has been left, especially as countries wish to maintain good relations with significant trading partners and will take actions to preserve those ties. While a correlation may be clear, it is hard to prove causality or demonstrate the existence of a deliberate ‘influence’ operation (unless, for example, some formal engagement between governments was also involved). Furthermore, the motivations of different actors and the relationships between them are difficult to assess objectively in the absence of detailed inside information. However, it is clearer when influence becomes interference, which includes meddling in governance processes, actively bribing or recruiting officials, or conducting espionage operations against them. This paper examines

suggestions that Italian strategic thinking is being influenced by Russia and China, and highlights evidence of specific interference episodes.

A LONG HISTORY OF ENGAGEMENT

Beijing and Moscow have frequently cited Italy as a significant middle power with which they have deep historical links. Both governments regularly invoke their links to Italy’s rich history, from the deep cultural ties forged during the various stages of Russian imperial history, to Marco Polo or Matteo Ricci’s travels across Eurasia or contacts between the Chinese Han dynasty and Ancient Rome. The history of cultural cooperation is also cited as a key factor shaping relations by both countries’ leadership.4

China and Russia were part of the Communist sphere during the Cold War, while Italy, despite its membership in NATO and role as a close US ally, retained a strong Communist party which sought to preserve relations with Moscow and Beijing during the second half of the 20th century.5 While these links were fraught with tension, Italian financiers and investors saw China and Russia as economic opportunities to be explored throughout the post-Second World War period.6 This history has provided the foundations for contemporary Italian relations as many of the firms, and some of the individuals, involved in developing ties during the Cold War have continued to play a role in relations between the countries.7

Russia has historically seen Italy as one of the friendliest countries in Western Europe.8 As Russian Foreign Minister Sergey Lavrov stated in 2020, ‘relations with Italy have always been based on continuity, mutual respect and regard for the sides’ interests’.9 Indeed, Italy was the first destination

9. Russian Ministry of Foreign Affairs, ‘Comment by the Information and Press Department on Foreign Minister Sergey Lavrov’s Talks with Minister of Foreign Affairs of Italy’, 30 May 2022.
(outside the former Soviet states) of newly-elected Putin in 2000. Putin has continued to visit regularly, even after the EU imposed sanctions on Russia for its annexation of Crimea in 2014. Contacts with Draghi did not stop in the wake of the 2022 invasion – in a call on 30 March, the two leaders discussed the progress of peace negotiations and energy issues. However, Russia's invasion of Ukraine has strained relations with Italy, with Rome vocally condemning the invasion, openly supporting Ukraine, and forced to look for alternative energy sources to reduce its dependence on Russia.

In 1978, China and Italy signed an intergovernmental agreement on science and technology, which laid the foundation for repeated engagements between the two countries – this was the general pattern of their bilateral engagements until the signing of the BRI MoU in 2019. In 2004, as Premier Wen Jiabao made his maiden foreign tour to Europe, he stopped in Germany, Italy, the UK, Ireland and Belgium. He signed ‘Strategic Comprehensive Partnership’ agreements in the UK, Germany and Italy, elevating relations between China and these powers to new heights. Distinguishing Italy’s agreement from the others was the creation of a high-level intergovernmental committee to help with implementation, ‘the first time for China to set up such a high-level coordination body with a foreign government’. While this was intended to show the special nature of China–Italy relations, China regularly engages in this kind of rhetoric when undertaking bilateral engagements, seeking to highlight the ‘special’ nature of the particular interlocutor. At the same time, Italy’s embrace of the narrative highlights Rome’s desire to show it has positive relations with China.

ITALY AS A MIDDLE-POWER BRIDGE

Russia and China have maintained relationships with Italy which seek to take advantage of its consistent desire to reap the international prestige


and favourable business deals that come from acting as a bridge between the two countries and the West. This balance with Russia may have changed in the wake of the current war in Ukraine, which may lead to a reassessment of Italy’s ties with Russian companies and institutions for some time.

According to a senior Italian MP from the Democratic Party (PD) speaking before recent events, ‘Italy’s view on Russia does not change according to the political colour of the government in charge; what changes is the narrative’. Over the last decade, Italy has had seven governments, all of which have tried to act as a bridge to Russia, putting forward an image of ‘mediators’ – a common narrative in Italian foreign policy and even more critical in the case of the relationship with Moscow. The latter actively encourages this narrative in its public discourse towards Rome. For instance, the Russian ambassador to Italy declared in a 2018 interview: ‘Russia is counting on the fact that Italy, based on our historical friendly relations, will play that role as a bridge with Europe to overcome current tensions … We expect this mediating role to feature during the [next] European Council’. Relations with China are not dissimilar, with Italy sometimes presenting itself as a possible bridge between China and Europe. While it is not entirely clear that Rome has served this role, it suits Russia and China to be seen to engage with an influential European state, given their hostile relations with other Western countries.

The ‘special relationship’ between Russia and Italy became more evident during the two governments led by Giuseppe Conte, a member of the Five Star Movement (SSM), between 2018 and 2021. The first government was a coalition with Lega, a right-wing party that until the invasion of Ukraine has openly promoted a strong pro-Russian agenda.

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18. Andrey Makarychev and George Spencer Terry, ‘An Estranged “Marriage of Convenience”: Salvini, Putin, and the Intricacies of Italian-Russian Relations’, Contemporary Italian Politics (Vol. 12, No. 1, 2020), pp. 23–42; Beatrix Futâ-
business with Russia are located, and where Lega's powerbase is strongest), as well as an instrumental alignment with Russia's conservative values that was functional to his political use of religion, and – according to allegations under investigation by Italian prosecutors – Russian financial support.

The economic element features strongly in the Lega–5SM alliance government's anti-sanctions lobby. Both parties agreed on a *contratto di governo* (contract of governance, a codification of their agreed points of policy) that, among other things, recognised the crucial role of Russia as ‘an increasingly important economic and trade partner’ and ‘potential partner for NATO and the EU’ and advocated the lifting of EU sanctions. In October, Salvini attended a gathering of the Russo-Italian business community organised by Confindustria (the Italian Industrial Federation); he denounced the ‘madness’ of Western sanctions against Russia and said that he felt ‘at home’ in Moscow, launching a fierce attack on the EU. Salvini knew he could count on broad anti-sanctions support among the Italian business community and continued to criticise sanctions until shortly before the invasion. Despite Russia's obvious support for the goal of eliminating sanctions, the policy circles close to Moscow's officialdom showed some...

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constraint towards Salvini’s blunt declarations, which did not lead to any tangible results.25

China–Italy relations also show a roughly consistent pattern. An example is provided in the decision to sign an MoU on the BRI in 2019 – essentially, an agreement to do things together under the rubric of the BRI.26 Beijing had been keen to sign such a document with a major European country for some time as it provided an endorsement of Xi’s keynote foreign policy vision. In 2017, then Prime Minister Paolo Gentiloni (a centre-left politician who is currently Italy’s representative to the European Commission) attended the Belt and Road Forum in Beijing as the most senior European representative. He described the initiative as ‘perhaps the most important infrastructure modernisation project underway in the world today’.27 He echoed views expressed by President Sergio Mattarella who had visited Beijing in February 2017 when he met with Xi. They discussed cooperation on a new Silk Road and Italy’s ability to help China get into the heart of Europe.28 Xi specifically referred to Italy as a power that could bridge China and the EU.29 The implicit trade-off suggested here was Italian assistance with Chinese efforts in Europe in exchange for trade, prosperity and investment offered under the BRI rubric. Consequently, it was of little surprise that two years later, Italy was at the front of the queue in Europe to sign an MoU for the BRI. Under Draghi, the narrative towards the BRI shifted with greater hesitancy and a push to engage with Western alternatives like the US’s Build Back Better World initiative.

However, the actual signing of the BRI MoU reflects the confusing complexity of Italian politics in regard to China. Signed under a government whose general orientation was to engage with China, the document was pushed through at the behest of a senior minister within the coalition from the traditionally more Sinosceptic Lega, with Salvini’s approval.30 Italian leaders

25. Makarychev and Terry, ‘An Estranged “Marriage of Convenience”’.
have consistently shown similar ambivalence towards China. For example, recently, Gentiloni echoed allies’ concerns about the signing of the BRI MoU, notably the security worries expressed by others and the damage it might do to Italy’s standing in Europe and with the US. This contrasted with his appearance as the most senior Western leader at the first Belt and Road Forum in Beijing, and the ‘road-to-50’ vision for China–Italy relations as they approached their 50th anniversary. When out of government in 2019, former Prime Minister Silvio Berlusconi, who famously tried to sell his beloved Milan football team to Chinese owners and when in power signed the Comprehensive Strategic Partnership agreement between Italy and China, had made fighting China a key plank in his push into Brussels politics. Even the consistently antagonistic Salvini, once out of office, appears to have had an additional about-face on China and engaged prominently with the Embassy.

So far, the critical factor across Rome's relations with both Moscow and Beijing is that the underlying political orientation will largely be towards engagement. However, there are rhetorical oscillations depending on the political context, related both to the Italian leadership's Atlantic orientation and the wider international environment – namely, severed ties with Russia due to the invasion of Ukraine. Italy has sometimes become a useful tool for Russia and China when trying to show cracks in the Western alliance. It can appear to be more cautious towards China than Russia, though this is likely a product of a less direct link to Beijing than to Moscow (for example, Italy is very dependent on Russian gas – something that may now change – and lacks such critical dependencies with China whose geographical distance means it has always been a more remote partner). Furthermore, individual politicians have shown more consistently positive attitudes towards Russia than to China. It remains to be seen how permanent the fissure with Moscow will be in the wake of the Russia–Ukraine war. Italy has not seemed to lead European conversations about China (though has steered a line that matches European and US partners), but it has been robust in its condemnations of

Russia from the very beginning of the invasion, likely a reflection of the more Atlanticist orientation of the just defenestrated Draghi government.

DEFENCE AND SECURITY COOPERATION

Italy, Russia and China share some mutual security and strategic aims in key regions. This applies especially to Russia, which has stepped into an increasingly prominent role in the Middle East and North Africa (MENA) region since its military intervention in the Syrian conflict in 2015. While, for the most part, Italian interests tend to be aligned with those of NATO or the EU, there are divergences in certain areas, particularly North Africa, and Russia’s military and defence diplomacy in the MENA region have made the country an essential regional player. As a result, Russia has gained considerable leverage among Italian diplomats, for whom Russia's diplomacy in the Middle East became ‘if not a model, at least a point of reference, thanks to its ability to have relations with all opposing parties’.

Libya is probably the regional crisis where Italy has the biggest stake, in light of its colonial past, current energy interests and migration concerns. In recognition of Russia's role in the Libyan crisis, Rome has tried to involve Moscow in its diplomatic initiatives, chiefly the Palermo conference in November 2018, despite the countries backing opposing sides. According to a politician from the PD, Rome relied heavily on Moscow to make Libyan General Khalifa Haftar participate in the conference, which legitimised Russia’s role in the eyes of other regional actors, granting a sort of ‘Italian pass’ to Russia.

When it comes to defence, there is unsurprisingly little engagement between Italy and the two countries given Italy's alliances and treaties with the US, the EU and NATO. An arms embargo with China is still in force due to the 1989


36. Lovotti et al., Russia in the Middle East and North Africa.

37. Author interview with a member of the Italian government affiliated with the Democratic Party, Milan, 23 July 2019.


Tiananmen Square massacre, while sanctions and the invasion of Ukraine have further limited defence cooperation with Moscow.

There is a certain level of diplomatic and technical engagement,\textsuperscript{40} but defence diplomacy is not a major feature of the relationships. A significant moment in Italy–Russia defence relations came in 2002 during the Berlusconi government when Italy hosted a NATO–Russia Summit, which was used to re-establish ties between the two adversaries. More recently, Italy–Russia defence relations were dealt a blow when it was revealed that an Italian navy captain was recruited by Russian intelligence and sold classified national and NATO documents, with Foreign Minister Luigi Di Maio speaking of ‘an act of hostility’ and immediately expelling the two Russian officials based at the Embassy linked to the case.\textsuperscript{41} Contrary to other espionage events in which Russia has been caught out, the Kremlin did not immediately reciprocate and instead tried to downplay the event, with Russia’s Ambassador Sergey Razov remarking that ‘we hope that this incident will not negatively affect the overall constructive relations between our countries’\textsuperscript{42}. Eventually, the Kremlin expelled one Italian diplomat roughly a month after Italy expelled two Russian diplomats linked with the spy scandal.\textsuperscript{43}

Major engagements or clashes linked to espionage do not play a similarly big role when it comes to China. High-profile security engagement has come in the form of Chinese police joining their Italian counterparts on patrol in Rome and Milan – ostensibly to provide support for the many Chinese tourists that come to Italy every year.\textsuperscript{44} It may also be to help Italian authorities develop their capabilities to police the growing Chinese communities in places like Prato. Serious organised crime within the wealthy Chinese community in Italy's north has been identified as a problem, with links to state institutions identified in the ‘River of Money’ (\textit{Fiume di denaro}) investigation, which revealed that around €4.5 billion had been siphoned out of the country in tax

\textsuperscript{40} Italian Ministry of Defence, ‘Cooperazione Tecnico Militare tra l’Italia e la Russia’ ['Military Technical Cooperation Between Italy and Russia'], <https://www.difesa.it/SMD_/schede_approfondimento/Pagine/CooperazioneTecnicoMilitare3.aspx>, accessed 29 April 2022.

\textsuperscript{41} Tafuro Ambrosetti, ‘The Latest Spy Scandal Won’t Sour Moscow-Rome Relations, But Italian Public Opinion Is Shifting’.

\textsuperscript{42} Russian Embassy in Italy (@rusembitaly), Twitter post, 2 April 2021, <https://twitter.com/rusembitaly/status/1377998790850981894>, accessed 31 May 2022.


evasion in a system that used the Bank of China’s Florence branch. More recently, police uncovered €200 million being sent from Padova to China, part of a much bigger investigation in which Chinese firms were openly flouting tax laws and using the Bank of China to send money back to China. These scandals were a source of some limited embarrassment to China.

Where defence relations become more significant is in the case of arms and dual-use technology sectors. A report found that Italy and other EU states exported €346 million worth of arms to Russia between 2015 and 2020, despite the restrictions posed by EU sanctions. In 2021, Italy delivered €21.9 million worth of arms and ammunition to Russia. Italy’s defence industry seems willing to find ways of skirting around sanctions. A 2019 investigation accused Italian defence manufacturer Iveco of supplying light multirole vehicles to the Russian Defence Ministry. In March, Italian journalists spotted Russian forces using Iveco vehicles on the Ukrainian frontlines.

Italy has had a science and technology relationship with China since its 1978 agreement. Since then, numerous agreements in this sector have been signed, including on the successful China Seismo-Electromagnetic Satellite, which aims to improve the capability to monitor natural disasters from space. Reflecting the high-level engagement in the project, Xi and Mattarella exchanged congratulatory notes and hoped for greater future cooperation.

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49. Italian Ministry of Defence, ‘Cooperazione Tecnico Militare tra l’Italia e la Russia’.


between Italian and Chinese experts. However, Chinese firms are increasingly targeting Italian defence firms for acquisition. In 2012, Chinese firm SHIG-Weichai purchased 75% of Ferretti, predominantly an Italian luxury yacht maker but also a defence contractor. In October 2020, Conte went to the port of Taranto, where he announced that Ferretti (now 85% owned by SHIG-Weichai) was expanding its presence in the port, which was particularly sensitive given the nearby NATO base. This followed a report by the parliamentary oversight committee of the intelligence and security services, Copasir, which expressed concern about the project.

Italian defence cooperation with China and Russia broadly adheres to the commitments and values of a NATO member. But in the defence industrial space, Italy has been a site for both Chinese and Russian acquisition of high-quality European equipment. While the government has sought to control this flow of technology, it is not clear how firmly this is being implemented, suggesting a relationship that is at least one of tacit acceptance or wilful ignorance in some cases. The recent case of military drone manufacturer Alpi Aviation – which was covertly purchased by a state-linked Chinese consortium – raised questions about oversight. While the deal was eventually reversed, there are concerns that some technology leakage may have taken place. This sort of an aggressive policy by Chinese firms is not surprising and is not necessarily part of an influence campaign, but rather is a reflection of the quality of Italian firms. Whether the sales were missed by oversight institutions on purpose, by accident, or as a result of influence is unknown. It is also the case that this general sort of behaviour and skirting of the rules is not anomalous for European firms, though the Italian case of Alpi Aviation does seem to be a particularly extreme one. It is not clear the degree to which the Russian or Chinese state have sought to exert excessive

leverage through defence ties, recognising the clear benefits of pragmatically maintaining the existing wider relationship.

ECONOMICS

Economic considerations play a large role in shaping Rome’s relations with Moscow and Beijing. Powerful and vocal financial lobbies in Italy actively promote their business interests to the Italian government and drive the trade relationship. Both China and Russia enjoy close economic ties with Italy, with China ranking fourth among Italy’s trade partners in 2021 and Russia occupying the 11th position on the same list.\(^57\) Russia has been one of Italy’s primary sources of energy, with around 40% of gas supplies delivered by Russian firm Gazprom.\(^58\) Although EU sanctions have not yet targeted gas at the time of writing, Italy is already looking to reduce its energy dependence on Moscow.\(^59\) Italy is not as dependent on China, though recent commercial deals suggest a growing penetration by Chinese firms into the Italian economy – in 2019, there were some 51,000 Chinese firms in Italy, of which 10,000 were in Lombardy.\(^60\) Since then, at least seven new investment deals have been inked by Chinese firms in Italy, with a known value of at least €270 million.\(^61\)

Italian trade with both countries is complicated by sanctions and broader issues linked to the West’s turn against Moscow and Beijing. In 2013, before EU sanctions, the total trade exchange between Russia and Italy was €31 billion, while in 2019 (before the coronavirus pandemic) it was down to €22 billion (an increase on €8 billion in 2016).\(^62\) According to Italian figures, total trade with China was around €45 billion in 2020 (€12.9 billion export/€32.1 billion import), which was only slightly up from €44.6 billion in 2019 (export/import balance almost identical).\(^63\) These numbers have been

63. Italian Trade Agency, ‘Interscambio commerciale dell’Italia per paesi: Cina’ ['Trade Exchange of Italy by Country: China'], <https://www.ice.it/it/statistiche/Short_
on an upward trajectory since 2013, with imports from China, in particular, jumping by almost €10 billion during the same period and exports by a more modest €3 billion.\textsuperscript{64} In the overall scheme of Italian trading, imports from China are second only to Germany. While the volumes are substantial in absolute terms, they remain modest compared to Italian trading with European partners such as France or Germany. Italy's dependence on China seems to be growing (particularly in terms of imports), while its trade with Russia may now decline in the wake of the invasion.

However, Chinese investment into Italy is significant. By the end of 2019, there were 405 Chinese or Hong Kong-based direct investment entities in Italy. In monetary terms, the flow from China to Italy increased from €573 million in 2015 to €4.9 billion in 2018 (in terms of Italian investment into China, the numbers dropped considerably from €237.7 million in 2016 to €1.4 million in 2020).\textsuperscript{65} The most significant goods for both export and investment were machines, while textiles and telecommunications products were the most significant imports. The overwhelming volume of these investments and exports are from Italy's wealthy northern regions, with Lombardy, Emilia-Romagna, Veneto, Piemonte and Tuscany accounting for around 80% of the total in 2019.\textsuperscript{66} Lombardy is the biggest site of Chinese investment and entrepreneurs (around 45% of the overall total). That likely reflects Xi's decision as vice-president to meet with the president of the Lombardy region on his 2011 visit to Italy, where he specifically highlighted the desire of Chinese investors to come to the region.\textsuperscript{67} The strategy of targeting Lombardy (one of the wealthiest parts of Europe) is one that has clearly had an effect, with the local chamber of commerce noting the volume of Chinese firms in the region had jumped by 18% between 2014 and 2019.\textsuperscript{68}

**ECONOMIC INFLUENCE?**

When it comes to anti-sanctions lobbying, the most impactful public activities are carried out mainly by Italian business associations such as Confindustria, the Italian–Russian Chamber of Commerce and the Lombardy–Russia Association. Prominent business figures also play a role,
including Bank Intesa’s Russia president, Antonio Fallico, and former president of Confindustria and the Italian oil and gas group ENI, Emma Marcegaglia, who have publicly voiced their opposition to sanctions. Events, such as the ‘Eurasian seminars’ organised by the Roscongress Foundation and the St Petersburg International Economic Forum in collaboration with Bank Intesa, represent other substantial lobbying and networking opportunities for key Russian and Italian economic actors. But, according to a participant in the 2019 edition of the seminar, the event was more ‘a meeting between the Russian ambassador and the Italian business community’, organised ‘by Italians for Italians’. The participant even felt like one of the goals was to stress Fallico’s role as a ‘facilitator’ for Italian companies and a valuable partner for Moscow. The bulk of businesses and organisations lobbying for scrapping sanctions are in the north, especially Lombardy and Veneto, where economic ties with Russia are stronger: of the 434 Italian companies with at least one branch in Russia, 143 of them are in Lombardy, while Veneto comes second with 79 companies. In 2016, the ruling coalition in Veneto approved a resolution aiming to ‘promote the establishment of a committee against sanctions against Russia, for the recognition of Crimea’s self-determination right, and the defence of Venetian products’. As of 22 June 2022, only one Italian company (Assicurazioni Generali) has exited Russia completely due to the invasion; other companies have either temporarily suspended their operations (Ferrari, Prada), are holding off on new investments (Barilla, Bank Intesa) or simply continuing business as usual (Benetton, UniCredit).

There is much greater concern about the threat of China’s economic might in the wider Italian economy. On the one hand, in 2019, Confindustria expressed concerns about the imbalance in trade between China and Italy and the lack of reciprocal access to Chinese markets for Italian firms and products. They have called for greater European cooperation and echoed many of the sentiments visible from other industrial bodies in Europe that...

71. Author interview with an Italian researcher, Milan, 3 August 2021.
72. Zuffetti, ‘Guerra Russia-Ucraina’.
are worried about Chinese companies overwhelming their markets. The traditional core of the Italian economy is small to medium-sized enterprises, precisely the sort of firms that struggle to compete against globalisation and Chinese behemoths. Yet, shortly after Confindustria’s statement, the Italian government signed its MoU on the BRI – a decision which goes against the view of one of its main industrial representatives.

The complaints about Chinese market control and sanctions against Russia emanate most strongly from Italy’s northern industrial heartland. For China and Russia, there is a natural interest in focusing on this part of Italy, as it generates most of the country’s economic activity. The critical question for this paper is the degree to which China and Russia see the economic relations here as a lever, which they can use to influence the overall strategic approach towards their respective countries.

As noted above, powerful business figures have always played a significant role in Italian relations with both China and Russia. ENI’s boss Enrico Mattei was carving out deals for his firm in China and the Soviet Union long before the normalisation of relations. Cesare Romiti, the principal shareholder of Fiat, was part of the firm’s push into China in the 1970s, establishing a China–Italy Institute to help develop relations. Fiat-Chrysler has invested over €3.5 billion into China and has enjoyed an uptick in Chinese sales in recent years. Pirelli’s CEO, Marco Tronchetti Provera, allowed 45.5% of the firm to be bought by the Chinese state-owned firm ChemChina and BRI-specific state investment vehicle the Silk Road Fund. Tronchetti Provera is also a key player in the relaunch of the Italian–Russian Business Committee for Economic Cooperation, a joint Italian–Russian Ministry of Foreign Affairs initiative that he has been chairing since 2020 together with Dmitry Konov, chairman of the management board of SIBUR Holding.

This class of business leaders is likely a source of influence and connectivity between Italy, China and Russia and helps shape the political view towards Beijing and Moscow. Tronchetti Provera, for example, has supported projects focused on the Italy–China relationship and features regularly in the press discussing ties with China. When commenting on Draghi’s government and how it might change the Italy–China relationship, he focused on the fact that it seemed to encourage a greater European balance between the relationships with Beijing and Washington and praised the return to multilateralism.

Rome’s proclivity towards engagement with both Beijing and Moscow is actively favoured by Italy’s powerful northern business elite. Yet, this support may stem from their assessments of business interests rather than active external influence campaigns or covert activity. For example, Tronchetti Provera’s sale of Pirelli to Chinese firms caused concerns in Italy at the time. However, it was something that was driven by economic opportunity, with him talking about having sought Japanese or Korean investors as well, but ultimately settling on terms he dictated with Chinese firms.

CULTURE AND THE MEDIA

Italy has long been a significant attraction to Chinese tourists (generating considerable revenue for the country), though their interest is often more focused on shopping than culture. Russian tourists have also long favoured Italy’s resorts but the combination of sanctions and the closure of the EU airspace to Russian airlines and private jets has caused an abrupt decrease in tourist numbers. Moreover, while there are state-sponsored Russian and Chinese cultural institutes in Italy, it is not clear that they have any broader goal than their stated one of helping with culture and language and what soft power might flow from that.

85. There is considerable debate about China’s Confucius Institutes, with many concerned that they may be advancing other goals and impacting discourse.
Russia’s more significant soft power tools are narratives focused on anti-American and anti-globalisation sentiment; and separately, conservative and religious values. Anti-Americanism is a powerful narrative used by Russia to influence people from both far-right and far-left backgrounds. In Italy, as with other major European powers, anti-American attitudes are widespread and connected to both the US government’s unpopular actions (such as the invasion of Iraq) and deeply rooted country-specific anti-American traditions in some groups such as Italy’s radical left. Over 17% of Italians surveyed in March/April 2022 blamed NATO for the conflict in Ukraine. Russia’s conservative narratives, on the other hand, attract far-right conservative parties across Europe. Despite its anti-liberal and anti-EU narratives, or perhaps in virtue of them, Russia frames itself as part of the European community, a vital member of a ‘true Europe’ based on a common Christian identity. There may have also been concrete actions in support of conservative groups in Italy. In spring 2019, Italian journalists reported that the World Congress of Families in Verona received financial support from the oligarch Konstantin Malofeev, one of the richest men in Russia, who was also involved in the reports about Russian money going to the Lega. The Congress brought together Russian Orthodox nationalists, American evangelical conservatives and Italian ultra-Catholics with Lega’s political support to advance an anti-abortion, anti-divorce and anti-gay agenda.

In the media space, both China and Russia have sought influence. Russia has appeared to attempt disinformation campaigns, for example, during the 2019 European Parliament elections, though there is limited evidence regarding the scope or impact of the operation. After the invasion of Ukraine, the EU Council suspended RT and Sputnik’s broadcasting in the around China on university campuses. However, it is not clear how universal this is, and whether such alleged behaviour is a centrally dictated command. See Pratik Jakhar, ‘Confucius Institutes: The Growth of China’s Controversial Cultural Branch,’ BBC News, 7 September 2019.


EU.\textsuperscript{90} Sputnik, unlike RT, used to offer dedicated programming in Italian, but its audience was limited – in February 2021, its YouTube page, now taken down, had less than 50,000 followers (three times less than Sputnik Turkey, for example). However, the Italian media landscape remains vulnerable to Russian disinformation. In May 2022, Copasir launched an investigation into Russian commentators who have appeared on Italian TV programmes and are suspected of being on Putin’s payroll.\textsuperscript{91} Chinese state broadcasters have a long history of establishing content-sharing relationships with their Italian counterparts – for example, between Ansa (Italy’s largest news agency) and Xinhua (the Chinese state media organ).\textsuperscript{92} Still, it is unclear how effective they are in influencing the Italian public.\textsuperscript{93}

Both China and Russia used the pandemic as an opportunity to promote their narratives, and Italy was a target.\textsuperscript{94} Sputnik V, the only Covid-19 vaccine with its own Facebook page, YouTube channel and Twitter handle (at least at the time of writing), also turned into an ‘unlikely new social media star’ through its bold communication campaigns.\textsuperscript{95} The Russian Foreign Ministry’s website highlighted positively San Marino, a microstate completely enclosed by Italy, when it elected to use Sputnik V to mark the difference with the more chaotic vaccine situation in Italy.\textsuperscript{96}

China’s efforts were more focused on advancing a positive vision of China, and attempting to capture the social media airwaves of pandemic discourse in Italy and promote China’s supportive role.\textsuperscript{97} The Ministry of Foreign Affairs, in particular, sought to highlight what China was doing to support Italy as the
first European power to be hit badly by the coronavirus pandemic, though it later emerged some of the videos being circulated and promoted by officials were fake. Chinese state media’s attempt to deflect blame for the outbreak of the virus saw it suggest Italy was the origin point. This generated an angry tirade from Matteo Salvini, and spoke of a broader growing mistrust towards China.

China has attempted through fairly blunt measures to influence the Italian debate on China. In November 2019, the Chinese Ambassador Li Junhua protested loudly after a bipartisan event was held at the senate in which Hong Kong protest leader Joshua Wong was brought in as a speaker online. The ambassador’s protest drew condemnation from across the board, including the government. Public protests related to Hong Kong at around the same time were plagued by counter-protests in which angry Chinese nationalists chased and threatened pro-Hong Kong supporters in Milan. It was not clear that the embassy or consulate in Milan were involved, though their online profiles were drawn into subsequent online discussions seeking to punish the pro-Hong Kong protesters. More clearly linked to the Chinese embassy was a formal letter sent to the municipality in Brescia calling on them to cancel an exhibit that was being held by Chinese dissident artist Badiucao, which merely ended up promoting the event.

103. Ibid.
These counterproductive efforts by the embassy to stifle debate have been matched by similarly uninspired attempts to advance pro-China narratives. An example of this emerged in June 2021 when the influential founder of 5SM, Beppe Grillo, posted a report entitled ‘Xinjiang: Understanding Complexity, Building Peace’.105 The report largely echoed Chinese talking points about what was going on in Xinjiang and loudly pushed back on the genocide narratives and sanctions policies being pushed through by European governments (including Italy) at the time. With no single author, the report relied heavily on Chinese official sources and was instead credited to a list of European experts, Grillo and a 5SM Senator, Vito Petrocelli, who was then president of the Senate’s Foreign Affairs Committee. It was unclear how the report had been funded, or whom it was aimed at influencing, but it was attacked in the Italian press.106 It was, however, promoted by US alternative news outlet Grayzone, which has regularly disseminated Chinese and Russian disinformation campaigns.107 Perhaps more influential was an article published by former undersecretary of state at the Ministry of Economic Development, Michele Geraci, who in 2021 went on a Chinese government-sponsored visit to Xinjiang, publishing articles and media afterwards.108

China and Russia have been accused of working together in the information domain. China has been learning from Russian disinformation techniques and spreading conflicting conspiracy theories: ‘both China and Russia have worked not to spread a single specific story and convey the idea that the truth is unknowable’.109 Both states are accused of spreading a narrative on a sloppy and patchy EU coronavirus response.110 Copasir specifically denounced Russia and China’s ‘infodemic’ during the crisis, highlighting recurrent

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themes such as disorders in supermarkets, the government's inefficiency, but also explicit migration references, which often manipulated the truth.\textsuperscript{111}

While there seems to be evidence that China's and Russia's campaigns have had short-term effects (such as media resonance, or among individual politicians), it is not clear that it has generated the change in national behaviour that Beijing and Moscow wanted (if that is what was sought). It is possible that individual relations have been cultivated of senior figures which could then be manipulated to China's or Russia's favour, but it is not clear that the narratives that are being advanced by the individuals are ones that they are promoting out of external influence or their own belief.

CONCLUSION

As a G7, NATO and EU member, Italy is a significant player on the world stage in institutions currently hostile to China and Russia. Yet, Rome has consistently demonstrated a willingness to engage with both countries, act as a bridge and consequently potentially undermine Western cohesion. What is harder to understand is the degree to which this willingness to engage is a product of influence campaigns by Beijing and Moscow or Italian geopolitical pragmatism and strategic hedging. Moreover, although it is hard to assess the long-term impact of Russia's war against Ukraine, Italy's strong condemnation of Russia's actions so far points to a rethinking regarding its ties with Moscow, despite public attitudes to the war and the continued interest of Italian businesses in maintaining relations. However, the breakup of Draghi's government coalition in July 2022 exposes the tensions and divergences in Italy's wider politics, as well as its relationship with Russia in particular. Hence, it remains to be seen whether this is a permanent shift or something which may yet be reversed with a change of political power or economic hardship as a result of the cost of living crisis precipitated by the invasion.

It seems that economic relations, often driven by the interests of large Italian industrial groups, provide a strong underlying basis for the default mode in Italian foreign policy of continued engagement. The web of business contacts brings consistency to relationships that the more variable Italian political system may not. The current government appears more focused on strengthening Italy's role in Western institutions than its predecessor, leading to greater pushback against China in particular and, more recently, Russia.

However, the key question is how much any of China's or Russia's activity in Italy can be characterised as effective influence or interference operations.

From the available information, it is difficult to ascribe Rome’s choices to external influence, rather than a longstanding Italian foreign policy approach of trying to take a middle path in its relations; staying friendly with both the US and European allies, while at the same time maintaining positive relations with Moscow and Beijing. In this context, the country’s industrial class – mostly in Italy’s wealthy northern regions – functions as an influential constituency that favours keeping doors open with China and Russia. There is a similar tendency within the political class, with some groups with more dogmatic views on China or Russia (both positive and negative) making these choices for their domestic political calculations rather than direct external influence.

Historically, Russia appears to see Italy as a more significant partner than China does. While Beijing is appreciative of Rome’s useful role in appearing to weaken transatlantic alliances against China, the Politburo seems relatively disinterested in Italy – something that is testified by the limited number of visits by paramount Chinese leaders to Italy. During the early days of the pandemic, there was a focus by China on Italy, but this seemed pragmatic and ultimately did not lead to a major change in perspectives. Economic relations appear driven by industrial interests, which serves broader government goals of improving the Chinese industrial and technological base as part of the Made in China 2025 national economic vision and, more simply, good economic opportunities for cash-rich Chinese firms. In contrast, Putin has frequently and overtly sought to use Rome to prove the lack of uniformity in European (or transatlantic) views towards Russia.

This paper’s key conclusion is that Italy continues to be able to maintain considerable agency in its relations between China and Russia. While it is clear both powers have strong links into the country, and have used Italy as a conduit to acceptance on the wider international level, Rome has seemed a willing partner. This is something that reflects the approach taken both to China and Russia by a number of major European powers. The degree to which these decisions have been shaped by external influence or interference is very difficult to gauge in aggregate, though some individual cases do shine through. However, what is equally clear is that the transatlantic alliance remains a cornerstone in governmental strategic thinking, meaning Italy’s choices are unlikely to ever completely contradict its transatlantic partners. At the same time, it is equally unlikely that Italy will ever seek to completely sever relations with China and Russia – a decision that is driven principally by national strategic thinking as opposed to external influence or interference.
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