

# Italy's Move to Join Belt and Road Unleashes Panic in Geopolitical Centers

by Claudio Celani

March 10—A coalition of forces—including the City of London, failing European governments, the European Commission, U.S. neocons, and a fifth column within Italy itself—has mobilized in an effort to sabotage Chinese President Xi Jinping's upcoming visit to Italy, March 22-23, and to prevent the two governments from signing a friendship and cooperation protocol.

Especially targeted is Undersecretary of State in the Ministry of Economic Development, Michele Geraci, the mastermind of a policy aimed at establishing cooperation between Italy and China in the Belt and Road Initiative (BRI) and in the development of Africa.

The Memorandum of Understanding (MOU) that Italy and China will probably sign during Xi's visit, or at the latest, during Prime Minister Giuseppe Conte's visit to the Second Silk Road Forum in Beijing in May, has become almost a *casus belli* for the geopolitical trans-Atlantic establishment.

According to Italian [media sources](#), there is one passage in the draft Memorandum, which includes the phrase, "Community of shared future for mankind/community of common destiny," that provoked a sharp, hostile response from certain elements in the U.S. embassy.

That phrase, indeed, defies the British-directed effort to establish China, as well as Russia, as "enemies" of the West. One can understand why geopolitical centers in the trans-Atlantic world are alarmed.

On March 6, the British *Financial Times* (*FT*) kicked off the campaign against Italy, quoting U.S. National Security Council spokesman, Garrett Marquis, who makes a not-so-veiled threat: "We view BRI as a 'made by China, for China' initiative. We are skeptical that the Italian government's endorsement will bring



any sustained economic benefits to the Italian people, and it may end up harming Italy's global reputation in the long run."

Marquis further said that U.S. officials had raised concerns about what he called the negative effects of "China's infrastructure diplomacy," and urged "all allies and partners, including Italy, to press China to bring its global investment efforts into line with accepted international standards and best practices."

The *FT* report was picked up by Reuters and subsequently covered by media internationally. Marquis was then joined by a spokesperson of the EU Commission, who warned Italy to "ensure compliance with EU rules and EU Law and to respect the unity of the European Union in implementing EU policies."



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President Xi Jinping.



LPAC-TV

Michele Geraci, Undersecretary of the Ministry of Economic Development.

might decouple from the Western alliance or from the EU will disappear. The MOU is not a treaty but a framework for Italian companies to receive support from the Italian government in their trade and investments with China and the BRI. He then turned the heat on the U.S. government, stating, “if there is someone who is in the debt trap” with China, “it is the United States, with a \$1 trillion debt, owned by Beijing.”

Two days earlier, Prime Minister Conte had made clear that despite international pressures from its “partners” and “allies,” Italy won’t change its mind on the Belt and Road Initiative.

Conte said:

Xi Jinping will soon visit us this month. We are working to sign an MOU. The Silk Road is a major project of infrastructural connectivity which offers a large availability by China to promote a trade exchange and not only that. I believe that, with all necessary cautiousness, this can be an opportunity, a chance for our country.

## The Old Order vs. the New

What is behind that is revealed by the German business daily *Handelsblatt* the same day: “In Paris and Berlin they have a bad suspicion: China is using its economic effort to gain more and more influence on EU political decisions.”

Whereas other EU countries, such as Portugal and Greece, have already signed MOUs with China on the Belt and Road, Italy would be the first founding member of the European Community and the first G7 member to do so.

In order to increase the pressure, a few neo-liberal Italian figures were recruited to the campaign, such as former Prime Ministers Romano Prodi and Enrico Letta, who advised Prime Minister Conte not to sign an MOU at this stage.

On March 7, the *New York Times* immediately reposted a twitter by Undersecretary of State in the Foreign Ministry, Guglielmo Picchi, an investment banker with Barclays in London, saying he believes “there is still work to do and further reflections inside the government,” and that “at this point no memorandum should be signed” on the Belt and Road.

Both Undersecretary Geraci and Prime Minister Conte, as well as the Chinese government, have reacted firmly to these pressures. In a speech at a public event in Genoa on March 10, Geraci said he is sure that when the content of the MOU becomes known, all fears that Italy



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Guglielmo Picchi, Undersecretary of State in the Foreign Ministry.

It is an opportunity for our country system and for Europe in general.

As for the U.S. ally, Conte stated,

We have explained that this is for us a choice of economic and trade relationships. The fact that we are comfortably in the Atlantic alliance and in the European system does not prevent us from making economic and trade choices that allow us to have more opportunities.

The Chinese view was given by Foreign Minister Wang Yi on March 8:

Historically, Italy has been a terminal of the Silk Road. We welcome Italy and other European countries that take active part in the Belt and Road Initiative. Italy is an independent country and we are confident that you can stick to the decision you have taken in an independent way.

At the same time, *Global Times* ran an unsigned editorial in its Chinese language edition, stating that characterizing the Silk Road as “a trap” is “an insult to the IQ of Italians.”

### What’s Italy Up To?

Although the MOU between Italy and China is not yet ready, the European Commission-connected media website, *EurActiv*, leaked its content March 9, with the intent of sabotaging it. If the leaked content is genuine, the leak probably comes from the office of the Italian Foreign Minister, Enzo Moavero Milanesi, one of the “very few” persons privy to the MOU’s content, along with the Prime Minister, Undersecretary of State Geraci, Economic Development Minister Luigi Di Maio, and Finance minister Giovanni Tria. Moavero Milanesi was rumored to be against the Memorandum, a credible proposition given his profile. Moavero Milanesi is an aristocrat who made a career as a bureaucrat in the EU before being called into the austerity government by then Prime Minister Mario Monti in 2011. He has been put in the Conte government as a watchdog for the EU by State President Sergio Mattarella.

According to *EurActiv*, China plans to cooperate with Italy in the development of “roads, railways, bridges, civil aviation, ports, energy, and telecommuni-



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Enzo Moavero Milanesi, Foreign Minister

cations,” as part of Beijing’s Belt and Road Initiative. According to *EurActiv*, the memo also says that China and Italy “will promote synergies and strengthen communication and coordination,” as well as “enhance policy dialogue” on “technical and regulatory standards.”

*EurActiv* then accuses the Italian government of having passively accepted a text dictated by Beijing, writing on its website, “A source revealed late on Thursday evening that the text currently in the hands of *EurActiv* concerns proposals put forward by the Chinese state. However, as yet no changes to the text have been made by the Italian government.”

Although the validity of the leaked report is unconfirmed, it is nonetheless in Italy’s interest to upgrade its infrastructure, especially its ports, as Italy is at the conjunction of the Maritime and the Terrestrial Silk Road, as another article in the *Global Times* correctly emphasized.

An insight into the direction that current developments could take, might be gleaned from the scheduled visit by President Xi to Palermo, Sicily on the third day of his Italian visit. It was Geraci, himself a Palermitan, who emphasized the importance of such a visit for a number of reasons, including the perspectives for development of Sicily and Southern Italy.

In an interview with *Giornale di Sicilia* March 3, Geraci spoke about the unique opportunity presented by the visit in providing good publicity for Sicily, but also the development possibilities, including infrastructure development. He said, “The Chinese are good at infrastructure and we greatly need their involvement. For example, if the President wants to go to Agrigento, we would have a very serious logistical problem.” Geraci thereby points to the fact that a place like Agrigento—known for its “Temple Valley” with some among the best preserved ancient Greek temples in the world—is difficult to reach because of poor road, railway, and air transport connections.

“All proposals to attract investments advanced before March 23, can be blessed by President Xi,” Geraci said. “We must clarify what we want China to do in Sicily. To advance proposals after Xi’s visit would be useless.” Geraci mentions energy, education, and research as possible cooperation areas. He added, “We must exploit the cultural similarities that bind us to these people, which similarities are the grounds for any business. I regret that in the last twenty years, not enough has been done to strengthen this bond.”

### **Win-Win Proposition Especially for Italy**

According to Luo Hongbo, a senior researcher at the Institute of European Studies at the Chinese Academy of Social Sciences, quoted by CGTN (China Global Television Network), if Italy joins the BRI in the near future, it will be a win-win choice for both countries. Currently, Italy’s economy is fragile and stagnating. Though Italy has the fourth-largest share of the EU’s gross domestic product (GDP), its GDP per capita is below the EU average. Italy has an immense debt amounting to 130% of GDP, 2.3 trillion euro (\$2.6 trillion), the highest in the EU after Greece.

In the CGTN interview Luo states, “Trading with China under the BRI could be a solution. The two countries have a lot to offer each other economically and their development strategies complement in many ways.” Luo also points out that the export of processed products is the lifeline of the Italian economy, and China is a huge market.

According to China’s Foreign Ministry, bilateral trade between China and Italy was over \$49.5 billion in 2018, a year-on-year increase of 10.6%. China’s new direct investment in Italy has now reached over \$900 million.

Luo adds that China can also learn from Italy, as Italy has many advanced technologies including machinery production and the clothing industry. He put forward the idea that China and Italy could jointly explore third-party markets, such as North Africa, under the framework of the BRI. He concluded by stating,

As Geraci said earlier, this would be “win-win” for all parties involved: African countries need to develop infrastructure, transportation, technology and trade, while Italy and China have world-leading companies in these fields and can work together to help Africa develop. At the same time, Chinese and Italian companies also have investment opportunities in Africa. In a nutshell, strengthening cooperation with China is a choice made by Italy regarding its national interest . . . We always say, “When in Rome, do as the Romans do.” Now, it is Rome again, why not let the Romans decide themselves?

### **Who’s in Command?**

Geraci has emphasized that Italy is seeking to improve its exports to China, which lags far behind Germany, France, and even Switzerland with only 15 billion euro. This is not much different from President Trump’s effort to re-balance U.S. trade with Beijing. And indeed, the warnings against Italy coming from the National Security Council and the State Department via the U.S. embassy in Rome might not at all reflect Trump’s views.

Trump and Conte established a good relationship when they first met at the G7 meeting. Conte was the only one to share Trump’s wish that the G7 become again the G8, with Russia brought back in. Eventually, during Conte’s state visit to Washington, the two governments established a joint “[directorship](#)” for the stabilization of Libya. Whereas the other European “Bigs,” such as France and Germany, have snubbed Trump, Italy has always stood by its U.S. ally.

There is no “problem” between Trump and Italy. Rather, the British and trans-Atlantic forces that have unleashed the “Russiagate” attacks on Trump, are the same interests attempting to sabotage Italy’s initiatives toward China. The goal of both efforts is to prevent a New Paradigm among nations and to continue down the path of endless wars and economic decadence and decay.