The Belt and Road initiative in Italy

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Five case studies

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Conclusion

Each of the chapters have developed a more concrete understanding of China's engagement with Italy and the risks and opportunities that may (or may not) arise from it. While opportunities emerge indirectly in the analysis proposed, it is risks that cover a central role in the book. Potential risks related to China's presence in Italy pertain to the economic and political spheres. 'Economic risks' concern a range of possibilities including predatory investments, unfair economic practices, forced technology transfers and Chinese SOEs acquiring among other things, access to strategic assets (such as infrastructure and telecommunication hubs). 'Political risks' are understood in a broad sense. They do not just relate to Beijing's leveraging of economic support to gain political influence at the level of central and local governments but also include risks associated with Chinese actions across different layers of Italian society – including academia, the media and public opinion.

Our research has determined that economic and political risks do exist but are less widespread than thought and are not always those commonly flagged up in the heated debate that, in this case, followed the signing of the MoU – at least so far. Most of the unsubstantiated risks pertain to economic and financial cooperation. By contrast, there are good reasons to pay attention to political risks and disinformation.

It is worth underlining here again the fact that over the past two years external factors have played a key role in hindering collaboration with China – chief among which is the outbreak of Covid-19. It is hard to measure the extent to which promises of deeper cooperation have failed to materialise because of the pandemic and its spillovers or as result of major changes in the composition of the Italian ruling coalition or due to shifting geopolitical dynamics.

1. Unsubstantiated risks

There are a number of risks that are often mentioned in relation with the BRI, many of these have also emerged in the debate about Italy. However, several of these remain largely unsubstantiated, namely, debt-trap, takeover of connectivity hubs and lines, lack of transparency, lack of advantages for local economies, and absence of legal protection.

Debt trap. One of the arguments raised by critics of the BRI concerns the so-called debt trap. The notion stems from the assumption that the main driver behind China's investing in infrastructures abroad is the need to address domestic industrial overcapacity, thus implying that – contrary to Beijing's rhetoric – these ventures are not aimed not at supporting local economies but at securing China's access to foreign natural resources and opening markets to its low-cost exports. Besides commercial penetration, Beijing's investments would therefore also aim to convert economic access into political leverage on borrowing countries. Proponents of the 'debt trap' go even further, as they contend that China may deliberately provide loans that are impossible to be paid back by debtor nations so that Chinese companies can then take control of co-financed infrastructures as collateral. The most famous piece of evidence in support of this argument is the case of the Port of Hanbantota in Sri Lanka. In 2019, the 'debt-trap' diplomacy' became a major argument used to discredit BRI-related projects, including those in Italy.

Our research qualitatively confirms the finding of a 2019 report by the Rhodium Group showing that such concerns are groundless.[1] Italy is by no means comparable to the developing countries usually mentioned by proponents of the debt- trap argument. First, Italy, as most advanced economies, received direct investments and not loans from Chinese companies. Secondly, it is very unlikely that the Italian government – let alone Italian port authorities – would have agreed to projects involving public assets (such as ports) funded and built entirely by Chinese entities. In short, even if taken at face value, the debt trap is hardly applicable to the Italian case.

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1 Agatha Kratz, Allen Feng and Logan Wright, 'New Data on the 'Debt Trap' Question', in *Rhodium Group Articles*, 29 April 2019, https://rhg.com/?p=5230.

2 Ibid.

Public debt. A few commentators have also indicated the country's massive public debt as a potential chink in the armour that Beijing could have used to its advantage. This is as far – if not farther – from the truth as the previous argument. Non-Eurozone entities account for just 7 per cent of Italian foreign debt (which is just less than a third of Italy's total public debt). Estimating the precise amount held by China is nonetheless not easy, as official data are not available. Speculations range from 4 to 13 per cent of the tiny fraction of Italy's foreign debt owned by non-Eurozone entities. In a word, Italy's debt exposure to China is irrelevant. Even when it comes to the so-called 'Panda bonds', the special assets issued by Cassa Depositi e Prestiti (CDP), Italy's sovereign fund, to finance Italian companies operating in China, the overall exposure is very low as they account for only 0.65 per cent of CDP's total bond funding.

Takeover of connectivity lines/hubs. A much-debated concern is that China takes control of connectivity lines and hubs by financing the development of transport infrastructures. BRI-related projects are financed by China's state banks and executed by China's SOEs, which in the past have displayed large resources for investments. That creates concerns that Italian maritime hubs could be the next iteration of the story of the Piraeus, the chief port of Greece's capital Athens and one of Europe's biggest (also thanks to Chinese investments), which is majority-owned by China's COSCO Shipping, one of the largest container-ship companies in the world. However, the Piraeus is more an exception than the rule within the EU. It is the only case in which Chinese investments have aimed at acquiring direct control over a port authority rather than individual terminals. By contrast, the agreements between the Italian ports of Genoa and Trieste (the only two ports included in the broader MoU signed by Italy and the PRC in 2019) and the Chinese SOE China Communication Construction Company (CCCC) are hardly conducive to CCCC ever being in the position to take full control over the two hubs. Besides the fact that, according to Italian law, investments in public infrastructures such as ports must go through tender procedures and that Chinese companies have so far failed to win, in Italy ports can never be sold but only leased to companies. Even in the case of a lease, this can be revoked for commercial or security reasons.

Lack of transparency. Another alleged risk concerns the low transparency surrounding investments in BRI-related projects. Loans to Chinese companies for BRI-related infrastructure facilities are usually provided by the PRC's policy-development banks (such as the China Development Bank and the EXIM Bank of China), which do not enjoy a good reputation in terms of transparency. However, in the MoU of March 2019, a major role is given to the Asia Infrastructure Investment Bank, which is a multilateral institution with multi-stakeholder governance. This arrangement has contributed to the AIIB's operating according to acceptable transparency standards. While Beijing is the largest shareholder and thus has a de facto veto power, European countries together account for 23.9 per cent of the total voting power – enough to block decisions.[3] Furthermore, Italy possesses a system of transparent reporting of transactions being analysed under the country's screening mechanism for investments enviable in Europe. Once a year, a report of the transactions scrutinised, and the actors involved is published in a comprehensive and transparent report.

No advantage for local economies. A further concern stems from the assumption that the BRI solely plays to China's advantage, especially when it comes to infrastructures. Accordingly, Chinese projects abroad would bring small benefits to locals –, for instance, in terms of job opportunities. It is indeed the case that among the various projects under the umbrella of the BRI there are some that rely heavily on imported Chinese labour. However, this does not apply to the Italian ports of Genoa and Trieste. Besides, the building of a new terminal at the Vado Ligure port (not included in the MoU) was conditioned on employing a local workforce and has thus brought economic opportunities to the surrounding area.

Absence of legal protection. One concern was that Rome's hunger for investments would result in the selling off of assets in strategic sectors.[4] Again, this is far from the truth as Italy can tap national and EU legal tools in order to limit the capacity of foreign companies to acquire strategic assets. And it has done so several times. The most important of such instruments is the Golden Power, which gives the government great latitude to limit or block altogether mergers and acquisitions by foreign companies of Italian companies holding strategic assets (see the box below for further information). Since 2017, Italy has been able to use the 'Gloden Power' to scrutinise and block acquisitions that could pose a threat to the country's security and public order – in line with the European legal framework. In September 2019, with the centre-left PD having replaced the League as the M5S's ruling coalition partner, Prime Minister Conte (who had stayed in power) included a focus on cybersecurity and of 'goods and services' from Huawei and ZTE to the telecommunication companies Linkem, Vodafone,

3 See Chapter 2 in this volume.
4 Hannah Roberts, 'US Warning to Italy: You're being Exploited by China', in *Politico*, 30 September 2020, https://www.politico.eu/?p=1469788.

Wind Tre and Fastweb.[5] The Golden Power rules were further amended in April 2020 in response to the Covid-19 pandemic and then, in 2022.

While Prime Minister Mario Draghi was in power, since early 2021, the government used the Golden Power extensively. Draghi has vetoed five major transactions, three of which involved Chinese companies. In April 2021, he blocked the Italian semiconductor company LPE from selling 70 per cent of its shares to Shenzhen Investment Holdings.[6] In October, the takeover of Verisem – an Italian excellence in the food sector – by the Chinese-controlled Sygenta was put on hold. Less than a month later, the government stopped the buyout of the Italian branch of the US company Applied Materials by Zhejiang Jinsheng Mechanical.[7]

Draghi used for the first time the newly introduced ex officio procedure (which allows the government to review a transaction on its own initiative – that is, without prior notification of the said transaction) to review the purchase of the company Alpi Aviation, which dated back to 2018, by a Chinese company. The decision came after an investigation by Italy's financial-crime police found that the company had failed to meet transparency requirements. The event drew attention worldwide as the company was a leader in the production of sensitive technologies for the production of aircraft, spacecraft and military drones and a supplier of the Italian Ministry of Defence.[8]

The problem is with Golden Power is that it is highly political. According to government preferences, and more specifically, according to preferences within the Presidency of the Council of Ministers the Golden Power may or may not block the same acquisition. For example, if there is a government that is particularly favourable to China and Chinese investments, then, it is unlikely to use the Golden Power to block Chinese acquisitions.

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5 Luca Zorloni, 'Conte bis, atto primo: scatta lo scudo speciale sul 5G', in *Wired*, 5 September 2019, https://www.wired.it/internet/tlc/2019/09/05/5g-golden-power-conte-bis.

6 'Il governo Draghi usa per la prima volta il Golden power: bloccata l'acquisizione cinese di un'azienda lombarda dei semiconduttori', in *Repubblica*, 9 April 2021, https://www.repubblica.it/economia/2021/04/09/news/golden_power_dis-295721717.

7 Francesco Bechis, 'Altolà Cina, c'è lo stop di Draghi. Golden power sui microchip', in *Formiche*, 23 November 2021, https://formiche.net/?p=1434646.

8 James Marson and Giovanni Legorano, 'China Bought Italian Military-Drone Maker Without Authorities' Knowledge', in *The Wall Street Journal*, 15 November 2021, https://www.wsj.com/articles/china-bought-italian-military-drone-maker-without-authorities-knowledge-11636972513.

Box: The Golden Power of the Italian Government

Italy is equipped with one of the most comprehensive and flexible mechanisms for screening foreign investments in the EU. This legal tool was established in 2012 under the name of Golden Power. It gives the government the power to oppose, or make subject to the satisfaction of certain conditions, acquisitions and corporate transactions that concern assets defined as 'strategic' in the Italian territory. Furthermore, Italy publishes a detailed yearly report on transactions screened and the decisions taken, which is an exemplary practice of transparency.

The mechanism compels companies that operate in specific sectors to report – within mandatory deadlines – to the Italian Presidency of the Council of Ministers (the prime minister's office) all transactions before these are concluded. Upon receiving notification, the prime minister's office is required by law to issue a decision within 45 days. If it requests additional information, the time limit for the review can be extended to a maximum of 10–20 days depending on the nature of the information required.

In its first iteration, the scrutiny was limited to specific strategic sectors – namely, defence and national security, energy, transport and communications. Subsequently, the list of strategic sectors to which the screening can be applied was expanded to the following: critical infrastructures (including water, health and financial infrastructures); critical technologies and dual-use products; critical supplies (raw materials, data, information); the iron and steel industry and the agri-food sector; 5G technologies; financial technologies; insuretech; and smart contracts.

2. Actual risks

There are a number of risks that our research has found to be plausible and thus, that require some attention.

Technology/know-how transfer. The case of the takeover of Alpi Aviation could be a case in point as it has widely been established that the (at times, forced) transfer of knowledge has been a propelling force behind China's economic boom. The China is now going through the transition from a manufacture-based and labour-intensive economy to a knowledge-based, technology-driven and services-centred economy. It therefore comes as no surprise that, in the MoU between Italy and China, three institutional agreements and one commercial protocol concerned cooperation in science and technology. For Italy, the main driver behind the decision to sign off on these agreements was economic and strategic, as it hoped that it would bring about not just economic returns but badly needed investment in Italy's innovation sector. Thus far, however, these agreements have brought few tangible benefits to the Italian scientific community and innovation system – in terms of either funding opportunities or new partnerships. On the other hand, the agreements expose Italy to the risk of technology and knowledge transfer and brain drain, which may eventually result in a loss of competitiveness of Italian companies.[9]

Know-how spillover mostly take place in two ways – namely, through the establishment of research and development (R&D) centres in Italy (or other forms of research partnerships) or through the acquisition by Chinese companies of Italian firms that own high-value patents or that conduct R&D activities in strategic sectors. Italy has fallen behind other EU countries in terms of protecting research findings and intellectual assets. Other possible ways regard the attraction of Italian expertise to China as well as investments of Italian enterprises in China. Despite an explicit warning by the European Commission about the need to further protect EU intellectual property and know-how (on the issue of which China represents the main concern),[10] successive Italian governments have, however, not taken any concrete action – with a single exception, concerning space cooperation.[11]

Leveraging of partnerships between corporations. China may acquire not just key knowledge but also political influence through partnerships involving academic institutions and corporations, especially in the arena of S&T. Given the large amount of funding that they bring, collaborations with Chinese companies such as telecom giants ZTE and Huawei may be so appealing that they end up surreptitiously influencing political decisions. The case of Huawei is illustrative. The Chinese corporation has funded several joint research centres that have facilitated its participation in eminent commercial projects such as the trials for the roll-out of the LTE network in southern Italy (with Telecom Italia); the deployment of ICT (information and communications technologies) smart solutions and services for the Municipality of Cagliari (Sardinia's main city); and the development of pilot projects for the 5G network in Milan (with Vodafone Italia), Bari and Matera (with Telecom Italia and Fastweb).[12] All of these trials were carried out between 2018 and 2019 – thus, prior to the implementation of

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9 See Chapter 5 in this volume.

10 European Commission, *European Commission Steps Up Protection of European Intellectual Property in Global Markets*, 9 January 2020, https://ec.europa.eu/commission/presscorner/detail/en/ip_20_12.

11 In February 2020, former Minister for Economic Development Lorenzo Fioramonti terminated collaboration on the construction of the Chinese space station Tiangong 3 upon the strong insistence of the United States. See Stefano Piccin, 'L'Italia abbandona il programma spaziale cinese', in *AstroSpace*, 6 February 2020, https://www.astrospace.it/?p=867.

12 See Chapter 5 in this volume.

the restriction on the participation of non-EU companies in the realisation of the 5G core network.

The first Conte government, in line with European countries, supported by the M5S–League coalition, resisted calls from the United States to impose a direct ban on Chinese ICT companies involved in the roll-out of 5G networks in Italy.[13] It was only with the second Conte-led government, this time supported by a coalition between M5S and the PD, that the government introduced a number of reporting and transparency requirements on Italian companies working with potentially risky foreign providers of 5G. This provision was enough for Telecom Italia to exclude Huawei from a procurement call for the development of its own 5G network. The second Conte government also blocked a contract between Fastweb and Huawei.[14] However, no Italian government has explicitly excluded the Chinese giant from selling 5G technologies to Italian companies. In theory, Huawei could thus find a way to enter the Italian 5G market in the future, which is why the government led by Draghi has rolled out a set of new restrictions – most of which pertain to stricter security thresholds, such as the ban on remote intervention by Huawei to fix technical glitches.[15] In addition, in the footsteps of the second Conte government, the Draghi administration has already employed the Golden Power to halt a number of transactions between Chinese ICT companies (but also other foreign companies, such as the Taiwanese Askey) and Italian counterparts. These include a 5G supply contract between Fastweb and ZTE (March 2021);[16] another 5G supply contract to Linkem by Huawei and

13 See Chapter 4 in this volume.

14 Ibid.; Francesca Ghiretti, 'Europe's Manoeuvring on 5G Technology: The Case of Italy', in IAI Commentaries, No. 20|67 (September 2020), https://www.iai.it/en/node/12149; 'Britain Bans New Huawei 5G Kit Installation from September 2021', in *Reuters*, 30 November 2020, https://www.reuters.com/article/us-britain-huawei-idUSKBN28A005; Anne Morris, 'Germany Stops Short of Huawei Ban, But Raises Bar to Entry', in *Light Reading*, 30 September 2020, https://www.lightreading.com/d/d-id/764300; Oliver Noyan, 'EU Countries Keep Different Approaches to Huawei on 5G Rollout', in *Euractiv*, 19 May 2021, https://www.euractiv.com/?p=1605914.

15 Elvira Pollina and Giuseppe Fonte, 'Italy Gives Vodafone 5G Deal with Huawei Conditional Approval – Sources', in *Reuters*, 31 May 2021, http://reut.rs/3yTt95N.

16 Italian Government, *DPCM dell'11 marzo 2021 per esercizio poteri speciali, in ordine alla notifica della società Fastweb S.p.A. relativo all'acquisto di CPE 5G Askey e ZTE*, 11 March 2021, https://www.senato.it/leg/18/BGT/Schede/docnonleg/42178.htm.

ZTE (March 2021);[17] a Chinese 5G supply to Vodafone (May 2021);[18] a service-supply contract to Fastweb by Huawei (June 2021);[19] a service-supply contract to Fastweb (July 2021);[20] and a contract between Fastweb and Huawei, ZTE and the Taiwanese Askey[21] (at the end of August 2021).[22]

Funding of higher-education programmes/centres. In recent years, Confucius Institutes and Confucius Classrooms – financed by the Chinese Government[23] but hosted, respectively, by foreign universities and secondary schools – have been accused of acting as a vehicle for of Chinese Communist Party propaganda. Over the past decade, foreign countries – including European ones – have seen sinister incidents involving these institutions. In a notable instance, secret payments by the Chinese Embassy to the Czech-Chinese Centre at Prague's

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17 Italian Government, *DPCM del 25 marzo 2021 per esercizio poteri speciali, in ordine alla notifica della società Linkem Spa per acquisizione di elementi hardware e software da Huawei e ZTE – rete 5G*, 25 March 2021, https://www.senato.it/leg/18/BGT/Schede/docnonleg/42244.htm.

18 Italian Government, *DPCM del 20 maggio 2021 per esercizio poteri speciali, con prescrizione, per la società Vodafone Italia Spa concernente la fornitura di beni e servizi necessari per la costruzione e l'aggiornamento delle reti di accesso radiomobile 5G della società Vodafone Italia S.p.a.*, 20 May 2021, https://www.senato.it/leg/18/BGT/Schede/docnonleg/42573.htm.

19 Italian Government, *DPCM del 30 giugno 2021 per esercizio poteri speciali, con prescrizione, per la società Fastweb Spa in ordine all'acquisto di servizi acquistati da Huawei Technologies Co.Ltd.*, 30 June 2021, https://www.senato.it/leg/18/BGT/Schede/docnonleg/42800.htm.

20 Italian Government, *DPCM dell'8 luglio 2021 per esercizio poteri speciali, con prescrizione, per la società Fastweb Spa in ordine alla stipula di contratti o accordi aventi a oggetto l'acquisto di beni o servizi per la realizzazione di reti di comunicazione elettronica basate sulla tecnologia 5G*, 8 July 2021, https://www.senato.it/leg/18/BGT/Schede/docnonleg/42941.htm.

21 Gabriele Carrer, 'Con un Dpcm al mese, Draghi mette un freno alla Cina nel 5G. L'ultimo caso', in *Formiche*, 16 September 2021, https://formiche.net/?p=1417659.

22 Italian Government, *DPCM del 5 agosto 2021 per esercizio poteri speciali, con prescrizione, per la società Fastweb Spa in ordine all'architettura di rete ad aggiornamento software delle CPE dei fornitori Huawei, ZTE e Askey*, 5 August 2021, https://www.senato.it/leg/18/BGT/Schede/docnonleg/43258.htm.

23 The startup funding is provided entirely by China. Subsequent annual funding continues to be provided by the PRC, but with matching funds from the host institution. See Donald Liena, Chang Hoon Oh and W. Travis Selmierc, 'Confucius Institute Effects on China's Trade and FDI: Isn't It Delightful When Folks Afar Study Hanyu?', in *International Review of Economics & Finance*, Vol. 21, No. 1 (January 2012), p. 148, https://doi.org/10.1016/j.iref.2011.05.010.

Charles University created such a scandal that eventually the centre was closed and some faculty members were fired.[24] Italy hosts twelve Confucius Institutes and several Confucius Classrooms, but episodes of this sort have not occurred there so far.

Yet, cooperation in higher education and academia carries the risk of self-censorship, which is a hardly avoidable problem when foreign and/or private funding is involved. Antonio Tripodi, a member of the Academic Board of the Ca' Foscari University in Venice, has accused his own university of deliberately avoiding organising events on Taiwan, Tibet or the 1989 Tiananmen Square massacre for fear of missing out on Beijing's financial support.[25] Self-censorship is indeed a realrisk – not least, because it is hard to detect. And the issue is not limited to Italian academia. Yet, accusations such as Tripodi's may at times be wide of the mark. Ca' Foscari has, in fact, organised events on issues to which China is deemed to be sensitive (such as a workshop revolving around the recently published book *China Goes Green: Coercive Environmentalism for a Troubled Planet* that, as its title suggests, is far from been apologetic towards the PRC).[26]

Media partnerships. Since Xi took office in 2013, China's state-run media have expanded their networks abroad through training programmes for foreign journalists (mainly from developing countries), exchange programmes or fully funded trips to the PRC, international events promoting China's views on journalism, cooperative schemes with foreign media outlets or journalist unions and acquisitions of foreign media outlets.[27] The Italian media market has been suffering for years from a loss of funds and subscriptions. Thus, even before the 2019 MoU, the country's media outlets had established a multitude of partnerships with Chinese companies in the hope of securing much-needed

24 See Chapter 4 in this volume; and Alžběta Bajerová, 'The Czech-Chinese Centre of Influence: How Chinese Embassy in Prague Secretly Funded Activities at the Top Czech University', in *ChinaObservers*, 7 November 2019, https://chinaobservers.eu/?p=1514.

25 See Chapter 4 in this volume; and Antonio Tripodi, 'L'influenza degli Istituti Confucio è (anche) colpa di università succubi', in *Corriere della Sera*, 19 December 2019, https://www.corriere.it/la-lettura/19_dicembre_19/istituti-confucio-cina-polemica-replica-tripodi-venezia-la-lettura-9591dd64-2265-11ea-8e32-6247f341a5cc.shtml.

26 Yifei Li and Judith Shapiro, *China Goes Green. Coercive Environmentalism for a Troubled Planet*, Cambridge, Polity Press, 2020. The event, entitled *Can China Go Green? Environmental Governance in China*, was held on 19 April 2021: https://www.unive.it/data/agenda/1/48938

27 See Chapter 3 in this volume.

infusions of funds. President Xi's visit to Rome was the occasion to expand these ties further.

Rai (Radiotelevisione italiana), Italy's national broadcasting company, and Ansa (Agenzia nazionale stampa associata), the country's main news agency, signed bilateral agreements with China Media Group (CMG), China's conglomerate of state radio and television broadcasters, and Xinhua, the PRC's state-run press agency, respectively.[28] These agreements, which revamped past collaborations, raise some legitimate concerns. One is commercial and concerns a lack of reciprocity. For instance, Rai and CMG agreed that their co-produced contents should be broadcasted in both countries (for instance, by mutual republishing of each other's contents), but CMG has often gone solo. Another, more relevant, risk related to Ansa's republishing of articles from Xinhua on its own website. To be sure, this is standard practice among media outlets all over the world. In addition, Ansa produces China-related news autonomously and whenever it hosts a news article purchased from Xinhua, it indicates the source. Yet most readers are unaware of what Xinhua is, and may misunderstand a text found on Ansa's website as having been produced by the Italian agency itself. In this regard, Ansa has now concluded the collaboration with Xinhua, but other outlets (Agenzia Nova) have taken its place.

Legitimation of the BRI. While the MoU is not a binding document, it nonetheless carries strong symbolic weight. Signing off on such a politically sensitive initiative as China's BRI risks undermining the perception of the EU as a cohesive actor, eventually weakening the Union's negotiating power vis-à-vis the PRC. It should always be borne in mind that while it is true that Chinese companies have their own agendas and business drives, Chinese investments are influenced by a centrally planned scheme, and that is increasingly the case.[29] This is not to say that each single investment by a Chinese entity abroad is directly decided, planned and executed by the country's central government. Yet, Chinese companies increasingly abide by centrally formulated directives and plans, either because they are state-run or because in so doing they get more support from the state (or party). Being part of a centrally planned scheme is a feature common to

28 Ibid.

29 Cecilia Attanasio Ghezzi and Renzo Cavalieri, 'Is the Mediterranean Sea Still the Mare Nostrum? The Belt and Road Initiative and Chinese Investments in the Region', in Francesca Maria Corrao and Riccardo Redaelli (eds), *States, Actors and Geopolitical Drivers in the Mediterranean. Perspectives on the New Centrality in a Changing Region*, Cham, Palgrave Macmillan, 2021, p. 187.

all Chinese investments, which make them different from market driven foreign investments.

3. Final remarks

Tensions between the so-called West, to which Italy belongs, and China are growing. It thus seems almost idiosyncratic to talk about a G7 country, Italy, signing an MoU to join China's BRI. Events in the past three years have brought about an acceleration of geopolitical tensions between blocks and a foreign policy based on extremes. While the starting point of this book may have been the agreements included in the 2019 MoU, this book focused on areas of collaboration where most European countries have engaged with China, albeit in absence of a BRI MoU.

What all chapters showed is that narrative and action are often out of synchro. This study showed that while the narrative of both opportunity and risk was hyped when Italy decided to sign the MoU, the reality was reasonable, manageable and not exceptional in the European landscape. Even now that tensions between Europe and China are running much higher than just three years ago, collaborations between European and Chinese actors continue. Such collaborations may carry risks, but there is little benefit in labelling everything as a risk without proper data-based assessment. Some collaborations may very well even be mutually beneficial. Nonetheless, throughout the spectrum, the space for collaboration is narrowing down exponentially.

This book has clarified that the largely overstated nature of the risks of the agreements between Italy and China does not mean that risks are entirely absent. For example, the risks that have been identified regarding self-censorship, disinformation and lack of transparency of R&D and technological collaborations are of no small importance. And since the beginning of this research in 2020, some action has been taken at Italian and European level to manage or counter these issues but not enough as the regulatory and information gaps identified in the research persist. The fact that even in this aspect Italy is not alone but firmly embedded in Europe confirms the necessity of action both at national and European level. If anything when it comes to investments screening, Italy is well ahead many of its fellow Europeans.

This book gave itself the task of assessing the degree of risk existing in Italy–China collaborations enshrined in the 2019 MoU and it attempted to do so by covering a wide array of sectors in limited time and space. Undeniably, more granular research and analysis of Italian actors engaged in China would uncover a higher degree of engagement between Italian and Chinese actors, mostly in the private sector.. Such research is also likely to bring to surface areas of risk that have not been covered by the cases presented here. Thus, we hope that the work done here can provide a necessary and much needed steppingstone for further research on Italy–China relations, and EU-China relations as a whole.

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