The Andreotti Governments and the Maastricht Treaty: Between European Hopes and Domestic Constraints

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Italy's road to Maastricht

During the 1980s, after the gloomy and difficult decade of the 1970s, Italy appeared to recover a significant role in the international system.[1] A political leadership, formed by statesmen such as Giovanni Spadolini, Bettino Craxi, Giulio Andreotti, ruled the nation; although some cabinet was still short-lived, the whole period was characterised by the same political formula, the *pentapartito*, a five-party, moderate centre-left coalition, which was formed by all the parties of the Italian political scene with the exception of the two extremes, that is the neo-fascist party of the "Movimento Sociale Italiano – Destra Nazionale" to the right and the Italian Communist Party to the left.[2]

By the early 1980s the terrorist threat, which had plighted the country during the 1970s had been defeated. Last but not least by the mid-1980s the Italian economy appeared to experience a strong recovery with an average increase of the GNP of about 3 to 4% per year and there was a strong decrease in the inflation rate, which from more than 20% per year went down to some 5 to 6%. In the same period, however, the country was burdened with a growing state deficit, which was the consequence of several factors: bureaucratic inefficiency, widespread corruption, the creation of an inflated welfare state, governmental decisions which aimed at creating a wide consensus on the part of numerous lobbies. Between 1980 and 1986, the rate of the public debt increased from 60% of the GNP to 85%. Those negative aspects were concealed by the economic growth and by a partial modernization of the industrial and financial systems which appeared to profit from the international positive economic trend of the second half of the 1980s. Moreover there was a growing belief in

1. For a more detailed overview of Italy's international position between the fall of the Berlin Wall and the crisis of the so-called "First Republic" see the recent volume A. VARSORI, *L'Italia e la fine della Guerra fredda. La politica estera dei governi Andreotti 1989-1992*, il Mulino, Bologna, 2013. The present article is mainly based on the records from the Giulio Andreotti Archives, kept at the "Luigi Sturzo" Institute in Rome. In this connection I would like to thank Senator Giulio Andreotti for the permission to consult his archives, as well as Mrs Flavia Nardelli, secretary general of the "Luigi Sturzo" Institute and Dr Luciana Devoti, chief archivist at the Institute, for their precious help and cooperation.
2. On the 1980s see S. COLARIZI, P. CRAVERI, S. PONS, G. QUAGLIARIELLO (eds), *Gli anni Ottanta come storia*, Rubbettino, Soveria Mannelli, 2004; M. GERVASONI, *Storia d'Italia negli anni Ottanta. Quando eravamo moderni*, Marsilio, Venice, 2011. Although the PCI was in the opposition, the Italian Communists still exerted a strong influence on the Italian society, from the press to university, from local authorities to the state television.

the advantages and progress of the capitalist system and in the neo-liberal theories which were defeating both the planned economy and Keynesian policies all over the world. Such an attitude was strengthened by the positive image that the international media gave of the new Italian economic "miracle" of the mid-1980s whose most obvious evidence was the apparent brilliant record of the Italian *condottieri* (Carlo De Benedetti, Raul Gardini, Giovanni Agnelli, Silvio Berlusconi, etc.), not to speak of the glamorous image of Milan as the new capital of international fashion.[3]

As far as foreign policy was concerned, Italy's international position benefitted from the "second Cold War", as, mainly owing to its steady alignment to the NATO decision about the instalment of the euro missiles, Italy was able to strengthen its already positive relations with the United States. Italy's commitment to the positioning in Sicily of the US medium range missiles, in spite of a strong Communist opposition and of a powerful pacifist movement, won Washington's gratitude and the Reagan administration regarded Italy as a faithful and precious ally. Moreover, although the Italian leaders confirmed their sympathetic attitude towards the claims of the Arab world and recognised the PLO as a reliable actor, a position which often contrasted with the policies pursued by the American administration, the US authorities thought that Italy's Mediterranean role was of some relevance and usefulness: besides Israel, Italy was the only significant and reliable ally the Americans had in the Mediterranean, an area which during the 1980s experienced a growing US involvement, from the Lebanese Civil War to the military confrontation with Libya, to the Palestinian-Israeli conflict. During this same period Italian leaders showed a growing confidence in their country's ability to play a relevant role in international affairs.[4]

European integration had always been a major issue of Rome's foreign policy, but, during the early 1980s, with the exception of the Colombo-Genscher declaration, the Italian authorities appeared to focus their attention mainly on the Cold War and the Mediterranean questions. In 1984, however, the Prime Minister Bettino Craxi and his Foreign Minister Giulio Andreotti, especially since the Fontainebleau Council,

3. In 1990 a special issue of the French magazine *Le Nouvel Observateur* dealt with the Italian situation. The title was *Les miracles italiens* and most articles dealt with the success of the Italian economy. This issue has not been dealt with in detail by history scholars, nevertheless see R. PETRI, *L'immagine dell'economia italiana nella stampa economica tedesca*, in: S. WOOLF (ed.), *L'Italia repubblicana vista da fuori (1945-2000)*, il Mulino, Bologna, 2007. On Italy's economy in general, see S. ROSSI, *La politica economica italiana dal 1968 al 1998*, Laterza, Rome-Bari, 1998; M. SALVATI, *Dal miracolo economico alla moneta unica europea*, in: G. SABBATUCCI, V. VIDOTTO (eds), *Storia d'Italia*, vol.6, *L'Italia contemporanea*, Laterza, Rome-Bari, 1999; D. YERGIN, J. STANISLAW, *Commanding Heights: the battle between government and marketplace that is remaking the modern world*, Simon & Schuster, New York, 1998.
4. On Italy and the euro-missiles see L. NUTI, *La sfida nucleare. La politica estera italiana e le armi atomiche 1945-1991*, il Mulino, Bologna, 2007; on the relationship between the US and Italy during the 1980s see L. DUCCI, S. LUCONI, M. PRETELLI, *Le relazioni tra Italia e Stati Uniti. Dal Risorgimento alle conseguenze dell'11 settembre*, Carocci, Rome, 2012, pp.155-178. On Italy's foreign policy in the 1980s see E. DI NOLFO (ed.), *La politica estera italiana negli anni Ottanta*, Lacaita, Manduria, 2003.

realised that something was changing in the relationship between West Germany and France and they thought that a renewed French-German couple would lead to some important initiatives in the European field. Moreover the Italian government could not ignore the revival of the Federalist movement among influential sectors of the country's public opinion and the important initiatives which had been launched by Altiero Spinelli in the context of the European Parliament.[5] During the first half of 1985, the Italian government, also in order to achieve an outstanding diplomatic success on the occasion of Rome's presidency of the European Community, did a determined effort in order to achieve two important goals: on the one hand the completion of the negotiations which would lead to Spain's and Portugal's joining the EC, on the other hand the re-launching of the political integration process through the reform of the Rome Treaties.

Although Italy was unable to win the full confidence of the French-German couple and, even if both François Mitterrand and Helmut Kohl had different views and plans about the re-launching of the EC, on the occasion of the Milan European Council held in June 1985 both Mitterrand and Kohl thought it useful to support the Italian delegation's effort in order to have some significant result. The outcome was the Italian decision to have a vote on the issue of convening an intergovernmental conference and the defeat of Margaret Thatcher's opposition to the perspective of a reform of the Rome Treaties. Actually, during the Luxembourg negotiations which led to the draft of the Single European Act (SEA), the Italian delegation was very critical of the new treaty, which the Italian authorities regarded as a poor result, with no real progress in the field of political integration, especially as far as the powers of the European Parliament were concerned. Italy's interest in strengthening political integration was not only the consequence of the country's federalist tradition and a sort of "post mortem" recognition of Spinelli's political and intellectual heritage. Actually, the Italian authorities had always thought that political integration would weaken any French-German ambition to create a "European directorate" and would offer Italy, that perceived itself as a weaker but nonetheless "big" nation the opportunity to play a leading role in Community affairs. So, the Italian government made a negative evaluation of the SEA and Italy was the last member state to ratify the treaty.

The Italian authorities did not realise that the Single European Act was a sort of revolution in the EC decision making process, especially as it offered the European Commission the opportunity to exert a stronger influence on the Community's policies: in fact, the Commission would be able to implement some of the goals which had been singled out in the Delors "White Book".[6] The creation of a single, fully unified European market was the economic instrument through which the Commis-

5. On Altiero Spinelli's activities in this period see A. SPINELLI, *Diario europeo*, vol. 3, *1976-1986*, il Mulino, Bologna, 1992; P. GRAGLIA, *Altiero Spinelli*, il Mulino, Bologna, 2008.
6. In general on Italy's European choice see A. VARSORI, *La Cenerentola d'Europa? L'Italia e l'integrazione europea dal 1947 a oggi*, Soveria Mannelli, Rubbettino, 2010. As far as the 1980s are concerned see M. NERI GUALDESI, *L'Italia e l'Europa negli anni Ottanta: tra ambizione e marginalità*, in: P. CRAVERI, A. VARSORI (eds), *L'Italia nella costruzione europea: un bilancio storico (1957-2007)*, Franco Angeli, Milan, 2009.

sion, with the support of both France and West Germany, tried on the one hand to achieve some relevant political goals, which would have involved a more determined integration. On the other hand, the Community and its nations could thus be offered the opportunity to adapt themselves to a rapidly changing international political and economic context: a new more determined détente was filling the gap which for forty years had separated Western Europe from East-central Europe; moreover a globalised economy was imposing itself, so pushing the EC to accept a tougher competition with new emerging economic actors.

In that same period, the Italian political system met growing internal rivalries in the five-party coalition; between 1987 and 1989, Italy experienced the appointment and fall of three different cabinets, as well as a general election: for some time the governmental activity was almost paralysed; in the economic field, although the GNP constantly increased there was a further significant growth in state spending.[7] Some sectors of the Italian ruling elite were aware of the threat posed to the country's economy by the state deficit; in this respect, an important role was played by the Bank of Italy, which, during the past decades, had achieved a growing influence and was internationally recognised as an independent and respected actor. In 1988, in his annual report, the Governor of the Bank of Italy, Carlo Azeglio Ciampi, who in the late 1970s had been one of the supporters of Italy's adhesion to the EMS, pointed out Italy's need to redress the state budget, if the country wished to become part of the relevant economic and financial plans which the EC, especially the Delors Commission, were working out in connection with the implementation of a big unified European market, based on the full mobility of all the economic factors (goods, capitals, services, individuals).[8]

Actually, during the second half of the 1980s, Italy was the European nation which was the most often fined by the Commission as a consequence of its inability to comply with the regulations coming from Brussels. Only in 1989 the Italian Parliament passed a law, the so-called "La Pergola law" from the name of the Minister for European policies, Antonio La Pergola, which set up an "ad hoc" parliamentary session in order to approve the implementation of the Community's directives.[9] In May 1989, in a report to Andreotti, at that time head of the Farnesina, the Italian Foreign Ministry, the Italian diplomacy analysed the progress of the committee created in 1988 under the chairmanship of Jacques Delors, whose aim was the planning of a European Economic and Monetary Union. The Farnesina appeared to support the committee project, as the EMU was considered to be closely tied to a political union on a supranational basis, but the Italian Foreign Ministry perceived the project as too

7. On Italy's domestic situation see P. CRAVERI, *La Repubblica dal 1958 al 1992*, TEA, Milan, 1996.
8. On the position of the Bank of Italy see S. LOMBARDINI, *Carli, Baffi, Ciampi: tre governatori e un'economia*, UTET, Turin, 2005; J.C. MARTINEZ OLIVA, G. SCHLITZER, *Le battaglie della lira. Moneta, finanza e relazioni internazionali dell'Italia dall'unità all'euro*, Le Monnier, Florence, 2005; A. GIGLIOBIANCO, *Via Nazionale. Banca d'Italia e classe dirigente: cento anni di storia*, Donzelli, Rome, 2006.
9. On this aspect see L. MECHI, *Abilità diplomatica, insuccessi economici, progressi amministrativi. Appunti per una storia dell'Italia e dei fondi strutturali*, in: P. CRAVERI, A. VARSORI, op.cit.

vague, especially as far as the political implications were concerned, in particular the role the European Parliament would have to play. As a matter of fact, the Italian diplomacy was aware of the difficulties related to the implementation of such an ambitious project, in this connection the memorandum specifically pointed out London's opposition to these grandiose schemes. Nevertheless, in spite of Italy's usual favourable attitude towards a stronger integration, the Farnesina did not forget the serious and to a certain extent dangerous implications that the full achievement of the Delors plan could have on Italy's economic policies, especially as far as the state budget and the interest rate were concerned.[10]

The beginning of the negotiations on the Maastricht Treaty: Italy's early achievements.

In summer 1989, after a long and difficult political crisis, Giulio Andreotti, who since 1983 had been Foreign Minister, formed his 6th Cabinet, once again a five party coalition, based on an agreement between the moderate sectors of the Christian Democracy and the Socialist Party led by Craxi.[11] Gianni De Michelis, a leading member of the Socialist Party, became Foreign Minister. The latter was an ambitious and brilliant politician who aimed at exerting a strong influence on Italy's foreign policy, nevertheless, owing to his long experience at the Farnesina, Andreotti would continue to play a major role in shaping Italy's international position. At first De Michelis, although he did not forget the most obvious pillars of Italy's foreign policy, i.e. the European Community, NATO and the Mediterranean, appeared to focus his attention on East-Central Europe. De Michelis thought that the rapidly changing balance in the Communist bloc would offer Italy the opportunity for a revival of its traditional interest in the Balkan and Danube areas. Between summer and fall 1989 he launched two ambitious, although a bit vague, initiatives such as the "Quadrangolare" and the "Adriatic initiative", which aimed at strengthening Italy's political and economic ties with nations such as Austria, Hungary, Yugoslavia.[12]

The fall of the Berlin Wall came as a shock to the Italian political leadership; especially Andreotti, in an early stage, was worried about the perspective of a quick German reunification. The Italian Prime Minister's political career had been characterised by the Cold-War; as a cautious politician, who once had stated that in politics

10. ASILS [Archivio Storico Istituto Luigi Sturzo], AGA [Archivio Giulio Andreotti], "Francia, Delors Jacques", box 433, Italian Ministry for Foreign Affairs to Andreotti, 06.05.1989, with annex memorandum "Rapporto Delors".
11. On Giulio Andreotti see the biography by M. FRANCO, *Giulio Andreotti. La vita di un uomo politico, la storia di un'epoca*, Mondadori, Milan, 2010. See also M. BARONE, E. DI NOLFO, *Giulio Andreotti. L'uomo, il cattolico, lo statista*, Rubbettino, Soveria Mannelli, 2010. On Craxi see M. PINI, *Craxi. Una vita, un'era politica*, Mondadori, Milan, 2007.
12. See G. DE MICHELIS, *La lunga ombra di Yalta. La specificità della politica estera italiana*, Venice, Marsilio, 2003.

it is better to survive than to perish, he was suspicious of every rapid and dramatic change of Europe's political balance.[13] Nevertheless he was also quick to adapt himself to the new situation; moreover both De Michelis and the most influential diplomats of the Farnesina realised that the German reunification would be achieved quickly, in spite of Margaret Thatcher's opposition and Mitterrand's doubts. At first Italy tried to be involved in the diplomatic process that would lead to Germany's unification, but the "two plus four" formula was a stumbling block to Italy's ambitions; on the occasion of the Atlantic Council held in Ottawa in February 1990 the German Foreign Minister Hans-Dietrich Genscher rudely reminded to De Michelis that Italy "was not part of the game".[14]

Although such a remark was perceived by the Italian press as a diplomatic defeat, the German leaders stated, on the occasion of further meetings between Andreotti and Kohl, as well as between De Michelis and Genscher, that Germany didn't intend to follow a *Sonderweg* and Germany's European partners, Italy in particular, would constantly be kept informed about progress made in the negotiations; moreover they confirmed their intention to develop stronger ties between a unified Germany and the European Community. On their part the US Secretary of State James Baker in a secret letter pointed out to De Michelis that Washington still regarded NATO as a pillar of its European policy and in this context the United States thought that Italy could play a leading role.[15] By February/March 1990 the Italian government thought that Rome could easily comply with a quick German reunification if two conditions were implemented: on one hand the preservation of US involvement in Europe (i.e. NATO and the presence of US troops on European soil), on the other a bold move towards Europe's political integration on a supra-national basis. The latter goal was of paramount importance as the Italian government was convinced that Rome could play a major role in the European context and during the second half of 1990 Italy would chair the European Community.[16] So De Michelis thought that Italy could be the promoter of an intergovernmental conference on the European Union.

13. In 1984 on the occasion of a public debate, Andreotti, at that time Foreign Minister in the first Craxi government, had stated that there were two "Germanies" and he was against any change in such a situation, moreover he expressed his concern about any pan-German aspiration. Such a statement provoked a tough diplomatic reaction by the West German government. Actually Andreotti feared that any move towards Germany's reunification could threaten the European balance imposed by the Cold War and ratified through the Helsinki agreements. On this episode see A. VARSORI, *L'Italia e la fine della Guerra fredda …*, op.cit., pp.23-26.
14. On this episode see M. VAISSE, C. WENKEL (eds), *La diplomatie française face à l'unification allemande*, Tallandier, Paris, 2011, p.190.
15. ASILS, AGA, "Germania", box 458, Andreotti to Cossiga, 19.02.1990 and Baker to De Michelis, 20.02.1990 as well as De Michelis to Baker, 24.02.1990; "Gran Bretagna, Margaret Thatcher", box 465/466, Memorandum by Ministry of Foreign Affairs Director General Political Affairs, "Colloqui Andreotti-De Michelis-Genscher a Palazzo Chigi", 21.02.1990.
16. On Italy and German unification see A. VARSORI, *Italy and German Reunification*, in: B. ARCIDIACONO, K. MILZOW, A. MARION, P.E. BOURNEUF (eds), *Europe Twenty Years after the End of the Cold War, The New Europe, New Europes*, PIE/Peter Lang, Bern/Brussels, 2012, pp. 47-62.

Once again the Italian authorities thought that the European Parliament should enjoy greater powers. Italy's interest in the EP's prerogatives was not only the outcome of the country's federalist tradition, but also the belief in the EP as a support to Italy's national interests. In the Strasbourg Assembly, Italy would rely on a strong parliamentary group equal to the ones of the major member-states, and the EP had always been sympathetic to the progressive political and social goals promoted by all Italian governments. Very likely, the Italians also hoped that the EP could become a counterbalance to any French-German directorate, which would have the European Council as its most obvious instrument. Italy's position appeared to be strengthened by the conclusion reached on the occasion of the Dublin European Council, held in late April 1990, which was characterised by the French-German agreement to favour a closer European union.[17]

Italy could not forget, however, that in the meantime, also owing to the process of German reunification, there had been some progress in the negotiations for an Economic and Monetary Union. In this context a leading role was played by the Treasury Minister, Guido Carli, and by the Governor of the Bank of Italy, Carlo Ciampi. Carli, a distinguished economist, former Governor of the Bank of Italy and former Chairman of the Confederation of Italian entrepreneurs, Confindustria, was well-known and highly appreciated in the international economic and financial milieu.[18] He had accepted the role of Treasury Minister with the paramount goal to solve the problem of the state deficit and to modernize the Italian economic system in order to face progress in the European integration process. Both Carli and Ciampi were aware that Italy only could join the EMU if the Andreotti government would be able to launch a policy of severe state spending cuts; some Italian influential finance and business leaders, as well as distinguished economists such as Mario Monti, Mario Draghi, Tommaso Padoa-Schioppa, understood that the European economic balance was approaching a dramatic change with new demanding challenges to every European member state. Especially Padoa Schioppa, who had spent some years in Brussels at the Commission and was now deputy Director of the Bank of Italy had been a member of the small team of economic advisers, who, in close cooperation with Delors, had developed the project for a single European currency.[19] So there was a group of influential "technocrats", who thought that progress in the field of economic and monetary integration would be the best instrument for achieving the modernization of Italy's economy and its adaptation to the rapidly changing international economic system. That would be a renewal of the experience Italy had made in 1978/79 when adhering to the EMS; such a participation had then been perceived as the "vin-

17. For a general overview see C. MAZZUCELLI, *France and Germany at Maastricht: Politics and Negotiations to Create a European Union*, Garland, New York/London, 1997; on France's position see F. BOZO, *Mitterrand, la fin de la guerre froide et la réunification allemande*, Odile Jacob, Paris, 2005.
18. On Carli's role see the recent and important contribution by P. CRAVERI (ed.), *Guido Carli Senatore e ministro del Tesoro 1983-1992*, Bollati Boringhieri, Milan, 2009; G. CARLI, *Cinquant'anni di vita italiana*, Laterza, Rome/Bari, 1993.
19. See T. PADOA-SCHIOPPA, *La lunga via per l'euro*, il Mulino, Bologna, 2003.

colo esterno" – the external bond – which would enable a weak political leadership to impose to both public opinion and political parties unpopular economic choices.[20]

In 1990 the Italian government, in order to confirm its capability to face the goals of the EMU, decided that the Italian lira would join the narrow range of the EMS (that is 2.25% instead of the previous 6%) and accept full capitals mobility. That was a risky decision, but there was no alternative, if they wanted Italy to become part of the future EMU; moreover the perspectives of the Italian economy appeared to be still positive, while it was hoped that the issue of the state deficit could still be dealt with.[21] The Italian government, was convinced that progress in the field of political integration would facilitate Italy's task in the economic context and they therefore hoped that the two rounds of negotiations would start at the same time and would be completed at the same time. Last but not least De Michelis hoped that the ratification of relevant decisions under the Italian Presidency of the Council would strengthen the Italian government's position both domestically and abroad.[22]

So Italy's Presidency started with an optimistic outlook. De Michelis has stated in his memoirs that the early project of a European Union was sketched out on the occasion of a meeting he had in September with Delors at the seaside resort of Monte Argentario, where a document was drafted which aimed at reconciling supra-national ideals and a practical intergovernmental approach.[23] However, Italy's international position suddenly faced a serious problem. In August 1990, Iraq invaded Kuwait and the ensuing crisis resulted in a military confrontation. The Italian government immediately joined the Western coalition led by the US, but Andreotti was very worried about the negative consequences of a war and he hoped that a diplomatic solution could be worked out: during the 1980s Italy had established strong economic ties with Iraq and Italy's investments were now at risk; moreover a strong pacifist movement was emerging: the opposition to a Western military involvement in the Gulf crisis gave new strength to a weakened Communist Party, which was re-establishing itself as a new political actor, the PDS; the Holy See and Pope John Paul II had a very critical view of the Western position and significant sectors of the Catholic world sympathized with the pacifist movement. Andreotti could no longer rely on the traditional support of the Vatican, and the Christian Democracy began to split on the issue of Italy's participation in the military operations against Iraq.

Last but not least the Gulf crisis had negative consequences on the Italian economy, which suffered a clear slowing down. In summer 1990, Carli's attempts at pushing the government to pass a series of economic reforms which in his opinion were destined to redress the situation of public finances were largely frustrated by a

20. For an interpretation of the "vincolo esterno" see R. GUALTIERI, *L'Europa come vincolo esterno*, in: P. CRAVERI, A. VARSORI (eds), op.cit.
21. On Italy's position during the negotiations on the EMU see early analysis offered by K. DYSON, K. FEATHERSTONE, *The Road to Maastricht Negotiating Economic and Monetary Union*, Oxford University Press, Oxford, 1999.
22. ASILS, AGA, "Europa – Consiglio europeo straordinario di Dublino", box 382, Memorandum by the Italian Foreign Ministry, [April 1990].
23. G. DE MICHELIS, op.cit., p.141.

riotous parliament, which had been used to easy spending and had approved a law on retirement which would increase the state financial burden. In August Carli publicly warned Andreotti and the political elite that the state deficit was steadily and quickly increasing. The Prime Minister was aware of the dangerous situation, especially of the link between the country's economic situation and Italy's possible strict commitments to the Community as a consequence of the setting up of the EMU; on the occasion of a meeting of the Christian Democracy directorate he pointed out that if, by 1992, the Italian economy would still be in the same situation as in 1990, Italy would cause the failure of the whole European project.[24]

In October, on the eve of an important extraordinary European Council on which Italy had pinned its hopes for a breakthrough in the negotiations for the European Union, Italy became the target of numerous articles by influential sectors of the international press. *The Economist* published an article in which the author was highly critical of Italy's European policy; moreover the article reported that:

> "one senior Brussels diplomat says that Italy's presidency is proving like a bus trip with the Marx brothers in the drive seat. There are complaints of too many meetings, inadequately prepared with over-full agendas".

The article went on criticising De Michelis, who "generated a lot of ideas, but, in view of the many diplomats, is proving unable to channel them constructively" and added that several member states were "furious" over the convening of an extraordinary Council "for they see no reason to have one".[25] Other newspapers, such as the *Wall Street Journal Europe* and the *Financial Times* were slightly less critical, but pointed out the Italian presidency's shortcomings and *The Irish Times* wrote of a summit "only Italy seems to want".[26] Actually, such evaluations appeared partially misleading as the Italians tried to pave the way to a successful council also through a series of contacts with the French authorities, who appeared to share with Italy some common interests, especially as far as the issues of the seats of the bodies of the future European Union and the progress schedule of the EMU were concerned.

In the weeks prior to the Rome Council there had been a series of bi-lateral as well as of European meetings, mainly promoted by the Italian government. The latter meetings had especially involved the Economic Ministers of the Twelve and the committee of the Governors of the national central banks. On the occasion of the General Issues Council, the representatives of the member states analysed a report drafted by Carli dealing with the project for the creation of the EMU. The document was largely appreciated and considered as very relevant. Some definite goals had been singled out, such as for example the creation of a single European currency, the

24. See A. VARSORI, *L'Italia e la fine della Guerra fredda …*, op.cit., pp.47-94 and P. CRAVERI (ed.), op.cit., pp.lxx-lxxiii; ASILS [Archives of the Christian Democracy], "Direzione Nazionale", box 53, Intervention by Andreotti at the meeting of the National Directorate, 06.09.1990.
25. *When in Rome*, in: *The Economist*, 20.10.1990. In the Andreotti archives those articles were collected in a folder, titled "Italy's image". It is likely that the Italian Prime Minister thought that all those articles were not the outcome of mere coincidence.
26. S. FLYNN, *The Summit only Italy seems to want*, in: *The Irish Times*, 27.10.1990.

setting-up of a "European central banks system", the need for the member states' economies to comply with some fundamental rules, which mainly dealt with limits to state deficit, rate of inflation, interest rates, etc. Carli and his advisers had played a leading role in the advancement towards the creation of the EMU. In a report to the Rome Council Carli stated that there were still differences of opinion, especially over the characters and timing of the three steps through which the EMU would be implemented. In this connection Italy, France and other countries thought it better to fix a definite date for the implementation of the second step of the EMU, mainly in order to tie Germany to the creation of a European currency. However, other nations, especially Germany, thought that the achievement of the second step should be bound to the implementation of strict criteria, which would demonstrate the effective progress in the member states' economic performance.

Obviously the Germans were not too happy about the end of the "Deutschmark" and they hoped that the future European currency would be based on the values and opinions nurtured by the Bundesbank. Moreover Britain was obviously opposed to the creation of a European currency.[27] Carli and other Italian officials were aware of Italy's internal difficulties in facing the criteria that the creation of the future currency would impose on EC member states, but they hoped that the EMU could represent a further *vincolo esterno* ("external bond"), which on the one hand would help the Italian ruling elite to impose on the parliament, the political parties and the public opinion a strict policy of "austerity", and on the other hand to modernize the Italian economy mainly through a series of privatizations. Furthermore, if the Italian delegates would take a "high profile", such a choice would give them the opportunity to soften the conditions other European countries would impose on every member state for the passage from the first step of the EMU to the second and third step.[28]

If Carli, Ciampi and the Bank of Italy had focused their attention on the economic issues, De Michelis paid more attention to the political integration. As far as this aspect was concerned, the Italian Foreign Minister, in a long letter to Andreotti, sketched out the characters and goals of the future European Union. Although the supranational approach was the main pattern of De Michelis' position, he was aware of the difficulties tied to the achievement of such an ambitious goal. So he tried to reconcile integration and close intergovernmental cooperation. A relevant aspect of De Michelis' position was the central role that the EP would have to play in the future Community structure. Moreover, the Italian Foreign Minister advocated the setting up of a Community that would have a definite role in the new international scenario. Last but not least, he pointed out the need for the broadening of the majority vote system in the European Council. Italy's position was further clarified in a letter Andreotti sent to Delors on the eve of the Rome Council. Once again, the Italian Prime Minister pointed out that, in the Italian government's opinion, the main goals were

27. ASILS, AGA, "Francia – Mitterrand François", box 422/423, Records of the bi-lateral French-Italian meeting in Paris, 08.10.1990; Memorandum by the Italian Foreign Ministry, 01.10.1990; "Europa – Consiglio Europeo di Roma 27-28 ottobre 1990", box 383, Italian representative at the EC (Brussels) to Italian Foreign Ministry, 24.10.1990; Report to the European Council by Carli, 27.10.1990.
28. See the evaluations in K. DYSON, K. FEATHERSTONE, op.cit., pp.647-650.

the creation of the EMU and of the EU and he stressed the important role the European Parliament would have to play; moreover he advocated the quick starting of two intergovernmental conferences.[29]

From the notes of the Council it emerges that, with the exception of Britain, there was a vague agreement on both the goals of the EMU and the EU, although the characters of the Economic and Monetary Union and the European Union were not clear-cut, and for most European leaders it would be up to the intergovernmental conferences to find the final solutions. Two months later, in December, the Italian government organised a further European Council. It does not seem that further significant progress had been achieved by the Italian presidency, although the Italian authorities appeared to be satisfied with the main results that characterised this semester: the decisions on the convening of two intergovernmental conferences, and the early discussions about the EMU and the EU.[30]

The dangerous implications of the *vincolo esterno*

During the early months of 1991, the position of the Andreotti government worsened as a consequence of both external and internal factors. As far as foreign policy was concerned, the outbreak of the Iraqi war magnified the contradictions of Italy's international position, torn between its commitment to the US strategy on one hand, the pacifist mood of large sectors of the public opinion and the political world on the other. Andreotti tried to choose a "low profile" attitude, but such a cautious position did not conceal the poor record of the Italian military participation in the operation "Desert Storm" and the growing ambiguity of the Italian attitude. Moreover, in February, Andreotti too easily and too quickly supported the Soviet initiative, which aimed at avoiding a ground attack by the coalition forces and at finding a compromise solution. The Bush administration decided to ignore the Soviet peace move and in a few days the coalition forces defeated the Iraqi Army. When in March 1991, after the end of the hostilities in the Middle East, the Italian Prime Minister paid an official visit to Washington, the US administration attitude towards Italy was definitely less warm than a few months earlier.[31]

Just after the conclusion of the Gulf War, internal dissensions in the five-party coalition compelled Andreotti to resign. Although within a few days, the Christian Democrat leader was able to form his 7th cabinet, which was not much different from the previous one, his domestic position was definitely weaker and the governmental crisis was the symbol of increasing internal difficulties tied also to the worsening of problems such as the slowing down of the Italian economy, the challenge posed to

29. ASILS, AGA, "Europa – Consiglio Europeo di Roma 27-28 ottobre 1990", box 383, De Michelis to Andreotti, 23.10.1990; Andreotti to Delors, 24.10.1990.
30. Ibid., Handwritten notes and records of the discussions.
31. See ASILS, AGA, "Viaggi – USA – viaggio Giulio Andreotti 22-24.03.1991", box 638.

the state by organised crime, especially the Mafia in Sicily, the disillusionment by large strata of voters towards the party system and the civil service, which were perceived as both corrupt and ineffective.[32] The Community could not wait for the solution of Italy's plights and in the negotiations on the EMU, some delegations, especially the German and the Dutch ones, aimed at imposing strict conditions for the participation in the future European currency. Italy's easy-going economic policy was the target of harsh criticism from various financial and governmental milieus, especially in Germany and in the Netherlands. Italy's position was perceived as dangerous, as Carli's hope at imposing some structural economic reforms (i.e. privatisation of state banks, limits to spending in the retirement system and the social security) had been almost always frustrated by both influential sectors of the governmental majority, especially the Socialist Party, and Parliament.

Some leading Italian politicians were aware of the growing difficulties Italy would have to face in a near future. On the eve of the appointment of the new cabinet, the President of the Republic, the Christian Democrat Francesco Cossiga, wrote an important letter to Andreotti. The President pointed out the most important problems, which the new government would have to solve. Cossiga singled out in his list the reform of the Armed Forces, the institutional problem, the fight against organized criminality, but, significantly, the first issue was the state of public finance. The President of the Republic stated that this problem was seriously threatening the effectiveness of the state structures as well as "our presence in a non subordinate position and enjoying a real sovereignty both in Europe and in the group of the most industrialised nations".[33]

In spite of Andreotti's personal efforts, the position of his new government was becoming weaker and weaker. In the domestic context, there were growing contrasts among the parties, which formed the governmental coalition; moreover the relationship between the President and the Prime Minister quickly and abruptly worsened: in this period, the existence of the "stay-behind" structure was revealed, Cossiga defended this secret structure and as a former Defence and Interior Minister he took responsibility for its existence and activities. Andreotti confirmed the leaks about Italy's involvement in the "stay-behind" network in order to show that there was nothing to be concealed, but such revelations offered the former Communists and some sectors of the "liberal" press the opportunity to launch a campaign, based on allegations of collusion between "stay-behind" and the so-called "strategy of tension". The PDS decided also to open a procedure of impeachment against Cossiga, who thought that Andreotti had not defended him.[34]

32. On the crisis of the so-called "First Republic" see the revealing statements by several members of the Socialist Party in: G. ACQUAVIVA, L. COVATTA (eds), *Il crollo. Il PSI nella crisi della prima Repubblica*, Marsilio, Venice, 2012.
33. ASILS, AGA, "Governi – VI governo Andreotti – rimpasto verifica gennaio marzo '91", box 955, Cossiga to Andreotti, 28.03.1991.
34. M. FRANCO, op.cit., pp.220-221.

Concerning the international situation, the new government had to face a sudden wave of mass emigration from Albania with its apex in August, when the images of the cargo ship "Vlora", crowded with Albanian immigrants reaching the harbour of Bari, were broadcasted all over Europe by television networks; such an episode appeared to confirm the inefficiency of the Italian state's structures.[35] Italy also had to face the dramatic issue of Yugoslavia's implosion. The Italian government and the Farnesina had always been very worried by Yugoslavia's instability and they did every effort in order to maintain some sort of Yugoslav confederation, but Italy's policy was doomed to failure, not only because Germany increasingly supported Slovenia's and Croatia's demands for independence, but also because of the growing opposition to the Balkan policy of Andreotti's government by an unlikely but powerful alliance of actors, such as the Italian media, the local authorities of the North East area of the country, the Catholic world, the Holy See and the parliamentary majority itself. The end of the Cold War and the ensuing radical changes in the European balance were destroying well-rooted ties and alliances, especially in Italy's Catholic world and in the Christian Democracy. So the Andreotti government appeared mainly preoccupied with trying to survive among internal petty jealousies and external epochal transformations.

In the meantime, the negotiations on the EU were progressing. The thorniest questions were posed by the discussions on the EMU, as it was obvious that some nations, such as Germany, were worried about the possibility that some weaker and unreliable countries, and especially Italy, could destroy the whole structure of the future common European currency. Some points in the German strategy were perceived as dangerous for Italy's perspectives, especially the creation of the European Central Bank only during the third step and the unanimity rule for the participant states with regard to the passage from the second to the third step.[36] On the contrary, Italy had pinned its hopes on the early creation of a strong and independent European central bank, as well as on the automatic implementation of the second step of the EMU process. Such an approach would obviously have strengthened the perspective of Italy's involvement in the Monetary Union as it would have favoured the implementation of the *vincolo esterno*, and a strong and autonomous central bank, on the model of the Bank of Italy, would become a more favourable counterpart than a still powerful German Bundesbank. Actually, the Italian Foreign Ministry clearly recognised the weakness of the Italian position, although it still hoped that the EMU could be subject to some form of "democratic" control, especially by the Commission and the European Parliament, an indirect confirmation of Italy's interest in favouring a stronger political integration. But the Italian position on the EMU was further weakened by the French progressively aligning themselves with Germany with regard to the characteristics of the European Central Bank.[37]

35. On Italy's policy towards the Albanian crisis see A. VARSORI, *Italy and the End of Communism in Albania, 1989-1991*, in: *Cold War History*, 4(2012), pp.615-635.
36. ASILS, AGA, "Germania – Helmut Kohl", box 457, Memorandum by the Italian Foreign Ministry, 22.03.1991.
37. P. CRAVERI (ed.), op.cit., p.cxviii.

On his part, Carli was compelled to fight on two fronts: on one hand he had to reassure his European partners of Italy's reliability and its capacity to implement dramatic and bold economic reforms; on the other hand, he had to convince the members of his own cabinet, as well as the political milieu, that Italy had to face serious sacrifices, if the country wanted to be part of the future EMU. As far as the former aspect is concerned, Carli and his advisers – in 1991, Mario Draghi was appointed Director General at the Treasury Ministry – quickly realised that the supranational instrument, especially through the role of the early constitution of a powerful European Central Bank, would not be accepted by Germany. Moreover, it was becoming evident that some European partners would impose stringent convergence criteria to the future participants in the EMU and such decisions would mainly be intended for Italy. Thus Carli's attention focused on the convergence criteria and he attempted to convince his partners that such criteria had to be interpreted in a "dynamic" rather than in a "static" perspective. That would imply that the passage of a country from the first to the following step would be based, not only on the convergence parameters, but also on the demonstration of a member state's commitment to the implementation of such criteria. Carli understood that the Italian authorities needed time in order to redress the economic situation, and the international economic trend did not facilitate Italy's already difficult task. But it was not easy to convince Italy's partners, especially Germany's Finance Minister, Theo Waigel, that the Italian authorities would be able to comply with the future convergence criteria.[38] On his part, Andreotti tried to lead Kohl to a more forthcoming attitude, which could take into consideration wider political considerations.

As far as the domestic context was concerned, Carli had a very difficult time, as influential members of the governmental majority, the PDS and the trade unions were not ready to accept the "austerity" measures and the economic reforms, especially the privatizations, envisaged by the Treasury Minister, as those proposals, if implemented, would threaten deep-rooted party interests and the role of powerful lobbies. On the contrary, the Confindustria and some influential newspapers, such as *la Repubblica*, the *Corriere della Sera* and *il Sole 24 ore* criticised Carli as too prudent on both the state budget and the launching of a policy of privatisation of the most important industrial and banking sectors owned by the State. In the opinion of some leading industrialists, businessmen and opinion-makers, the creation of the EMU would offer the opportunity to destroy the strong influence the state – and the political parties – exerted on the Italian economy. The position of the Treasury Minister was further weakened by the attitude developed by the Bank of Italy, which, influenced by a rigid Europeanist approach, appeared to believe in the almost miraculous effects of the *vincolo esterno*, so it seemed to favour the institution of severe convergence parameters. In early May 1991, Carli sent a letter of resignation to the Prime Minister as he was pessimistic about the possibility to implement his economic programme, but Andreotti, who understood the gravity of the situation, was able to convince him

38. Telegram sent by Ambassador Cangelosi to the Italian Foreign Ministry in late April 1991, quoted in: P. CRAVERI (ed.), op.cit., p.cxxii.

to change his mind and a few months later, Parliament passed some economic reforms which had been advocated by Carli. It is of some significance that the Italian Parliament appeared to neglect the economic aspect of the intergovernmental negotiations, while it focused its attention on traditional political issues with the usual show of federalist rhetoric about the limits of the future European Union.[39]

The second semester of 1991 was regarded as the turning point in the negotiating process that would lead to both the EMU and the EU. In matters of Monetary Union, the Dutch Presidency shared Germany's opinion about the need to impose strict rules which would govern the creation of the EMU, and the Dutch government put forward a project which was regarded as a threat by the Italians. In September 1991, a meeting of the European Economic Ministers was held at Apeldoorn. In his memoirs Carli stated that on this occasion he was able to redress, at least partially, the situation: the Italian approach for a "dynamic" interpretation of the convergence criteria was accepted, but the European Central Bank would be implemented only at the end of the process that would lead to the EMU, while in the meantime a weaker European Monetary Institute would be created; moreover, the second step would be achieved only later and not automatically. Carli regarded the conclusions reached at Apeldoorn as a viable compromise, though he quickly realised that numerous aspects were still vague and open to different interpretations, but at least France appeared to share some Italian claims, especially a softer attitude towards the interpretation of the convergence criteria.[40]

While Carli was focusing his attention on the EMU, the Farnesina could not neglect the negotiations on the EU. The European Union treaty project, which was mainly based on the plan put forward by Luxembourg in the first half of 1991 did not raise enthusiastic reactions in Rome, especially as far as the European Parliament's role was concerned, but most of its provisions (the three pillars concept, etc.) could be accepted, as it was hoped that the treaty would be a starting point and there would be the possibility of an early revision in 1996.[41] Nevertheless, during the final stage of the negotiations, the Italian authorities began to nurture traditional suspicions about the French-German aspiration at creating a "directorate", which would put Italy in a second rank position. The Italian Foreign Ministry was especially concerned about the projects for a growing military cooperation between France and Germany, and they feared that the EU treaty could create, through the strengthening of the WEU, the "core" of a French-German military leadership. Just as on several occasions in the past, the Italians thought that the best "master" was the more distant and the more

39. For an analysis of the parliamentary debates see M. PIERMATTEI, *Crisi della Repubblica e sfida europea. I partiti italiani e la moneta unica (1988-1998)*, CLEUB, Bologna, 2012.
40. ASILS, AGA, "Francia – rapporti franco-italiani – atti per la riunione a Viterbo del 17/18 ottobre 1991", box 411, Memorandum by the diplomatic adviser to the President of the Council of Ministers, 16.10.1991.
41. ASILS, AGA, "Francia – rapporti franco-italiani – atti per la riunione a Viterbo del 17/18 ottobre 1991", box 411, Memorandum by the Italian Foreign Ministry, 17.10.1991.

powerful, that is the United States.[42] In the field of security, NATO was the symbol of both Washington's power and its continuing involvement in European affairs. If Italy had always hoped to rely on a "special relationship" with the US, the Italian authorities knew that somebody else was also interested in avoiding a French-German "directorate" and in maintaining a close bond between Europe and the US. So it is not surprising that in October 1991 Gianni De Michelis and his British colleague, Douglas Hurd, signed a joint statement in which they confirmed Britain's and Italy's support of a strengthened WEU, but they also stated that the Western European Union would be closely tied to the Atlantic Alliance, which indirectly meant the United States. It is difficult to think that such a move was very much appreciated in Paris and in Berlin, although the French authorities stated that the two initiatives would go in the same direction and the French Foreign Minister Roland Dumas suggested that the Italians could be involved in the French-German brigade.[43]

In late November the Twelve had reached a general agreement on the various issues related to both the EU and the EMU; the European Council, which would lead to the signature of the new treaty was due to be held in the Dutch town of Maastricht on the 9th and the 10th of December. On the eve of the conference, the Italian Foreign Ministry analysed the outcome of the long and difficult negotiations. As far as the EU was concerned, the new Dutch project was regarded favourably by the Italian authorities, who however pointed out that a general agreement was still missing. In the opinion of the Ministry of Foreign Affairs, the most controversial points were the competences of the EP, the inclusion in the treaty of provisions dealing with the economic and social cohesion, and the characteristics of the foreign and security policy. Moreover, the Italian memorandum pointed out, how, on several issues, the strongest opposition still came from Britain, whereas the attitude of the Italian government appeared to be fairly optimistic. Actually, the thorniest issues were the ones related to the EMU. The Italian authorities were still worried about the passage to the following steps of the EMU and the nature of the convergence criteria, although the compromises which had been worked out, mainly owing to Carli's efforts, appeared to the Italian authorities a positive solution, which would offer the Italian government the time and the means to face the internal economic obstacles to Italy's inclusion in the first group of member states which would have created a common European currency.[44]

In a further memorandum drafted on the 11th of December, Ambassador Umberto Vattani, Andreotti's diplomatic adviser and former head of the Directorate for Eco-

42. The joke about the best "master" is attributed to Roberto Ducci, an influential Italian diplomat who wrote this phrase in a memorandum he drafted in the early 1960s.
43. On this episode see M. NERI GUALDESI, *Il cuore a Bruxelles la mente a Roma. Storia della partecipazione italiana alla costruzione dell'unità europea*, ETS, Pisa, 2004, pp.154-155. See also ASILS, AGA, "Francia – rapporti franco-italiani – atti per la riunione a Viterbo del 17/18 ottobre 1991", box 411, Minute of a meeting between Dumas and De Michelis, 16.10.1991.
44. ASILS, AGA, "Europa – Consiglio Europeo di Maastricht 9-10 Dicembre 1991", box 386, Memorandum by the Diplomatic Adviser to the President of the Council of Ministers to Andreotti, 07.12.1991.

nomic Affairs at the Farnesina, summed up the results of the Maastricht conference. This document also was characterised by an optimistic outlook. It stated that the Maastricht treaty would be a turning point in the integration process, as the EU would deal with three important issues, which used to shape a nation's sovereignty: a common currency, foreign and defence policy, domestic security and justice. The Italians appeared to be satisfied with the results about the EMU, especially with regard to the choice of a date for the passage from the second to the third stage of the EMU, the qualified majority vote in 1996, the need to rely on at least seven member states that would comply with the convergence criteria in order to achieve such a passage. The memorandum added that Italy had accepted the principle of "multilateral scrutiny" and to that end the Andreotti government would present a "Plan of economic convergence" for the period 1992/94. The Italians were also fairly happy with the results about the political union, especially with the role which would be played by the EP. The "federal inspiration" had disappeared from the text, nevertheless in the Italians' opinion the Treaty would be characterised by a supranational outlook. Rome appeared to approve as well the provisions related to the intergovernmental cooperation and it is significant that the memorandum pointed out that those clauses were not in contrast with the role played by the Atlantic Alliance.[45]

It is not surprising that, on their return from Maastricht, the comments of the Italian protagonists of the negotiations were absolutely favourable. In an article, which was published in early 1992 by the semi-official journal *Affari Esteri*, Andreotti labelled the Maastricht Treaty as a "great achievement", which would lay the foundations of the new Europe and of the transformation of the European Community into the European Union.[46] In an interview to the newspaper *la Repubblica*, Carli was more cautious and he pointed out that now Italy had to implement radical economic reforms.[47]

In fact, a few weeks before the beginning of the Maastricht conference, Parliament had started the discussion on the general finance law and on the prevision and planning report for 1992 of the Budget Ministry. The government's initiative was harshly criticised by both the supporters of more easygoing financial policy and those, who advocated more drastic measures. Some provisions, however, appeared weak and partially ineffective, and both Antonio Fazio, one of the deputy directors, and Ciampi, the Governor of the Bank of Italy, expressed serious doubts about the government's decisions. In October, the unions called a general strike against what was labelled as a policy of "austerity", whereas, on the contrary, the President of the Republic, who was now very critical of the ruling political élite, openly criticised the government's economic and financial policy as too feeble.[48]

45. Ibid., Memorandum by the diplomatic adviser to the President of the Council of Ministers, 11.12.1991.
46. G. ANDREOTTI, *Maastricht e le prospettive dell'Unione Europea*, in: *Affari Esteri*, 93(1992), pp. 3-8.
47. E. POLIDORI, *Entrare in Europa? Sarà dura*, in: *la Repubblica*, 12.12.1991.
48. P. CRAVERI (ed.), op.cit., pp.cix-cxv.

Between mid-1991 and early 1992, Italy's economic outlook definitely worsened and the confidence in both its government and economic system fell dramatically. In July, the American rating agency Moody's decided to downgrade the Italian economy. In November a committee of the IMF paid an official visit to Italy and the final report pointed out the serious contradictions in Italy's economic policy, which, if not immediately redressed, would pose serious doubts about Rome's capacity to face the commitments deriving from its participation in the Maastricht Treaty.[49] A further harsh blow to the Italian government's optimistic approach to the provisions of the Maastricht Treaty came from the European Commission. In late September 1991 Delors wrote Andreotti a letter in which he stated:

> "I do think that Italy's effort must aim at complying with the goals that had been pointed out in the governmental long term economic and financial project which has been presented in May. I recognize the relevance of the efforts that have to be implemented but I do think that it is of paramount importance to give a clear-cut indication of Italy' determination to radically change the country's budget policy. […] Italy's convergence efforts must not be limited to the budget but you would agree that the implementation of other goals such as the fiscal system and the state costs depend on the state's capacity to redress the state finances".[50]

In mid-October, Andreotti replied to Delors. The Italian Prime Minister pointed out the provisions which were going to be approved by Parliament, especially the Finance and Budget Law and the Convergence Plan for the period 1992-1994. Andreotti appeared to believe that it would be possible to implement a limit to the increase in salaries and to launch a series of privatisations. He concluded that Italy would comply with the provisions which would enable Rome to adhere to both the second and the third step of the EMU.[51] However, it is very likely that Delors was not convinced of Andreotti's statements. In late January 1992 he sent a further letter to the Prime Minister in which he criticized the Italian Parliament's incapability to comply with the Commission's directives. The Prime Minister immediately rejected Delors' criticism. The exchange of letters was revealed by the press.[52] On the same day this contrast was made public, Carli and De Michelis signed the Maastricht Treaty. A few days earlier the Andreotti government had resigned and the President of the Republic had called for new elections. They were held in an atmosphere of political chaos, increasing economic difficulties, political murders by the organised criminality and revelations about political and financial scandals which involved the whole ruling class. It was the beginning of the final crisis of the so-called "First Republic".[53]

49. ASISL, AGA, "Carli Guido", box 995, Report by de Fontanay (IMF) to Carli, 20.11.1991.
50. ASILS, AGA, "France Delors Jacques", box 433, Delors to Andreotti [translation], 24.09.1991.
51. ASILS, AGA, "France Delors Jacques", box 433, Andreotti to Delors, 16.10.1991.
52. Delors' letter was published by *la Repubblica*, which also published Andreotti's reactions. See M. RICCI, *Delors sull'Italia si informi meglio. Andreotti respinge I rimproveri della CEE*, in: *la Repubblica*, 07.02.1992.
53. See for example S. COLARIZI, M. GERVASONI, *La tela di Penelope. Storia della seconda repubblica*, Laterza, Rome/Bari, 2012.

In a confidential report drafted in mid-June 1992 by the civilian branch of the Italian secret services, the SISDE analysed the consequences of the Maastricht treaty. A long section of the report focused on the difficulties which the European construction was facing as a consequence of the Danish referendum and of the growing doubts about the treaty which were turning up in most EC countries, especially in France, and in Germany as well. With regard to Italy, the memorandum pointed out the serious financial situation, especially the increase in the inflation rate and the growing public deficit, two aspects which had been openly denounced by the Governor of the Bank of Italy, Ciampi. Those problems were aggravated by the inefficiency of both the Italian political system and the civil service. The memorandum argued that Ciampi's critical remarks were going to be exploited by the international press, which regarded Italy's plight as a further major obstacle to the implementation of the Maastricht Treaty. Moreover, the dramatic episodes of organised criminality – the obvious reference was to the murder of judge Giovanni Falcone – were labelled by some leading European newspapers as an evidence, that Italy was an unstable and unreliable nation whose situation could jeopardise the whole European project. The SISDE memorandum reminded that on the 11th of June the European Parliament had invited Italy "to stop the power of the organised criminality". In its conclusions the memorandum warned:

> "There is the risk that Italy's economic crisis and the issue related to the organised criminality may be artificially exploited by those who, in various European countries, already think that the Maastricht Treaty, based on the Europe of the Twelve, is inadequate, especially after Germany's unification, the dissolution of the Eastern bloc, the revival of national, religious and ethnic identities; in this connection somebody already thinks of a continental Europe ruled by a directorate of the more powerful nations".

It was added that some sectors of the Italian political world and some entrepreneurial milieu thought of a "Mediterranean choice" for Italy, which would delay the process of economic reforms imposed by the Maastricht Treaty, especially the convergence criteria.[54] In a few weeks the "Tangentopoli" scandal and a severe economic crisis would lead to the collapse of the whole political system, to the devaluation of the lira and to its exit from the EMS.

Conclusions

Few Italian historians have dealt with the events which led to the crisis of the so-called First Republic and opened a new phase in Italian history. "Tangentopoli" is still a topic of party polemic and recrimination rather than an object of historical investigation. As far as Italy and the Maastricht Treaty are concerned, the lack of archival material favoured some traditional interpretations based on assumptions,

54. ASILS, AGA, "Europa – Consiglio Europeo di Maastricht 9-10 dicembre 1991", box 387, Memorandum by the SISDE, 15.06.1992, confidential.

such as the one on Italy's empty federalist rhetoric as the main feature of its European policy. A few scholars, especially Lucio Caracciolo and Piero Craveri, have tried to link the end of the "first Republic" to Maastricht. The signature of the Treaty would thus have been a sort of unconscious suicide by the political class unable to understand the long-term implications of the convergence criteria: the *vincolo esterno* would have transformed itself into a sort of "noose" which "strangled" the traditional parties and their leaders.[55]

Actually, Italy's role in the negotiations of the Maastricht treaty is a more complex issue. First of all it is possible to single out two different periods in Italy's policy towards the process that will lead to Maastricht: a first period which spans from late 1989 to late 1990; a second period since early 1991 until early 1992. As far as the first period is concerned, in spite of some problems, the European policy developed by the Andreotti government was partially effective: Italy's position aimed at achieving a more stable post-Cold War European framework, mainly through the launching of an intergovernmental conference and the creation of a European Union characterised by supranational features and a stronger European parliament; as far as the aspects related to the EMU are concerned, the Italian leaders were still confident that it was possible to rely on the *vincolo esterno* strategy, which had been successful during most of the 1980s. In spite of critical comments by the international press, the Andreotti government was able to convince his partners to accept a sort of dual track procedure that would lead to the implementation of both the EU and the EMU. With regard to the economic aspects, Italy's outlook was still fairly bright; moreover, the Italian government could rely on the initiatives taken by Guido Carli and his advisers from the Bank of Italy, who enjoyed the confidence of both their European partners and the influential economic milieu.

The Italian position had dramatically and quickly been worsening since early 1991 from both the international and the domestic viewpoint. Italy's contribution to the drafting of the EU treaty was decidedly a minor one; the Italian authorities were unable to convince their partners to develop a strong federalist approach to the European Union, although it is likely that some progress with regard to the role of the European Parliament can be attributed to Italy's continuing pressures. But Italy's Europeanist commitment was weakened by its traditional fears about a French-German directorate based on military cooperation: the Anglo-Italian declaration of October 1991 highlighted NATO's role, that is US influence on the European defence balance. In fact, Italy's commitment towards the EU treaty became weaker mainly, because the implementation of the EMU became the major issue which the Italian government had to cope with. In this connection, Italy's position suffered as Rome's European partners became convinced that Italy would be unable to comply with the conditions to be achieved in order to be a member of the future European currency. So Italy's involvement in the second and third step of the EMU would risk to threaten the whole construction for the creation of a European common currency. Both a tiny

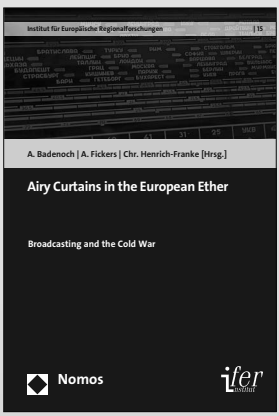
55. L. CARACCIOLO, *L'Italia alla ricerca di se stessa*, in: G. SABBATUCCI, V. VIDOTTO (eds), op.cit., pp.565-571, See also P. CRAVERI (ed.), op.cit., p.1016.

technocratic élite, which had the Bank of Italy as its stronghold, and some members of the political class, such as, for example, Carli, Andreotti and Cossiga, realised that the creation of the EMU was becoming the most important aspect of the intergovernmental negotiations. But the Italian cabinet and a large part of the political class were unable to understand that the end of the Cold War had radically changed the international scenario and the European balance, leading thus to an acceleration of the international dynamics, as well as to the end of some deep-rooted advantageous positions, such as the fact that Italy – too weak but too important to fail – had always to be supported owing to its role of Western bulwark.

This situation was worsened by a crisis of traditional political and societal loyalties in the domestic field, as in the opinion of several Italian voters there was no need to continue voting for the traditional anti-Communist parties, as the Soviet threat no longer existed. On the occasion of the signature of the Maastricht Treaty most members of the political class focused their attention on the most obvious political aspects of the treaty and they reiterated the usual complaints about the lack of federalist inspiration; a few politicians hoped that the *vincolo esterno* could solve Italy's problems, but they thought they had plenty of time to cope with those issues and they ignored the destabilising consequences of the end of the Cold War on the domestic balance; while the "technocratic" élite believed that "Europe" would solve every problem, without realising that "Europe" was not limited to a tiny European "small world" of top officials, bankers and scholars, but consisted mainly in the interaction of national interests. So, if the Maastricht Treaty was not the only reason for the fall of the "First Republic", the international context related to the signature of the treaty, as well as relevant domestic factors closely related to the treaty provisions, such as the state deficit and the privatisations, favoured the crisis of a public consensus which had lasted for half a century and led to the implosion of the traditional Italian party system, paving thus the way for a new stage in Italy's history.

In the twenty years after the signature of the Maastricht Treaty Italy has lost most of its sovereignty, especially in the economic field, to the advantage of the EU, although not in the way the federalists and sectors of the traditional political and technocratic élite had dreamt of. In this period, on the contrary, Italy has experienced the emergence of growing and widespread euro-sceptic feelings, as well as the appointment of various governments led by representatives of a Europeanist technocratic élite – Giuliano Amato, Carlo Azeglio Ciampi, Lamberto Dini, Mario Monti -, whose main goal has been to reassure the European partners and the European Union about Italy's capability to comply with the economic and financial rules, born in Maastricht, implemented by Brussels and advocated by Berlin.

Transnational and European Communication Space



Airy Curtains in the European Ether

Broadcasting and the Cold War

Edited by Alexander Badenoch, Andreas Fickers and Christian Henrich-Franke

2013, 375 pp., pb., € 64.00
ISBN 978-3-8329-7225-7

(Institut für Europäische Regional-forschungen – Institute for European Regional Research, vol. 15)

This book aims at emphasizing the important role of broadcasting as central actor in the creation of a transnational and European communication space during the period of the Cold War. Its methodological design aims at linking the study of the circulation and appropriation of cultural performances with awareness for the crucial role of broadcast technologies as mediators and catalysts of cultural transfers. In studying Europe as a Cold War broadcasting space by describing and analyzing different transmission and reception technologies and by questioning their specific contribution to the medial construction of a transnational communication space in constantly changing political and cultural environments we hope to enlarge our understanding of the role of civil and institutional actors in the creation of transnational communities and European networks. It addresses media historians as well as historians of international relations, especially regarding the Cold War and European integration.