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The Black Sea Trust
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A PROJECT OF THE GERMAN MARSHALL FUND



Kateryna Zarembo

FOREIGN POLICY AUDIT: UKRAINE- ITALY

DISCUSSION PAPER





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2016



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This report was conducted within the project of the Institute of World Policy “Ukraine’s Foreign Policy Audit”. This project is implemented with the support of the Black Sea Trust for Regional Cooperation of German Marshall Fund (BST GMF) and Ukraine National Initiatives to Enhance Reforms (UNITER) program, which is funded by the United States Agency for International Development (USAID) and implemented by Pact Inc.

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1. INTRODUCTION

Ukraine and Italy have never been among the top foreign policy priorities for each other. Italy has traditionally been focused on the Mediterranean region, and Russia remains its strategic partner in Eastern Europe. Before the Revolution of Dignity and the Russian-Ukrainian conflict, Italy's key interests towards Ukraine were associated with trade and investments.

As for Ukraine, it has traditionally been interested primarily in the economic dimension and achieving Italian support..

Since the beginning of the Russian-Ukrainian war, Ukrainian-Italian relations have been affected by an additional aspect. The traditional economic partnership was supplemented by the security policy issue over which Italy had a problem in its relations with Russia. Therefore, official Rome is now primarily interested in stabilizing the situation in Ukraine.

At the same time, Italy does not share the Cold War discourse of isolating Moscow and maintains a pragmatic attitude to the situation Russia will remain a powerful player at the regional and global level and needs to be taken into account. Many Italian politicians continue to believe it necessary to revert to Italy's experience when Italy had perhaps the best relations with Russia among all Western countries at the peak of the Cold War while being a NATO member and a U.S. ally in Europe. Meanwhile, owing to a number of factors (change of governments in Italy and Ukraine, Russian aggression in Ukraine) the Italian-Ukrainian relations gained a new dynamic. The objective of the Ukrainian government at this stage is to support the dynamics and transformation of political agreements into specific mutually interesting economic projects.

Nowadays, both sides see each other as "connecting links". For Ukraine, Italian support at the international level, including the EU, NATO and the G7, is vital. Italy considers Ukraine in context with Russia as a country that theoretically could influence internal development of Russia, link it with the EU, or at least act as a "bridge" (approach presented by Romano Prodi several years ago) giving the EU a safe dis-

tance for continuing dialogue with Russia. At the same time Italy is only beginning to discover Ukraine as a full partner.

The strategic priorities of Ukraine towards Italy are as follows:

- 1) development of a separate bilateral political track, supported by the mutual realization of inherent worth by both partners;
- 2) Italian support of Ukraine's European integration aspirations;
- 3) Italian support of cohesion in the EU regarding the territorial integrity of Ukraine in the context of resolving the Russian-Ukrainian conflict in eastern Ukraine and de-occupation of Crimea;
- 4) implementation of interests in the energy sector in order to maintain Ukraine's role as a European energy hub;
- 5) realization of the interests of the Ukrainian community in Italy;
- 6) changing the Italian "mental map" of Ukraine; dispelling the myth, deeply entrenched in Italian mentality, about Ukraine's political and cultural affiliation to the "Russian World".

The implementation of these interests has great potential, as the interests of Italy towards Ukraine are as follows:

- 1) increasing the amount of Italian companies and investments in Ukrainian market;
- 2) restoration of the territorial integrity of Ukraine and resolving the conflict in eastern Ukraine;
- 3) preservation and development of gas transport routes across southern Europe, where Ukraine has a key role due to its geographical location.

The objective of this paper is to identify the intersection points of mutual interests for Ukraine and Italy and possible ways of their effective implementation.

2. UKRAINIAN INTERESTS TOWARD ITALY AND ITALIAN INTERESTS TOWARD UKRAINE: INTERSECTION POINTS

2.1. ITALY: SECURITY OF UKRAINE'S EUROPEAN INTEGRATION

Until recently, one of Ukraine's key interests towards Italy has been support of Ukraine at international forums, primarily on issues related to Ukraine's European integration aspirations: the implementation of the Association Agreement and a visa-free regime. Since 2014, this list has been expanded to include the issue of preserving Ukraine's sovereignty, restoring its territorial integrity, and maintaining sanctions against Russia. Both European and Ukrainian media regularly raise the question about whether Italy will be the "weakest link" of the European Union.

The level of Italian influence on EU decision making processes is significant – not like the Great Three (France, Germany, and the UK), but still significant. It should be noted that the support of Italian Prime Minister Matteo Renzi regarding the EU's initiatives means the guarantee of unanimity in the EU-28 for German Chancellor Angela Merkel.¹ Moreover, while having historically independent foreign policy strategy for Russia, Italy considers Ukraine a country to be dealt with within the European Union track and is more inclined to support the consensus position of the EU than to have its own one. It is no secret that Italy's foreign policy priority is the Mediterranean region and Balkans, not the eastern border of the European Union.

The official position of Rome regarding such key issues for Ukraine as European integration and the settlement of the Russian-Ukrainian conflict is as follows: Italy supports the EU's policy towards Ukraine on both European integration and territorial integrity, but does not consider the isolation of Russia a valid option. In Italian diplomatic discourse, such policy is called "the dual track" (*doppio binario*): a firm stance on the principles of international law combined with dialogue and negotiations.

¹ *Interview with a Ukrainian diplomat, 20 April 2016.*

2. Ukrainian interests toward Italy and Italian interests toward Ukraine: intersection points

The dialogue between Rome and Moscow is very intense. Renzi visited Moscow with an official visit after the annexation of Crimea, in March 2015. In July, Vladimir Putin visited Expo 2015 in Milan. Despite the informal nature of the visit, Putin had meetings at the highest level: together with Italian Prime Minister he opened the Day of Russia and then met with Italian President Sergio Mattarella and Pope Francis. In 2016, Foreign Affairs Minister Paolo Gentiloni has already made two visits to Moscow.

Nonetheless, the real balance of power in Italy can be described by the following formula: relations with Russia are important for Rome, but relations with the European Union and the United States are more vital. According to one source, “Russia always counts on Italian support and is always wrong, as the European and Euro-Atlantic communities are the top priorities for Italy.”² In general, this situation opens new opportunities for Ukraine: “flirting” between Rome and Moscow forces the latter to perceive Italy as a “Trojan horse” within the EU, whereas the reality is that Ukraine has a hidden ally in Italy, at least as long as Renzi’s Democratic Party remains in power.

Practically, this means that there are two levels of discourse inside the Italian political elite: the level of rhetoric, which often comes across as pro-Russian, and the practical level that actually shows support for Ukraine and its interests.

Since the beginning of the Russian-Ukrainian conflict, Italian political circles have understood that there could be no return to business

² Interview with Riccardo Alcaro, senior fellow at the International Affairs Institute (Istituto Affari Internazionali/IAI, Rome, Italy), Transatlantic Programme, 6 May 2016.

as usual with Russia.³ Italy's position is that Russia has to respect Ukraine's territorial integrity and the Minsk Agreements. For instance, Italy is one of the few EU states to take concrete steps to arrest the property of Russian citizens affiliated with Putin. In September 2014, the assets of Russian tycoon Arkadiy Rotenberg worth around 30 million euros were arrested. Furthermore, at the request of the Prosecutor General of Ukraine, within the criminal case of beating the protesters in Odesa in 2007, the Italian police arrested Ihor Markov, a former MP from the Party of Regions, in San Remo.

In 2013, Italy demonstrated a cautious attitude to the Association Agreement with Ukraine, knowing that Russia could start a conflict after its signing. A large part of the Italian political establishment stated that Russia had to be involved in the consultations on the effects of the Association Agreement and accused the European partners of Italy, primarily Germany, of excessive haste. However, after the annexation of Crimea, Italy was the co-author of the UN resolution on the territorial integrity of Ukraine and supported a series of tough statements made on behalf of G7.⁴ The Italian authorities, including the Defense Ministry and the Foreign Affairs Ministry, have no illusions about who is fighting for the "DPR" and "LPR," as Italians are well aware of Russian military presence in eastern Ukraine (in particular, through the representatives of Italy within the OSCE Special

³ *The Russian-Ukrainian conflict also had a negative impact on public attitudes towards Russia in Italy. For instance, according to the Pew Global Attitudes 2015 survey, the percentage of those who are fond of Putin decreased from 26% in 2007 to 18% in 2015. In general, a positive attitude towards Russia was confirmed by a larger portion of Italian citizens, 27%, although this number also decreased compared to 2007, when 37% supported Russia. This divergence in the perception of Russia and its leader illustrates a split among the pro-Russian community in Italy into the Russophiles who sympathize with Russia but do not support Putin as its leader (the "Russia understanders") and the pro-Putinists.*

⁴ *«Ucraina: G7-UE, appello a Russia - Aiuti Cooperazione italiana, attenzione e solidarietà' con il popolo ucraino», Ministero degli Affari Esteri e della Cooperazione Internazionale, 12.03.2014. Accessibile su http://www.esteri.it/mae/it/sala_stampa/archivionotizie/approfondimenti/20140312_ucrainag7ueappello.html*

2. Ukrainian interests toward Italy and Italian interests toward Ukraine: intersection points

Monitoring Mission).⁵ As far as the Agreement is concerned, Italy has ratified it in both houses of the Parliament in a timely manner (despite the general skepticism of the population on this issue; according to a survey conducted in March 2016, 66% of Italians claimed that Italy had to have a referendum on the Association Agreement with Ukraine, similar to the Netherlands).⁶

Despite the migration crisis that affected Italy more than other EU member states, it has been consistently supporting granting Ukraine a visa-free regime. In this context, the “soft power” of the Ukrainian community in Italy has unexpectedly played its role. Italy has no phobias related to Ukrainian migration due to awareness of Ukrainian mentality and character (most Italians know at least one Ukrainian).⁷

Italy has ratified the Association Agreement with Ukraine in both houses of the Parliament in a timely manner

Italy is a consistent supporter of the Minsk Process and advocates the need for the full implementation of the Minsk Agreements. Renzi called the Minsk Agreements “the North Star, the guiding star” for the resolution of the conflict.⁸ He keeps emphasizing that sanctions against Russia can be lifted only if these agreements are fully implemented.

Italy views the Minsk Agreements as, on the one hand, an instrument for cessation of the armed conflict and restoration of the sovereignty and territorial integrity of Ukraine and on the other, as a tool for bringing Russia back into dialogue and European security space. Thus, the resolution of the Russian-Ukrainian conflict is primarily seen in Italy as a prospect of restoring relations with Russia.

⁵ Interview with a representative of the Ukrainian diplomatic mission to Italy, 13 May 2016.

⁶ *Le jugement sur la nécessité d'un référendum sur les accords d'association avec l'UE*, IFOP, http://www.ifop.com/media/poll/3339-1-study_file.pdf

⁷ Interview with an Italian diplomat, 6 June 2016.

⁸ Expo, Renzi: “Ucraina, avanti con accordi di Minsk 2”. *Il Fatto Quotidiano*, 15.06.2015. Accessibile su <http://www.ilfattoquotidiano.it/2015/06/10/expo-stretta-di-mano-renzi-putin-il-presidente-russo-italia-grande-partner/1764081/>

Given established links with the Russian Federation, Italy enjoys the role of a “facilitator” in dialogue between Kyiv and Moscow. For instance, Renzi had a working breakfast with Presidents Poroshenko and Putin at the Asia-Europe summit (ACEM) in Milan in October 2014. The meeting was also attended by German Chancellor Angela Merkel, French President Francois Hollande, British Prime Minister David Cameron, as well as other representatives of the EU: then Chairman of the EU Council Herman Van Rompuy and European Commission President José Manuel Barroso. After the event, Renzi reported “very positive” expectations regarding the resolution of the conflict in eastern Ukraine to the media.⁹

Italian MPs tried to establish a ground of “equal opportunities” for Ukrainian and Russian diplomatic missions in Rome: the Italian parliament invited Ukrainian and Russian ambassadors to its hearings three times in 2015. However, the Russian ambassador refused to participate in joint events of that kind.¹⁰

Given established links with the Russian Federation, Italy enjoys the role of a “facilitator” in dialogue between Kyiv and Moscow

Minsk-2 is also a certain stimulus in Italy, in particular due to the fact that Italy is excluded from the “Normandy format.” Media outlets and some representatives of the Italian political establishment criticize Renzi’s government for insufficient impact

on European policies and refer to the “German hegemony” in the EU. However, the importance of being involved in the decision making to resolve the conflict in eastern Ukraine should not be exaggerated for Rome. Official Rome meets its foreign policy ambitions in other contexts. “Italy has an important role: after all, we are in the Mediterranean region, at the crossroads of the major crises, and we also have a key role in other contexts, such as in Afghanistan [...]. We have a key, even a leading role in multiple dossiers, including the issue of migra-

⁹ *Italian PM calls Ukraine-Russia talks ‘really positive’*; Deutsche Welle, 17 October 2014. Accessed at <http://www.dw.com/en/italian-pm-calls-ukraine-russia-talks-really-positive/a-18000961>

¹⁰ *Ukrainian Ambassador to Italy Yevhen Perehyin: the Russian counterpart has never attended any event where I was invited*. Glavkom, 11 November 2015. Accessed at: <http://www.dw.com/en/italian-pm-calls-ukraine-russia-talks-really-positive/a-18000961>

tion. [...] As for the Normandy format, it is an opportunity for France and Germany to make history,” Italian Minister of Foreign Affairs Paolo Gentiloni said to a journalist of *La Stampa*.¹¹

Thus, the question of Italian support or non-support of the sanctions against Russia is rooted not in the strategic partnership between Rome and Moscow, but in Italy's desire to emphasize its weight in decision making in the EU and to gain certain concessions from the European partners in other areas. For instance, in December 2015, Renzi blocked the automatic extension of sanctions and demanded a discussion of this issue at the European Council (informally, the actual reason for that policy was a discussion with Berlin on Nord Stream II and attempts to liberalize the fiscal rules of the EU). The discussion on the extension of sanctions in the Council indeed took place, but it was more symbolic than decisive.¹²

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Rome believes that the key points of the Minsk Agreements are complete ceasefire and the implementation of the political part - the constitutional reform, which, according to the Italian authorities, will lead to the decentralization of power and national reconciliation. This thesis by Gentiloni, expressed in the interview for *La Stampa* on the eve of his visit to Ukraine, sparked a massive outcry in the Ukrainian media that considered it was a move designed to curry favor with the Kremlin.¹³

11 Gentiloni: “Nessuno scambio fra Ucraina e Siria. Putin non usi la forza”. *La Stampa*, 05.10.2015. Accessibile su http://www.esteri.it/mae/it/sala_stampa/archivionotizie/interviste/2015/10/gentiloni-nessuno-scambio-fra-ucraina.html

12 Wesslau Fredric. *Will the EU prolong economic sanctions against Russia?* European Council on Foreign Relations, 16 May 2016. Accessed at http://www.ecfr.eu/article/commentary_will_the_eu_prolong_economic_sanctions_against_russia_this_7026

13 “L'Italia non può chiudere le porte alla Russia”. *La Stampa*, 03.05.2015. Accessibile su <http://www.lastampa.it/2015/05/03/esteri/litalia-non-pu-chiudere-le-porte-alla-russia-2gXfPAYRy0nx27U6xmY5GI/premium.html>

In fact, this position is rooted in the deep decentralization inherent in Italy. Some Italian experts believe that Ukraine could use Italian experience. Of the twenty regions of Italy, five border regions and islands, Sardinia, Sicily, Trentino-Alto Adige, Valle d'Aosta, and Friuli-Venezia Giulia, have a special status (*statuto speciale*). The decision on the special status for the multicultural and multilingual regions (in case of Adige Trentino Alto) was motivated by the desire to keep these territories after the World War II.

It should be noted that in 2012, the Crimean Tatars expressed their interest in the experience of South Tirol, a Trentino-Alto Adige province, in supporting local governance. In particular, Refat Chubarov was among the members of the Crimean Tatar delegation that visited the province.¹⁴ However, according to other experts, eastern Ukraine should be compared not with the economically developed ski resort of Alto Adige, but with Sicily, an "undeveloped state area with governmental structure replaced by the oligarchic and criminal clans that do not allow the development of civil society".¹⁵

The Russian-Ukrainian conflict in eastern Ukraine has partially contributed to the review of Italian defense policy. In 2015, the Italian Defense Ministry issued the White Paper for International Security and Defense; in Italy, a document of this strategic level has not been developed for 30 years.¹⁶ Overall, the rhetoric of the Paper defends a military approach to national security,¹⁷ while confirming the reduction of Italy's armed forces and defining the Mediterranean and "Euro-Atlantic" regions as the priorities for the

¹⁴ "We have seen the rule of law in action." *The Day*, 29 November 2012.

¹⁵ Interview with Oksana Pakhlovska, member of the Italian Association of Ukrainian Studies, professor of the La Sapienza university (Rome, Italy), 5 June 2016.

¹⁶ *White Paper for International Security and Defense. The Ministry of Defense of Italy, July 2015. Accessed at http://www.difesa.it/Primo_Piano/Documents/2015/07_Luglio/White%20book.pdf*

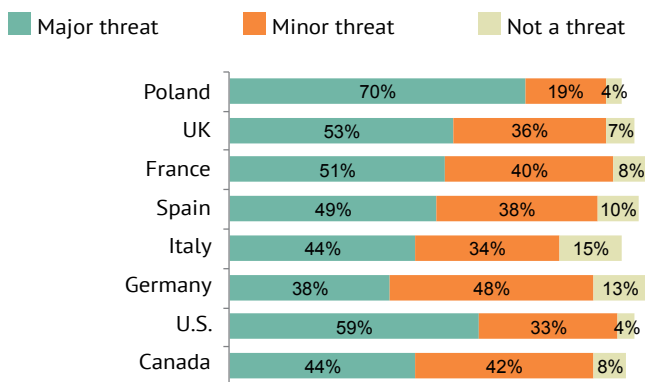
¹⁷ "The priority objective for the protection of Italy's vital interests is defense against an armed attack directed at the national territory, its people, and its assets. This includes potential hybrid attacks by non-state actors who possess substantial offensive capabilities, including weapons of mass destruction", *ibid.*, clause 66, p. 37.

2. Ukrainian interests toward Italy and Italian interests toward Ukraine: intersection points

Italian security. Interestingly, despite the fact that the Black Sea is also a part of the Mediterranean basin, the annexation of Crimea is perceived in Italy as a threat, particularly, since the Russian fleet has been historically based there.¹⁸ At the same time, according to the Pew Global Attitudes Survey, a mere 44% of Italian citizens consider Russia a threat to neighboring countries (this opinion is shared by 70% of the respondents in Poland, 59% in the US, and 51% in France).¹⁹

Figure 1. Poland Most Worried about Russian Military Threat

How much of a military threat, if at all, is Russia to its neighboring countries, aside from Ukraine?



Source: *Spring 2015 Global Attitudes Survey, Q27 (Pew Research Center)*

¹⁸ Interview with Francesco Tosato, senior analyst at the Center of International Studies (Centro Studi Internazionali/Ce.S.I., Rome, Italy), 23 May 2016.

¹⁹ Katie Simmons, Bruce Stokes and Jacob Poushter. *NATO Publics Blame Russia for Ukrainian Crisis, but Reluctant to Provide Military Aid*. Pew Research Center, 10 June 2015. Accessed at <http://www.pewglobal.org/2015/06/10/1-nato-public-opinion-wary-of-russia-leary-of-action-on-ukraine/>

Italy is an ardent opponent of the idea of supplying weapons to Ukraine, and in this case Italian government's position fully corresponds with the attitudes of the voters: 65% of Italians are against this decision and a mere 22% support it. Only the Germans are more negative on this issue in Europe, with 77% of its citizens voting against this move.²⁰

It is important to emphasize that such attitudes, as well as Italian foreign policy in general, are more pacifist than anti-Ukrainian. Like Germany, Italy was defeated in World War II and now adheres to soft power in foreign policy, being reluctant to send troops not even to Ukraine, but also to Libya, despite pressure from the United States and the fact Libya is among Rome's geopolitical priorities.²¹

2.2 RELATIONS BETWEEN UKRAINE AND ITALY: DEVELOPING THE BILATERAL TRACK

One of the key interests of Ukraine towards Italy, a country where foreign policy on eastern Europe has been shaped for centuries by the spirit of strategic partnership with Russia, is establishing a full-fledged bilateral track and the perception of Ukraine as a valuable partner rather than a "bridge" or a "buffer".

There are no "natural" allies of Ukraine in the Italian political elite

It is important to understand that there are no "natural" allies of Ukraine in the Italian political elite. The Italian political spectrum consists of either supporters of far-right fascist traditions, who now adhere to conservative and radical views, or representatives of the communist ideology. All of them consider Russia a valuable partner. To Italian leftists, Russia is a successor to the USSR. To the right-wing politicians, a partnership with Russia as a

²⁰ *Ibid.*

²¹ *In all fairness, it should be noted that Italy participates in NATO initiatives aimed at securing the eastern border of the Alliance (e.g., the Baltic Air NATO mission).*

state able to resist the US is vital (although anti-Americanism is also characteristic of the leftist political forces in Italy).²² This approach is also reflected in the press: both leftist *Il Manifesto* and *Il Giornale*, the media outlet of Silvio Berlusconi's center-right party, wrote about the "Ukrainian Fascists".²³ Today, the center-left tradition in Italy is represented by the ruling Democratic Party (successor of the Italian Communist Party), while the right-populist one is represented by the opposition parties: Forza Italia, Lega Nord, and the Five Star Movement.

In this situation, the leftists still seem ideologically closer to Ukraine, because they act in Italy as a pro-European force. The fact that 2013 parliamentary elections were won by the center-left parties opened a window of opportunities for the Ukrainian-Italian relations. To some extent, Ukraine was able to make use of it.

Italian Ambassador to Ukraine Fabrizio Romano likes to say that over the past two years, there have been more meetings between Ukraine and Italy than in the previous 25 years of diplomatic relations.²⁴ The bilateral contacts have really intensified.

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This has been caused by several factors. On the one hand, it is worth noting the efforts of Ukrainian diplomats targeting Italy as a country whose support is vital and where pro-Russian relations and lobby are working against Kyiv. On the other hand, Prime Minister Matteo Renzi, who, unlike Berlusconi, has no personal obligation to Putin, has also played his role. In addition, as a representative of a new generation of Italian politicians, Renzi is not affected by nostalgia for

²² According to Oksana Pakhlovska, "right-wing radicals view the Maidan as an unconscious crowd making chaos and Putin as the Duce, while left-wing radicals see it as a US-financed coup and Putin as Stalin."

²³ Natalia Gattuccio. The "friends" of Ukraine have established a news website in Italy. BBC Ukraine, 10 February 2015. Accessed at http://www.bbc.com/ukrainian/politics/2015/02/150209_italy_ukraine_hk

²⁴ Serhiy Alekseeiev: Ukrainian MPs will visit Italy in order to strengthen interparliamentary contacts. The official web portal of the Parliament of Ukraine, 15 April 2016. Accessed at http://rada.gov.ua/documents/pgl_italrepub/128290.html

communist-Soviet friendship. After all, our Italian partners admit that due to Russian aggression, Ukraine has become an important dossier of international policy, and Italy is trying to become engaged.²⁵

Since 2014, only Renzi and Poroshenko have met at least five times, including the exchange of official visits in 2015: in March, the Italian prime minister visited Kyiv, and in November Poroshenko visited Rome. (The previous top-level visit to Italy was by Viktor Yushchenko in 2008). In 2016, the visit of Italian president Sergio Mattarella to Ukraine is expected, the first one in the past 17 (!) years. Furthermore, multiple interagency contacts have been established over the past two years: e.g., the meetings at the level of ministers of internal affairs and justice, heads of the Anti-Corruption Bureau of Italy and the National Anti-Corruption Bureau of Ukraine, etc. Ukraine has a special interest towards Italy in the context of fighting corruption. In particular, the experience of the large-scale “Clean Hands” (Mani pulite) operation, which was carried out in the 1990s and actually led to a real “reboot” of the government and the reformatting of the political forces in Italy, could be interesting to Ukraine. Incidentally, President of Italy Mattarella has expressed personal interest in facilitating the efforts to overcome corruption in Ukraine.

As a result of strengthening bilateral relations, Ukraine and Italy have become close to the important institutionalization of relations. For example, for the first time in the history of the bilateral relations the Ministers of Foreign Affairs of Italy and Ukraine were appointed co-chairs of the Ukrainian-Italian Council on Economic, Industrial, and Financial Cooperation. After six-years break the 8th session of the Council in October 2015, Ukraine and Italy signed a roadmap of cooperation between the two countries for 2016-2017 and memorandums on cooperation in the area of small and medium business and in agriculture. Both documents are declarative and are waiting for practical implementation. It is important, however, that both memorandums are related to the key areas of Ukrainian-Italian cooperation, as the SMEs are the key actors in the business environment in Italy. As far as

²⁵ Interview with an Italian diplomat, 6 June 2016.

the agricultural sector is concerned, it is a priority area of Ukrainian exports to Italy.

Furthermore, an agreement on interparliamentary cooperation between Ukraine and Italy is expected to be signed, which will allow the establishment of the official Interparliamentary Friendship Group in 2016. Today, the Italian-Ukrainian relations are also influenced by the contacts (even unofficial) made at the level of parliaments on a monthly basis. On the Ukrainian side, MP Serhii Alekseiiev, the Co-Chair of the Interparliamentary Ukrainian-Italian Friendship Group, is an active lobbyist of Ukrainian-Italian cooperation. Previously, he has been directly involved in the promotion of Ukrainian-Italian business partnership by providing legal services to Unicredit, an Italian banking group.

Nowadays, Italy has only 27 of interparliamentary agreements, and the agreement with Ukraine will be the 28th.²⁶ The Ukrainian side hopes that this agreement will facilitate the adoption of long-awaited decisions, particularly regarding protection of the rights of the Ukrainian community in Italy, at the institutional level. The issue that has long been on the agenda is an agreement on the mutual recognition of secondary and higher education diplomas. The development of interregional contacts is also on the interparliamentary cooperation agenda²⁷.

The understanding that Italy is a country of regions should become one of the cornerstones of Ukrainian policy towards Italy. Today, Ukraine is working with Italy only at the level of the central government, while Russia, for example, has well-established direct cooperation with all Italian regions. The result of voting in the Veneto province council on the recognition of Crimea as part of

The understanding that Italy is a country of regions should become one of the cornerstones of Ukrainian policy towards Italy

²⁶ Serhii Alekseiiev: *the Parliament has received a draft Memorandum on Understanding between the Chamber of Deputies of the Republic of Italy and the Verkhovna Rada of Ukraine. The website of the Petro Poroshenko Bloc "Solidarity", 17 June 2016. Accessed at <http://solydarnist.org/?p=70551>*

²⁷ *Interview with Ukrainian MP Serhii Alekseiiev, co-chairman of the interparliamentary friendship group Ukraine-Italy, 10.06.2016*

the Russian Federation and on lifting the sanctions against Russia, which has no legal impact on the actions of the central government but creates additional political pressure, should set an alarm bell ringing for Ukraine.

Although the northern regions of Italy are vital for the bilateral trade between Ukraine and Italy (they account for over 50% of the trade turnover between the two countries²⁸), there is a specific reason for the Veneto region vote. The resolution on Crimea was initiated by Lega Nord, a “separatist” party in Italy which defends northern Italian businessmen from the “poverty” of southern Italy and Rome’s regulations that supposedly redistribute the economic and financial benefits of the North to the South. Veneto is one of the three Italian regions that are supposedly most affected by Russian “counter-sanctions.” The irony is that the “counter-sanctions” mostly affect agricultural products and food, while Veneto – and northern Italy in general – is an industrial region.

The governor of Banca d'Italia, Italy's central bank, refuted claims that the Italian economy was suffering from the sanctions

Overall, as in other countries of the European Union, Italian government is under pressure from certain political and business communities and the media to lift sanctions against Russia. The media and some politicians point to a decrease of

over 3.5 billion euros in trade between Italy and Russia compared with 2013 and put the blame on the Russian “counter-sanctions.” However, the actual amount of decrease in exports of agricultural products and food covered by the Russian embargo is only 400 million euros. The governor of Banca d'Italia, Italy's central bank, also refuted claims that the Italian economy was suffering from the sanctions²⁹. Meanwhile, decreased exports of other commodities (e.g., according to Istat, Italy's state statistics company, machinery

²⁸ *Ukrainian Ambassador to Italy Yevhen Perelyhin: the Russian counterpart has never attended any event where I was invited. Glavkom, 11 November 2015. Accessed at <http://www.dw.com/en/italian-pm-calls-ukraine-russia-talks-really-positive/a-18000961>*

²⁹ *Effetti quasi nulli per l'Italia dalle sanzioni contro la Russia. Parola di Bankitalia. Formiche, 26.06.2016. Accessibile su <http://formiche.net/2015/05/26/russia-ucraina-italia-sanzioni-relazione-bankitalia/>*

exports fell 648.2 million euros, clothing exports 539.2 million euros, exports of vehicles 399.1 million euros, etc.) are attributed by the leading Italian media, such as La Repubblica, not to the overall shrinking of the Russian economy but also to some “informal” embargo that forces Russian state agencies not to buy Italian goods. These kinds of arguments obviously lack any objective justification; however, they are sufficient for shaping public opinion, informing debates with political opponents, and creating public pressure on the ruling elite.³⁰ It should be noted that as many as 10 draft resolutions on softening or canceling sanctions against Russia were considered by the Chamber of Deputies in the Italian parliament in 2015. They were sponsored by the opposition parties Forza Italia, Lega Nord, and the Five Star Movement and other groups of MPs. However, after prolonged heated debates the Chamber of Deputies passed a resolution drafted by the ruling coalition to preserve the sanctions until the Minsk Agreements were fully implemented.

The fact that one of the sources of such pressure is the regional authorities emphasizes the urgency of contacts, communication, and cooperation between Ukraine and Italy at the regional level.

2.3 ITALY AS ONE OF THE TOP TRADING PARTNERS OF UKRAINE

Economic relations are an area where the interests of Ukraine and Italy mostly overlap. Italy and Ukraine are valuable markets to each other. In 2006-2014, the trade turnover between the two countries amounted to 4-5 billion euros annually; in 2015, this figure dropped to 3 billion.³¹ In addition, Italy is a major investors in Ukraine, and Ukraine is interested in investments.

³⁰ *Sanzioni ed embargo, la Russia è costata all'Italia 3,6 miliardi. La Repubblica*, 26.03.2016. Accessibile su http://www.repubblica.it/economia/2016/03/26/news/export_russia_sanzioni_embargo-136323510/

³¹ *Trade and economic cooperation between Ukraine and Italy. The website of the Embassy of Ukraine to the Republic of Italy. Accessed at <http://italy.mfa.gov.ua/ua/ukraine-it/trade>.*

In terms of Ukraine's trade with European countries, Italy ranks third, behind only Germany and Poland. Italy is number one importer of Ukrainian products in the EU. It accounts for 15% of Ukrainian exports, which exceeds Ukraine's total exports to Germany and France. The main products of Ukrainian exports to Italy are ferrous metals (49.4%), cereals (corn and wheat) (16%), and vegetable oil (7.6%).³²

Italy is number one importer of Ukrainian products in the EU

For Italy, Ukraine is a strategically important market, especially for the banking sector. According to the official data, Italy ranks 10th on the list of 123 investors represented in Ukraine.³³ However, Italian Ambassador to Ukraine Fabrizio Romano notes that this figure is low and does not account for all Italian capital present in Ukraine (e.g., due to the central offices of investing companies being located in other countries).³⁴

Economic relations between Ukraine and Italy are important not only because of potential profits, but also in terms of Ukraine's image in Italy. Business and sports are very interesting to Italians, and the opinion of an average Italian businessman is sometimes more important than that of an intellectual or a cultural figure.³⁵

On the other hand, the FTA with the European Union is likely to help open the markets of the two countries for the mutual exchange of goods and services. The cancellation of import tariffs since January 1, 2016 is perceived with enthusiasm in Italy. The Eastern European region, and Ukraine in particular, is strategic for

³² *Ibid.*

³³ *Direct foreign investments (joint stock capital) from the countries of the world in Ukrainian economy as of 1 April 2016. The State Statistics Service of Ukraine. Accessed at <http://www.ukrstat.gov.ua/>*

³⁴ *Fabrizio Romano: The amount of Italian investments in Ukraine is USD 4 billion. Forbes Ukraine, 17 August 2015. Accessed at <http://forbes.net.ua/ua/nation/1400270-fabrizio-romano-obsyag-italijskih-investicij-v-ukrayinu-ocinyuetsya-v-4-mlrd>*

³⁵ *Interview with Mykhailo Minakov, Assistant Professor of the Department of Philosophy and Religion Studies at NaUKMA, researcher of Ukrainian cultural diplomacy in Italy (Milan, Italy), 7 May 2016.*

2. Ukrainian interests toward Italy and Italian interests toward Ukraine: intersection points

Italy primarily in terms of economy. The Italian Diplomatic Mission to Ukraine and ICE, the Italian trade agency, are making efforts to ensure that the number of Italian enterprises in Ukraine increases.

Unfortunately, today Ukraine not only fails to use its potential to attract Italian investors in Ukraine but also contributes to their withdrawal.

Overall, about 300 Italian companies operate in Ukraine. The main Italian investors in the Ukrainian economy are the *Duferco* metallurgical company (modernization of the Alchevsk Metallurgical Plant in cooperation with the ISD corporation), *Danieli* (reconstruction of Azovstal and the construction of the Dniprostal Steel Mill), *Intesa Sanpaolo* (Praveksbank), *ENI* (energy), and *Ferrero and Campari* (food industry).³⁶ Until recently, the *Unicredit* banking group was also on this list. It operated in the Ukrainian financial sector for a long time but decided to sell its assets in 2016. Other important Italian investors in Ukraine include *Mapei* (manufacturer of construction chemicals), *Zeus Ceramica* (ceramic tiles), *Ferplast* (plastic products), *Camozzi* (pneumatic equipment), and *Inblu* (clothing and shoes).

The problems faced by Italian businesses are typical of the Ukrainian business environment: corruption, excessive bureaucracy (e.g., the VAT refund procedures or virtually impossible withdrawal of dividends from Ukraine), and artificial barriers. For instance, in 2011 a Ukrainian court decided to revoke the protection of the *Raffaello* trade mark owned by the *Ferrero group*, and another company was allowed to sell its product, almost identical to the famous Italian sweets, on the Ukrainian market.³⁷ Another recent scandal was caused by the decision of the State Inspectorate for Consumer Protection regarding non-compliance of products produced by *Indesit*

³⁶ *Trade and economic cooperation between Ukraine and Italy. The website of the Embassy of Ukraine to the Republic of Italy. Accessed at <http://italy.mfa.gov.ua/ua/ukraine-it/trade>.*

³⁷ *Ferrero commented the court's decision to revoke the protection of the Raffaello trade mark in Ukraine. Korrespondent.net, 19 January 2011. Accessed at <http://ua.korrespondent.net/business/1176565-ferrero-prokomentuvala-rishennya-sudu-skasuvati-zahist-torgovoyi-marki-raffaello-v-ukrayini>*

and Delonghi, Italian manufacturers of household appliances, with Ukrainian standards.³⁸ Quite often, the obstacles faced by Italian businesses in Ukraine are resolved only after the personal intervention of the ambassador or even Italy's top government officials.

The situation with UkrSotsbank, which belonged to Unicredit, received most coverage. Moreover, the operations of UkrSotsbank were complicated by a series of problems. The most high-profile scandal was when the Chernivtsi region court ordered the bank to pay a deposit according to a counterfeit contract. The letter of complaint sent by Unicredit to the Prosecutor General of Ukraine was published by the major Italian media. By the end of the current year, Unicredit Group plans to complete the sale of its assets in Ukraine. The leadership of the group says that the reason is both the deteriorating economic situation in Ukraine³⁹ and the need to restructure assets and optimize operations abroad. While preparations for this operation were launched in 2013, the withdrawal of one of the main Italian investors from the Ukrainian market is a negative signal for Italian businesses. The Italian business environment is special in that it is primarily comprised of small and medium enterprises, which, in turn, look up to Italian banks abroad as an indicator of stability in the host country. Unicredit's withdrawal cemented Ukraine's deteriorating image in the perception of Italian entrepreneurs and investors after it took a hit from the war: while in 2014 the Italian diplomatic mission in Kyiv had meetings with entrepreneurs willing to familiarize themselves with the Ukrainian business climate and prospects several times a week, no new Italian company has come to Ukraine in the past two years.⁴⁰

The areas of special interest for Italian businesses in Ukraine are real estate development, the food sector, energy efficiency, and renewable

³⁸ *Ukrainian Ambassador to Italy: Whatever I tell about reforms, Unicredit reminds about lawlessness in court. Yevropeyska Pravda, 5 May 2015. Accessed at <http://www.eurointegration.com.ua/interview/2015/05/5/7033471/>*

³⁹ *UniCredit sold UkrSotsBank to the owner of Alfa-Bank. Dzerkalo Tyzhnia, 11 January 2016. Accessed at: http://dt.ua/ECONOMICS/unicredit-prodala-ukrso-cbank-vlasniku-alfa-banku-abh-holdings-s-a-196290_.html*

⁴⁰ *Interview with an Italian diplomat, 6 June 2016.*

2. Ukrainian interests toward Italy and Italian interests toward Ukraine: intersection points

energy.⁴¹ In particular, within the initiative to establish a specialized energy efficiency fund, which is currently being actively discussed in Ukraine, Italian companies operating in the fields of energy consulting and energy audit, as well as suppliers of energy efficient solutions, will have an opportunity to open a significant market of services and sales.⁴² Given that Ukraine has one of the lowest energy efficiency levels in Europe, this trend is very promising and profitable for Ukraine.

In terms of Ukrainian imports, Italy is especially interested in agricultural products. This fully meets the interests of Ukraine as a top exporter of agricultural products to Europe.

Despite the large amounts of Ukrainian exports going to Italy, the problem with Ukrainian exports is that the focus on raw materials. The exports of finished goods are a potentially important component for Ukrainian exports in general, as well as for the formation of the “Made in Ukraine” brand. Unfortunately, Ukraine is now facing a number of issues in this area that are primarily associated with the negative image of its business environment.

The problem of Ukraine's image as a business environment is a real obstacle for Italian-Ukrainian cooperation. For instance, some Italian fashion houses that have textile production in Ukraine do not disclose the geographic location of their businesses in order to avoid harm to their own brands.⁴³ Furthermore, the penetration of the highly competitive Italian market by Ukrainian companies is associated with similar problems, as the “Made in Ukraine” brand is not yet associated with quality in Italy.⁴⁴ Nevertheless, there are successful exceptions: for example, Woodrover, a manufacturer of bicycles. Due to environ-

The problem of Ukraine's image as a business environment is a real obstacle for Italian-Ukrainian cooperation

⁴¹ Last year, Italy agreed to oversee reforms in the energy efficiency sphere in Ukraine within the G7.

⁴² The author would like to express her gratitude to the expert staff of the Dixi Group research center for expert consultation on the Italian-Ukrainian relations in the energy sphere.

⁴³ Interview with an Italian diplomat, 8 June 2016.

⁴⁴ *Ibid.*

mental friendliness and the quality of products, our Italian partners estimate the chances of this manufacturer's entry into the Italian market as very high.

Among other things, the key to successful sales is effective marketing, and Ukraine is currently underperforming in this area. As a result, Ukraine has not participated in the Expo-2015 universal exposition, the main trade event in Italy in recent years, due to a lack of funding.

One of the initiatives aimed at overcoming these problems is the OpenGateItaly project created by the Embassy of Ukraine in Italy and the Italian House association. The objective of this project is to promote the entry of Italian companies into the Ukrainian market and of Ukrainian companies into the Italian one.

2.4. ENERGY COOPERATION BETWEEN UKRAINE AND ITALY: ACCORD BETWEEN TWO TRANSIT COUNTRIES

The interest of Italy towards Ukraine in the energy sector is primarily associated with the ENI energy group. However, in this context Ukraine is seen as a subject in the big game for energy dominance in Europe and the preferred partnership with Gazprom between Italy and Germany. Italy is the second, after Germany, biggest buyer of Russian gas in Western Europe, and Rome has economic and political interests in building the gas pipelines bypassing Germany. ENI tried to cooperate with Gazprom twice to build the South Stream and Turkish Stream (both pipelines were going to bypass Ukraine). However, both times cooperation was not successful.

Germany and Russia are now negotiating the construction of Nord Stream 2 which would double the capacity of Nord Stream, a gas pipeline connecting the two countries across the Baltic Sea. Italy opposes this project accusing Berlin of pursuit of its own selfish interests,

betrayal of the interests of Ukraine as a transit country, and gas isolation of Southeastern Europe.⁴⁵

On the other hand, it is necessary to note other, less altruistic motives. The North Stream 2 project would distance the physical “leverage” to the source of supply from Italy and therefore increase the price of gas for Italian customers,⁴⁶ as well as remove Italy from the strategic gas supply route. In any case, the similarity of positions of Rome and Kyiv regarding the undesirability of alternative transit routes for Russian gas, at least in the North, makes it possible to expect that Italy would establish a joint diplomatic front with Ukraine and other Eastern and Central European countries in disputing the economic feasibility and political neutrality of North Stream 2.

The investments of the Italian energy giant have been directed primarily to the gas producing sector of Ukraine. For example, ENI acquired 50.01% of shares in Zahidgazinvest, a Volyn-based company, in 2012 in order to produce shale gas (overall, nine permissions for the respective activities). Following his visit to Italy in 2015, Petro Poroshenko said that ENI wanted to expand its investments in Ukraine. In general, Ukraine tends to underestimate ENI's role and impact on Italy's foreign policy priorities.

⁴⁵ *Gasdotto Nord Stream, Renzi contro la Germania. "Sostenerlo è incoerente con le sanzioni alla Russia". Il Fatto Quotidiano, 16.12.2015. Accessibile su <http://www.ilfattoquotidiano.it/2015/12/16/gasdotto-nord-stream-renzi-contro-la-germania-sostenerlo-e-incoerente-con-le-sanzioni-alla-russia/2309515/>*

⁴⁶ *ENI CEO: Nord Stream 2 Would Raise Gas Prices in Italy. Reuters, 23 May 2016. Accessed at <http://de.reuters.com/article/energy-nordstream-eu-idUKL5-N18K4KG>*

3. WHO IS WHO: INTEREST GROUPS AND INFLUENCE GROUPS

3.1. UKRAINIAN COMMUNITY IN ITALY

Italians, like many other Western European nations, know little about Ukraine. Since the outbreak of the war in eastern Ukraine and the intensification of bilateral political contacts, political knowledge of Ukraine in Italy has been slightly ahead of social and cultural awareness, and it applies only to that narrow circle that is directly dealing with Ukrainian issues. The knowledge of a wider range of persons responsible for decision making is very limited: according to an Italian television show, not all Italian MPs even know which continent Ukraine is located on.

According to an Italian television show, not all Italian MPs even know which continent Ukraine is located on

To a certain extent, this is paradoxical, given the substantial Ukrainian community living in Italy. According to official sources, about 230,000 Ukrainian citizens live in Bel Paese, the fourth largest community in Italy from outside the European Union (after Morocco, Albania, and China) and the largest Ukrainian community in Western Europe⁴⁷. As of today, nearly 100 Ukrainian associations are registered in Italy.⁴⁸ Ukrainian migration to Italy has mostly had clear seasonal and gender components: the majority of Ukrainian migrants to Italy were women, often highly educated, looking for jobs in the household services sector or agriculture. However, over the recent years, the migration trend has

⁴⁷ *Cittadini non comunitari: presenza, nuovi ingressi e acquisizioni di cittadinanza. Anni 2014-2015. Istat, 22.10.2015. Accessibile su <http://www.istat.it/it/files/2015/10/CITTADINI-NON-COMUNITARI.pdf?title=Cittadini+non+comunitari++22%2Fott%2F2015++Testo+integrale.pdf>*

⁴⁸ *Ukrainians in Italy. The Embassy of Ukraine to the Republic of Italy. Accessed at <http://italy.mfa.gov.ua/ua/ukraine-it/ukrainians-in-it>*

slightly shifted towards white-collar workers, immigrants from Ukraine targeting prestigious and highly paid positions.⁴⁹

Italy recognizes the role of Ukrainians in the social development of the country and is grateful for that. Ukrainian workers have proven to be honest and industrious; they are usually fluent in Italian and good integrated into Italian society.

However, the Ukrainian community has not been able fully to become “ambassadors” of Ukrainian culture and politics for Italians. Not all Ukrainian workers are as socially active in Italy as Ukrainian communities in the US, Canada, and Germany. This could be explained by their status in Italy (sometimes illegal) and social vulnerability (Italy does not offer migrants a social package, unlike Germany).⁵⁰ Moreover, not all Ukrainian workers have initially identified themselves as Ukrainians. They could answer “Yes” when asked “Are you from Russia?” to “keep things simple” even 10 years ago.⁵¹ Nowadays, Ukrainian migrants are more likely to emphasize their origins, but some of them still behave as “post-Soviet” people. For instance, a Ukrainian school in Rome decided to celebrate graduation at the Russian restaurant Matryoshka in May 2016.

To a certain extent, the Russian-Ukrainian war has separated the two countries in Italian mentality. However, for most ordinary Italians, even those whose families have Ukrainian household workers, Ukraine is a part of the Third World, probably poor and destitute, but very far from Italy. As a result, the top three associations

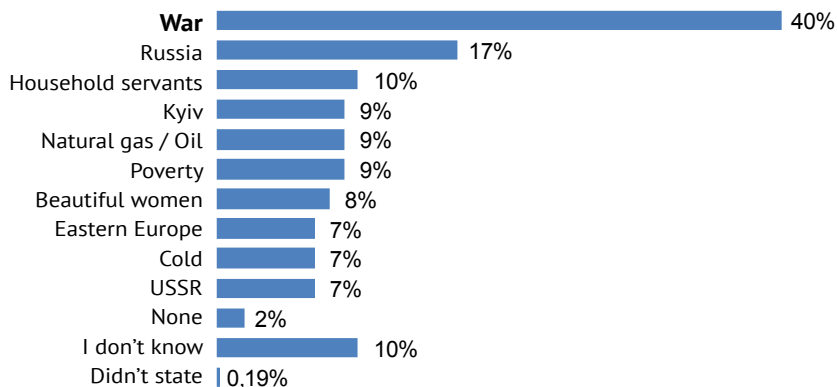
⁴⁹ *The Embassy of Italy is ready to support Ukrainian initiatives aimed at promoting the interests of its citizens.* *Lvivska Gazeta*, 10 May 2013.

⁵⁰ *Interview with Aliessa Tataryn, an activist of the Ukrainian community in Italy, Rome, Italy, 17 May 2016.*

⁵¹ *“Ukrainian Week” comes to an end in Rome.* *Deutsche Welle*, 30 March 2014. Accessed at <http://www.dw.com/uk/%D1%83-%D1%80%D0%B8%D0%BC%D1%96-%D0%B7%D0%B0%D0%B2%D0%B5%D1%80%D1%88%D0%B8%D0%B2%D1%81%D1%8F-%D1%83%D0%BA%D1%80%D0%B0%D1%97%D0%BD%D1%81%D1%8C-%D0%BA%D0%B8%D0%B9-%D1%82%D0%B8%D0%B6%D0%B4%D0%B5%D0%BD%D1%8C/a-17531306>

Italians have with Ukraine are not football, Shevchenko, or embroidery, but war, Russia, and household servants.⁵²

Grafik 2. Key associations with Ukraine



Source: *How is Ukraine Perceived in Italy? (public survey)*,
Institute of World Policy, <http://iwp.org.ua/eng/public/1624.html>

Surely, the Ukrainian diaspora in Italy is also represented by activists rallying around humanitarian and political initiatives, such as the Peace march in Milan, raising funds or purchasing medications for the wounded and refugees, or actions in defense of political prisoners in Russia. Their activities are complicated by a lack of their own premises, where they could hold public events, conferences, or discussions. Currently, the Ukrainian community in Italy has only streets and squares. Sometimes activists are invited to Italian universities, but it is rather an exception than the rule.

⁵² *How Is Ukraine Perceived in Italy? / What Do the Europeans Think About Ukraine?* Institute of World Policy. Kyiv, 2015. Accessed at <http://iwp.org.ua/ukr/public/1624.html>

Another connecting link between Ukraine and Italy at the public level are Ukrainian children temporarily hosted by Italian families within the Children of Chernobyl healthcare program. Overall, 660,000 Ukrainian children participated in this program, and many of them learned Italian, grew up and are now working in various areas of public life, including government institutions. Today, these people could play the role of “Italy understanders” in Ukraine. However, their potential role in the development of the Ukrainian-Italian relations is neither studied, nor utilized.

3.2. GROUPS OF INFLUENCE IN THE ITALIAN POLITICAL ELITE

Ukraine does not have an independent portfolio in Italian foreign policy. The formation of the state's foreign policy is the domain of the Italian Ministry of Foreign Affairs and the office of the President of the Council of Ministers (i.e., head of the government). In the Italian Ministry of Foreign Affairs, Ukrainian issues are handled by the Department for the Russian Federation, Eastern Europe, Caucasus, and Central Asia. However, only Ukraine and Belarus are included into the Eastern European region portfolio. Interestingly, the Italian Ministry of Foreign Affairs considers Moldova a part of Central Europe, together with such EU members as Bulgaria, Romania, Poland, the Czech Republic, Hungary, and Slovakia. The Directorate General of the European Union takes care of relations with this country.

The key officials for the development of the Ukrainian-Italian relations at this stage are Prime Minister Matteo Renzi and Secretary of State for Foreign Affairs Vincenzo Amendola. In the context of rapprochement between Ukraine and Italy, Renzi's personal role together with his party affiliation should be noted. Renzi represents the largest party in both houses of the Italian Parliament, the center-left Democratic Party. Gianni Pittella, MEP and Chairman of the Progressive Alliance of Socialists and Democrats, who personally visited Ukraine during the Revolution of Dignity to support Ukrainian civil society and its European aspirations, and his fellow MEP Patrizia Toia are also members of the Democratic Party.

However, the positions of Pittella and Renzi should not be equated with those of all members of the Democratic Party. For instance, Romano Prodi, the party's former leader, twice Prime Minister of Italy and former European Commission President, made public statements on Ukraine that have pro-Russian tones. When he led the European Commission, Prodi made his well-known statement on the willingness to share "everything except the institutions" with the EU's neighbors, i.e., the unwillingness to offer neighboring countries the prospects of EU membership.

We should also mention the fact that the High Representative of the European External Action Service Federica Mogherini is also a member of the Democratic Party. Within the European institutions, she is neither a "sympathizer," nor a "skeptical" towards Ukraine. She delegates the "Ukrainian" portfolio to the European Commissioner for Neighborhood Policy Johannes Ghan. However, Mogherini is an ambiguous figure in Italy and even within her Democratic Party, so it is not advisable to focus attention on her in the dialogue with Italian partners.

Ukraine also has friends among the New Center-Right Party (Nuovo centrodestra) formed after the split of Berlusconi's People of Freedom party and a coalition with the Democratic Party following the 2013 elections. One of them is Fabrizio Cicchitto, Chairman of the Committee of Foreign Affairs of the lower house of the Italian parliament, who organized a parliamentary conference on Ukraine during the visit of Verkhovna Rada delegates in May 2016. Paolo Alli, coordinator of the inter-parliamentary relations with our country is also a friend of Ukraine.

The other part of the Italian political spectrum is represented by such parties as Lega Nord (14% of support), the Five Star Movement (26% of support), and Forza Italia (12%), the largest Italian party. These parties are openly pro-Russian and Euro-skeptical. They recognize Crimea as Russian territory and support the lifting of anti-Russian sanctions. Their leaders do not conceal both their personal acquaintance with Putin and contacts with him. For instance, Lega Nord leader Matteo Salvini visited Crimea after the annexation and organized the conference "Russia and Crimea: two huge opportunities for our companies" in Milan in March 2015, which was

attended, among others, by Deputy Minister of the Russian Federation for Crimea Elena Abramova and “minister of economic development” of Crimea Nikolay Koryazhkin.⁵³ His fellow party member Paolo Grimoldi has initiated the establishment of the “Friends of Putin” group in the Italian parliament.

The MPs of the Five Star Movement have also repeatedly spread Russian propaganda in the Italian parliament. At one parliamentary session, Five Star Movement MP Marta Grande reported about “filtration camps” built by the Ukrainian authorities for the Russian-speaking population and showed the photo of the alleged evidence of cannibalism by Ukrainian soldiers. As it turned out, the photo came from Russian sci-fi movie *We Are from the Future* filmed in 2008.⁵⁴ At the same time, after a public discussion with Ukraine’s Ambassador to Italy Yevhen Perelyhin in the Italian press and in the course of multilateral forums, Marta Grande admitted the mistake of having used unverified photographs, even though she did not change her stand on Russian aggression in the Donbas.

The friendship between Vladimir Putin and Forza Italia leader Silvio Berlusconi has a long history. For Berlusconi, Putin is a “number one” world leader. Forza Italia senator Lucio Malan and party members A. Musolino and F. Berto “observed” the pseudo-elections in the “DPR” and the “LPR”⁵⁵. Interestingly, Forza Italia is not unanimous on the issue of Ukraine’s European integration: while its members in the lower house of the Parliament voted against ratifying the Association Agreement with Ukraine, the senators in the upper house supported the Agreement. Moreover, it happened on the same day when Berlusconi visited Putin in Crimea.

⁵³ *A Milano Salvini rilancia la linea filorussa: “Riconoscere la Crimea, Putin è un alleato”*. Adnkronos, 20.03.2015. Accessibile su http://www.adnkronos.com/fatti/politica/2015/03/20/milano-salvini-rilancia-linea-filorussa-riconoscere-crimea-putin-alleato_YOGsifA1dTRzFNUeM8GpL.html

⁵⁴ *Gaffe M5S sull’Ucraina, Marta Grande in Aula: “Gira una su internet foto della bassa macelleria...”*. L’Huffington Post, 01.07.2014.

⁵⁵ *Fake Observers “Observe” fake Elections in the Donbas*. Stopfake.org, 2 November 2014. Accessed at <http://www.stopfake.org/en/fake-monitors-observe-fake-elections-in-the-donbas/>

The efforts of the Embassy of Ukraine in Italy are particularly noteworthy. The Ukrainian diplomatic mission in Rome has become the voice of Ukrainian interests and the fight against Russian propaganda. Ukrainian Ambassador to Italy Yevhen Perelyhin, the head of the mission since December 2012, immediately reacts to statements made by Italian politicians and media that distort information about Ukraine, publishes his own articles in the media and addresses the public. Through public events organized by the embassy to commemorate anniversaries, key Italian media, such as *Corriere della Sera* and *La Repubblica* write about even such “inconvenient” subjects as the Holodomor. *La Repubblica* has also become the first Italian media outlet to adopt the practice of references to Ukrainian information agencies: the Italian media have traditionally relied on information sources in Russia (more on positions and attitudes of the Italian media in Section 3.3). Experts note the positive dynamics in the embassy’s activities, including openness to civil society initiatives and superior activeness compared to the previous years.⁵⁶

However, several factors significantly diminish the efforts of the ambassador. First, everything said by the representatives of Russia and Ukraine concerning the Russian-Ukrainian conflict is perceived by society as propaganda and thus has a priori limited impact. Second, effective communication activities of the Ukrainian diplomatic mission in Italy are hindered by insufficient funding. The peculiarity of the Italian political environment is that it is much more sensitive to messages voiced during a VIP event held in a top venue than during a public action in the streets. The embassy can hold such events sporadically, but not systematically.

⁵⁶ M. Minakov. *Too soft power: the results of Ukrainian cultural diplomacy in Italy, 2014-2015. Ahora*, #16, p. 75-82.

3.3. ITALIAN MEDIA AND OPINION LEADERS: ATTITUDES TOWARD UKRAINE

Overall, the Italian media have little interest in foreign policy. The level of interest in Ukraine increased due to the Russian-Ukrainian war; however, after the cessation of active hostilities it subsided again.⁵⁷ Internal developments in Ukraine, such as changes in the government, are not interesting to Italian media and are not covered. Very few major media correspondents responsible for the Eastern European region speak Ukrainian or are familiar with the context of the situation in Ukraine. The Embassy of Ukraine in Italy regularly communicates with the media and provides materials for publication. Nonetheless, the leading Italian newspapers, such as *La Stampa* or *La Repubblica*, are not really interested in publications written by an official lower than a minister or the head of state. The interest of the mass media in Ukraine is also fueled by business issues: when the Ukrainian ambassador to Italy spoke about Russian aggression in the Donbas in the light of losses to Italian trade with Ukraine, this received wide media coverage, including publications in *La Repubblica*, the biggest Italian newspaper, and other periodicals.⁵⁸

The permanent problem for Ukraine in communication with the Italian media is that they systematically use their sources and news bureaus in Moscow when preparing materials on Ukraine. The major Italian media still do not have any bureau in Kyiv. This problem has financial roots: the Italian side expects that if Ukraine wants to receive coverage in the Italian media space, it would pay for it, like North African countries do. The amount of required funds is quite reasonable for the state; however, Ukraine has not found them yet.

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⁵⁷ In his research "Too soft power: the results of Ukrainian cultural diplomacy in Italy, 2014–2015," M. Minakov found that while Ukraine was mentioned around 200 times in 1st and 2nd quarters of 2015, this number decreased to 100 in the 4th quarter.

⁵⁸ For example, http://www.repubblica.it/economia/2016/03/31/news/_l_italia_perde_1_miliardo_in_ucraina_a_causa_dell_aggressione_russa_-136624519/

In terms of printed and online media, *TG3*, *L'Unità*, and *La Stampa* demonstrate the most favorable attitudes towards Ukraine, while *TG1*, *Il Fatto Quotidiano*, *Il Giornale*, and *L'Osservatore Romano* tend to publish materials on Ukraine in a negative light.⁵⁹ We should also note the powerful Russian lobby, which exists everywhere in Italy, and particularly in the media environment. It includes the Italian national TV and radio RAI, as well as the Berlusconi-owned Mediaset media holding. Some journalists and opinion leaders in Italy consistently advocate anti-Ukrainian positions, for example, Sergio Romano, former Italian Ambassador to Russia and contributor to *Corriere della Sera*, *La Stampa*, and *Limes*. In addition, there were cases when journalists willing to write about Ukraine objectively faced not only editorial denials, but also personal threats and intimidation⁶⁰. Those who have the courage to continue writing on Ukrainian topics had to do it on their own websites or blogs (e.g., *Il Fatto Quotidiano* journalist Roberta Zunini and Massimiliano di Pasquale, a journalist and author of three books on Ukraine).

The academic community is a public sector where an entire generation of people who understand Ukraine has grown up in the 25 years of relations between Italy and the independent Ukraine

The academic community is a public sector where an entire generation of people who understand Ukraine has grown up in the 25 years of relations between Italy and the independent Ukraine. The key role in this process belongs to the Ita-

lian Association of Ukrainian Studies (IAU, L'Associazione Italiana di Studi Ucrainistici) founded by Gianfranco Giraudo, an Italian historian and professor at the University of Venice, in the early 1990s. At the time, there were no researchers in the field of Ukrainian studies in Italy. Today, the Association is headed by Giovanna Brogi, the former dean of the Department of the Ukrainian language and literature at Milan State University and translator of classic and modern Ukrainian texts. Members of the Association are Brogi, Oksana Pakhlovska, Giovanna Siedina, and Massimiliano

⁵⁹ M. Minakov. *Too soft power: the results of Ukrainian cultural diplomacy in Italy, 2014-2015. Ahora*, #16, p. 75-82.

⁶⁰ Cazzulani M. *Ukraine: Italy's Political Opposition and the Most Important Media Maintain Pro-Russian Position*. 30 June 2014.

Di Pasquale. These are the people who champion spreading the knowledge about Ukrainian culture, history, and politics in Italy. After the Revolution of Dignity, they initiated dozens of events at universities and public institutions to spread knowledge about Ukraine. Young Ukrainian researchers at the universities in Milan and Bologna (Maria Grazia Bartolini, Alessandro Achilli, and Marco Puleri) have founded the English-language *Minima Ucrainica* quarterly, an analytical periodical on Ukrainian politics, society, and culture. The members of the Association have also contributed to the creation of the StopFake website in Italian.

Other “friends of Ukraine” in the Italian academic community include historians Andrea Graziosi, Sante Graciotti, and Simone Bellezza. Bellezza is the author of *Ucraina: insorgere per la democrazia* (Ukraine: Stand Up for Democracy), a book explaining such strange phenomena for the Italians as Ukrainian bilingualism, the role of oligarchs in the Ukrainian political system, and the real reasons that triggered the Orange Revolution and the Revolution of Dignity.

The problem is that today the influence of Italian intellectuals on public opinion in their country is quite limited, as intellectual lectures, literature, and cultural events have insignificant demand among Italians and, therefore, insignificant interest among the media. Moreover, Ukrainian studies are not a common field of research in Italy. Ukrainian studies are taught in Rome, Milan, and Macerata. This situation could be explained, in particular, by low financial capacity: while Ukrainian government does not support Ukrainian studies, the “Russian World” foundation provides researchers in the field of Russian studies with strong financial support. As a result, while students were proportionally interested in the Eastern European countries in the early 1990s, now Russian studies groups have 100 to 300 students and groups studying other Slavic languages have 10 students on average.⁶¹ The situation with Italian studies in Ukraine is much better: the Italian language and literature are now taught in numerous universities in Kyiv and other cities.

⁶¹ Interview with Oksana Pakhlovskaya, a member of the Italian Association of Ukrainian Studies, professor of the La Sapienza university (Rome, Italy), 5 June 2016.

It should be noted that athletes have a major impact on public opinion in Italy. Ukrainian footballer Andriy Shevchenko remains perhaps the only “soft power” Ukraine has in Italy. Italian experts and politicians are still surprised Ukraine has not used him after Russian aggression. Anything he says or writes evokes much more trust in Italian society than the words of any Ukrainian politician.

Ukrainian footballer Andriy Shevchenko remains perhaps the only “soft power” Ukraine has in Italy

Cooperation and partnership with the leading Italian think tanks that counsel the Italian government and parliament on key foreign policy and security issues, in particular regarding Ukraine, are extremely important. Since 2014, the Institute of World Policy has organized three study visits to Ukraine for Italian opinion leaders, representatives of both the leading think tanks and the leading mass media. In December 2014, IWP also organized public debates with IAI in Rome and is now developing a partnership with GeSI.

4. EXISTING AND POTENTIAL RISKS AND CONFLICTS

4.1. CHANGE IN POLICY TOWARDS UKRAINE AFTER THE NEXT ELECTIONS IN ITALY

In 2018, Italy will hold the next parliamentary elections (in the case of a negative outcome of the referendum on constitutional reform scheduled for October 2016, early parliamentary elections are also possible). The opponents of the ruling coalition, Lega Nord, the Five Star Movement and Forza Italia, show Euro-skeptical and anti-Ukrainian attitudes. Their rise to power may lead to the deterioration of Ukrainian-Italian relations and the withdrawal of Italian support of Ukraine's European integration aspirations.

Probability. Medium. Today, Renzi's Democratic Party retains a fairly high popularity rating. It won 41%, a record majority, in the European Parliament elections of 2014. However, the local elections in 2015 showed that the popularity of the incumbent prime minister's party fell to 30%, and the candidates from the Five Star Movement won the mayoral elections in Rome and Turin in June 2016. The results of the parliamentary elections will largely depend on the government's success in supporting the economic development of Italy.

How to avoid? Since Ukraine has no impact on the internal policies of Italy, it should immediately take a proactive stance regarding the key political forces in Italy and search for those among them that would be open to discussions. The abovementioned voting on the Association Agreement in the Senate has confirmed the fact that Italian political parties are not homogeneous. Furthermore, Ukraine should establish systematic contacts and cooperation with the regions that support the opposition parties: first of all, Lombardy, Veneto, and Liguria.

4.2. NON-SUPPORT OF EXTENSION OF SANCTIONS AGAINST RUSSIA IN CASE OF ABSENCE OF PROGRESS IN CONFLICT RESOLUTION IN EASTERN UKRAINE

Sanctions against Russia are reviewed by the European Union every six months. Their extension requires the unanimous support of all EU member states. Italy is one of the states that are traditionally loyal to Russia and could withdraw its support for the sanctions due to a number of reasons.

Probability. Rome's support of extension of the sanctions against Russia depends primarily on the position of Germany and the United States. The internal losses of Italy due to the sanctions and "counter-sanctions" are exaggerated and are more of leverage in negotiations with partner countries than a real threat to the Italian economy. If Berlin and Washington are on Ukraine's side, there is a very high probability that Rome will not become the "weakest link" of European unity.

How to avoid? Ukraine should continue to communicate about the implementation of Minsk-2 in Rome, Berlin, and Washington. However, the agenda of the war in eastern Ukraine is no longer an effective communication argument that can attract support for Kyiv in the European capitals. Ukraine needs a proactive agenda of bilateral cooperation with partner states, since the European capitals prefer discussing potential joint victories than showing compassion and pity.

4.3. DECREASE IN ITALIAN INVESTMENTS IN UKRAINE DUE TO THE UNFAVORABLE BUSINESS ENVIRONMENT

The risk of a decrease in Italian investments and the number of Italian enterprises in Ukraine has grown after the outbreak of the war in eastern Ukraine and Unicredit's sale of its assets in Ukraine, which was perceived as a confirmation of Italian phobias about doing business in Ukraine. Moreover, the war in eastern Ukraine complicates the activities of Italian enterprises that are located in the eastern regions of Ukraine and oriented to the markets of Ukraine, Belarus, and Russia.

Probability. Medium to high. For Italy, Ukraine is an important and currently undeveloped market in the Eastern European region, which has become particularly important in the context of reduced trade with the Russian Federation. However, distorted knowledge of Ukraine (some Italians sincerely believe that there are tanks in Kyiv), aggravated by the negative news from Italian entrepreneurs, inhibit development of business ties to their full capacity.

How to avoid? In order to attract Italian businesses and investments, it should work on three fronts simultaneously: promotion, communication, and reforms. Above all, the Italian business environment needs to see a real desire of the Ukrainian government to attract Italian investments and experience to Ukraine. Specific bilateral economic and investment projects prepared by the central and regional executive authorities will be essential here. Their preparation should involve feasibility studies. With the guarantees of all-around facilitation from the local authorities, these projects should become the cornerstone for attracting Italian business to Ukraine. Second, it is necessary to communicate that 93% of the territory of Ukraine is completely safe to do business and that there are certain benefits for Italian entrepreneurs. For instance, some aspects of the tax legislation in Ukraine are more attractive than in Italy. Promoters of Italian business in Ukraine claim that Ukraine has the potential to follow in Romania's and Bulgaria's footsteps and become a hub for Italian business and investments. On the other hand, this is impossible to achieve without reforms and the elimination of barriers that oppress foreign business in today's Ukraine: according to the Doing Business rating, Romania and Bulgaria are seven positions ahead of Italy, while Ukraine is almost 40 steps behind.⁶²

⁶² *Doing Business 2016. Accessed at <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB16-Full-Report.pdf>*

4.4. "INFORMATION VACUUM" REGARDING UKRAINE IN ITALY

The Russian-Ukrainian war has become one of the first events in the entire history of Ukrainian-Italian relations that has forced Italians to discover Ukraine. Our partners in Italy observe that while the attitudes towards the Revolution of Dignity and the war in Ukraine were shaped by Russian propaganda in 2014, the assessment of events in Ukraine became more balanced by the end of 2015.

However, political knowledge about Ukraine is still sporadic and inferior compared to cultural awareness: when asked about Ukrainian culture or art figures they know, Italians name Mikhail Bulgakov and Sergei Prokofiev more often than Lesia Ukrainka or Mykola Lysenko. The permanent misconception regarding Ukraine in the Italian mentality results in an idea of Ukraine as an integral part of the Russian-Slavic world and hence in the risk of political decisions based on geopolitical myths and not on the norms of international law.

Probability. High. In Italy, distorted knowledge of Ukraine has been shaped for generations, if not centuries, and it cannot be fixed by a single lecture, article, or television show in this case. Moreover, the narrative of "the former hegemon", i.e., the Russian Federation, remains strong in Italy and has powerful financial support and a large grateful audience. Therefore, communication policy in countries like Italy is vital for the implementation of Ukraine's objectives, and even for the viability of Ukrainian state.

How to avoid? Ukrainian communication activities in Italy should be systematic and based on a long-term strategy rather than ad hoc. Today, Ukraine has no cultural center in Italy, while there are near 70 Russian language and cultural centers throughout Italy. The establishment of Ukrainian cultural centers in Italy, as well as Italian news bureaus in Ukraine, exchange of students and researchers, and increased funding for the Ukrainian embassy are only the first points on the list of well-known necessary measures that have not been implemented in the 25 years of Ukraine's independence.

5. RECOMMENDATIONS

1. Italians are a pragmatic and business-oriented nation. Therefore, the best guarantee of Italian support for Ukraine are success stories: both Ukrainian-Italian joint projects and Italian business in Ukraine. Solving the problems that have hindered foreign businesses in Ukraine for years, such as VAT refunds and withdrawal of dividends, would facilitate not only business relations between the two countries, but also political dialogue.
2. In order to revive business relations, Italian-Ukrainian business clubs at the embassies in Kyiv and Rome or "Italian House" associations could be established. Their promotion could be part of the Italian-Ukrainian Business Forum scheduled for 2017.
3. Taking advantage of the potential of regional cooperation in Italy is important both from the economic and political point of view, given the influence of Italian regions on the political agenda. Establishing cooperation between regions of Ukraine and Italy is already on the agenda of the Ukrainian parliament. It is important to engage both regions that are economically attractive to Italy and those with historical significance for bilateral relations, such as the Odesa region. The development of relations between twin cities Kyiv and Florence is a matter of particular importance.
4. Italy is a country where effective diplomacy cannot exist without financial support. It is vital to systematically allocate funds in the state budget for the activities of the embassy to promote Ukraine's interests. It is also necessary to provide the Ukrainian community in Italy with at least one premise for public events in the center of Rome or any other large city.
5. Exploit additional opportunities that will arise with the establishment of the official Interparliamentary Friendship Group and sign an agreement on the mutual recognition of secondary and higher education diplomas.

6. Organize regular study visits to Ukraine for the journalists of the key Italian mass media and opinion leaders.
7. Ukraine should take advantage of Italy's position on Nord Stream 2 and strengthen its own position as a transit country. In particular, Kyiv should emphasize the fact that it is a reliable supplier of gas to Europe. On the other hand, Ukraine should look for alternative sources of energy production (primarily Azerbaijan or Turkmenistan) that could reduce dependence of Italy and Europe in general on Russian gas.
8. The Ukrainian-Italian relations have unprecedented positive dynamics today. The problem is that they depend on certain political forces in Italy, and if these find themselves in the opposition, this could lead to a decline in bilateral relations. Ukraine should immediately seek partners among other political forces, including the Euro-skeptical and pro-Russian ones, within the framework of interparliamentary dialogue that should be significantly strengthen.
9. One of the key social groups in Italy is youth, and Ukraine should target young Italians with its information efforts. The Italian communist youth is not affected by communist nostalgia and is less biased towards Ukraine than the older generation. According to a survey conducted by the Institute of World Policy, young Italians (aged 16-34) are the most sympathetic group to Ukraine's European integration aspirations and tend to view Ukraine as a part of Europe.⁶³ Both state institutions (the Ministry of Education and the Ministry of Foreign Affairs) and non-governmental organizations should strengthen contacts between Ukrainian and Italian youth and organize young Italians' visits to Ukraine, long- and short-term scholarships, fellowships, conferences, academic exchange within Erasmus+, etc.
10. It is a question of honor for Ukraine to establish at least one Ukrainian cultural center in Italy, which would familiarize

⁶³ *How is Ukraine Perceived in Italy? / What Do the Europeans Think About Ukraine? Institute of World Policy. Kyiv, 2015. Accessed at <http://iwp.org.ua/eng/public/1624.html>*

Italians with classical and modern Ukrainian culture and art. The publication of a basic collection of Ukrainian literature in Italian should be a primary long-term activity.

11. Ukraine should use the potential of Ukrainian athletes, particularly Andriy Shevchenko, to form public opinion in Italy.
12. Both government and non-governmental organizations in Ukraine need to develop contacts and carry out joint activities with the leading Italian think tanks that counsel the Italian government and parliament on Ukrainian issues.

6. ACKNOWLEDGEMENT

The author would like to express her gratitude to Italian and Ukrainian diplomats, experts, researchers, and public activists who have taken the time to share their thoughts and observations on the Ukrainian-Italian relations, in particular to *Riccardo Alcaro*, *Aliesya Tataryn*, *Oksana Pakhlovska*, *Mykhailo Minakov*, *Anna Zafesova*, *Francesco Tosato*, *Olga Ponomarenko*, *Marco Toson*, *Elizaveta Bayenkova*, *Eleonora Trivigno*, and the staff of Dixi Group research center for their contribution to this research.

Special gratitude goes to Director of the First European Department of the MFA of Ukraine *Vasyl Hymynets*, Head of the Mission of the Embassy of Italy to Ukraine *Fabrizio Romano*, Head of the Mission of the Embassy of Ukraine to Italy *Yevhen Perelyhin* and ex-Deputy Head of the Mission *Yevhen Yenin*, and Head of the Ukrainian-Italian Inter-parliamentary Friendship Group *Serhio Alekseev* for their interest in the project of the Institute of World Policy and personal comments provided during the preparation of this research.

The author expresses her gratitude to *Alyona Getmanchuk* for a valuable contribution into the study.

