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THE BERLUSCONI ELECTION: AN OPPORTUNITY TO STRENGTHEN U.S. RELATIONS WITH ITALY

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The May 13 election of conservative businessman Silvio Berlusconi as Prime Minister of Italy presents President George W. Bush with a rare ideological ally in Europe. Many of Berlusconi's policy positions echo those of the Bush Administration, and the outspoken Prime Minister has made it clear that he intends to seek a new special relationship with the United States. He already has supported President Bush on some highly contentious issues. While he is visiting Europe, President Bush should take advantage of this diplomatic opportunity to cement better ties with Italy and enlist his new ally's support on an array of issues, from missile defense to skepticism about Euro-federalism and the Kyoto Protocol on climate change.

New Support for U.S. Policy Positions. Investing diplomatic effort in cultivating deeper ties with the Berlusconi government is likely to be a sound long-term investment. The Berlusconi government is the 59th Italian administration since World War II, but unlike most of the country's previous post-war governments, it is likely to prove durable. Berlusconi's center-right House of Freedom coalition won 177 of 315 seats in the Italian Senate and just over half the 630 seats in the lower Chamber of Deputies. Rarely has there been such a clear victory in an Italian political system made chronically shaky by proportional representation.

Berlusconi was elected because he promised change, especially on the core issues facing Italy. Unlike its predecessor, the center-left Olive Tree coalition, the Berlusconi government has a

practical, unromantic view of the European Union (EU) and espouses a more nationalist point of view. For example, the Prime Minister has personally said that he favors tax competition within the EU, and he sees German proposals for a federal European superstate as unrealistic and politically impractical. Berlusconi believes the strength of the EU lies in its diversity, not in further homogeneity. His inclination to safeguard national interests at the expense of European solidarity and to disagree with the homogenized cookie-cutter approach so favored by Euro-federalists represents a new wrinkle on the Italian political scene.

Nor does the new Italian government accept the standard European line on the Kyoto Protocol on global warming. Agreeing with President Bush that the Kyoto accord will be bad for business, Prime Minister Berlusconi is urging his EU partners to be flexible in considering the Bush Administration's deep disapproval of the treaty and its counterproposals for addressing global warming. Although the EU ministers for the environment unanimously signed an understand-

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ing to push ahead with the Protocol (when Italy was represented by the Olive Tree government), Berlusconi has pulled back. Berlusconi's initiative represents the first crack in the EU double standard about this issue. Despite the fact that no European state has ratified the Kyoto Protocol, and that former President Clinton's economic advisers now accept that observing the Protocol could prove economically daunting, the Europeans have continued to sharply criticize the American President for his sensible stand. Berlusconi's statements could not have been better timed diplomatically to illustrate that the controversy over the Kyoto Protocol is less about making honest efforts to reduce greenhouse gas than it is about opposing the U.S. position.

The Berlusconi government is also aligning itself with the Bush Administration on the critical issue of missile defense. Antonio Martino, the new Minister for Defense, has emphasized that the new government favors missile defense because it believes that Italy and Europe are at least as likely a target for rogue state missile attacks as is the United States. The Prime Minister is one of the first European leaders to express enthusiastic support for this central Bush policy.

Clearly, these positions are part of a broader pro-American strategy that the Berlusconi government has adopted. The new Italian government is looking to America for economic inspiration as well as an ideological counterweight to the preponderant center-left tenor of the EU and most European governments.

The U.S. Response. The Bush Administration has an opportunity on this current visit to Europe to capitalize on the favorable change in leadership in Italy. President Bush, when he meets Prime

Minister Berlusconi in Europe, should invite him to the White House in the near future to discuss U.S.–Italian relations more specifically. This would encourage Berlusconi in his efforts to develop closer ties with the Bush Administration and also would provide the Italian people with practical evidence that their new Prime Minister's pro-American strategy is working.

At this meeting, the two leaders should be prepared to engage in an exhaustive inventory of their diplomatic stances on every major issue and establish common policies that would enhance their diplomatic impact both at home and in international settings. In addition, President Bush should encourage Prime Minister Berlusconi to promote structural economic reform, including regulatory reform to reduce bureaucratic red tape. Italy currently overregulates its economy, a factor that prevents it from achieving the ranking of "free" on The Heritage Foundation/Wall Street Journal *Index of Economic Freedom* and from qualifying to participate in the global free trade association (GFTA) that Heritage is proposing. The Bush Administration should point out that if such structural reforms are undertaken, Italy can expect closer trading relations with America.

Conclusion. By responding positively in these ways to Prime Minister Berlusconi's pro-American statements and initiatives, President Bush and his Administration will be able to foster closer ties with a valuable European ally.

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