

Italy and the BRICS alternative



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ABSTRACT

Italy is a country with limited sovereignty, caught in a vice between the strict parameters set by the European Union and the policies imposed by the United States. Rome's decline has been furthered by the effects of the pandemic and its adherence to the anti-Russian policies imposed by the US/EU/NATO triad to which the new Atlanticist government led by Giorgia Meloni has sworn allegiance. There is, however, an alternative: the BRICS group. Joining or working closely with the coordination of emerging powers would allow Italy to break free from its cage, regain its lost sovereignty and its natural role as the Mediterranean's centre of gravity and stabilising force.

Keywords: BRICS, European Union, Italy, Mediterranean, USA.

Introduction

THE STRICT PARAMETERS OF THE European Union are trapping Italy in a cage with little space for manoeuvre. It is the only country in the European Union where average wages have fallen over the last 30 years. Since 1990, wages in Italy have stagnated, while in most other advanced countries they have increased significantly. In 2020, due to the impact of Covid-19, Italy's average wage fell below the levels of 30 years earlier, by 2.89% to USD 37,769 per year. Over the same period, 1990-2020, wages in the OECD area increased by 33.09%. This is quite different from the countries of the former Soviet bloc or the former USSR,

where wages doubled, if not tripled, over the same period (IZA Institute of Labor Economics, 2020).

The comparison with the rest of the EU does not yield better results considering the economies closest to Italy. For instance, in Germany and France the average wages increased by 33.7% and 31.1% respectively, despite starting from already high levels. Even though the rest of Southern Europe recorded the lowest wage growth, the balance remains positive compared to Rome. In Greece, for example, the increase was 30%, in Spain, which had a labour market dynamic in many ways comparable to Italy's, the average wage still increased, albeit slightly (+6.2%) (Openpolis, 2021).

At the beginning of the 1990s, Italy was the seventh European country just behind Germany - in terms of average annual wages- by contrast, in 2020 it dropped to thirteenth place, below countries such as France, Ireland, Sweden and Spain, which had lower wages in the 1990s (Openpolis, 2021).

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The entire Italian economy is in great pain, especially since Rome joined the so-called Eurozone by adopting the common European currency instead of the Lira. The scenario may be described as devastating. Between 1985 and 2001 Italy's gross domestic product had grown by EUR 482 billion (+44%), between 2002 - the year Italy entered the euro - and 2017, growth amounted to 31 billion, i.e. barely 2% in fifteen years. (Bloomberg, 2018)

With entry into the Euro, exports, which had always been the strong point of the Italian economy, plummeted. By analyzing again the data between 1985 and 2001, we see that Italian exports had grown by 136.3%, while, since the advent of the Euro, growth stopped at a modest 40.9% (Panorama, 2018).

Per capita GDP is at the same level as in 1999, unemployment is still too high and industrial production is languishing (Eurostat, 2022).

All of the above are the effects of pegging to a strong nominal standard. In practice, joining the Euro for Italy was substantially equivalent to pegging the lira to the German mark.

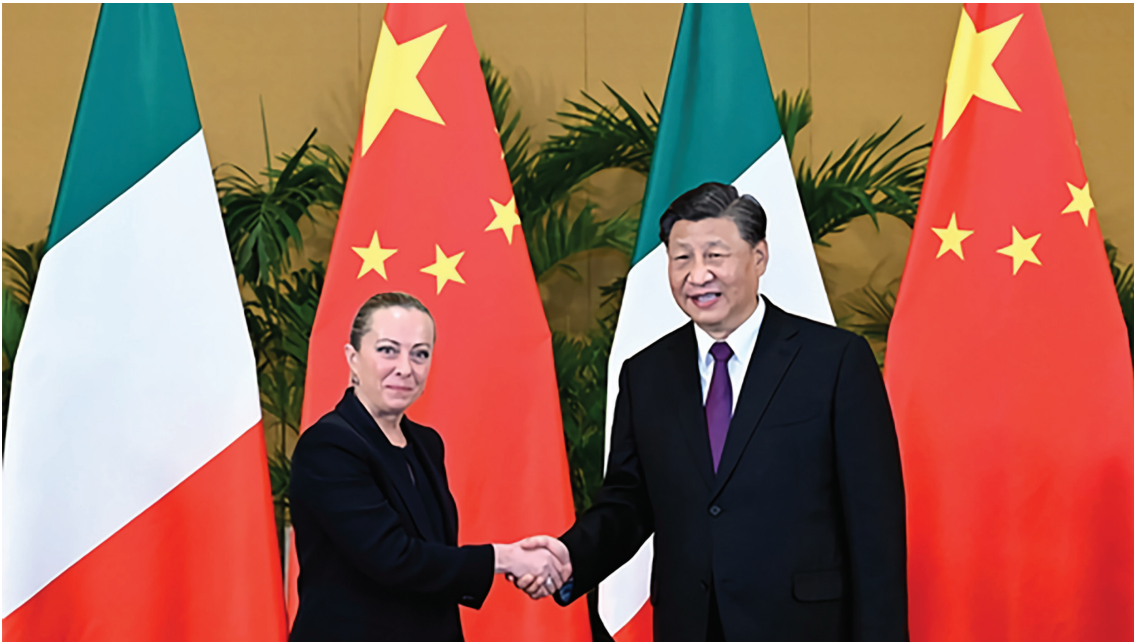
Evidently, as Antonio Gramsci used to say, 'history teaches but has no pupils' (Telos Press, 1975). Indeed, Italy made the same mistake as early as 1926, during the Fascist regime, when Benito Mussolini announced that Italy would conduct a policy of revaluing the lira against sterling, the world's reference currency at the time.

The consequences were similar to those of today: collapse of production, rising unemployment, large trade deficit and wage deflation.

US policy in the Mediterranean and the new Italian government

There is another factor that blocks Italian policy: the United States of America. Since the end of the Second World War, it is a fact that Washington has been the real ruler of Italian foreign policy. Even during the years of the so-called 'Prima Repubblica,' Italy managed to carve out important spaces of autonomy for itself while remaining a country fundamentally with limited sovereignty. Instead, over the last thirty years we have witnessed an almost total subordination of Rome to the interests of Washington and Brussels.

During Obama's second term and Donald Trump's four years, the Mare Nostrum -in particular the eastern Mediterranean- clearly represented the gradual US disengagement. However, with the arrival in the White House of the Democrat Joe Biden the United States has once again begun to weave the Mediterranean web in order to contain part of the Rimland, the rise of the Eurasian powers: Russia and China. In addition to avoiding the success of China's New Silk Road that tries to integrate maritime and land geopolitical paradigms.



On the evening of 16 November local time, President Xi Jinping met with Italian Prime Minister Giorgia Meloni in Bali. (India Embassy of the People's Republic of China, 2022)

In this geopolitical scenario, Italy could play into the hands of NATO and its new strategy towards the southern flank if the Giorgia Meloni opts for an Atlanticist. As Michael Carpenter -formerly Biden's foreign policy advisor- said in an interview with the newspaper 'La Stampa' in 2020: 'This is something we have to coordinate with the Italians. I think you will be enormously important for NATO's southern strategy, regarding North Africa and the Mediterranean, which needs to be strengthened. We will look to you all for a leading role in these regions.' (La Stampa, 2020) At the same time, as far as the eastern Mediterranean basin is concerned, the US has chosen Greece as a NATO military reference point, especially in an anti-Turkish function. For a military and geopolitical strategy that envisages the use of Greece and Cyprus as pawns to encircle a Türkiye increasingly oriented towards the East.

The BRICS alternative

This situation forces Italy to think about how to free itself from a stranglehold that could turn out to be deadly. All the more so in a phase of world affairs where, due to the energy crisis triggered by the imposition of sanctions on Russia, the European Union dependent on cheap gas supplied by Moscow risks implosion.

In this regard, Italy could turn its gaze towards the group that embodies the new multipolar world, namely the BRICS (Brazil, Russia, India, China, and South Africa).

The BRICS group was set up on the impulse of Russia to create coordination between those countries working for a multipolar international system, for cooperation instead of competition, for a more balanced development, for a return to the primary role of the real economy over the financial economy.

A project that, unlike the declining European Union, promotes, protects and enhances the identity of its member states; it values national sovereignty, territorial integrity, independence, unity and sovereign equality of nation-states. By joining the BRICS coordination, Russia and China could give Italy back its historical role as the centre of gravity, conjunction and stabilization of the Mediterranean. A project also aimed at further enhancing 'champions' such as Eni, a global leader in the energy sector, and Leonardo, a global leader in the aerospace, defence and security sectors, as well as the agri-food market and the tourism sector.

Furthermore, in the Mediterranean we have another country, Türkiye, which has begun to integrate into Eurasia, and is a candidate to join the BRICS, indeed it is still officially placed in the Atlantic system. A country that shares with Italy geopolitical priorities in the Mediterranean and that like Italy is a maritime power. Rome and Ankara together would have the ability to stabilize the Mediterranean, defeat the imperialists and turn it into a sea of opportunities as desired by the BRICS.

The BRICS alternative would then allow Italy to free itself from the Euro and the European Central Bank and thus recover its lost monetary sovereignty. Therefore, Rome would be freed from the cage that is leading the country to bankruptcy. Finally, Italy could recover a diplomatic role similar to the one it played during the Cold War.

The decline of the US and the European self-sabotage is opening up unprecedented

and interesting scenarios. However, this government does not have the political will and probably not even the strength to embark on such a path. Going back to Gramsci: The old world is dying. The new one is slow to appear. And in this chiaroscuro, monsters are born.

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