

Melania Petrillo

The Sino-Italian Bilateral Partnership Within the Framework of the MOU

Academic Paper

YOUR KNOWLEDGE HAS VALUE



- We will publish your bachelor's and master's thesis, essays and papers
- Your own eBook and book - sold worldwide in all relevant shops
- Earn money with each sale

Upload your text at www.GRIN.com
and publish for free



Bibliographic information published by the German National Library:

The German National Library lists this publication in the National Bibliography; detailed bibliographic data are available on the Internet at <http://dnb.dnb.de> .

This book is copyright material and must not be copied, reproduced, transferred, distributed, leased, licensed or publicly performed or used in any way except as specifically permitted in writing by the publishers, as allowed under the terms and conditions under which it was purchased or as strictly permitted by applicable copyright law. Any unauthorized distribution or use of this text may be a direct infringement of the author s and publisher s rights and those responsible may be liable in law accordingly.

Imprint:

Copyright © 2022 GRIN Verlag
ISBN: 9783346579386

This book at GRIN:

<https://www.grin.com/document/1169030>

Melania Petrillo

The Sino-Italian Bilateral Partnership Within the Framework of the MOU

GRIN - Your knowledge has value

Since its foundation in 1998, GRIN has specialized in publishing academic texts by students, college teachers and other academics as e-book and printed book. The website www.grin.com is an ideal platform for presenting term papers, final papers, scientific essays, dissertations and specialist books.

Visit us on the internet:

<http://www.grin.com/>

<http://www.facebook.com/grincom>

http://www.twitter.com/grin_com

The Sino-Italian Bilateral Partnership Within the Framework of the MOU

By

PhD. Dr. Melania Petrillo

Shanghai International Studies University

致谢

我深深地感谢中国政府授予我奖学金，让我在中国最好的大学之一攻读博士学位，因为这是我一生中最重要的经历之一，让我收集深的知识，以及我遇到了了不起的人。

我要感谢我的导师王联合，特别是在这三年，我的导师专业地指导我完成了我的研究生教育和研究，他的指导非常宝贵。还要感谢我在课堂上或在大学或其他大学文化活动期间中遇到的所有教授。

另外，我要感谢我的外国同学、中国同学还有‘声乐社’的朋友们。

首先，我非常感谢我的家人（父母、姐姐、奶奶、阿姨和堂兄弟姐妹），他们总是对我表示爱和支持，还有我丈夫的家人，主要是 Farman，我的朋友 Silviya, Myriam, Olia 而我的丈夫 Sibghat 比任何人都更支持和信任我。

Acknowledgements

My deep gratitude goes to the Chinese government that conferred me the scholarship to attend my doctorate program in one of the best universities in China, as it resulted to be one of the most important experiences in my life, for the knowledge I've collected and for the marvelous people I've met.

My gratitude also extends to my supervisor, Professor Wang Lianhe, and all the professors of SISU who I encountered in the class or outside the class, during our cultural activities in the university or in other universities. In particular, my supervisor expertly guided me through my graduate education and my research during these 3 years, his guidance was precious.

My appreciation goes to my colleagues of the doctoral program, Chinese and foreigners, and friends of the SISU singing club.

Above all, I am indebted to my family (parents, sister, nonna, aunty and cousins) that notwithstanding the distance always showed me their love and support, to my husband's family, in particular Farman, my friends, Silvija, Myriam, Olia and my husband Sibghat, he supported and believed in me more than anyone.

摘要

中意两国有着 51 年的友谊和伙伴关系。中国和意大利拥有历史悠久的古代文明，两国之间的交流可以追溯到古代罗马帝国与汉朝的接触。1970 年 11 月 6 日，中华人民共和国和意大利共和国正式建立外交关系。自建交以来，两国在政治、经济、军事、文化、科学和技术领域的交流日益增多，在各个领域进行了友好合作。中意在国际事务中进行了良好的合作，在维护世界和平，促进共同发展等重大国际问题方面有着广泛共识。中国作为世界第二大经济体，在过去三十年中日益融入全球经济，是这种相互依赖的主要来源。中国企业是众多农业、工业和服务业的活跃参与者。目前，中国的经济再平衡标志着中国经济正在朝着更可持续、更高效的方向发展，这是中国与世界各国之间更高相互依赖度的一个主要来源。意大利一直是中国的主要贸易伙伴之一，因为这两个经济体在生产结构上有许多相似之处和联系。在过去十年中，两国之间的贸易和投资有所增加，这可以证明，两国经济的相互依赖性有所增加。因此，可以假设，两个经济体的相互依赖和不同层次的合作，导致了 2019 年 3 月的谅解备忘录签署，意大利随之进入“一带一路”倡议。中国和意大利签署了 19 项协议，开创了中意双边伙伴关系的新纪元（总共 29 项，但 10 项是私营公司之间的）。意大利还加入了“一带一路”倡议，这是中华人民共和国的基础设施最大化计划，包括港口、铁路、公路和海上走廊。除了在“经济丝绸之路”和“21 世纪海上丝绸之路倡议”中开展合作之外，十九项机构安排还从促进创新型初创企业之间的合作到两国政府达成的消除所得税双重征税的协议，以及防止偷税漏税通过一项关于植物保护要求的议定书，并且关于防止盗窃，秘密挖掘，进出口，贩运和非法转移文化产品以及促进其返还的备忘录。本研究采用经济相互依赖理论的分析框架，在详细考察中意谅解备忘录内容的基础上，探讨了中国和意大利通过贸易和直接投资日益发生相互关联的状况。意大

利加入了“一带一路”倡议，即中国基础设施最大化计划，其中包括港口、铁路、公路和海上走廊。本研究旨在分析中意双边伙伴关系正在取得的进展，探讨中意两国共享的利益和优势，并从一个侧面观察意大利的经济衰退（基础设施投资不足、研究与创新领域投资不足等）、意大利优越的战略地理位置以及高品质的“意大利制造”。与此同时，本研究还评估了中国在意大利的投资、进出口贸易的重要性以及意大利加入“一带一路”倡议的优势。首先，意大利的港口和铁路将地中海地区与欧洲北部和东部连接起来；意大利也是非洲和欧洲之间的桥梁。意大利的地理位置、高效快速的边境控制吸引了中国人对这个国家的关注。其次，意大利需要基础设施投资，特别是在南部，因此中国的投资非常有益。此外，通过对两国的社会经济和政治制度的比较分析，本研究在意大利 2019 年 3 月加入“一带一路”倡议后，监测了多个部门的合作与交流互动，包括经济和金融合作。由此得出的结论是，中意两国将在今后的几年中，通过持续不断的对话与合作，保持长期稳固的双边伙伴关系。这项研究证明了这种双赢的双边伙伴关系取得的成果。

关键词：中意伙伴系 经贸合作 相互依赖 机遇与挑战

Abstract

China and Italy are united by a friendship and a partnership that last for 51 years. Both countries are not only ancient civilizations with a long history, from the Ancient Rome and the Han empire, directly and indirectly, contacts between the two countries have been going on for a long time. On November 6, 1970, the People's Republic of China and the Republic of Italy formally established diplomatic relations, and since the establishment of diplomatic relations, exchanges between the two countries in political, economic, military, cultural, scientific and technological fields have become increasingly frequent; a friendly cooperation in various fields has made progress. China and Italy share broad consensus on major international issues such as safeguarding world peace and promoting common development, and have carried out good cooperation in international affairs. In the last three decades, the deep bilateral trade and economic relations with some of the most advanced and developed countries brought great advantages to the economic growth of China. After the recent world recession, China has maintained its position of major partner for many industrialized actors, as well as Italy. Italy has always been one of the principal trading partner for China, since the two economies disclose a number of similarities and connections in production structures. In the last decade trades and investments between the two countries increased and it can be assumed that the interdependence of the two economies has slightly increased. Thus, it can be hypothesized that the interdependence between the two economies and the cooperation at different level brought to the process towards the signature of the MOU of March 2019 and the consequent entrance of Italy into the Belt and Road Initiative. China and Italy have signed nineteen deals stated in the MOU, which set off a new era for the Sino-Italian bilateral partnership (ten more are between private companies). Italy also joined the 'Belt and Road Initiative', the People's Republic of China's infrastructure maxi plan, which includes ports, railway lines, roads, and maritime corridors. The nineteen institutional arrangements, in addition to the collaboration within the 'Economic Silk Road' and the 21st Century Maritime Silk Road Initiative, range from promoting collaboration between innovative start-ups to the agreement between the two governments to eliminate double taxation on income taxes as well as to prevent tax evasion and avoidance through a protocol on plant protection requirements for the export of fresh citrus from Italy to China and a MOU on the prevention of theft, clandestine excavations, import, export, trafficking and illicit transit of cultural goods together with the promotion of their return. This research aims to analyze the ongoing progress of the China-Italy bilateral partnership,

exploring the benefits and advantages for both countries, considering the economic recess of Italy (such as lack of investments in the infrastructures, in the research and innovation field), but its strategic geographical position and the ‘Made in Italy’. It also ponders the importance of Chinese direct investments in Italy, imports-exports, and the advantages of joining the Belt and Road Initiative. First, Italian ports and rails connect the Mediterranean zone to the North and the East of Europe; Italy is also the bridge between Africa and Europe. The geographical position, the efficient and fast controls at the frontier drove the Chinese attention toward the country. Secondly, Italy needs investments in the infrastructures, especially in the South, so the Chinese investments are very beneficial. Moreover, through a comparative analysis of the two countries’ socio-economic and political systems, this research monitored events, activities of collaboration, and exchanges in several sectors, including the economic and financial cooperation after Italy joined the Belt and Road Initiative in March 2019. Thus, the thesis is that China and Italy will maintain a long and solid bilateral partnership over the years, thanks to the institutions’ constant dialogue and cooperation. This research illustrates the results of this win-win bilateral partnership.

Keywords: Sino-Italian Relations, Economic and Trade Collaboration, Interdependence theory, Opportunities and Challenges

Contents

<i>致谢</i>	<i>I</i>
<i>Acknowledgements</i>	<i>II</i>
<i>摘要</i>	<i>III</i>
<i>Abstract</i>	<i>V</i>
<i>Introduction</i>	<i>10</i>
<i>1. Research background</i>	<i>11</i>
<i>2. Research purpose and significance</i>	<i>13</i>
<i>3. Literature Review</i>	<i>16</i>
<i>4. Research methodology</i>	<i>29</i>
<i>5. Dissertation Structure</i>	<i>31</i>
<i>1. The pattern of Sino-Italian relations from the perspective of economic interdependence theory</i>	<i>33</i>
1.1 The economic interdependence theory and its impact on	33
the global market	33
1.1.1 The history and theories of Economic Interdependence, the Strategic Interests in the New Global Order	35
1.2 Increasing interdependence between China and Italy through trade and investments	42
1.2.1 Sino-Italian Trade in this century	42
1.2.2 Horizontal associations and PTA	47
1.2.3 Economic interdependence and strategic interests	49
1.2.4 China's direct investments in Italy	50
1.3 Spillover effect of interdependence between China and Italy	56
1.3.1 The influence of interdependence on Sino-Italian political relations	57
1.3.2 The impact of economic interdependence on the promotion of Sino-Italian diplomatic relations ..	59
1.3.3 Promoting bilateral economic cooperation: infrastructure, education, social security, science and technology, culture	61
<i>2. The new developments in Sino-Italian relations: MOU, BRI, and the Sino-Italian strategic partnership</i>	<i>65</i>
2.1 The connotation of the MOU: main points	65
2.1.1 What kind of agreement is MOU?	66
2.1.2 Analysis of the first four paragraphs	71
2.1.3 Analysis of the other paragraphs	73
2.2 The economic interdependence between China and Italy after Italy joined the BRI	78

2.2.1 The interdependence between China and Italy is strengthened.....	78
2.2.2. Italy joining the BRI, the challenges from the European Union	79
2.3 China and Italy: a strategic partnership	81
2.3.1 A mutually beneficial economic partnership	81
2.3.2 How have MOU and BRI shaped the strategic partnership between China and Italy?	82
3. The progress of the Sino-Italian partnership in the sector of infrastructure	84
3.1 The Silk Road Economic Belt and The Maritime Silk Road	84
3.1.1 The strategic position of Italy	87
3.1.2 Italy connects Europe and Africa	89
3.2 Cooperation and Economic interdependence in the development of the infrastructure.....	91
3.2.1 Railways, bridges, civil aviation, ports, and trans-European.....	92
transport networks (TEN-T).....	92
3.2.2 Chinese projects in the South of Italy.....	93
4. The Deepening of Sino-Italian economic and trade partnership	96
4.1 Opportunities for the Chinese investments, and commercial exchanges.....	97
4.1.1 Economic interdependence: Unrestricted trade and investments.....	97
4.1.2 Facilitation of customs clearance of goods	101
4.1.3 The new strategy of the e-commerce	104
4.1.4 Interdependence and bilateral cooperation in the industrial sector	106
4.1.5 Financial collaboration	108
4.2 The export of Italian food.....	112
4.2.1. The promotion of Italian culinary culture	112
4.2.2 The export of frozen pig meat, beef and rice.....	113
5. Sino-Italian partnership in the field of culture, education, technology, and other sectors	114
5.1 What does Italy think about China? What does China think about Italy?.....	115
5.1.1 Which opinion do Italians have about China?	115
5.1.2 Which opinion do Chinese have about Italy?	117
5.1.3 If Italy were an animal, it would be a 'pig'	118
5.2 The influence of the economic interdependence theory in Cultural activities	120
5.2.1 The development of the network 'two-city'	122
5.2.2 Sino-Italian cultural forum.....	124
5.2.3 Exchanges and cooperation between local authorities and think-tanks	125
5.2.4 Cooperation between Chinese and Italian media	127
5.3 Studying abroad.....	128
5.3.1 The programs 'Marco Polo' and 'Turandot'	129
5.3.2 Studying in China for Italian students	131
5.3.3 Agreements between the universities of the two countries	132
5.4 Technology and Innovation.....	134
5.4.1 The investments of Huawei and ZTE in Italy	135
5.4.2 Decisions of the Italian government	136
5.4.3 Technological innovation cooperation	137
5.5 Cooperation in other sectors	142
5.5.1 Cooperation between Chinese and Italian police forces	143

5.5.2 Italian football teams in China.....	145
5.5.3 Fashion and Tourism	146
6. Sino-Italian partnership: opportunities and challenges	151
6.1 The 50th anniversary of the Sino-Italian friendship.....	152
6.1.1 The unceasing dialogue between the systems of the two countries.....	153
6.1.2. 2020, a new starting point for the Sino-Italian cooperation.....	155
6.2 China and Italy cooperation against the COVID-19 virus.....	156
6.2.1 Mutual benefits and trade during the pandemic.....	157
6.2.2 Sino-Italian economic partnership in the post-epidemic era.....	159
6.3 The future of Sino-Italian relations taking into account the economic interdependence through a comparative analysis.....	160
6.3.1 Italy joining the ‘Belt and Road Initiative’ is an example for the other G7 countries	161
6.3.2 Potential challenges for Sino-Italian partnership.....	162
6.3.3 Expectations on the Sino-Italian economic partnership in the upcoming years	163
Conclusion.....	165
References	168

Introduction

Following the global crisis of 2008, the worldwide economy appears increasingly interconnected. The wealth of all countries is interdependent, and trade relations are crucial for global welfare progress. In this context, China has remained a significant partner for many emerging and industrialized economies, including Italy. China, as the world's second-largest economy, and its growing integration into the global economy over the last three decades, are the primary sources of such interdependence. Chinese companies are dynamic actors in a vast number of agricultural, industrial, and services sectors. Nowadays, China's current economic rebalancing marks an evolution towards a more sustainable and efficient economy, as a significant source for a higher interdependence between China and the rest of the world. Beijing has long paid particular attention to the economic and socio-political dynamics affecting Italy, not only because, in Italy, the largest community of Chinese in Europe that retains the PRC's citizenship is the fourth foreign population of the country, but because Italy remains a logistical hub in the Euro-Mediterranean region. Italy represents an economy of strategic assets, including world-renowned brands, cutting-edge technological, infrastructural know-how, and a large number of under-capitalized but healthy companies that are often placed in critical positions within profitable supply chains¹. It can be affirmed that, generally, the relations between China and Italy are defined as excellent, even if Italy's collocation in the system of alliances guided by the USA is not just a detail for Beijing, but during the bilateral discussion is irrelevant. China is satisfied by the economic relations with Italy; however, it should consider that Italy is a European country, and for Chinese interest, new negotiations are going on between China and the European Union (at the end of December 2020, China and the EU announced a bilateral investments agreement, which should be approved by the European Parliament and European governments in 2022. An agreement with Beijing that gives European companies significant space). Thus, the partnership between China and Italy cannot be discussed and improved without considering that Italy is not an 'independent country': the members of the European Union in debating new agreements with non-EU countries must abide by the European law.

In this sense, the signature of the MOU in March 2019 marks a turning point for different reasons: it delineated a new pathway to improve the partnership in different sectors

¹ Geraci, Michele, "Italy will secure its place on the new Silk Road", *Financial Times*, on 22 March 2019.

between the two countries; the signature of the document highlighted the entrance of Italy into the Belt and Road Initiative; Italy, as one of the G7 countries, was the first one to sign such a similar document; the document caused the reactions and critics of the European Union; lastly, the moderate level of economic interdependence between China and Italy, influenced by the increasing intense exchanges, might have brought to the decision of starting a new chapter in the history of the Sino-Italian relations through this significant document.

Therefore, the MOU has a central role in analyzing the recent development of the Sino-Italian partnership.

1. Research background

Currently, China looks at Italy as a medium-sized country, socially drained, with a suffering economy, structural unemployment, uncontrolled immigration, a peripheral profile on the international stage, and harnessed in a system of alliances dominated by the United States. In the G7, NATO, the United Nations, and other international summits, Beijing sees Italy in the lead, anxious to occupy an armchair that it then uses to pander to other people's priorities and strategies. China's assessment of Italian marginalization is based on two aspects, one political, linked to the deficit of sovereignty and institutional effectiveness, and another economic, because of an industrial system in distress and a currency managed by different countries that exploit the country's resources. Institutional coherence, professionalism, and implementation skills are the spheres in which China perceives Italy's systemic deficit. For the Chinese economy, the Italian market maintains a fair amount of interest, both as an outlet market and for the presence of an internationally vibrant and still technologically advanced industrial fabric. Italian companies generally enjoy a good reputation in the Chinese market.

In the case of Italy and China, it can be affirmed that the two countries have a moderate degree of economic interdependence that produces positive results. Italian companies in China, Chinese companies in Italy, investments, exports, custom services, and commercial digitalization are all contributing to maintain an interdependence between the systems of the two countries. As a result, collaboration and dialogue between institutions and personalities are increasingly deepening also in other areas.

Not only the political dissimilarities, but also the differences that characterize the systems of two countries geographically and culturally distant from each other increase the level of scientific curiosity of scholars specialized in this research area. The above-mentioned

aspects were considered while selecting the research area; thus, notwithstanding the differences, China and Italy share a long friendship with old roots that resulted in a beneficial partnership starting from 1970. More interesting is the partnership in different sectors developed in this century, which was boosted by the MOU's signature. After realizing the importance of this event, it was decided to analyze the recent developments after March 2019.

2. Research purpose and significance

The significance and originality of the MOU can be seen by looking at the content of the text, which expresses China and Italy's intentions to renew their long-standing and close partnership.

Its interpretation is consistent with the two countries' national laws, as well as relevant international law and, in the case of Italy, the obligations resulting from its membership in the European Union.

The key question is, "Why did they sign this MOU, and what exactly paved the way for this important step?"

- The importance and benefits of enhanced connectivity between Asia and Europe, as well as the role that the Belt and Road Initiative may play in this regard;
- The intention of concretely deepening their bilateral cooperation;
- The priorities set out in the EU-China 2020 Strategic Cooperation Agenda, as well as the principles guiding the EU Strategy for Connectivity between Europe and Asia, adopted in October 2018;
- The shared historical heritage built along the land and sea routes between Europe and Asia, as well as Italy's conventional position as a terminal of the Maritime Silk Road;
- The shared commitment to upholding the United Nations Charter's goals and values, as well as the promotion of economic growth and sustainable development, in accordance with the 2030 Agenda for Sustainable Development and the Paris Agreement on Climate Change.

Italy joined the Belt and Road Initiative considering it as an excellent opportunity especially for the economy of the country, but BRI will also decrease the socio-cultural distances between China and Italy.

Since May 2017, when the Action Plan for the Strengthening of Economic, Commercial, Cultural, and Scientific-Technological Cooperation between Italy and China 2017-2020 was adopted in Beijing, Italy has been considering the BRI as a way to boost their economic relations, and later, the Joint Communiqué of the Italy-China Intergovernmental Committee's Ninth Session, was held in Rome on January 25, 2019, just a few months before the MOU was signed. China and Italy pledged to promote bilateral cooperation in a spirit of mutual respect,

equality, and justice, in mutually beneficial ways, with the goal of strengthening global solidarity.

This dissertation analyzes several aspects related to this new partnership, aspects that are favorable for China and Italy, but, eventually, less advantageous for other countries. For example, regardless of the Silk Road, the Conte government had to deal with the American ally-master, that had already severely digested the MOU of March 2019 and that can see how the Chinese technology, not only Huawei, probably will supplant that of the United States in a NATO member country.

The aim of this dissertation is to determine how far the relationship between China and Italy has progressed since the signing of the MOU, by examining various aspects of economic and financial activities, as well as political, technological, cultural, and social factors that directly influence economic relations, starting from the perspective of the economic interdependence theory. A good knowledge of the country's system, particularly the political and cultural features that characterized a country, leads to a fruitful dialogue between countries, such as China and Italy, afar and diverse from each other, but now closer thanks to the achievements of the new partnership.

In summary, the aim of this study is to examine through a comparative analysis the scenario created by the signature of the MOU in March 2019 and Italy's subsequent participation in the Belt and Road Initiative, as an opportunity to renew the bilateral relationship between China and Italy.

Below, the main questions raised and answered:

1. How can the relations between China and Italy be outlined from the perspective of economic interdependence?
2. Why did Italy sign the MOU and join the Belt and Road Initiative?
3. Which advantages and benefits are there for the two countries? Which projects?
4. What would be the future of this partnership from the perspective of the interdependence theory?