
REPORT

VAN WITTEL/VANVITELLI DIALOGUE

MONDAY 15 MAY 2023 09:00-13:45

WERELDMUSEUM ROTTERDAM (HYBRID SETTING)

IN CORPORATION WITH



Ministry of Foreign Affairs of the
Netherlands



Ministero degli Affari Esteri
e della Cooperazione Internazionale

STRATEGIC PARTNER



Fondazione
Compagnia
di San Paolo

The Vanvitelli/Van Wittel dialogue is held under the Chatham House Rule.

REPORT POLICY ROUNDTABLE (HYBRID)

Introduction

On 15 May 2023, the Clingendael Institute and the Istituto Affari Internazionali (IAI), in cooperation with the Dutch Ministry of Foreign Affairs and the Italian Ministry of Foreign Affairs and International Cooperation, organised the third edition of the Italian-Dutch Van Wittel – Vanvitelli Policy Dialogue. The roundtable was realized in strategic partnership with the Campagna di San Paolo Foundation. This event, with keynote speeches by the Ministers of Foreign Affairs of Italy and the Netherlands, brought together policymakers, researchers and business professionals from both countries to discuss three issues of common interest: energy security, 'open strategic autonomy', and the fight against international organised crime.

The dialogue was opened by the president of the Istituto Affari Internazionali (IAI) Ferdinando Nelli Feroci and general director of the Clingendael Institute Monika Sie Dhian Ho. In their introductory remarks, both think-tank representatives emphasized the need for collaborative narratives in the context of Europe's evolution. Today, according to German Chancellor Olaf Scholz's definition, we live in a *Zeitenwende*, in which many tenets of the preceding decades need to be revisited. In this context, Italy and the Netherlands face identical challenges and should cooperate more closely as a result.

Italy and the Netherlands should collaborate and learn from one another on energy security, open strategic autonomy, migration, and international crime, as stated by the foreign ministers of both countries during their keynote addresses. They also emphasized the need for closer cooperation in relations with African nations. They identified the dialogue, whose name honors the shared cultural history of the two nations, as the venue for discussing an agenda for a stronger future. In addition to the opening remarks and keynote addresses, there were three panels of Italian and Dutch experts conducted behind closed doors under the Chatham House Rule.

Dialogue 1: Energy security in times of crisis: moving from gas to hydrogen?

The first panel of the "Vanvitelli" roundtable addressed the challenge of reconciling the green transition with present EU industrial needs and rising energy prices. Throughout the debate, the speakers noted that the necessity for investments in new and diversified sources of energy has intensified after the Russian invasion of Ukraine in 2022. Meanwhile, the war had an impact on international affairs by emphasizing the urgency of new partnerships with energy suppliers both within and beyond the EU.

The war also affected the importance of the Commission's "Fitfor55" strategy. The issue for the European Union today is to align Member States' industrial strategies and the EU's existing energy demands with the environmental agenda set forth by the European institutions. Italy and the Netherlands are deeply committed to overhaul their respective energy systems, making them more sustainable and greener. The participants agreed on the environmental necessity of transitioning from gas to renewable alternatives, but at the same time highlighted the importance of maintaining a diversity of energy sources in order to prevent reliance on a single energy sources. The European Union should avert a new strategic dependency, even on a relatively reliable new energy source such as hydrogen. Despite its performance, hydrogen should therefore not simply replace natural gas, but be associated with other renewable sources that deserve investment.

Gas will remain important, particularly in the short term, and will continue to play an important role during the transition. In this regard, Italy and the Netherlands seem equipped to meet the challenge, as they both can rely on a significant gas storage capacity (recently the Netherlands has increased its import capacity from 12 to 24 bcm). Similarly, both countries play a role as gas import hubs, and tomorrow could play the same role for hydrogen. Allegedly, within the next five years, the Dutch port of Eemshaven will be able to import hydrogen and the Netherlands will develop offshore electrolyser capacity. Similar opportunities exist for Mediterranean nations, such as Italy, to serve as corridors between the European mainland and North Africa.

While these ambitious plans ought to be encouraged, participants emphasized the importance of developing them in a feasible and affordable manner and investing in projects

that contribute to the socioeconomic advancement of the two nations and not only upholding macroeconomic indicators.

Dialogue 2: Open strategic autonomy: de-risking and dealing with strategic dependencies

The second session of the Dialogue focused on 'open strategic autonomy'. Here, the Ukrainian conflict also plays a significant role. In response to increased geopolitical competition brought about by the war, the risk of unwanted economic dependencies, and an increased willingness of countries to use intimidation as a tool of foreign policy, the EU is pursuing an industrial and trade policy aimed at promoting sovereignty and resilience. Italy and the Netherlands are two among the most industrialised EU nations and therefore have been affected by the current shift that is taking place in international relations.

In this context, participants remarked that in order to future-proof our economies and societies in the face of current geopolitical transitions, one of the best options at our disposal lies in the idea of "Open strategic autonomy". While recognizing the changes in global geo-economic relations, Italy and the Netherlands should advocate to maintain a market that is open and unrestricted, but regulated. The world today is still marked by a high degree of globalization, however in a shifting context. State intervention in the market is returning – also due to the Covid19 pandemic – and there is a new emphasis on military power, coercion, protectionism, and conflict in foreign policy. Against this backdrop, the EU is focusing its efforts on "strategic autonomy", whose aim is make the EU less dependent on hostile countries and more ready to address security issues. However, strategic autonomy does not imply isolation from others or a narrow-minded protectionist stance; rather, the EU aims to reduce the risks deriving from political tensions surrounding the EU's borders. The concept of "strategic openness," which builds resilience through diversification and recognizing the value of trade agreements, is a reasonable compromise between the two competing needs of securing the EU and continuing to work in a global, cooperative international environment.

Both Italy and the Netherlands should increase investments in technology as part of a European industrial policy, while also strive to level the playing field domestically. The two nations should fortify themselves against undesirable external influences and lessen Europe's strategic reliance, while working together on practical foreign policy projects, such

as the reconstruction of Ukraine. Following the EU framework, Rome and Amsterdam should develop a de-risking strategy, not only in response to increased Chinese influence worldwide (and in Europe), but also in relation to other protectionist-leaning states.

Dialogue 3: Money-Laundering, Sanctions & Illicit trafficking: Fighting International Crime together

The final discussion focused on organized crime and the threat it poses to our democratic institutions. Participants discussed the lessons we can learn from one another, how the Ukraine war has altered the situation, how Dutch-Italian cooperation can contribute to improved policymaking at the EU level, and which ties should be strengthened to move forward. The panelists agreed that, if left unaddressed, organized crime increases the risk of the subversion of democratic institutions. It is not merely a national problem for Italy and the Netherlands; its international scope necessitates that governments collaborate to prevent, detect, and punish unlawful practices that cross international borders. In light of the growing significance of economic sanctions as a foreign policy instrument and the need to close loopholes, this is also of increasing importance.

In order to meet the challenge, the Italian and Dutch governments and the private sector must work closely together to prevent and combat money laundering and illicit trafficking. Unfortunately, according to the participants, organized crime is engrained in both Dutch and Italian societies. This is a complex issue that necessitates a multifaceted approach, cooperation on the local, regional, and international levels, and an alliance between the public administration and private sectors.

The panelists agreed that a transnational approach is required to combat this problem because organized crime is almost always transnational in nature. As Italy and the Netherlands face multiple jurisdictions and unequal distribution of resources to combat crime-induced subversion, stronger international cooperation is crucial. Both nations are interested in exchanging lessons learned. The Netherlands, for instance, can learn from successful Italian confiscation and social reuse of illicit assets, while the Netherlands is proficient in recognizing patterns of financial flows in criminal networks. During the roundtable, all the speakers emphasized that it is crucial to reduce the influence and authority criminals derive from money, which expands when illegal funds enter the legal

system. In order to achieve this objective, one priority should be pursuing the illegal banking system that today underpins 70% of the global trade in cocaine. Italy and the Netherlands can cooperate to improve information exchange, and to push for harmonizing anti-money laundering legislation across the EU. Sharing data is essential, but one must ensure that it does not result in privacy violations. Stronger control over illegal financial flows should not necessarily translate into more regulation, but rather in a prompt implementation of existing regulations.

The different state authorities engaged in the fighting organised crime, such as the police and the judiciary, should be more inclined to collaborate with other EU partners, including those of France, Germany, Spain, and Belgium. At the same time, the European alert system should be enhanced, as only 1% of current financial transaction alerts result in convictions, rendering this system cumbersome and ineffective.

Conclusion

In conclusion, the Van Wittel/ Vanvitelli Dialogue 2023 explored opportunities for The Netherlands and Italy to intensify their cooperation in the areas of energy security, open strategic autonomy, and organized crime. In principle, there is an agreement between the two nations to expedite the green transition while avoiding overly ambitious plans that cannot be executed. Participants concurred that, in the area of trade and industrial policy, Rome and Amsterdam must become autonomous without becoming protectionist and emphasized the importance of de-risking rather than decoupling, and the need to work with trustworthy partners. This conclusion encapsulates the fundamental export-oriented inclination of the two economies as well as the benefits that both societies derive from globalization (tourism, technology, people-to-people exchanges). Open strategic autonomy is an acceptable compromise to develop the EU's strategic autonomy in a constructive and non-disruptive manner. In this framework, diversification comes across as a key principle. In the areas of energy security, strategic autonomy, and judicial cooperation, the two countries should always advocate for a stronger Europe and a unified approach to the common threats that, as the pandemic demonstrated, cannot be handled by individual European governments acting alone.