

Italy signs the new Silk Road protocol with China

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Manifest Pedagogy:

BRI has been in news for the past few years. The most relevant topic with respect to this issue is the CPEC. In terms of recent developments Italy joining BRI becomes important along with the recent meet on BRI announcing BRI 2.0.

In news

Italy signs the new Silk Road protocol with China

Placing it in the syllabus

Regional and global groupings and agreements involving India and/or affecting India's interests

Static dimensions

- Brief on BRI
- G7 origin, composition and
- Role of G7 in International relations

Current dimensions

- Importance of Italy joining

Content

About Belt and Road Initiative

Belt and Road Initiative (BRI) of China is an ambitious program to connect Asia with Africa and Europe via land and maritime networks along six corridors with the aim of

improving regional integration, increasing trade and stimulating economic growth.

China's President Xi Jinping coined the name in 2013, President Xi drew inspiration from the **concept of the Silk Road established during the Han Dynasty 2,000 years ago** – an ancient network of trade routes that connected China to the Mediterranean via Eurasia for centuries. The BRI has also been referred to in the past as **'One Belt One Road'**.

The BRI comprises a Silk Road Economic Belt – a trans-continental passage that links China with Southeast Asia, South Asia, Central Asia, Russia and Europe by land – and a **21st century Maritime Silk Road**, a sea route connecting China's coastal regions with southeast and south Asia, the South Pacific, the Middle East and Eastern Africa, all the way to Europe.

The initiative defines five major priorities:

- Policy coordination.
- Infrastructure connectivity.
- Unimpeded trade.
- Financial integration.
- Connecting people.

The program is expected to **involve over US\$1 trillion in investments**, largely in infrastructure development for ports, roads, railways, and airports, as well as power plants and telecommunications networks.

Group of Seven (G7)

G7 is an **informal bloc of industrialized democracies**—Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States—that meets annually to **discuss issues such as global economic governance, international security, and energy policy**. Proponents say the forum's small and relatively homogenous membership promotes collective decision-making, but

critics note that it often lacks follow-through and excludes important emerging powers.

Russia belonged to the forum from 1998 through 2014, when the block was known as the Group of Eight (G8) but was suspended following its annexation of Crimea.

Origin of G7

- G7 was **formed after the 1973 oil crisis** when six major industrialized countries from around the world came together to discuss the global economy. It was earlier known as G6.
- French President Valery Giscard and Chancellor Helmut Schmidt came up with the idea of this forum. The first meeting was held at the Chateau de Rambouillet, 50 kilometers south-west of Paris in 1975.
- The heads of government and states came up together to discuss the oil shock, recession, and global crisis. **A 15-point communique or report** was released. According to the Declaration of Rambouillet, the nations agreed to meet in the future once a year, under a rotating Presidency.
- In 1976, Canada joined the group, which henceforth became known as the G7. Russia joined in 1998 making it G8(but it was suspended by members)

Composition of G7

Presently G7 includes; Canada, France, Germany, Italy, Japan, the United Kingdom, the United States and European Union(EU attends the G7 but neither chairs nor hosts Summits)

Role of G7 in International relations

- Because of its economic power has also found itself tightly coupled with military and political power, the G7 forum has also become a place for prominent international crises or disputes to be discussed or

resolved. In 2013, world leaders tackled the developing Syrian crisis (unsuccessfully), while more recent meetings have covered topics like North Korean nuclear armament, environmental issues, Brexit implications, and the rise and fall of ISIS.

- In an era when a number of members seem otherwise inclined to go their own way— as seen in the newly isolationist bent of the American administration, and the UK voting to leave the EU —the G7 is one of the last remaining forums in which major world powers can coordinate their actions and peacefully resolve conflicts.

Importance of Italy joining new Silk road protocol

Italy recently signed a **“non-binding” protocol** with China to take part in Beijing’s new “Silk Road” of transport and trade links stretching from Asia to Europe. Following are the importance of Italy joining the initiative;

- **Italy became the first G7 country to sign** up for the massive project which has **sparked unease in the U.S. and the European Union (EU)** as China aspires to a greater world role.
- Both signed 29 MoUs worth \$5 to 6 billion.
- The one \$1 trillion project would **benefit both China and Italy mutually**
- The accords also foresee the opening up of the Chinese market for Italian oranges as well as a partnership for Chinese tourism giant Ctrip, notably with Rome’s airports.
- It may **boost the trade of debt burdened Rome.**
- The EU has voiced concerns that with Chinese construction projects come unfair Chinese business practices, where most firms involved are backed by the government. Europe is also critical of how China forces foreign firms to give up trade secrets in order to do business within its borders.

