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Domestic sources of 'mild' positions on international cooperation: Italy and global climate policy

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Abstract

This paper investigates Italy's position on global climate change politics in order to explore the larger question of why this country, like similar middle powers, may adopt ambiguous positions on global public policy issues. I start from the observation that in recent history Italy has taken a rather mild position on international climate cooperation and climate policy more broadly. To explain this, I propose an argument in divergence with those who claim Italy has low salience in the issue or lack of interest in international climate leadership. I put forward a political economy perspective and claim that different salient concerns motivate the domestic actors that shape the country's international position. I maintain that these different concerns offset each other, resulting in overall mild preferences. I present support for my theory, zooming in on the motivations of two domestic sources of international positions: economic sectors and public opinion. The empirical data largely corroborates the theory.

1. Introduction

The international relations literature classically studies the global policy preferences of very powerful nations (Krasner 1991) or, alternately, of states with extreme policy positions (Keohane 1971). However, international cooperation is rarely dictated only by hegemons or outliers. International policy is commonly centered on the preferences of middle powers (Milner 1997; Alesina, Angeloni and Etro 2005), especially when the debate pivots on public good issues where the benefits of action are diffused. Yet, the positions of these countries remain largely understudied. This is presumably because they are assumed to have relatively low salience for the issues at hand, and, therefore, little motivation behind the matter of discussion at international organizations. But is it true that middle power countries – i.e. sovereign states that are neither negligible nor a superpower – tend to adopt mild positions on global public policy issues? If so, why?

This paper argues that the international positions of such middle powers are indeed often modest. However, and in contrast with other views, I claim that this is not necessarily due to the low salience of international issues. Rather, I argue that these positions are more likely due to the way salient drivers of national positions neutralize each other. I focus my argument on one specific issue of international cooperation, climate change, which is an increasingly major focus of foreign affairs. I maintain that international positions on climate change mitigation and adaptation are drawn on important factors at the foundations of states' domestic political economy. In the case of certain countries, these factors tend to offset each other and hence lead to 'mild' international positions.

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I look at Italy as an example of such positioning on international climate cooperation. Italy is an interesting geographical case, for it is a clear example of mid-sized power in the modern international world. It is currently neither too influential nor too trivial in most international organizations, and it is generally important though not crucial in institutions such as the European Union. With respect to international climate politics, the Italian case is relevant because the country is in the middle of the global spectrum of environmental progress. In 2015, 16% of the country's total energy consumption came from renewable energy[1], just one percentage less than the EU average. However, fossil fuel demand and subsidies are still significant.[2] Along these lines, Italian politicians have been on the fence in terms of embracing UNFCCC targets and proposals (De Blasio, Hibberd and Sorice 2013). So, altogether, Italy is a country with a climate action position which is neither too bleak nor too ambitious.

I empirically show how domestic motivations in Italy have offset each other and therefore diluted the country's international positions on issues related to climate change. For practical reasons, I concentrate on two domestic factors of climate policy largely discussed in the political economy literature: industrial sectors and public opinion. I present evidence that, for both industries and the public opinion realm, political ambition and economic constraints counterbalance a predisposition for deep climate cooperation. This, I argue, explains why countries like Italy have only taken 'mild' positions on climate change action.

The findings have implications that go beyond the study of Italy or climate change per se. The paper's main insight into international politics is that, for mid-sized countries that have domestic contentions (like Italy), positions on pressing global issues can be lukewarm due to the fact that opportunities and costs nullify each other. This suggests that it is not lack of salience, but rather the neutralization of multidimensional domestic concerns that explains foreign affairs in middle powers. More generally, the paper contributes to the knowledge on international organizations and cooperation. Middle powers' positions are often close to decision-making outcomes in bargaining contexts with a unanimity vote, which is the rule adopted by the United Nations and other bodies of international governance (e.g. the Council of the European Union). By shedding light on the motivations of middle powers and the mixed forms of salience they attach to international issues in these institutions, the paper provides food for thought for understanding the often-neglected driving forces (and hurdles) of international cooperation.

2. Theory: the roots of mild positions on climate action and Italy's international climate policy

The global climate is a collective public good that requires coordinated international efforts. A growing literature discusses the external reasons why countries take positions on international climate policy. Some point to competitive peer pressure and

[1] Legambiente. 2016. 'Rapporto Comuni Rinnovabili 2015' http://www.comunirinnovabili.it/il-rapporto-comuni-rinnovabili-2015/

[2] Support for fossil fuel consumption is slightly below the median OECD rate, although it has risen sharply since 2012. See Climate Transparency. 2017. 'Brown to Green. The G20 Transition to a Low-Carbon Economy: Italy'. https://www.climate-transparency.org/wp-content/uploads/2017/07/B2G2017-Italy.pdf.

transnational norm diffusion (Dechezleprêtre, Neumayer and Perkins 2015; Fankhauser, Gennaioli and Collins 2016). Others mention the role of alliances and joint membership in international clubs (Keohane and Victor 2011; Hovi et al. 2019). Much of this literature finds a vital role played by countries with high salience in the focal issue of international discussion. Often, these countries are equated to major economies (Johnson and Urpelainen 2019) or issue-relevant coalitions (Genovese 2020).

This literature, however, tends to ignore the role of internal contentions and the way governments need to balance domestic disagreements. Differently from structural perspectives in the international relations literature, this paper takes a political economy view to explore the domestic politics behind international climate positions (Bayer and Urpelainen 2016; Lachapelle and Paterson 2013; Newell 2019). A domestic political economy perspective is relevant, for it can shed more light on the distributive concerns that motivate climate positions in countries that are neither materially nor morally indispensable to international cooperation. In other words, a domestic political economy analysis can provide insights into the motivations of countries that are otherwise assumed to have medium salience in international cooperation.[3]

Evidently, there are many moving elements in the domestic political economy of any country. Here I focus on two specific factors: *industries* (as in, economic sectors and their respective businesses) and *public opinion*. Many studies show that these both shape preferences for international policy (for a comprehensive review, see Bernauer 2013). Recent climate politics research has also shown their complementarity (Mahlotra, Monin and Tomz 2019). I argue that in most countries both of these sources of national positions attach salience to international climate policy. However, in many countries each of them is respectively pulled by different motivations. If the motivations are contradictory, business and public opinion will not have a coherent effect on national positions on the climate. Consequently, under mixed internal incentives national governments will more likely settle on timid international positions on climate policy. I claim these dynamics are observable in the Italian case, as per below.

With respect to *industries*, I expect that economic businesses are confronted with a basic 'trade-environment' friction, according to which unconstrained trade is a propeller of profits and innovation, while the environment is a source of costs (Aklin 2014). Along these lines, two fundamental dimensions in which businesses contend their power are environmental effectiveness and economic constraints (the latter intended here through the lenses of free trade). Depending on how these two dimensions intersect, businesses may win or lose from international climate regulations, and therefore keep their governments accountable to a particular international position.

Companies that are *both* environmentally efficient (i.e., clean) and economically unconstrained (i.e., exposed to international trade) tend to be the winners of climate regulations (Meckling 2015; Genovese 2019). These businesses have incentives to lobby for meaningful climate cooperation because they are more likely to profit from it.

[3] To be sure, it is plausible that the domestic political economy of a country is shaped by international phenomena and institutions. In the case of Italy, it is equally plausible that the nation's economic and political preferences are the result of coordination among other European countries. While I do not exclude the EU influence on Italian climate policy stands, I remain agnostic of this effect in this paper. Instead, to avoid measuring on EU-level positions, I try to trace data that is as nationally focused, i.e. not-EU dependent, as far as possible.

Consequently, countries with a high density of these 'climate champions' should have rather uncontroversial, clear-cut positive attitudes towards deep climate cooperation. Vice versa, if an economic sector is both environmentally inefficient and economically profiting from unconstrained free trade, businesses regard international climate policy as a hurdle, because of the scale of adjustment this requires. Consequently, countries with a high density of these 'climate laggards' should be clearly resentful of climate cooperation (Genovese 2019).

Evidently, these two types of businesses may not be the most common ones. If environmental ambition and economic constraints are somewhat mixed, the country's position would also fall in between. In the case of Italy, I expect to observe several industrial sectors and businesses with such mixed motivations: some globally trading industries that are inefficient in terms of greenhouse gas contribution and, vice versa, some industrial sectors that are environmentally sustainable but not fully scaled up on international trade. This contention is one possible way to reconcile the country's willingness to be both an economic leader and an environmentally responsible actor at international organizations (Padovani 2010).[4]

With respect to *public opinion*, a similar environment-economics nexus can be expected to be at work and, thus, put similar pressure on the national government. On the one hand, the average citizen in virtually any country should appreciate environmental sustainability – either because of its intrinsic value or its relevance for economic livelihood (Kolstad 2014). On the other hand, economic constraints due to the easiness of diverting material resources and investing funds in the environment should affect citizens' positions on climate. Amongst financially resourceful people that place a lot of value on the environment, ambitious climate policy should be a clear, positive opinion. Vice versa, amongst poor people with little attachment to the environment, climate policy would be a second-order consideration at best. But if these two considerations are mixed, public opinion should also be torn.

This mixed opinion on international climate policy is what I expect to observe amongst the Italian public. Italy is a country with many natural resources and several nature-dependent industries (agriculture, but also tourism, which in 2019 corresponded to 13 percent of the Italian GDP). Also, one third of Italians in 2018 lived outside of cities, in direct contact with natural land (Romano et al 2017). Also, a large number of jobs are sensitive to a functional natural environment, either because of their vulnerability to the integrity of the ecosystem (Egan and Mullin 2011) or because of the direct link between job concerns and preferences for climate policy (Bechtel, Genovese and Scheve 2019). In light of these considerations, it is reasonable to expect the average Italian to attach significant saliency to the issue of climate policy.

At the same time, Italy is a financially constrained country with little wiggle room for investments outside of core economic areas. Especially since the recent financial crisis, a great deal of climate policy discussion in Italy – and other Southern European countries – has focused on the (in)capacity to ramp up current standards of climate action (McCrigh, Dunlap and Marquatt-Pyatt 2016). We know from other public opinion research that this

[4] In the paper I exchange the use of words 'businesses' and 'sectors', assuming that the latter are an aggregation of the former (Genovese 2019). In the interest of space, I limit my attention to some selected sectors. As I show later in the empirics, I focus on agriculture and mining.

type of material consideration is very effective in taming preferences for climate cooperation (Bechtel and Scheve 2013). Along these lines, Italy's austerity-minded technocratic governments in 2011-12 contributed to people believing that the EU should not increase its emissions reduction target for 2020 beyond the existing 20% (Skovgaard 2014). This insight suggests that Italy's public opinion should be split between the political interest to act on climate and economic concerns related to the capacity to act on climate. I expect these considerations to co-exist and to be equally meaningful, hence justifying why countries like Italy remain mildly interested in pushing for bold international climate positions and cooperation.

3. Empirical evidence

In broad terms, my theoretical argument suggests that competing political economy motivations can drive climate policy preferences in directions, diluting each other and essentially settling countries on 'mild' international different climate positions. In what follows I show empirical evidence in support of this mixed incentives argument.

First, I focus on the interests of some selected Italian economic sectors. Combining descriptive and comparative data, I show how the burden of pollution abatement and the benefit of trade openness offset their respective effect on the country's international climate positions. Second, I concentrate on the mixed interests in Italy's public opinion; employing a regression analysis, I show how interests in climate politics and concerns with economic capacity have counterbalancing effects on individuals' preferences for climate policy. Inevitably, the observational data underlying these analyses is imperfect. For example, the first empirical analysis of sectors is based on data covering the years between 2001 and 2011, while the second analysis on public opinion covers more recent years (2017 and 2019). Despite the limitations due to data availability, I maintain that the evidence offered below indicates patterns that go in the direction of my theoretical argument.

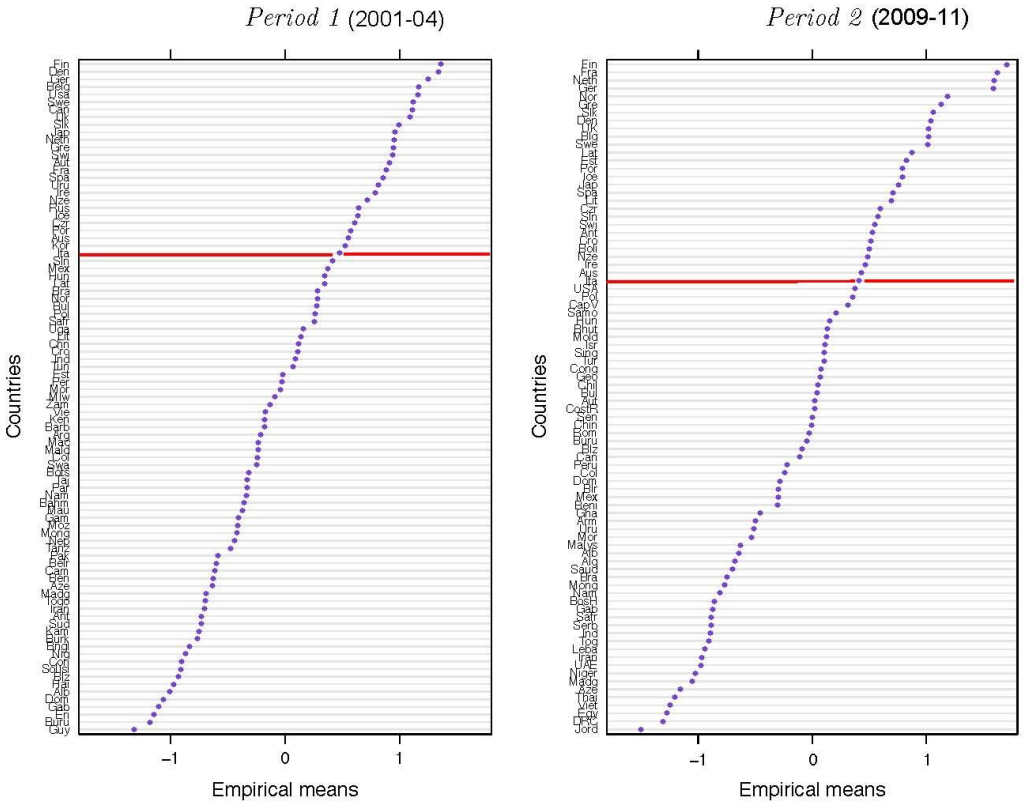
3.1 Mixed motivations in industrial sectors

With respect to industrial sectors (i.e. businesses), the testable hypothesis derived from my theory is that ambition for environmental leadership pulls companies in one direction while economic opportunities (or constraints) dictated by free trade pull in the other direction. Only if an economic sector is *both* environmentally efficient and oriented towards free trade can it then be considered a winner of international climate coordination. Vice versa, if a sector is both environmentally inefficient (i.e., pollution intensive) and oriented towards free trade, then it would suffer the most from credible climate regulation. If an economic sector falls in between these categories, then it sits in between climate leadership and opposition, and so the governments they lobby.

To evaluate the validity of this hypothesis for Italy, I require specific measures. For the outcome variable, I need a systematic estimate of its international climate positions. For the explanatory variables, I need measurements of sectors' trade openness and environmental performance. For both I use here a dataset presented in Genovese (2019). The data was constructed to compare the causes and consequences of countries' positions at the United Nations Framework Convention on Climate Change (UNFCCC). In the interest of space, I focus on two sectors: agriculture and mining.

With regards to the outcome variable, I rely on the aggregated scores of countries' positions in Genovese (2014; 2019). These are based on the National Communications that national governments periodically submit to the UNFCCC. The issue-specific positions from the National Communications were collected with a careful qualitative coding exercise for two periods of the climate negotiations, namely the meetings before the Kyoto Protocol's entry into force (2001–2004) and the post-Kyoto Protocol negotiations (2008–2011). The data coding followed a measurement procedure in which governments' positions were coded for most national governments (115 countries). Although the data are originally coded at the issue level, I estimate preferences for a broadly defined measure of global climate cooperation using an aggregated score calculated with a factor analysis.

Table 1. Comparison of national positions on climate cooperation at the UNFCCC, 2001-2004 and 2009-2011.



Notes: the dot plots illustrate the distribution of the country scores calculated with the factor analysis of the National Communications coded in Genovese (2019). The country scores go from less cooperative on the left to more cooperative on the right. Dots closer to the zero empirical mean (on the x-axis) are interpreted as scores for more moderate positions. The Italian score is highlighted in red for each of the two respective UNFCCC periods.

Figure 1 reports the country means of the main factor scores for each of the two periods covered in the dataset. The red line highlights the relevant estimates for Italy. The figure clearly shows what I assumed at the beginning of this paper: Italy has historically maintained a relatively modest position at UNFCCC negotiations. One could say it is 'spatially' located in the middle of the cross-national distribution. A close look indicates that Italy's score is in the neighborhood of other developed countries. These cluster at the top right of the scale, which can be interpreted as the more 'cooperative' side of the

distribution. Still, Italy is next to well-known hawkish countries like the United States. Also, if one were to account for confidence intervals (not reported here for simplicity), these would show that Italy's position is indistinguishable from zero.

Following the theory, one way to think about the roots of Italy's UNFCCC position is by looking at how its industrial lobbies -- i.e., its sectors -- score in terms of pollution costs and trade openness. Presumably, I would find a mixed scenario to explain the mild UNFCCC positions. For example, some of Italy's more trade-exposed sectors are only partially sustainable, and vice versa where the more environmentally efficient sectors are not necessarily very trade dependent. To elucidate how Italian sectors score on these two dimensions, I follow Genovese (2019) and I employ two indicators. To capture pollution costs, I resort to sector-specific GHG volumes, which are million tons of CO_2-equivalent emissions divided by the total CO_2-equivalent emissions of the country. Contrastingly, to capture trade opportunities, I use trade openness, which is calculated as the sum of exports and imports divided by GDP generated by each sector.[5]

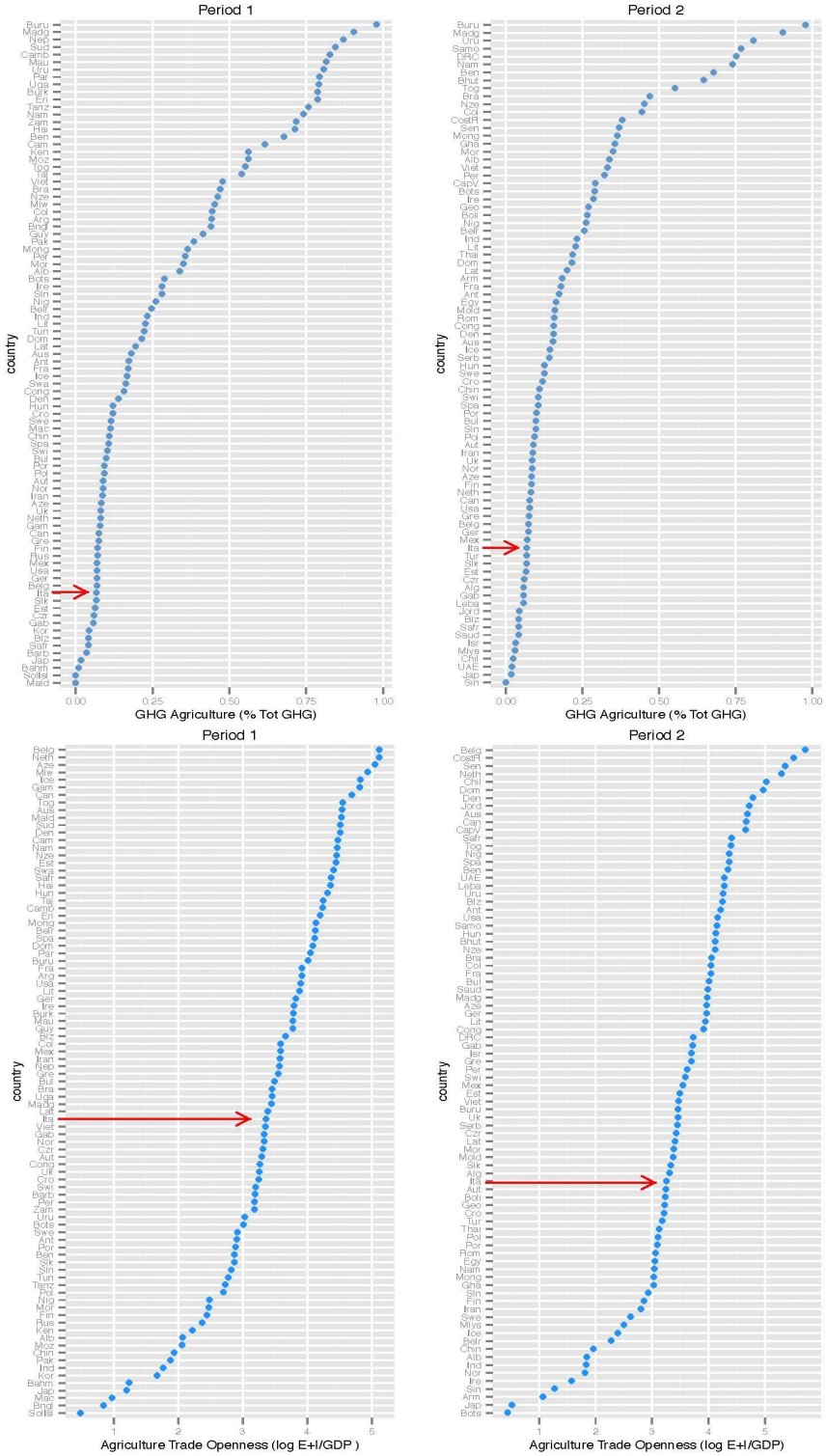
Figures 2 and 3 show how two main sectors – namely, agriculture and mining – fare with respect to these two measurements. The specific measurements for Italy are highlighted with the red arrow.

With respect to agriculture (Figure 2), it is evident that Italy is relatively efficient: this sector contributes to less than a tenth of the national greenhouse gas (GHG) emissions (around 7%). However, this sector is only partly involved in international trade compared to major European traders like the Netherlands and Denmark and a large number of developing countries (in Italy in 2016, agriculture accounted for 6% of all exports, contrarily to the average European agricultural sector that accounts for 10% export). The snapshot in Figure 2 provides some illustrative support to the intuition of my argument: the efficiency of Italian farming can enjoy the benefits of stricter international climate regulation, but it is not maximized by trade. This mixed scenario is in line with the narrative that Italy has been supportive of cooperation in some farming-related UNFCCC issues (e.g., accounting efforts of mitigation through land and forestry projects in developing countries), but has not made this a priority either within European Union talks or at international climate negotiations (Padovani 2010).

The data regarding the mining sector (Figure 3) are flipped, but essentially lead to a similar conclusion on how pollution concerns and trade opportunities can generate mixed policy positions. On the one hand, Italy's extraction and refining industries are among the more polluting ones in the developed world. At the same time, this sector has relatively little exposure to the international market, mostly because it is internally sufficient, featuring small imports from foreign companies. This low trade exposure dilutes the otherwise presumably harsh opposition that high-CO2 Italian industries would have against international climate policy.

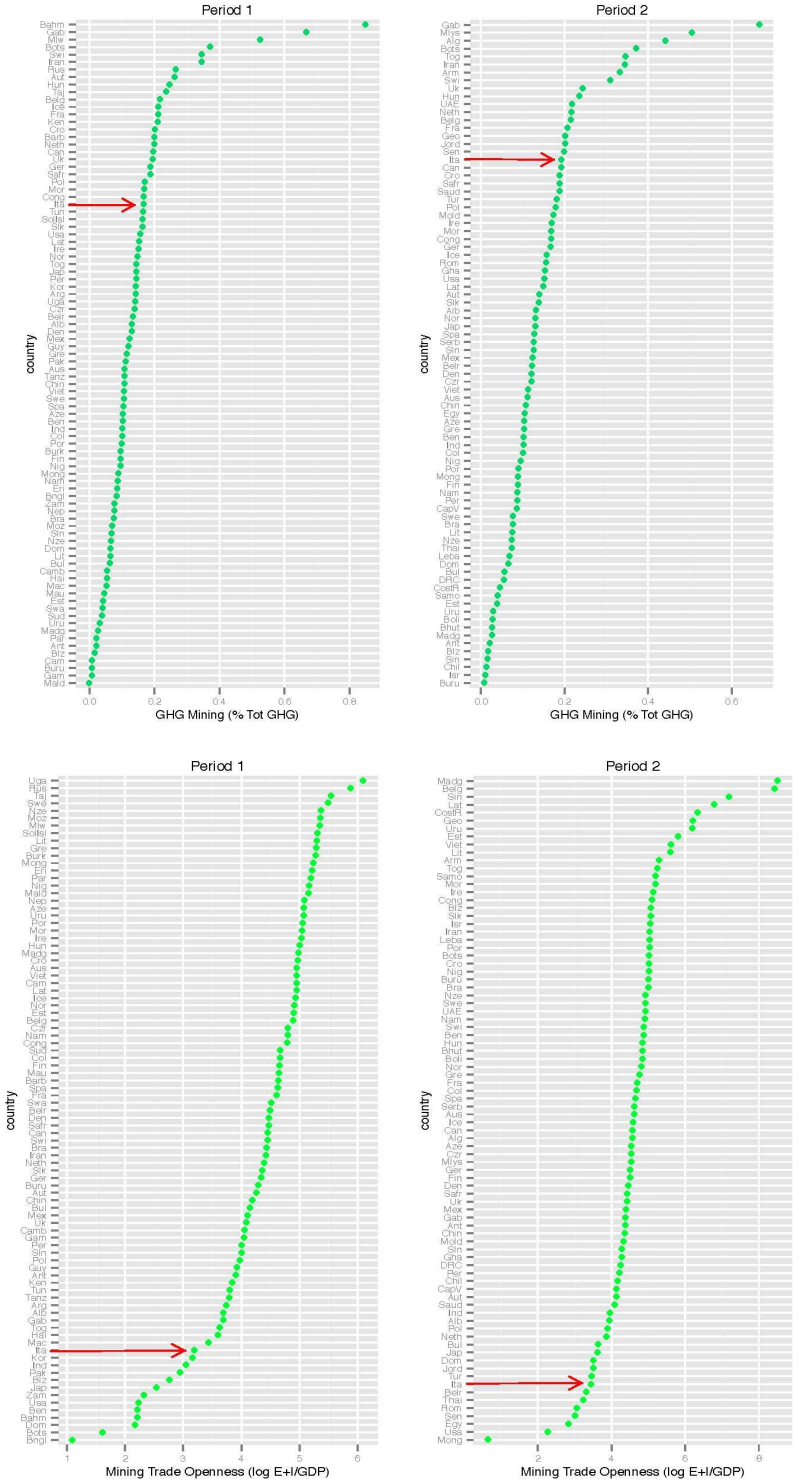
[5] See the Appendix for a more systematic definition of the variables. See also Genovese (2014; 2019) for more details on the data sources.

Figure 2. GHG Volume and Trade Openness of Agricultural Sectors.



Note: The dot plots illustrate the cross-national distribution of (a) relative pollution burden (measured via sectoral GHG emissions/total GHG emissions) and (b) log of trade openness (import and export exposure/GDP) for the agricultural sector (ISIC category A). The calculations for Italy are highlighted with the red arrow.

Figure 3. GHG Volume and Trade Openness of Mining and Extraction Sectors.



Notes: The plots are equivalent to the ones in Figure 2 but for the mining and extraction sectors (ISIC category B). The calculations for Italy are highlighted with the red arrow.

This interpretation is corroborated by the historical position that Enel has taken on climate action. Italy's most powerful natural gas lobby has played lip service to the climate cause, but has also been a significant user of coal, failing to set out an explicit plan for ending coal use. That said, Enel's concern with international climate regulation seems small because much of its market is internal, so – given its historically monopolistic role in Italy – it fears little competition in the domestic market.[6] Consequently, lobbying against international policy has not been a priority.

The evidence presented here is obviously descriptive. Other factors may be at play: for example, the leadership of institutions (e.g. the EU) and the strategic preferences of parties involved in government may also affect the equilibrium of UNFCCC positions. That said, and in light of the critical role of economic actors expressed in the literature, the sector-level analysis at least suggests why Italy has not shown either noteworthy support or utter refusal of some of the mining-related decisions at the UNFCCC. Hence, the configuration of the environmental and trade dimensions for these crucial economic sectors seem to reasonably account for the neutral positions that Italy has regularly taken on international climate policy.

3.2 Mixed preferences among the public

The previous section showed evidence of how environmental ambition and economic (i.e., trade) opportunities can offset each other and therefore explain neutral preferences for international climate action. But I have also argued that these dynamics apply to other domestic drivers of international climate positions, in particular public opinion. In this section I investigate this with an analysis of climate policy preferences among the Italian public.

The data I rely on here come straight from the Eurobarometer surveys. The Eurobarometer provides representative, individual-level responses to questions related to environmental policy, including preferences for climate policies in line with UNFCCC targets. To this end, the Eurobarometer has also fielded climate change-specific questionnaires across Europe. For my purposes I focus specifically on the last two of these climate change surveys: the Special Eurobarometer 459 Wave EB87.1 (from 2017) and the Special Eurobarometer 490 Wave EB91.3 (from 2019).

These surveys ask a number of specific, forward-looking questions about climate action. They also include other questions, including – and relevant here – responses on political interest in the issue and information on individuals' economic resources. Following my argument, the expectation is that, while political interest can increase interest in climate policy action, economic constraints would reduce it – hence resulting in conflicting pressures on opinion.

I proceed with testing this conjecture on the Italian battery of the Eurobarometer data. Before moving to the test, however, it is worth demonstrating that, like the Italian government's position at the UNFCCC, public opinion in Italy is indeed situated in a rather neutral position on climate policy. I show this by comparing the Italian and aggregate European responses to two specific questions highlighted in the surveys: one on the importance of the growth of renewables ('*How important do you think it is that the*

[6] Fisher, LittleCott and Skillings. 2017. 'Italy's National Energy Strategy'. E3G Consultation Response. https://www.e3g.org/docs/Italian_Energy_Strategy_v3_EN_website.docx.pdf

[nationality] government sets targets to increase the amount of renewable energy used, such as wind or solar power, by 2030?') and another question on household energy efficiency ('*How important do you think it is that the [nationality] government provides support for improving efficiency by 2030 (e.g. by encouraging people to insulate their homes or buy electric cars)?*'). For both sets of answers, the outcome is spread over four categories, from 'Not at all important' to 'Very important'.[7]

Figure 4 shows that the Italian responses (averaged across the 2017 and 2019 samples) are very close to the mean European response. To put the data in perspective, the majority of respondents in the Netherlands (>75%) and a minor part of respondents in Slovakia and the Czech Republic (<35%) think these issues are 'very important' for their governments to prioritize. Contrastingly, roughly one in two Italians consider these important. At the same time, more than one in ten Italians are either indifferent ('Don't Know') or deem the issue not relevant. While the questions are by construction inducing a positive reaction (Holbrook, Green and Krosnick 2003), the Italian position seems rather average -- i.e., mild -- by European standards.

Do mixed concerns at the individual level help explain why the Italian public is moderate on climate policy issues? To get at the core of this hypothesis, I resort to a regression analysis in which I correlate the individual-level responses to the two questions above with two proxies. To get at environmental concern, I rely on a response to political interest, and use the Eurobarometer index that goes from 1 (not at all interested) to 4 (very interested). To get at economic concern, I rely on the response to the question '*Have you had difficulties paying your bills at the end of the month*?', which goes from 1 (almost never/never) to 3 (often).[8] In addition to these two variables, I enter in the regression equation a number of standard control variables, namely age, gender and education (measured in education years). I also add the individual's type of occupation to control for motivations derived from the job (Bechtel, Genovese and Scheve 2019). The results are qualitatively equivalent if I use these models or more parsimonious specifications. The results are also robust to other specifications, e.g. a logit model (see Appendix).

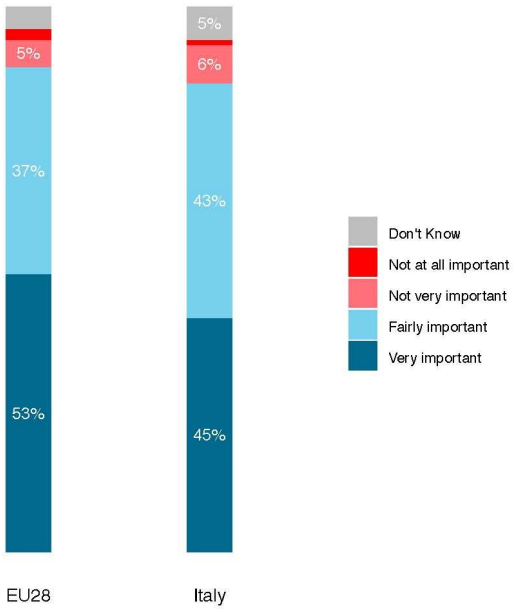
Table 1 reports the results of linear (OLS) models for each of the two responses. As expected, I find that the coefficients of the two relevant covariates are significant and go in opposite directions. Political interest is positively correlated with the importance that people give to increasing targets for clean energy and incentivizing environmental efficiency. At the same time and basically by the same magnitude, Italians who have greater financial difficulties are less likely to deem climate policy very important.

[7] In secondary analyses reported in the Appendix, I also explore to what extent respondents agree with the statements 'Fighting climate change and using energy more efficiently can boost the economy and jobs in the EU' [present only in EBS 459]; and 'More public financial support should be given to the transition to clean energies even it means subsidies to fossil fuels should be reduced' [present only in EBS 490]. The results are consistent with the main analysis.

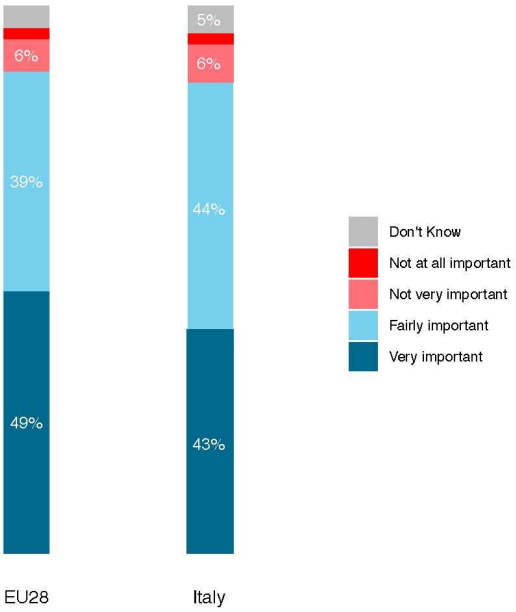
[8] I prefer the answer to the bills question rather than the classic 'household income' item, because household income is systematically underreported or missing.

Figure 4. Public opinion on climate policy issues: Italy versus Europe.

Q: How important do you think it is that the government sets targets to increase the amount of renewable energy used, such as wind or solar power, by 2030?



Q: How important do you think it is that the government provides support for improving energy efficiency by 2030 (e.g. by encouraging people to insulate their home or buy electric cars)?



Notes: The bar plots show the aggregate distribution of public positions on two issues related to climate policy: (a) renewable energy, and (b) energy efficiency. Data are averages from Eurobarometer surveys 87.1 (2017) and 91.3 (2019).

The results are externally relevant because Italy has a high rate of political mobilization, with electoral turnout historically well above 70%, but also substantial levels of poverty vis-à-vis other OECD countries. The direct implication is that the public in politically interested but financially constrained nations like Italy is substantially torn between political imaginary and economic incapabilities, and both seem to generate mild governmental positions on climate policy. More generally, the findings imply that it may not be a lack of salience but rather the offsetting effect of multidimensional concerns that explains mild positions on global affairs. As for domestic economic sectors, mixed pressures in national public opinion seem to explain 'mild' positions in international political issues.

Table 1. The effect of political interest and economic constraints on public opinion on climate policies.

	Importance: *Growth of renewables*	Importance: *Household efficiency*
Political Interest (1 to 4)	0.064***	0.069***
	(0.017)	(0.017)
Difficulty of Paying Bills (1 to 3)	−0.071***	−0.060**
	(0.026)	(0.025)
Age	−0.001	−0.003**
	(0.002)	(0.001)
Gender (Female = 1)	0.047	0.058*
	(0.033)	(0.032)
Education Years	0.001	0.002
	(0.003)	(0.003)
Occupation: Student	−0.069	0.014
	(0.072)	(0.053)
Occupation: Self-employed	−0.038	0.033
	(0.053)	(0.052)
Occupation: High-skilled job	0.024	0.033
	(0.053)	(0.052)
Occupation: Low-skilled job	0.014	0.025
	(0.045)	(0.044)
Survey Wave (EB91.3 = 1)	0.052*	0.081***
	(0.031)	(0.031)
Intercept	−1.554***	−1.498***
	(0.121)	(0.120)
Observations	1,696	1,707
R^2	0.020	0.027

Note: Standard errors in parentheses. ***$p < 0.001$, **$p < 0.01$, *$p < 0.05$.

Notes: Linear (OLS) estimation. The reference category for the 'Occupation' variable is Unemployed.

4. Conclusions

It is often assumed that few countries attach high relevance to issues discussed in international politics. Consequently, negotiations and decision-making in contemporary international relations are often depicted as a result of hegemony or key alliances, i.e. of actors assumed to attach more salience to their international issues. This thinking assumes that other countries do not have salience for these international issues, thereby often leaving a number of mid-sized countries like Italy understudied.

In contrast with this view, in this paper I argue that these understudied countries do, in fact, give importance to international issues; however, they may be driven to mild positions by mixed domestic incentives. Consequently, it is not the lack of intrinsic salience but the offsetting role of counterbalancing sources of national interest that dilute the international position of countries like Italy on issues such as international climate change action.

To explore this argument, the paper investigates the domestic drivers of Italy's position on international climate policy. I specifically focus on two political economy actors: industrial lobbies and public opinion. I maintain that ambition for environmental leadership and economic constraints due to limited financial resources have systematically counteracted each other for both these two fundamental sources of national positions. Observational data are put forward in support of the argument. Evidently, the research has limitations. The design is exploratory and the results are only correlational. The observations on industries' concerns are novel yet constrained across time and only updated to 2011. The public opinion data, which is pertinent to more recent years and therefore does not overlap with the industry data, uses imperfect proxies to capture the variables of interest.

Nonetheless, conditional on these caveats, the evidence suggests how Italy compares to other countries on international climate policy, and how lukewarm the Italian position has been in the past few years. The data also indicates that, in line with the argument, Italian businesses and voters are torn between the awareness and willingness to act on climate and the material burdens the issue imposes.

Altogether, the paper offers some lessons on how to think about countries in international politics that are often assumed to pay little attention to global issues or to 'bandwagon'. The paper also gives some predictions on how positions on global public good issues may vary as some of the offsetting domestic concerns may relax or intensify. For example, Italy's cooperation on climate change may strengthen if Italians become wealthier or if they suffer more from climate change-induced natural disasters. At the same time, and importantly for the post-COVID19 world, Italy may become less cooperative on international issues where its businesses face harsh terms from trade partners following a national recession. Future work may want to explore the merit of this argument on the false dichotomy between economic and environmental concerns in other fields. For example, at the onset of the COVID19 pandemic, similar dynamics may affect how governments position themselves between health protection and economic growth.

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Appendix

Table A1. Variables definition and sources.

Variable	Source	Definition
	1. Cross country industry analysis	
UNFCCC national positions (Figure 1)	Genovese 2014 (see also Genovese 2019), based on UNFCCC National Communications.	Empirical means calculated with a latent Bayesian factor analysis of manually coded national positions over 43 UNFCCC issues. The distribution spans between -2 and +2 circa.
GHG emissions of each sector (Figure 2 & 3)	UNFCCC yearly country data averaged for 2001-4 and 2009-11 (see also Genovese 2019)	Greenhouse gas emission profiles summarized in million tons of CO2-equivalent emissions for each UNFCCC member across six main IPCC sector groups (the paper focuses specifically on the agriculture and mining/extraction sector, but Genovese 2019 presents also the figures for manufacturing). The standardized value of sectoral emissions was calculated by the author by weighing (i.e. dividing) each sector's emission by the total CO2-equivalent emissions of the country. The distribution is between 0 and 100.
Trade openness for each sector (Figure 2 & 3)	Global Trade Analysis Project (GTAP), database 6 for 2001-04 and database 7 for 2009-11.	The sum of exports and imports in USD prices divided by sectoral GDP (as coded in the value added of the World Development Indicators database). The data is logged (distribution between 1 and 5)
	2. *Public opinion analysis*	
Salience of issues related to (a) renewable energy, and (b) energy efficiency (Figure 4; see exact question wording in the main text).	Eurobarometer 459 Wave EB87.1 (2017) and the Eurobarometer 490 Wave EB91.3 (2019).	Four-category ordinal response, from 1 (not at all important) to 4 (very important). 'Don't Know' coded as missing.
Political interest (Table 1)	Eurobarometer surveys above	Four-category ordinal response, from 1 (not at all interested) to 4 (very interested).
Difficulty in Paying Bills (Table 1)	Eurobarometer surveys above	Three-category ordinal response, from 1 (almost never/never) to 3 (often).

Notes: the empirical material presented in the paper is drawn from different sources. In the table I clarify the definition and sources for the main variables in cross-country industry analysis (part 1), and then for those in the public opinion analysis (part 2).

Table A2. The effect of political interest and economic constraints on public opinion on climate policies: wave-specific regressions of responses to renewables growth question.

	Importance: *Growth of renewables*	
	EB87.1	EB91.3
	(1)	(2)
Political Interest (1 to 4)	0.084***	0.046**
	(0.027)	(0.023)
Difficulty Paying Bills (1 to 3)	−0.005	−0.128***
	(0.039)	(0.034)
Age	0.003	−0.001
	(0.002)	(0.002)
Gender (Female = 1)	−0.003	0.088**
	(0.050)	(0.043)
Education Years	−0.001	0.002
	(0.005)	(0.003)
Occupation: Student	−0.031	−0.093
	(0.110)	(0.096)
Occupation: Self-employed	−0.132	0.030
	(0.083)	(0.070)
Occupation: High-skilled job	−0.005	0.059
	(0.082)	(0.068)
Occupation: Low-skilled job	0.001	0.031
	(0.067)	(0.060)
Intercept	1.333***	1.704***
	(0.196)	(0.156)
Observations	787	920
R^2	0.028	0.028

Note: Standard errors in parentheses. $^{***}p < 0.001$, $^{**}p < 0.01$, $^{*}p < 0.05$.

Notes: linear (OLS) estimation. The reference category for the 'Occupation' variable is Unemployed.

Table A3. The effect of political interest and economic constraints on public opinion on climate policies: wave-specific regressions of responses to household efficiency question.

	Importance: *Household efficiency*	
	EB87.1	EB91.3
	(1)	(2)
Political Interest (1 to 4)	0.108***	0.036
	(0.027)	(0.022)
Difficulty Paying Bills (1 to 3)	0.041	−0.144***
	(0.038)	(0.033)
Age	0.004**	0.001
	(0.002)	(0.002)
Gender (Female = 1)	0.017	0.093**
	(0.049)	(0.042)
Education Years	−0.005	−0.0003
	(0.005)	(0.003)
Occupation: Student	0.033	0.001
	(0.108)	(0.094)
Occupation: Self-employed	−0.092	−0.029
	(0.082)	(0.068)
Occupation: High-skilled job	0.040	0.040
	(0.080)	(0.067)
Occupation: Low-skilled job	0.051	0.003
	(0.066)	(0.059)
Intercept	1.161***	1.729***
	(0.194)	(0.153)
Observations	787	920
R^2	0.041	0.031

Note: Standard errors in parentheses. $^{***}p < 0.001$, $^{**}p < 0.01$, $^{*}p < 0.05$.

Notes: linear (OLS) estimation. The reference category for the 'Occupation' variable is Unemployed.

Table A4. The effect of political interest and economic constraints on public opinion on climate policies: alternative question (EB87.1).

	Agree: *Fighting Climate Change and Using Energy More Efficiently Can Boost the Economy and Jobs in EU* (EB87.1)
Political Interest (1 to 4)	0.105***
	(0.029)
Difficulty of Paying Bills (1 to 3)	−0.044
	(0.042)
Age	−0.001
	(0.002)
Gender (Female = 1)	0.021
	(0.053)
Education Years	0.005
	(0.006)
Occupation: Student	0.078
	(0.117)
Occupation: Self-employed	0.090
	(0.089)
Occupation: High-skilled job	−0.104
	(0.087)
Occupation: Low-skilled job	−0.179**
	(0.072)
Intercept	−1.855***
	(0.210)
Observations	787
R^2	0.042

Note: Standard errors in parentheses. ***$p < 0.001$, **$p < 0.01$, *$p < 0.05$.

Notes: linear (OLS) estimation. The reference category for the 'Occupation' variable is Unemployed.

Table A5. The effect of political interest and economic constraints on public opinion on climate policies: alternative question (EB91.3).

	Agree: *Public Financial Support Should Be Given to the Transition to Clean Energies Even It Means Subsidies to Fossil Fuels Should Be Reduced* (EB91.3)
Political Interest (1 to 4)	0.059**
	(0.024)
Difficulty of Paying Bills (1 to 3)	−0.118***
	(0.036)
Age	0.0004
	(0.002)
Gender (Female = 1)	0.067
	(0.045)
EducationYears	−0.003
	(0.003)
Occupation: Student	−0.199*
	(0.102)
Occupation: Self-employed	−0.019
	(0.074)
Occupation: High-skilled job	−0.064
	(0.073)
Occupation: Low-skilled job	0.003
	(0.064)
Intercept	1.833***
	(0.165)
Observations	920
R^2	0.034

Note: Standard errors in parentheses. ***$p < 0.001$, **$p < 0.01$, *$p < 0.05$.

Notes: linear (OLS) estimation. The reference category for the 'Occupation' variable is Unemployed.