

The Innovations of the Italian White Paper: Defence Policy Reform

by Ester Sabatino

ABSTRACT

Since the British referendum to exit the EU, the question of a common European defence has regained vigour. Italy, which will be the third largest defence spender in the EU after Brexit, has an important role to play in this debate. In fact, well before the referendum and the re-launch of the European defence agenda, the Italian Ministry of Defence had conducted an in-depth exercise in strategic thinking and planning, culminated in the 2015 White Paper on Defence. The document codifies the Italian strategy for the use and the development of armed forces, in the European, transatlantic and Mediterranean frameworks. It also addresses important challenges for the national defence apparatus, ranging from personnel reorganization to changes to internal governance. The reform agenda has moved ahead slowly, however, with Italy lagging behind its White Paper's transformative ambitions.

Italy's military policy | Procurement | Defence industry | Military missions | Mediterranean | Germany

keywords

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by Ester Sabatino*

Introduction

After the Brexit referendum, the place historically held by the United Kingdom (UK) in shaping EU defence policies remains vacant. This opens the potential for Italy, the third largest defence spender within the European Union after Brexit is implemented, to play a more active role alongside the other two main players in European defence, France and Germany. To achieve this potential will require much work and the implementation of many reforms. In this respect, analysis of the Italian White Paper on defence is a good starting point to appreciate the Italian stance. A comparison with the German White Paper helps understand the differences between Italy and the one actor that – due to a similar approach to deployment of military personnel, a similar understanding of defence and similar defence industry policies – is usually regarded in Rome as a peer and a source of inspiration.

A White Paper on defence is a strategic document detailing national priorities and the military means and capabilities needed to meet those priorities. In April 2015, Italy published its own White Paper on defence, the first comprehensive review of Italy's strategic priorities and defence needs in decades.¹ A shift in the global balance of power, the massive transformation potential of new technologies and the higher level of technological interdependence, and the low rate of defence investment are all factors that influence Italian defence. The White Paper tries to address all these issues and set realistic objectives to ensure the defence of Italy's territory and population.

¹ Italian Ministry of Defence, *White Paper for International Security and Defence*, April 2015, http://www.difesa.it/Content/Pagine/Libro_Bianco.aspx.

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· Paper prepared by the Istituto Affari Internazionali (IAI) on behalf of the Friedrich Ebert Foundation-Rome Office, July 2017.

1. Relevance of the document

The 2015 White Paper on international security and defence came 13 years after the last paper was published. It is a much more ambitious document than its predecessor of 2002, which did little more than collate the reforms incurred in the military and defence sector since the previous White Paper, released in 1985 (of which the most consequential were the transformation of the armed forces into an all-voluntary professional force, the inclusion of women in the ranks and the establishment of a joint forces command).

The 2015 White Paper, therefore, is the first real strategic paper since 1985. Its point of departure is a changed understanding of national defence, which is now more externally oriented than it used to be. In addition, the White Paper has envisaged for the first time the possibility of deploying armed forces to pursue Italian national interests, without prejudicing the rejection of offensive war enshrined in Article 11 of the Italian Constitution. This is a novelty in the republican tradition, characterized by an historic reluctance to talk about defence and, even more so, the use of the military to project stability abroad in the framework of internationally sanctioned operations. Therefore, the White Paper promotes a deeper involvement of the country in international cooperative frameworks, notably the EU, NATO and the UN.

The current White Paper is the result of an inclusive consultation process. For the first time, other ministries (especially the Ministry for Foreign Affairs and International Cooperation), companies in the aerospace, security and defence sector, as well as research centres and universities, have been consulted. This procedure helped to grasp previously missing connections between the industrial, strategic and political levels.

2. A four-level reform

The document is relevant for its proposals to reform the defence apparatus. Specifically, the White Paper defines four guidelines to reform the Ministry of Defence (MoD), according to such criteria as efficacy, efficiency and cost-effectiveness. The four guidelines are a) governance reform, b) reorganization of the operational model, c) reshaping personnel and d) modification of procurement policies.

2.1 Governance reform

The reform of governance aims to maintain the same level of output in face of decreasing financial resources and personnel. The governance structure has not been changed since the days the armed forces consisted of conscripts, a time when the Army workforce was much bigger than it is now. The main structural problems are functional duplication and excessive hierarchical levels.

The White Paper outlines a reform to reinforce the political direction of the armed forces through a reorganization of the governance structure to provide single command for each of the MoD's strategic functions: political direction, military strategic direction, generation and preparation of the armed forces, and forces employment and support. In this way, duplication of functions would be reduced. While planning and decision over integrated support, procurement and deployment of military capabilities phases should be centralized, the implementation phase would be shared between the service competencies.

The White Paper puts much emphasis on the need to tighten links between the political and military levels – or more precisely between politicians and the military. A deeper dialogue means a strategic political control, from the MoD, of the defence function, while avoiding micromanagement of operational and technical issues by the political level. The White Paper insists that the minister of defence has the duty to approve a defence technological and industrial strategy to better plan the development of the armed forces. In practical terms, the minister will have enhanced authority for devising personnel policies and will be responsible for the technological and industrial development of the armed forces, as well as for proposing, in concert with the Ministry of Economic Development, a multiannual (6 years) financial law on major investments in the defence sector.

2.2 Restructuring the operational model

The White Paper also recommends reform of the operational model, notably by advocating elimination of functional and organizational duplications. On logistics management, the White Paper emphasizes the need for a National Armaments Director and a director responsible for logistics (*Direttore Nazionale degli Armamenti e responsabile per la Logistica*, DNAL) with centralized functions on armaments acquisition, infrastructure and logistics, supported by a Logistics Command of Defence (*Comando Logistico della Difesa*, CLD). Except when providing direct support to the operational units, logistics functions would be unified, with potential personnel reduction. This reform paves the way for a more streamlined military structure.

At the operational level, the joint Forces would be grouped under the Joint Command (*Comando del Vertice Interforze*) in support of a Vice Commander for Operations (*Vice Comandante per le Operazioni*, OPS-VCOM) who would report to the Chief of Defence Staff (*Capo di Stato Maggiore della Difesa*, CASMD). Therefore, the military-strategic direction of the armed forces will be in the hands of the CASMD who will also bear sole political authority for every type of military operation.

The White Paper reform mandates the chief of defence staff, the chief general of the Carabinieri gendarmerie force, and the national director for armament procurement, in a three-year term, which will be non-renewable and non-extendable. In this way, the White Paper tries to ensure continuity of direction while

reducing space for possible personal interests to encroach on the institutional mandate of the top echelons of the armed forces, which a longer mandate could foster.

2.3 Reshaping personnel

Personnel is treated extensively in the White Paper. Permanent employees of the armed forces represent almost 88 percent of the total employed. This has repercussions not only on pension expenditure, but also on the efficacy of the armed forces, hampered by an ageing staff. The prerogative of the military is to be ready and fit for any kind of need, including deployment in conflict scenarios far from the homeland. The White Paper contends that younger soldiers would be both more motivated and more flexible, two fundamental characteristics for the kinds of mission these people would undertake.

The document proposes two possible solutions: (1) a reduction of the age limit to enter the temporary service, from 25 to 22; and (2) A gradual inclusion of temporary personnel in the permanent staff, allowing a more streamlined career advancement process.

Ideally, the youngest and operational component of the armed forces should represent two thirds of the entire staff, and the proportion between temporary and permanent staff should tend to parity. In parallel with this reorganization, the strategic document recommends a reduction from 190,000 units to 150,000 by January 2025. The issue of personnel reduction is a persistent problem; the current reform plan is based on a 2012 law (Law No. 244 of 31 December 2012), which so far has proven hard to implement.²

A further aspect the White Paper intends to modify is the training process. Training should occur throughout the whole service period and should be oriented to the development of joint military capacities. These capacities might be acquired not only through a single management of the formation modes by the CASMD, but also by dint of interdepartmental training, as well as international drills. To this end, foreign teaching staff and experts will be hosted in Italian military schools.

2.4 Changing procurement practices

The extremely rapid advancements in technology are a relevant factor to consider when procuring new armaments, or when programming modernization of assets.

The MoD has proposed the implementation of a six-year multiannual law for investments in defence with a review process every three years. The proposal

² See Dante Figueroa, "Italy: Legislation on Structure and Organization of Italian Armed Forces", in *Library of Congress Global Legal Monitor*, 24 June 2016, <http://www.loc.gov/law/foreign-news/article/italy-legislation-on-structure-and-organization-of-italian-armed-forces>.

to reform the procurement process aims to align it with the state's three-year budgetary planning cycle, to ensure continuity of funds to procurement programmes. Moreover, this new procedure will ensure a deeper involvement of the Parliament, both in the discussion phase and during the approval procedure. A periodic "strategic review of defence" (*Revisione Strategica della Difesa*) would set the principal needs of the MoD and constitute the basis for the multiannual law on investments.

The defence and security industrial sector is one of the few areas in which a certain level of state control is advisable, to understand the link between technological developments and the needs of the armed forces. Also for this reason, new armaments should be developed in partnership with universities and enterprises, to ensure that the needs of the armed forces match the supply side. In this context, the National Plan of Military Research (*Piano Nazionale della Ricerca Militare*, PNRM) should be harmonized with the National Research Plan (*Piano Nazionale di Ricerca*, PNR).

3. The Euro–Atlantic framework

The White Paper focuses on the international frameworks of Italy's defence policy, most notably NATO and the EU. Of considerable importance is also the UN framework, the country's primary point of reference concerning legitimacy of international military action. Italy is among the first ten countries for budgetary contribution within the UN, and is active in peacekeeping missions (e.g., for the last seven years it has led the UNIFIL II mission in Lebanon).

The White Paper advocates deeper integration of Italian forces with those of the other EU member states, with special emphasis on the development of shared capabilities. Despite the Italian willingness to deepen cooperation in the European Union, NATO remains a lynchpin for Italian security as the sole international actor able to deter, dissuade and defend against any kind of threat.

3.1 The European defence industry

The White Paper strongly emphasizes the need for a clear definition of common EU requirements and standards for armament production and market integration. Industrial cooperation in defence at the EU level has long been recognized as a necessity, or at least a great advantage, for the development of highly expensive defence technologies and capabilities. Nevertheless, there is a tendency to maintain strategic technologies at the national level to keep a certain degree of national strategic autonomy. The Italian White Paper does not detail the whole set of key technologies, although it is possible to infer dual-use technologies. Indeed, keeping the know-how in-house helps the country maintain an advantageous international position at the strategic and economic levels, as well as ensuring a certain security of supply.

Another reason defence cooperation at the EU level is strongly encouraged is that it would stimulate specialization, consolidation and ultimately a more functional and more lucrative structuring of the defence market. Cooperative procurement programmes, rather than simple bilateral acquisitions, are the options preferred by Italy precisely because they move defence cooperation towards greater interconnection and ultimately integration.

Given the propensity of Rome to cooperate more with its EU partners, Italy has welcomed the European Commission November 2016 decision to allocate EUR 90 million until 2020 on defence research, as well as subsequent plans for defence investments. Italy also supports initiatives by the European Defence Agency (EDA) and the Organisation for Joint Armament Cooperation (known after its French acronym as OCCAR) that may favour the creation of cooperation and economies of scales on capability development. In particular, the Italians favour multinational processes for acquisition, which, among other things, would also facilitate interoperability between EU member states' armed forces.

3.2 The Mediterranean

Geography makes the Mediterranean the main region of interest for Italy. The White Paper contends that Italy should play a leading role in international operations in this region, given its vulnerability to insecurity spill-overs, its central geographical location and its knowledge of and relations with countries in North Africa. Italy is also expected to contribute to missions in other theatres – like Central Asia and sub-Saharan Africa – on the condition that both the timeframe and the type of requested involvement are clearly defined in advance. This point reflects Italy's willingness to comply with its international obligations but also its resolve to commit to international operations in keeping with its strategic interests (primarily located in the Mediterranean) and its limited resources.

4. Contact and conflict points with the German White Paper

Germany published its White Paper for defence in July 2016,³ one year after Italy released its own paper. Coming right after the Brexit referendum and the publication of the EU Global Strategy (EUGS) the German White Paper is even more infused than the Italian one with eagerness for greater cooperation at the EU level.

Both the Italian and German White Papers have been the result of an inclusive process that has involved, alongside the MoDs and the top brass in the armed forces, various government agencies, the private sector and the civil society. This helped to better define the objectives of the respective MoDs, with suggestions on

³ Federal Ministry of Defence, *2016 White Paper on German Security Policy and the Future of the Bundeswehr*, July 2016, <http://issat.dcaf.ch/Learn/Resource-Library/Other-Documents/The-2016-German-White-Paper-Strategic-Review-and-Way-Ahead>.

how to manage the apparatus efficiently, effectively and economically, coming from sources with different expertise and background.

Both White Papers state an intention to work towards complying with the NATO commitment to improve military capabilities. While the Italian White Paper concentrates extensively on reducing inefficiencies, the German paper makes a more explicit pledge to raise military spending.

A more interesting point both documents emphasize is the need to boost intra-EU cooperation to reduce dependency on supplies from third countries. In this regard, Germany recommends greater use of the Framework Nations Concept (FNC) – a capability acquisition endeavour by a group of countries, in which one nation takes the lead. Instead, Italy favours deeper cooperation in the EDA and OCCAR frameworks. Both proposals presuppose that the participating countries take greater responsibility for their security and defence.

The German White Paper goes so far as to indicate the military equipment the country wants to develop through a joint international production, whereas the Italian White Paper refers to a follow-up document, which however has not yet been published. Both Italy and Germany intend to make their military capabilities available both to NATO and EU operations, as stated in the EU–NATO Joint Declaration of July 2016.

Both White Papers include a section on cyber-security and on the security of critical infrastructures, and foresee the creation of a dedicated command to address cyber threats. The Italian Cyber Operations Joint Command and the German Cyber and Information Space Command have been activated in 2017 but will become fully operational only in the coming years. The two structures will be quite different in terms of size: Germany plans a 14,000-strong division, whereas Italy will employ a much smaller workforce. This difference in the cyber sector derives from the fact that Germany wants to equate the cyber domain with the other Armed Forces divisions, while Italy has lower ambitions.

What makes the two documents different from each other is the general direction the two countries want to give to their defence apparatus. Berlin, for the first time since the country's reunification, plans to increase the Bundeswehr quantitatively (more soldiers and funds) and qualitatively (better trained personnel and better weapons). Rome wants to pursue the same level of goals and ambitions as in the past but via a rationalization of the resources, which are actually stable in economic terms and decreasing in terms of workforce.

A further differentiation involves personnel. Italy is trying to lower the number of military and civilian staff working in the MoD by around 20 percent; Germany wants to expand its defence staff to 200,000 units by 2024. Both White Papers insist on the need to expand the contribution of female personnel to operations and to do more to ensure an equal system of career advancements. What is certain is that both Berlin and Rome need to make a career in the armed forces more attractive to

younger people: the salary in the military sector is lower than the average salary of a young person differently employed.

5. Delays in implementing the Italian White Paper

The reform project contained in the Italian White Paper has suffered important delays.

The document itself contained ambitious timelines – the strategic review should have been completed in six months. Nevertheless, the draft law to reform the MoD (bill No. 2728) was presented to Parliament only in March 2017 for a first reading, almost two years after publication of the White Paper.⁴ As of October 2017, the draft law is in the Senate for consideration and amendments.

Part of the delay in implementation of the White Paper might be attributed to the political priority given by the government to the 2016 constitutional reform law (eventually rejected by voters in a referendum) and to other internal reforms that gained pre-eminence over defence. Another important reason is that the restructuring proposed in the White Paper as far as governance and operational models are concerned includes cuts of funds and personnel, which is obviously a proposition fraught with political obstacles.

The fate of the bill presented last March hangs in the balance. The life cycle of draft bills ends with the parliamentary term. Once elections occur, lawmakers have to present a new bill if they want to restart the whole process. The next election in Italy is due not later than March 2018. If Parliament does not approve the bill in time, implementation of the White Paper measures will be postponed farther in the future.

The slowdown in implementing the White Paper has caused prolongation of inefficiencies in the defence sector, both in economic and procedural terms. The adjustments of the MoD are functional to making Italy better able to cooperate internationally, and particularly to adapt its national forces to the highest standards in Europe on armament requirements and personnel formation processes.

These delays, however, have not kept Italy from taking cooperative initiatives at the EU level. Since the Brexit referendum, Rome has been active in promoting stronger EU cooperation on defence, particularly with the joint proposal with France, Germany and Spain presented at the Bratislava EU summit in September addressing operational, institutional and industrial aspects of cooperation. In

⁴ Disegno di Legge A.S. 2728: *Riorganizzazione vertici Ministero difesa e deleghe al Governo per la riforma dello strumento militare* (Re-organization of the Ministry of Defence Leadership, including powers delegated to the Government with regard to the reform of the Military), <http://www.senato.it/leg/17/BGT/Schede/Ddliter/47802.htm>.

keeping with its commitment to implementing the EUGS, Italy has strongly supported the development of a Permanent Structured Cooperation (PESCO) and of a Coordinated Annual Review on Defence (CARD) by 2017, which would set common goals, commitments and criteria to collaborate in the capability development, operational and industrial aspects of defence.

Conclusions

With its White Paper on defence, Italy has codified its objectives and has tried to define the tools needed to adapt the internal defence apparatus to the current international security environment. The elaboration of the White Paper has been a commendable effort, yet implementation lags behind. An overly ambitious timeframe, cumbersome decision-making procedures and the inevitable prioritization of other issues on the part of both government and Parliament have all contributed to this gap between a good strategic document and an unsatisfactory implementation.

That said, the document retains all its strategic importance. The White Paper has stimulated a national debate on the importance of defence and brought some clarity on Italy's security interests and contribution to international missions. Moreover, the strategic document rightly emphasizes the centrality of connecting strategic thinking to defence planning to industrial capacity, and clearly embeds Italian defence in wider Euro-Atlantic frameworks. Thanks to this document, the country is more aware of its position in the EU and of the necessary steps towards an integrated EU defence. The strong emphasis given to the EU framework is a further reflection of Italy's ambition to take steps towards deeper cooperation with its EU partners.

Updated 30 November 2017

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