

SUMMER 2019

MOLTO AGITATO

ITALY AND MEDITERRANEAN SECURITY

REPORT



This report is part of Friends of Europe's Peace, Security and Defence programme. Written by Paul Taylor, it brings together the views of scholars, policymakers and senior defence and security stakeholders.

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Paul Taylor is a Paris-based journalist who writes the "Europe at Large" column for POLITICO. He previously spent four decades working for Reuters as a foreign correspondent in Paris, Tehran, Bonn and Brussels, as bureau chief in Israel/Palestine, Berlin and Brussels, as chief correspondent in France, as diplomatic editor in London, and finally as European affairs editor.

As a Senior Fellow at Friends of Europe, Paul has also written the reports "Safer together: The United Kingdom and the future of European Security and Defence" (June 2018), "Jumping over its shadow: Germany and the future of European defence" (October 2017), "Crunch time: France and the future of European defence" (April 2017) and "'Fort Trump' or bust?" Poland and the future of European defence" (January 2019). With our European defence cooperation series, we aim to contribute to the overall debate on international security developments and offer a country specific in-depth analysis with interesting insights and specific recommendations, relevant to high-profile and senior decision-makers as well as thought-leaders from around the world.

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FOREWORD

As one of the founding members of the European Union and the North Atlantic Treaty Organisation (NATO), Italy plays a crucial role as a security actor both within Europe and on a global level. Given its geo-strategic position as a bridge between Europe and the broader Mediterranean region, Italy is particularly affected by the challenges and threats the wider region faces.

The Mediterranean region has long been a blind spot in the EU's security policies. For a long time, the EU left the stage to individual members, such as Italy. An increased level of instability, especially following the outbreak of the Arab Spring in 2011, along with a multitude of contributing factors including, but not limited to, regional and national conflicts, civil wars, terrorism, the effects of climate change, population growth, poverty and a lack in job opportunities for young people, all led to an unexpected wave of migration and a surge in the number of refugees coming to Europe.

These effects have also led to a rise in populist movements worldwide – a trend most strikingly apparent in Italy where, in 2018, the anti-EU nationalist party, Lega, entered into government with the anti-establishment grassroots Five Star Movement. The more strident rhetoric of the new government in Rome sparked fears amongst Italy's NATO and EU allies that Italy would adopt a more 'go-it-alone' approach and distance itself from common policies and actions.

The EU, whose approaches have produced only limited successes thus far, has concluded that a comprehensive strategy is needed to avoid a further spillover of conflicts. It has come to the realisation that national actors cannot, on their own, cope with the multiple threats and challenges they are forced to overcome. Yet without the participation and support of crucial actors, like Italy, it will be difficult to fight and anticipate future threats and to improve security and defence cooperation in the Mediterranean.

The state of Italian defence and the future of Mediterranean security are central to this Friends of Europe study. Its author is the veteran EU affairs commentator Paul Taylor, a Senior Fellow at Friends of Europe, columnist for POLITICO and former EU and diplomatic correspondent at Reuters. His report makes a number of recommendations on how Italy, Europe and NATO should optimise security and defence relations in the Mediterranean. This study complements the four similar defence cooperation reports written by Paul Taylor on France, Germany, the United Kingdom and Poland for Friends of Europe, all of which have received broad attention. These reports form a constituent part of Friends of Europe's peace, security and defence programme of events and research. I hope you will enjoy reading the report and debating its conclusions, in addition to other key security and defence topics, at future Friends of Europe events. Our aim is to offer a leading platform where policymakers, experts and the interested public alike can express their views and propose their ideas to move Europe's security and defence forward.

A handwritten signature in blue ink that reads "Jamie P. Shea". The signature is written in a cursive, flowing style.

Jamie P. Shea

Senior Fellow, Friends of Europe

METHODOLOGY AND ACKNOWLEDGEMENTS

This report is the fifth in a series on European defence, following the publication of country studies on France and Germany in 2017, and the United Kingdom and Poland in 2018.

It was informed by more than 40 in-depth interviews with present and past Italian, European Union, French, American and NATO policy officials, members of parliament, former ministers, one former prime minister, military officers, strategists, diplomats and defence industry executives. The interviews were conducted in person or by telephone between January and April 2019.

Many of the serving officials, soldiers, diplomats and executives that I interviewed cannot be identified because of the sensitivity of their roles. They were hugely helpful. I am grateful to the Italian permanent representation to NATO, the European External Action Service and the press services at NATO headquarters in Brussels and Joint Forces Command in Naples for their help.

I am especially thankful to the Istituto Affari Internazionali, and particularly to Alessandro Marrone, head of the IAI defence programme, Nathalie Tocci, the director of the institute, and Paola Sartori, researcher in the security and defence programme, for hosting me in Rome. They shared their knowledge and contacts generously, helped arrange interviews and convened a stimulating round-table with a dozen IAI experts, including two of the institute's distinguished elder statesmen, Vincenzo Camporini and Stefano Silvestri. It was a delight to work with them.

Together, Friends of Europe and the IAI conducted a multiple-choice survey of security and defence experts in government, business and international organizations, NGOs and the media, both in Italy and abroad. The findings of the survey are appended to this report. (See Annex)

I have benefited from the insights of many helpful and effective Italian public servants in my journalistic career. Three who gave me valuable guidance for this report were Emma Bonino, Stefano Stefanini and Antonio Missiroli.

Many other people in the think-tank community, the academy and the media helped with information, analysis and perspectives. Some are named in this text. My thanks also go to Elisabeth Braw, Jonathan Eyal, Mary Fitzgerald, Michel Foucher, Luca Giansanti, Mario Giro, Serge Guillon, Eberhard Kienle, Gerald Knaus, Marc Lazar, Christian Leffler, Michael Leigh, Jonathan Lynn, Tarek Megeresi, Benjamin Stora, Arturo Varvelli and Jerome Vignon.

At Friends of Europe, I am grateful to Giles Merritt, Founder and Chairman, for challenging me to widen this study to Mediterranean security; to Nathalie Furrer for creating the partnership with IAI, to Antonia Erlandsson, Patrick Vandewalle and Elena Saenz Feehan in the Peace, Security and Defence Programme for their tireless support and for managing the stakeholder survey; and to senior fellow Jamie Shea for brainstorming and making helpful suggestions on my first draft.

Additionally, Alessandro Marrone, Antonio Missiroli, Michael Leigh and Eberhard Kienle helped me with peer review of the draft.

Needless to say, the views expressed here, as well as any errors, are mine and not theirs.

I thank my POLITICO colleagues in Brussels, Jacopo Barigazzi, Stephen Brown and Stephan Faris and my former Reuters colleagues in Rome, Crispian Balmer and Phil Pullella, for sharing their knowledge of Italy and their friendship. And finally, I'm ever thankful to my wife Catherine for her companionship and support while I was working on this project. We'll always have Procida!



Paul Taylor

Senior Fellow, Friends of Europe



Leaders of the Group of Seven major industrialised democracies meet in Taormina, Sicily in June 2017, hosted by then Italian Prime Minister Paolo Gentiloni (centre)



G7 2017 TAORMINA

EXECUTIVE SUMMARY

AN UNSTABLE STABILISER

Italy is a central player in Mediterranean security due to its geo-strategic location and its role as a hub for NATO, US forces and United Nations logistics. It makes numerous contributions to military operations, peacekeeping, training and capacity building in North Africa, the Sahel region, the Western Balkans and the Middle East all the way to Afghanistan. It also participates in NATO's tripwire force in Latvia and in air policing in the Baltics, the Black Sea and the Balkans.

Rome's role as a stabilising force on Europe's southern flank is vital in a region where all the trends of 21st century insecurity converge - great power rivalry, resource conflicts, state failures, civil wars, Islamist radicalisation, terrorism, smuggling of people, weapons and drugs, and mass migration driven by underlying trends of climate change and population growth.

Yet Italians have recently been in an angry, resentful mood. They feel neglected and mistreated by their main EU partners on migration, fiscal policy and industrial issues. The elites are frustrated that their nation of 60 million, with the third largest Gross Domestic Product and armed forces in the EU (once the

United Kingdom leaves), is often marginalised by informal power groupings where decisions are shaped in NATO, the EU and the United Nations.

Widespread anger in the electorate over the EU's failure on migration and Eurozone fiscal constraints fueled the election of an unprecedented coalition of anti-establishment parties in 2018, deepening the heavily indebted country's political instability. Public opinion towards the EU has turned sour in this traditionally pro-European founder member.

Italy's core security interests include open European and international markets, safe sea routes, stability in the southern and eastern Mediterranean, secure energy supplies, migration control, peace in the Western Balkans and US-led protection from great power threats to Europe.

To achieve these goals, Rome needs the cooperation of the Euro-Atlantic institutions. Yet despite its substantial contributions, it has never won a permanent place in the inner circle of any of those organisations, and it has had to struggle for influence. The Italians often

seem more concerned with securing a seat at the table, than with what they would say if they were to get there. The risk is that Italy is perceived as being permanently agitated, or as musicians and the shipping forecast call it 'molto agitato', and its concerns hence taken less seriously.

Exclusion from the inner councils of Western power may be one reason why Rome has often pursued a mercantilist foreign policy - sometimes criticised as opportunist - that tends to prioritise commercial interests, notably with Russia and China and Iran, over the collective strategic stance adopted by its traditional allies and partners.

PICKING FIGHTS

Domestic politics have often been a driver of Italian foreign and security policy, but rarely more so than since two rival populist forces - the right-wing nationalist League and the anti-system Five Star Movement (M5S) - teamed up to take power after a 2018 election in which both made big gains. Their government 'contract' contained little on international relations, except to reaffirm Italy's membership of NATO, call for an overhaul of EU fiscal and monetary policies and advocate lifting EU sanctions on Russia and treating Moscow as a partner, not a threat.

The 'outsider' leaders picked public fights with France, where President Emmanuel Macron was more than happy to hit back, and to a lesser extent with Germany over migration and fiscal policy. They reached out to nationalist

Eurosceptics in central Europe, such as Hungarian Prime Minister Viktor Orbán and de facto Polish leader Jaroslaw Kaczynski, and upset both the EU and the United States by embracing China's Belt and Road Initiative.

Relations with France, strained since President Nicolas Sarkozy led a NATO bombing campaign in Libya in 2011 in overt disregard for Italy's strategic interests, sank to a post-war nadir in 2019 after deputy premier Luigi di Maio of M5S travelled to France to embrace leaders of the "gilets jaunes" street protests against Macron's policies. The other deputy premier, Matteo Salvini of the League, traded insults with Macron after barring rescue ships from disembarking migrants picked up at sea in Italian ports. Salvini projects himself as the leader of a pan-European, anti-Macron alliance of nationalist parties. Macron has said Salvini and his allies are right to see him as their principal adversary.

Ties with Germany, tense throughout the 2010-15 eurozone crisis, deteriorated further over the 'anti-system' government's defiance of EU budget discipline rules.

Italy's historically close security relationship with the United States has been sustained despite (or perhaps because of) the arrival of populists in power in Washington and Rome.

President Donald Trump has focused his attacks on Germany's deficient defence-spending and trade surplus with America while sparing Rome for the exact same sins. Washington has a strategic interest in

Italy - home of its Sixth Fleet, strategic air bases and the only assembly plant for F35 fighters outside the United States. Historic close ties afford both sides some leverage in their disputes with Berlin and Paris. However, the administration opposed Italy's signing of an agreement with China in March 2019 which endorsed Beijing's Belt and Road infrastructure programme. Rome also irked Washington by refusing to back its policy in Venezuela due to M5S opposition.

Salvini is happy to enlist Trump against perceived Franco-German dominance in Europe. But that is hard to square with cuddling up to Chinese President Xi Jinping or Russian President Vladimir Putin. Rome is walking a fine line if its economic and fiscal problems worsen and it needs US support in financial markets.

While Salvini and Di Maio have publicly jostled with Rome's key European partners, Prime Minister Giuseppe Conte, a law professor with no previous government experience, has worked to keep the economy on an even keel, and President Sergio Mattarella, a veteran former centre-left minister and constitutional court judge, has tried to limit diplomatic damage and keep the civil service and armed forces running on autopilot.

In contrast to its rhetoric, the government has mostly maintained continuity in foreign and defence policy and deployments despite the ruling parties' advocacy of refocusing on national interests and pulling out of far-flung overseas commitments. Despite Italian

business losses, Rome has not blocked the regular rollover of sanctions on Moscow. Nor has it withdrawn from any of the 40 international missions in which Italian forces were serving – so far.

Italy did restrict the EU maritime Operation Sophia in the central Mediterranean in March 2019, barring the deployment of warships in waters north of Libya to prevent them picking up any more migrants. This was largely a symbolic measure as EU warships had been avoiding the area since Salvini shut the Italian ports to rescued “boat people” the previous summer, and the number of people crossing via the central Mediterranean route had dwindled to a trickle.

Although there has been no radical foreign policy lurch, economic and energy interests could combine with the iconoclastic instincts of Rome's new leaders to break ranks with Western containment policies towards Russia and China if their unstable coalition endures. If it falls, a right-wing coalition may emerge and revert to more conventional policies.

ACTIVE FORCES

While almost all other European allies are boosting military spending in line with NATO's goal of moving towards 2% of Gross Domestic Product by 2024, the government cut investment in equipment in a 2019 defence budget expected to remain flat at 1.15% of GDP.

The Italian armed forces are almost as big as Germany's and more numerous than Britain's

with 170,000 active military personnel. Rome is the top European contributor to UN peacekeeping operations and has some 6,000 troops serving in international missions, almost twice as many as Germany, though fewer than the peak of 12,000 in 2003 at the height of the Afghanistan and Iraq missions.

Military reforms have proceeded in slow motion and the forces are still overmanned to preserve jobs. Consolidation and efficiency face strong institutional resistance, while ministers of defence have to operate in a suspicious public and political environment.

Italy arguably gets more 'bang for the buck' from its relatively modest defence expenditure than Germany does. It is a rare case of a country that declares less to NATO than it actually spends on the military, to avoid upsetting the church, leftists and 5Star activists. Outlays are camouflaged among at least three separate budgets for the armed forces, equipment and operations.

As in Germany, political constraints affect the Italian government's willingness to engage the forces in combat operations. Italian soldiers in Afghanistan and Iraq, for example, were limited by so-called caveats in their area of deployment, rules of engagement and weaponry. Yet despite losing 53 men - 34 of them killed in action - they remained in Afghanistan after allies such as France and Canada had withdrawn. In Iraq, Italian Special Forces took on high risk missions such as protecting the strategic Mosul dam while it was being repaired following its recapture

from ISIS, which seized it at the height of its expansion in 2014.

The Italians are respected for the integrated civilian-military engagement which their armed forces bring to peacekeeping and capacity building in Afghanistan, Lebanon, Iraq and the Balkans. Their para-military Carabinieri are particularly effective and were valued by NATO in Bosnia and Kosovo. This 'hybrid diplomacy', combining military patrolling and crowd control with outreach to the local population, training, institution building and development assistance means they are often perceived as less threatening than US, French or British forces.

This may be one reason why Italy has not had the kind of Jihadist terror attacks on its soil which have hit the UK, France, Belgium, Spain and the United States. Italian officials say their avoidance or prevention of such attacks is also due to well-integrated intelligence, security and police services with experience of penetrating mafia networks. Muslim immigration to Italy is more recent than in other West European countries, and there is not yet a large, alienated second generation.

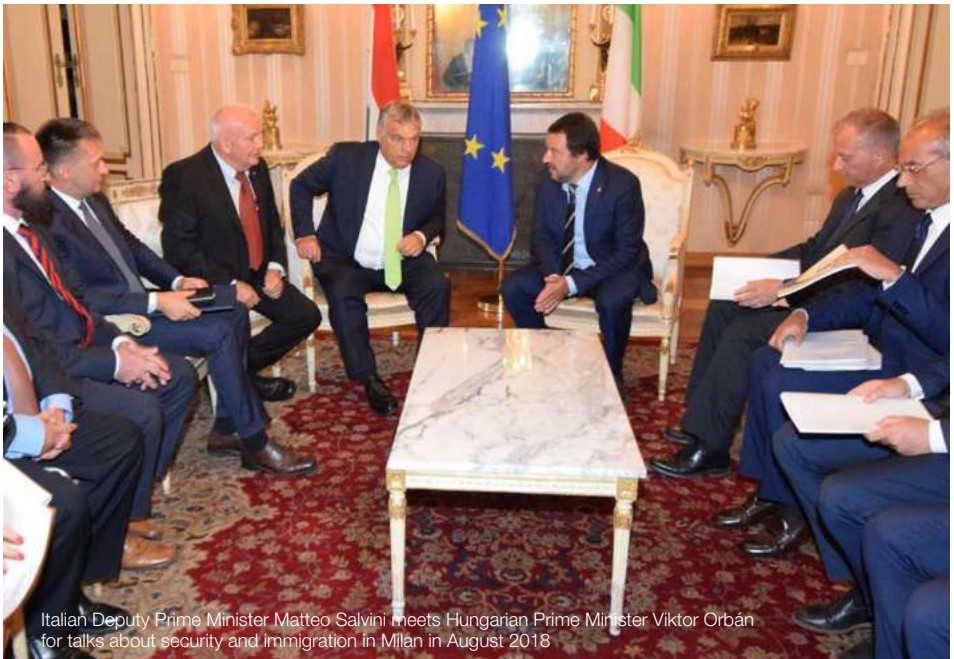
The previous centre-left government sought to integrate the Muslim population and co-opt it in the fight against radicalisation by signing a National Pact for Italian Islam with Islamic associations and communities. Salvini has taken a more confrontational approach, saying Islam is incompatible with Italian and European values.

Italy was one of the first proponents of enhanced EU defence cooperation, but it remains strongly Atlanticist and is keen to spread its industrial bets between transatlantic and European cooperation. France's efforts to obstruct Italian shipbuilder Fincantieri from taking over a key French naval shipyard exacerbated tense relations after Macron took office in 2017.

A sub-set of Italy's difficulty in prioritising in foreign relations is the conundrum facing its defence industries. Rome's highly efficient, technologically advanced defence companies are engaged in partnerships that are in some

ways mutually contradictory at a national strategic level.

Aerospace giant Leonardo performs a balancing act but is deeply integrated into the US-UK defence sector. It is part of the Eurofighter consortium with the UK's BAE Systems and Airbus in Germany and Spain. It assembles and maintains Lockheed-Martin F35 fighters for Europe, and it builds helicopters at home and in the UK and Poland. It is also involved in the UK-led Tempest future fighter aircraft project intended to replace the Eurofighter in 2035. This could make its position complicated after Britain leaves the



Italian Deputy Prime Minister Matteo Salvini meets Hungarian Prime Minister Viktor Orbán for talks about security and immigration in Milan in August 2018

European Union, potentially disrupting cross-border supply chains and raising question marks over EU-funding for Anglo-Italian defence projects.

SECURITY CHALLENGES

The Mediterranean basin too has been in a state of permanent agitation since the end of the Cold War. The Balkan wars of the 1990s, which sent a wave of refugees to northern Europe and some to Italy, were extinguished by NATO intervention after European-led UN peacekeeping failed. Italy acted unilaterally in 1996 to stabilise Albania after the collapse of a savings scheme sparked civil chaos and the beginnings of a population exodus.

But the situation in Bosnia and Kosovo remains fragile, governance is poor and moves to incorporate remaining western Balkan countries into the European Union have largely stalled. Another flare-up of violence remains a risk.

The Arab Spring uprisings against authoritarian rulers in 2011 engendered more instability, violence and migratory pressure than economic or political progress, except in Tunisia, which remains fragile.

Italy was most directly affected by the collapse of central authority in Libya after the overthrow of Muammar Gaddafi. The Italians participated in NATO's air campaign and provided a vital launchpad for allied operations despite Prime Minister Silvio Berlusconi's initial opposition to intervention. Once he realised Rome could not stop France, the UK and the United States

moving against Gaddafi, he chose to join the winning side rather than stay out.

A country that had been a net importer of workers, providing jobs for an estimated 2 million, mostly from Egypt, Tunisia, South Asia and sub-Saharan Africa, turned into a major transit route for migrants seeking to reach Europe via perilous sea journeys to Italy. Libyan arsenals were looted and weapons ended up in the hands of rival militias and Islamist terrorist groups, fueling instability across the Sahara/Sahel belt. Armed groups operating across unguarded borders exploited human trafficking as well as drugs and arms-running to finance their activities.

As efforts to build an inclusive government in Tripoli have faltered, France and Italy have backed different factions in a proxy conflict driven by divergent concerns over terrorism and migration, the northern coast and the southern frontier, and perhaps by rival energy interests. They have also vied for leadership of peace talks.

The Syrian civil war turned into a regional proxy conflict, sucking in Iran, Turkey, Saudi Arabia, the United Arab Emirates and Qatar before Russia intervened militarily in 2014 to turn the tide in favour of embattled President Bashar al-Assad. In the process, Moscow expanded its naval base at Tartous and gained an airbase, giving it a permanent platform from which to flex its muscles in the eastern Mediterranean.

Turkey, which has taken in more than 3mn Syrian refugees, has become an increasingly awkward ally of the West due to differences over US support for Syrian Kurdish forces. Ankara let nearly 1mn Syrian refugees flood into Greece in 2015-16 until the EU concluded a pact, negotiated by Germany and the Netherlands, under which Turkey sealed its Aegean coastline under NATO surveillance. In return, the EU provided funding for refugee reception and promised to unfreeze Turkish accession negotiations.

Security challenges are bound to increase in the coming decades and Italy will be on the front line. It also has one of Europe's four major oil and gas companies, ENI, whose interests play a significant role in shaping and informing its national security agenda in the Mediterranean.

THE SOUTH, THE SOUTH, THE SOUTH

Critics say that despite agitating for NATO to pay more attention to the South, Rome has struggled to articulate what the alliance should do collectively in Africa and the Middle East. The 2018 NATO summit adopted a classified Framework for the South, meant to build on existing Mediterranean partnerships for training, information sharing and capacity building with willing Arab countries. Italy hailed the alliance's commitment to a '360-degree' approach to deterrence and defence as a victory for its campaigning.

But the engagement in the South is under-resourced and unfocused compared to NATO plans for reinforcing its eastern flank, which is the alliance's historic core business. A Strategic Direction South Hub recently established at NATO's Joint Forces Command in Naples to improve situational awareness in the region has yet to demonstrate its value. One of its first outreach exercises found how NATO is viewed by many political and civil society actors as a toxic brand due to the role of former colonial powers and to western interventions in Afghanistan, Iraq and Libya that caused many casualties and failed to bring stability to any of the countries.

The European Union lumped Mediterranean and eastern European countries together under a flawed one-size-fits-all 'neighbourhood policy' that sought to extend EU norms and values while protecting agricultural markets. Turkey's accession process is going nowhere, due both to profound reluctance in Europe to take in a large, Muslim country and to Turkish backsliding on democracy, the rule of law and civil rights. The EU failed to respond promptly to the Arab Spring with financial assistance or institutional support, except in Tunisia.

EU governments have been unable to agree on a common asylum and immigration policy, not least because Italy has blocked partial reform to insist on solidarity in sharing asylum seekers. The long-term challenge of managing migration cannot be addressed simply by building a sea wall on Europe's southern coastline, even if such simple ideas may win votes in Italy and elsewhere.

As long as civil wars in Syria and Libya endure, all of southern Europe will have to cope with spillovers that are hard to control. Russia is using those conflicts and lingering tensions in the Western Balkans to increase its footprint and apply pressure on NATO and the EU.

China is also showing increased military as well as economic interest in the area, from Djibouti to Benghazi. It is investing in ports from Haifa and Piraeus to Trieste and in road and rail infrastructure in central Europe and the Balkans. Its objectives may be primarily commercial, but Beijing has also sent warships for the first time to the Mediterranean and Baltic seas in what diplomats see as growing boldness and a response to Western navies' 'freedom of navigation' patrols in the South China Sea.

COMPREHENSIVE APPROACH

Without a comprehensive EU and NATO approach, in partnership with Arab and African countries, Italy will remain particularly exposed. That approach requires combining military and coastguard resources to combat people smuggling, Islamist militants and the trafficking of arms and drugs with the opening of legal migration routes, more generous trade terms and greater investment in education, training, institution building and economic development.

Yet the new government is alienating some of the key European partners whose support it needs for its own and regional security.

Italy's rhetoric may be more strident than its actions. The shouting war with Paris and Berlin may subside after the European elections. But there is a serious risk of deepening divisions weakening the EU, including on defence and security in the Mediterranean region, just as the United States is drawing down its forces in Syria and Afghanistan and refocusing its security priorities on China.

Europe can ill afford such rifts at a time when a resurgent Russia, an unpredictable and increasingly authoritarian Turkey, and a repressive but combustible Egypt all pose challenges to regional security on top of the long-term demographic, economic and climatic trends.

This report will suggest practical steps that Italy, its EU partners and NATO can take to mitigate those risks and work together better for regional stability.

Chapter 1 surveys the strategic situation in the wider Mediterranean region and the multiple challenges facing Europe and Italy. Chapter 2 examines Italy's troubled relationship with the EU and political constraints on security cooperation. Chapter 3 explores the role and resources of the Italian armed forces and defence industries, their international partnerships and domestic positioning. Finally, Chapter 4 draws lessons and offers recommendations for how Italy and its European and Atlantic partners can work together better to stabilise a region in turmoil.

THE RECOMMENDATIONS INCLUDE:

- suggestions for an informal division of labour between NATO, the EU and coalitions of the willing in the Mediterranean region;
- a proposal for a Franco-Italian “grand bargain” on cooperation in North Africa and the Sahel, migration policy and industrial reciprocity under the umbrella of an overarching treaty ensuring regular consultation;
- a proposal for a more holistic EU approach to the Mediterranean region, including for the next European Commission to break up the misconceived DG NEAR and designate a Commissioner under its foreign policy High Representative to oversee Mediterranean policy;
- Ideas for how to defuse the EU's deadlock over migration with a core of willing states moving ahead with a common asylum and immigration policy and a common quota system for temporary labour migration;
- Suggestions on how Italy can streamline its armed forces, make the defence budget more transparent and efficient, free up desperately needed money for training, exercising and maintenance, promote effective NATO-EU cooperation in the South and align commitments and resources in European defence cooperation.



The Italian Air Force aerobatics team 'Frecce Tricolori' stages a fly-past at the Kecskemét airshow in Hungary



Irish Navy sailors from the patrol vessel Samuel Beckett recover the bodies of 7 drowned migrants while saving 18 people from a capsized boat in an EU search and rescue operation in the central Mediterranean in October 2016.

CHAPTER 1

A SEA OF TROUBLES

DECADE OF INSTABILITY

The Mediterranean Sea has been a cradle of civilizations, religions, commerce, human interaction, migration and war for three millennia. It contains just 1% of the planet's surface water but carries 20% of the world's shipping.

The great French historian Fernand Braudel ⁽¹⁾ taught us that there is not one Mediterranean but many, and that the region cannot be defined with clear boundaries but only understood by taking into account the multiple inputs from outside players. For more than 500 years, those impacts were dominated by economic activity, military expansion and migration flows from north to south.

Since Braudel published his magnum opus 70 years ago, the wider Mediterranean has been fundamentally reshaped by decolonisation,

and by energy and population flows from south to north - sometimes managed, sometimes unmanaged and chaotic. Socio-economic change on both sides of the Mediterranean has sparked internal and inter-state conflict, and, on the fringes, radicalisation and violent extremism.

The last decade alone has seen: popular revolts and the ousting of veteran rulers in Tunisia, Egypt, Algeria and Sudan; Western intervention and civil war in Libya; civil war and Russian and Iranian military intervention in Syria; intervention by a US-led coalition against jihadist fighters in Syria and Iraq; an attempted coup and repression in Turkey; French intervention to prevent a jihadist takeover in Mali and guerrilla war across the Sahel region.

Upheavals in the Arab world erupted where ageing autocrats lost legitimacy after their economies ran out of resources to buy off a restless, jobless younger generation connected by social media. The unresolved Israeli-Arab conflict, for decades the central focus of the Near and Middle East, has become a sideshow. Countries that are home to diverse ethnic or religious communities, where borders were drawn arbitrarily by colonial powers, have fractured into multiple entities loosely connected by a notional common state that provides few public services.

Nearly 6mn Syrians have fled their country due to the conflict, most finding shelter in neighbouring Turkey, Lebanon and Jordan. Another 6mn have been displaced within Syria. State failure in Syria and Libya has also triggered a surge in migration to the European Union, with some 1.5mn refugees and migrants crossing the Aegean and the central Mediterranean in 2015-16 before EU countries took action to stem the influx.

Today, the wider Mediterranean area is a theatre of instability marked by the return of great power competition, fragmented or fragile states, uncontrolled migration flows, struggles over land, resources and often artificial borders inherited from colonialism, enduring ethnic and sectarian conflicts, and Islamist radicalisation and terrorism.

Tomorrow, the impact of climate change, desertification and water scarcity, combined with rapid demographic growth in Africa and

the Middle East, while the population shrinks or stagnates in much of Europe, is bound to fuel more conflicts and drive mass migration.

“We face a multi-generational challenge from the Middle East and North Africa,” said a senior NATO official, speaking on condition of anonymity. “This is a crisis of governance and statehood, of dysfunctional economic structures with very little regional integration, of demography with the second youngest region of the world facing the highest levels of youth unemployment. All this will cause strategic instability, huge migratory problems and conflict.” ⁽²⁾

TWO THEATRES

The French geographer and former diplomat Michel Foucher, an expert on geopolitics, argues that there are at least two separate strategic spaces in today's Mediterranean area - the Maghreb stretching from the strait of Gibraltar and Mauritania to central Libya, and a wider Mashreq spanning the Persian Gulf, the Arabian Peninsula, the Red Sea down to the Horn of Africa, Egypt, Sudan and eastern Libya. The two spaces overlap in a divided Libya. ⁽³⁾

The eastern theatre is the scene of a struggle for ascendancy on multiple fronts between an axis of the United Arab Emirates, Saudi Arabia and Egypt, supported and armed by the United States and France, and a looser alliance of Turkey, Qatar and the Muslim

Brotherhood. This transnational political-religious movement had a brief, turbulent spell in government in Egypt after pro-democracy protests toppled authoritarian President Hosni Mubarak in 2011 before being ousted by a 2013 military coup. The Saudi-UAE-Egyptian axis has intervened

directly in the civil war in Yemen against Iranian-backed Houthi fighters, and covertly in Syria to supply Sunni rebels against Iranian-backed President Bashar al-Assad. It is also arming and supporting rebel General Khalifa Haftar, who controls much of eastern and southern Libya.



Some 220 migrants rescued 40 miles off Libya by the Italian coastguard disembark in the port of Catania, Sicily in April 2015.

Russia's aspiration to restore and expand its Cold War sphere of influence gained a big boost in 2014 when US President Barack Obama decided not to intervene in Syria following the use of chemical weapons against civilians in rebel-held areas. Moscow stepped into the power vacuum with an air and missile campaign which, along with some Russian but mostly Iranian-led ground forces, helped tilt the balance back towards Assad. After its initial intervention, Russia used the threat of mass migration of Syrian refugees to Europe to deter or restrict western action in Syria.

Moscow has built up naval and missile capabilities in annexed Crimea, eastern Ukraine and the Kerch Strait, giving it the power to interdict Western shipping and aviation in large areas of the Black Sea. It has put more submarines and surface ships into the eastern Mediterranean, building up its air and sea bases on the Syrian coast. According to US officials, it has deployed special operations forces in Sidi Barrani and Marsa Matruh in north-western Egypt to support Haftar's forces in Libya, despite official Egyptian denials. ⁽⁴⁾

NATO navies are alert to the growing challenge from Russian forces in the region, which they are concerned could be used to deny access to the waterway between Syria and Cyprus, although the Russians held their fire when US-led western air forces briefly struck Syrian military bases associated with Assad's chemical weapons programme in 2017 and 2018.

"We hadn't seen a Russian submarine (in the Mediterranean) since 2002... Now there are six Kilo class submarines in the east Mediterranean and the Black Sea," said US Admiral James Foggo, commander of NATO's Joint Forces Command in Naples and of US naval forces in Europe and Africa. ⁽⁵⁾

"The Med is very busy now. It has become a more tense area of interaction between our navy, NATO navies, the Russian navy and the Syrian navy. It is important that we talk and that we avoid mistakes and miscalculations, and we use things like the Incidents at Sea Agreement to communicate on the high seas and try to avoid those sorts of negative interactions," he said.

"(Russia) has built up a fairly robust level of anti-access area denial capability on the territory of Syria. That would include anti-ship cruise missiles and the guidance systems that go along with them. I would be a fool not to pay attention to that... I pay particular attention to that in the deployment of our forces to the eastern Mediterranean."

Russian strategic analysts say Moscow sees the United States as its key global adversary and has moved into the vacuum created by Washington's pullback from entanglements in the Muslim world, which began under Obama and has continued under President Donald Trump. While some of its advances are opportunistic, many see the Kremlin methodically seeking to establish itself as the indispensable power for any diplomatic solutions in the region, as the US was for decades.

TURKEY RISK

Russia has also forged closer ties with NATO member Turkey, sowing discord in the Western alliance by selling Ankara its top-of-the-range air defence missile system, the S400, which has yet to be delivered. NATO officials fear that once deployed, S400s would require maintenance by Russian technicians and could serve as a Trojan horse to gather data on Western air defences and advanced systems such as the US F35 fighter.

Turkish President Tayyip Erdoğan has emphasised his country's Islamic identity and tightened relations with Moscow out of anger at Western support for Kurdish forces in neighbouring Syria, European unwillingness to advance Turkey's candidacy for EU membership and US reluctance to extradite an exiled Muslim cleric he accuses of being behind a 2016 coup attempt.

How far Ankara's estrangement from the West will go remains to be seen. Its economic ties are overwhelmingly Western. And while Turkish nationalism is widely shared, the eastward tilt is divisive with the traditionally secular, pro-Western civilian and military elite.

Turkey is also episodically difficult in the eastern Mediterranean, buzzing shipping south of the divided island of Cyprus in waters that it contests but which are internationally recognised as Nicosia's exclusive economic zone. US, Italian and French energy companies are drilling for natural gas there. A senior European naval officer said one of

his big concerns was "the risk of a stupid escalation or a near-miss maritime incident with Turkey off Cyprus".⁽⁶⁾

Moscow has also increased military cooperation with Egypt, a long-standing US arms client. It has sent private military contractors to support rebel General Haftar in eastern Libya, raising concern in NATO that it may be seeking permanent naval facilities in his stronghold around Benghazi that would expand its footprint in the central Mediterranean.

The United States has based its Sixth Fleet in Naples since the Cold War era and has important air bases in Italy, a crucial platform for deployments to the Balkans, Africa and the Middle East as well as to reinforce NATO's northern flank if required. More than 12,000 US military personnel are stationed in Italy, making it Washington's fourth largest overseas hub and the second biggest in Europe after Germany, which hosts 34,000 active-duty service personnel.

NATO used Italian air bases to launch its air operations in the wars in Bosnia and Kosovo in the 1990s and in Libya in 2011. The US and France have also used aircraft carriers in the Mediterranean to launch strikes on Islamic State fighters in Syria and Iraq.

Another rising outside power has made an unprecedented appearance in the Mediterranean in the last five years. China now operates a military base in the Red Sea port of Djibouti - its first overseas base anywhere

in the world - alongside those of France, the United States, Italy and Japan. It is also investing in long-term civilian port facilities in the Mediterranean, starting with Piraeus in Greece and Haifa in Israel, the home base of the Israeli navy, with the prospect of investments in Genoa and Trieste in Italy to come.

The investments are ostensibly in support of Beijing's Belt and Road civilian infrastructure initiative, designed to develop land and sea routes from east Asia to Europe and promote trade. Beijing has also wooed Croatia in its quest for logistics gateways to central Europe. Strategists have no doubt that they also have a potential military utility.

China sent warships for the first time into the Mediterranean and Baltic seas in 2017 to participate in joint exercises with the Russian navy in an apparent tit-for-tat gesture following Western "freedom of navigation" patrols in the South China Sea and the Taiwan Strait.

"BATACLAN AT SEA"?

Apart from big power rivalry, another risk that keeps European commanders awake at night is the possibility of terrorist attacks on shipping in the Mediterranean.

In 1985, Palestinian gunmen smuggled aboard seized an Italian cruise liner, the Achille Lauro, off the coast of Egypt as it

was sailing to Ashdod in Israel. The hijackers demanded that Israel release 50 prisoners. They killed a wheelchair-bound American tourist and threw him overboard before eventually surrendering in Egypt after ship-to-shore negotiations. Rome prevented US special forces from seizing the hijackers after their plane was forced to land in Italy, prompting a crisis in ties with Washington.

Today's ISIS and Al Qaeda militants are trained to cause immediate mass casualties, not to make demands or negotiate, as they have shown from the September 11, 2001 World Trade Center attack in New York to the massacre of more than 100 rock fans at the Bataclan concert hall in Paris in 2015. That presents a more acute challenge for European security forces and navies.

"My top priority is to avoid something like a Bataclan at sea," the European naval officer said. "It is harder to rescue people and stop the slaughter of passengers on a boat. There is a real risk of low-cost terrorism by attacking a ferry or a cruise ship."

French maritime Gendarmerie and Italian Carabinieri have stepped up random patrols aboard civilian ships to deter would-be attackers and reassure passengers.

In the aftermath of the 2001 attacks, NATO launched a maritime operation in the Mediterranean codenamed Active Endeavour under its Article V mutual defence clause to prevent the movement of terrorists or weapons of mass destruction. NATO

warships were used to escort civilian shipping and to board and search suspect vessels. Submarines helped provide intelligence.

While it may have acted as a deterrent, cutting the insurance risk premium on Mediterranean shipping by 80%, there is no published evidence that the NATO patrols intercepted any terrorists or found any weapons of mass destruction in 14 years of costly operation. They were replaced by a non-Article V maritime security operation Sea Guardian in 2016 with wider tasks including protecting critical infrastructure and supporting EU naval operations to counter smugglers of migrants.

NATO and EU military commanders see the nexus of political instability, terrorism and people smuggling as a major challenge of the coming years, although they are careful not to conflate migrants with terrorists.

“To get from the Sahel to the Libyan coast, you have to pass through a series of nodes or checkpoints where terrorist organisations have a concentration of force,” said NATO’s Admiral Foggo. “The only way you get through is to pay your way through. So there’s just no doubt in my mind that they’re facilitating passage north for drugs, people and arms in order to take a tax from the traffickers and then use it to recruit, pay their forces and buy their weapons and then proliferate. It’s a vicious cycle and it has to be stopped.”

General Claudio Graziano, the Italian chairman of the EU’s military committee, speaks of a “triangular relationship between

***“My top priority is
to avoid something like a
Bataclan at sea”***

European naval officer

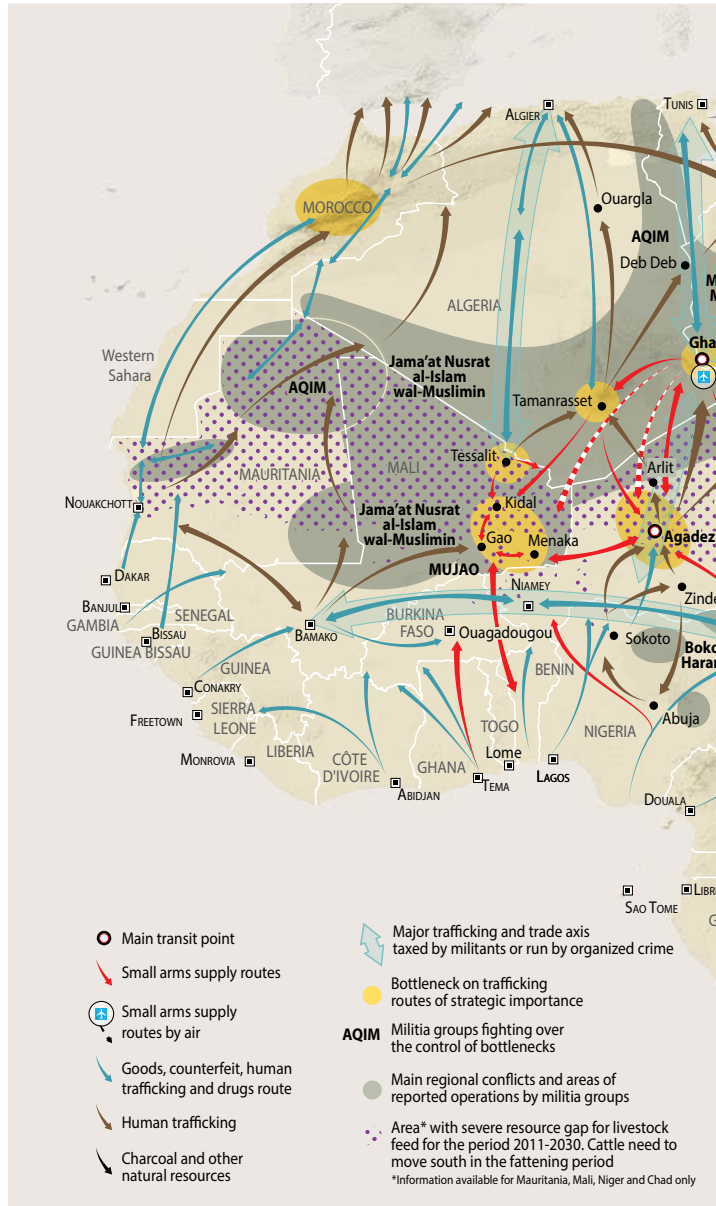
terrorism, migration and instability” which requires a coordinated effort by governments, international organisations and EU institutions to tackle all three phenomena at source. ⁽⁷⁾

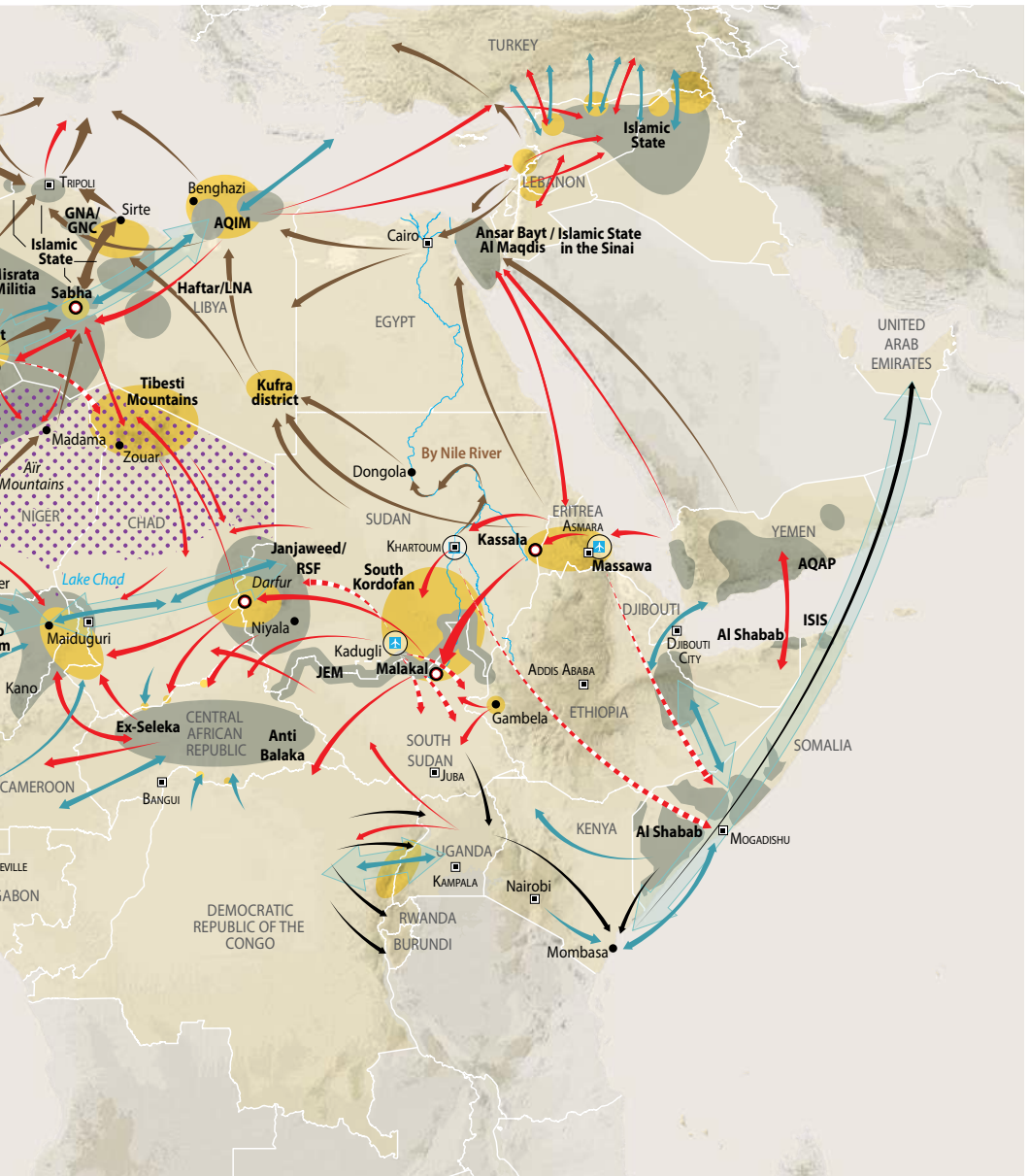
“We cannot mitigate the consequences of migration without supporting the countries of the region through either capacity building or supporting their fight against terrorism. Everything is interconnected with the Mediterranean Sea and the concept of the greater Mediterranean.”

The EU can take an integrated approach, deploying a broader civilian toolbox of diplomacy, development assistance, trade and investment agreements, institution-building, and police and judicial training than the mostly military tools available to NATO, Graziano said. It cooperates with the United Nations, the African Union, the Arab League and the Organisation of the Islamic Conference.

Trans-Sahara trafficking and threat finance

October 2017





This approach is sometimes hampered by differences among member states, as between France and Italy over Libya, and by the nature of the partner countries, few of which meet European criteria of democracy, transparency and human rights. Those most willing to cooperate with NATO or European partners are sometimes the most brutal at home.

Italy has long practised a comprehensive approach to its international peacekeeping operations from the Balkans to Lebanon, Iraq and Afghanistan, combining military patrolling with community outreach, training and development activity sometimes with non-governmental organisations.

Most recently Rome has sought to extend this approach to helping Niger and Tunisia develop their security forces, causing tension with France, which sees both countries as part of its sphere of influence.

Rome's light-touch, civilian-military cooperation, in which the para-military carabinieri with a track record of combating domestic terrorism play a strong role, may be one reason why it has not suffered jihadist terrorism at home comparable to the deadly attacks on civilians in Paris, Nice, Brussels, London, Manchester, Barcelona and Berlin in recent years.

"We are the good guys of international cooperation," says Manlio Di Stefano, undersecretary in the Italian Foreign Ministry. "We are considered different from France. We

don't have a military presence everywhere in Africa and the Middle East. So there is less rage against us." ⁽⁸⁾

Other possible reasons why Italy has so far escaped terrorist attacks include the fact that its Muslim population arrived more recently than elsewhere and there is not yet the same alienated second and third generation youth. Italy's well integrated intelligence and police networks, schooled in infiltrating mafia families, may also have played a role in thwarting planned attacks.

ENERGY SECURITY

Another potential source of conflict in the Mediterranean is energy, although long-term supply contracts and infrastructure such as pipelines also create an interdependence between the two shores that can be stabilising.

Italy is a major terminal for oil and gas pipelines from Algeria, Tunisia and Libya as well as from eastern Europe. It relies more on imported gas than any other non-producer in Europe. Having abandoned nuclear power for electricity generation, this dependency will increase as it phases out coal by 2025 until the transition to renewable energy sources already under way takes over.

Russia supplies more than 40% of Italy's gas, most of it via pipelines that transit through Ukraine. The other suppliers are Algeria,

Libya and Norway. Italy pays more for Russian gas than north European customers, particularly Germany, and this cost gap is likely to grow if and when the sub-Baltic Nord Stream 2 pipeline from Russia to Germany is completed. Rome plans to mitigate this by adding to its four existing liquified natural gas hubs and building a Trans Adriatic Pipeline to connect to Caspian gas via Azerbaijan, Georgia, Turkey, Greece and Albania.

Italian energy major ENI, which is 30% state owned, has interests in oil and gas exploration and production across North Africa, notably in Algeria, Tunisia, Libya, and Egypt, where it runs the biggest offshore natural gas field discovered in the eastern Mediterranean. It is also drilling for gas off Cyprus and Lebanon together with France's Total. Former Prime Minister Matteo Renzi described ENI in a 2014 television interview as "fundamental piece of our energy policy, our foreign policy and our intelligence policy".⁽⁹⁾

Energy companies' ability to work in oil-and-gas-producing countries is not immune to politics. While Italy's main electricity generator, Enel, is moving full speed ahead to renewable energy sources, ENI is mostly focused on its traditional oil and gas business, and is the biggest operator in North Africa, which is also its biggest market outside Europe. Political instability can slow its output, as in Libya, and make it difficult to reach agreement on contractual terms. But once close relations are established through major projects like ENI's offshore gas fields in Egyptian waters, they remain

unaffected by domestic upheavals such as the fall of Mubarak and the coup that ousted his successor, Mohamed Morsi.

Oil executives tend to downplay the vulnerability of energy supplies to political events. "Not a single barrel of production was lost during the entire Arab Spring," one specialist noted. "The only problems were around payments, with Egypt running up large arrears, which were paid off by 2018."⁽¹⁰⁾

Pipelines can be vulnerable to inter-state conflicts and terrorism. Several in the Middle East have long been idled by wars and cross-border disputes. In contrast, terrorist disruptions tend to be short-lived, if spectacular. Guerrillas sabotaged an Algerian gas pipeline to Italy in 1997, shutting it for five days. More recently, AQMI captured Algeria's In Amenas gas facility in 2013 and killed 39 foreign workers when Algerian special forces raided the site. AQMI fired rocket-propelled grenades at another production site in southern Algeria in 2016.

Pipeline projects can also be a source of geopolitical friction. With strong US encouragement, Rome initially joined an East Mediterranean pipeline project aimed at transporting gas 1,900 km from Egyptian, Israeli and Cypriot offshore fields via Crete to Greece and to a terminal in Italy. The pipeline would bypass Turkey, a major gas market but a country whose relations with the United States, Israel and Egypt have soured, and which is an historical rival of Greece.

However, the project, initially estimated to cost \$8bn, has not yet reached final investment decisions. The new Italian government has cooled on the idea, not least because of the 5 Star Movement's aversion to large infrastructure schemes, especially after voters were angered when it performed a U-turn once in government and agreed to complete the Trans Adriatic Pipeline.

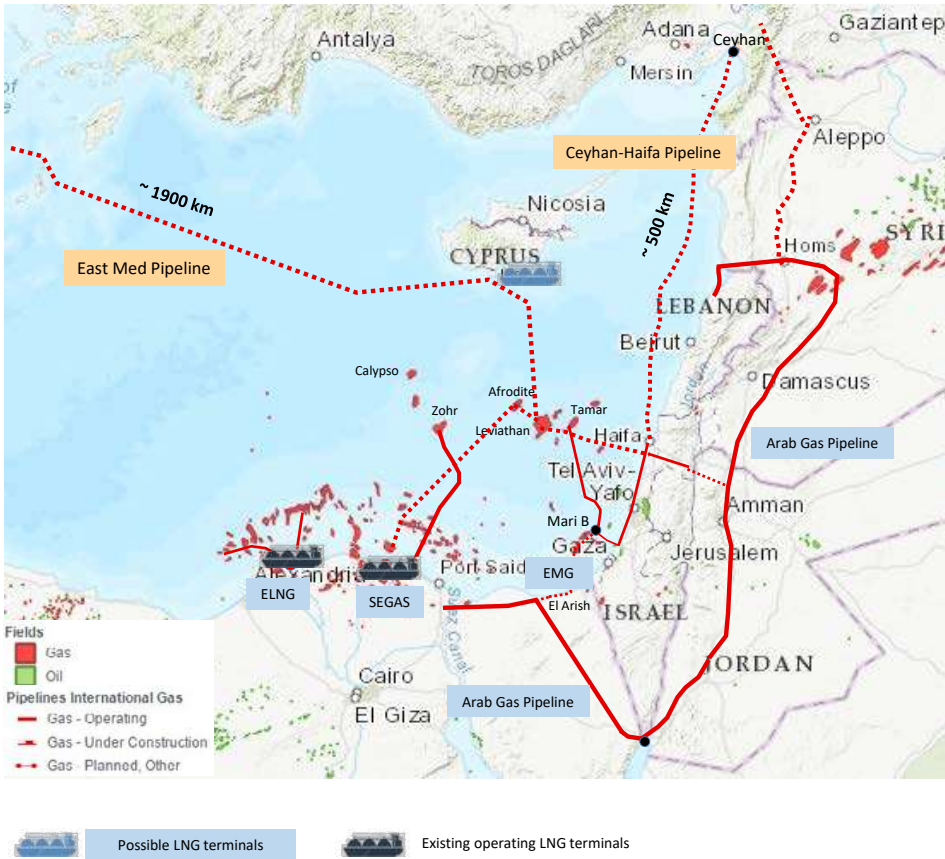
Energy specialists question whether the huge investment required for the long, technically challenging East Med pipeline would ever be economically viable. Liquefied natural gas from Qatar and in future from south Mediterranean producers offers a much cheaper supply, along with existing pipelines from Russia. It would also be cheaper to build a shorter pipeline to bring the gas onshore in Egypt, where it could be liquefied, or to connect the offshore fields with Turkey's gas network and pump it to Europe through existing pipelines. However, that seems politically impossible as long as Erdogan is in power and the Cyprus question remains unresolved.

Ankara is trying to disrupt gas exploration off Cyprus, whose Greek Cypriot government it does not recognise, by aggressive maritime patrolling and warning oil companies that their interests could suffer if they do deals with Nicosia that are not approved by Turkey. ENI has so far managed to maintain its gas, power and downstream oil and chemicals business in Turkey despite its exploration activity in the Cypriot fields.

The EU and several European governments have backed feasibility studies for possible large-scale solar energy generation in North Africa and export to Europe. Such schemes have so far been held back by political obstacles, cultural suspicion and questions of ownership. Progress would require cooperation between Morocco and Algeria, which have no trade and diplomatic relations. Their border has been closed since the 1970s due to a long-running dispute over Western Sahara, a former Spanish territory annexed by Morocco in 1975.

With renewable energy as with traditional fossil fuels, cooperation with and among partner nations is essential, but neither is easy to achieve.

East Med Gas export options



HOTTER, DRIER, HUNGRIER

Two long-term trends pose the biggest risks of aggravating instability and migratory pressures on Europe from the Mediterranean region: climate change and demography.

Already, some of the migration flows from the Sahara-Sahel region and further south are attributable to drought and famine in countries such as Sudan, Ethiopia and Eritrea, as well as poor governance. The shrinkage of vital oases such as Lake Chad by some 90% in the last 30 years and the depletion or diversion of other water sources has forced families off the land and out of their villages, on to the roads and into overcrowded cities. Many analysts argue that the impact of climate change in depleting harvests and pushing up food prices was one causal factor in the Arab Spring uprisings that swept the southern Mediterranean in 2011.

“The Mediterranean region will suffer multiple stresses and systemic failures due to climate changes”

IPCC Working Group on Europe

The Intergovernmental Panel on Climate Change (IPCC) warns that the humid, fertile Mediterranean rim, which has sustained civilizations at least since the ancient Egyptians, is one of the regions of the world

most affected by global warming and faces a future of growing drought and gradual desertification by the end of the century unless current trends are halted. ⁽¹⁰⁾

Both shores will be affected.

“Areas with abundant atmospheric moisture availability and high present-day temperatures such as Mediterranean coastal regions are expected to experience the greatest heat stress changes because the heat stress response scales with humidity which thus becomes increasingly important to heat stress at higher temperatures,” the IPCC’s Fifth Assessment Report said in 2014.

UN experts say temperatures are very likely to continue to rise throughout the 21st century over all of Europe and the Mediterranean region, with more intense summer warming and more frequent heat waves. While average annual rainfall will increase in northern and central Europe, “a decrease is likely in MED [Mediterranean] summer mean precipitation”.

“The large-scale drying in the Mediterranean, southwest USA, and southern Africa appear across generations of projections and climate models and is deemed likely as global temperatures rise and will increase the risk of agricultural drought.” ⁽¹¹⁾

The gloomy conclusion of the Working Group on Europe is: “The Mediterranean region will suffer multiple stresses and systemic failures due to climate changes. Changes in species composition, increase of alien species,

habitat losses, and degradation both in land and sea together with agricultural and forests production losses due to increasing heat waves and droughts exacerbated also by the competition for water will increase vulnerability.”⁽¹¹⁾

Similarly worrying findings by the Working Group on Africa highlight the pressures likely to drive migration. North Africa will receive less rainfall, and climate change will amplify existing stress on water availability across the continent, posing a key constraint on economic development. Worst hit will be agriculture and food production, with crop yields and livestock rearing likely to be depressed by water shortages.⁽¹²⁾

The anticipated effect of climate change on the levels of rainfall in the Ethiopian Highlands threatens the life-sustaining role of the River Nile, while rapid population growth together with growing demands from industry, the power sector and agriculture, increase demand for water.

Southern Europe is particularly vulnerable to climate change, which is expected to impede economic activity more than in the rest of the continent. “Multiple sectors will be adversely affected - tourism, agriculture, forestry, infrastructure, energy, population health,” the Europe report said.

The security implications of such changes are not hard to imagine, especially when taken together with the other major trend in Africa - rapid population growth.

DEMOGRAPHICS/MIGRATION

NATO's Admiral Foggo depicts the security risks from Africa's demographic bulge graphically.

“There will be 2.5bn Africans by 2050. The population of Africa will surpass China. 60% of them will be under the age of 24. Either we get involved in development and help those young people go to school and get jobs or they're going to pick up an AK-47,” he said, referring to the ubiquitous Russian-designed assault rifle.

Africa is the continent with the fastest population growth rate at 3.9% a year. Niger, one of the key countries on the migration trail to the central Mediterranean, has the world's highest fertility rate with 7.8 births per woman.

While the number of people in prime migration age will continue to expand in the wider southern neighbourhood, the EU is facing a significant population decline if current trends persist, especially in Italy, Germany and central European states such as Poland.

Italy is an extreme case of an ageing demographic. While population forecasting is not a precise science, Italy's is expected to stay flat at 60.4mn for the next six years, then fall to 54.3mn in 2065 in a median scenario, according to national statistics agency Istat. The peak of ageing will hit Italy in 2045-2050 when 34% of the population will be over 65 years old. According to another estimate,

“There will be 2.5bn Africans by 2050. The population of Africa will surpass China. 60% of them will be under the age of 24. Either we get involved in development and help those young people go to school and get jobs or they’re going to pick up an AK-47”

US Admiral James Foggo,
commander of NATO’s Joint Forces Command in Naples and of US naval forces in Europe and Africa

the number of Italians over the age of 75 will double to nearly 13mn in 2050. ^{(13) (14)}

A similar, if less dramatic trend is forecast right across southern Europe, except for France. That would normally indicate a need for immigration to sustain the economy.

But ageing and dwindling populations in relatively prosperous societies develop conservative social reflexes, particularly towards the immigration needed to maintain the labour force, care for the elderly and pay for pensions and welfare benefits. This could lead to an aggravated ‘fortress Europe’ approach already visible in Italy’s shift towards a zero migration policy in 2018.

The uncontrolled arrival of more than a million refugees and economic migrants in Europe in 2015 jolted European societies psychologically with multiple political consequences. The perceived loss of control of EU borders led to beggar-thy-neighbour actions by governments along the main migration routes, a surge of support for populist movements across Europe and the adoption of anti-immigration policies by mainstream political parties under pressure from public opinion.

The political tremors were felt even in countries such as Poland and the United Kingdom which received no migrants directly from the influx. A poster of a seemingly endless column of young migrant men crossing the European countryside, captioned “BREAKING POINT, the EU has failed us all”, made an impact in the British campaign to leave the EU. Conservative Polish nationalist Jaroslaw Kaczynski played on fears that migrants could spread infectious diseases or seek to impose Muslim Sharia law on Europe in his successful 2015 election campaign.

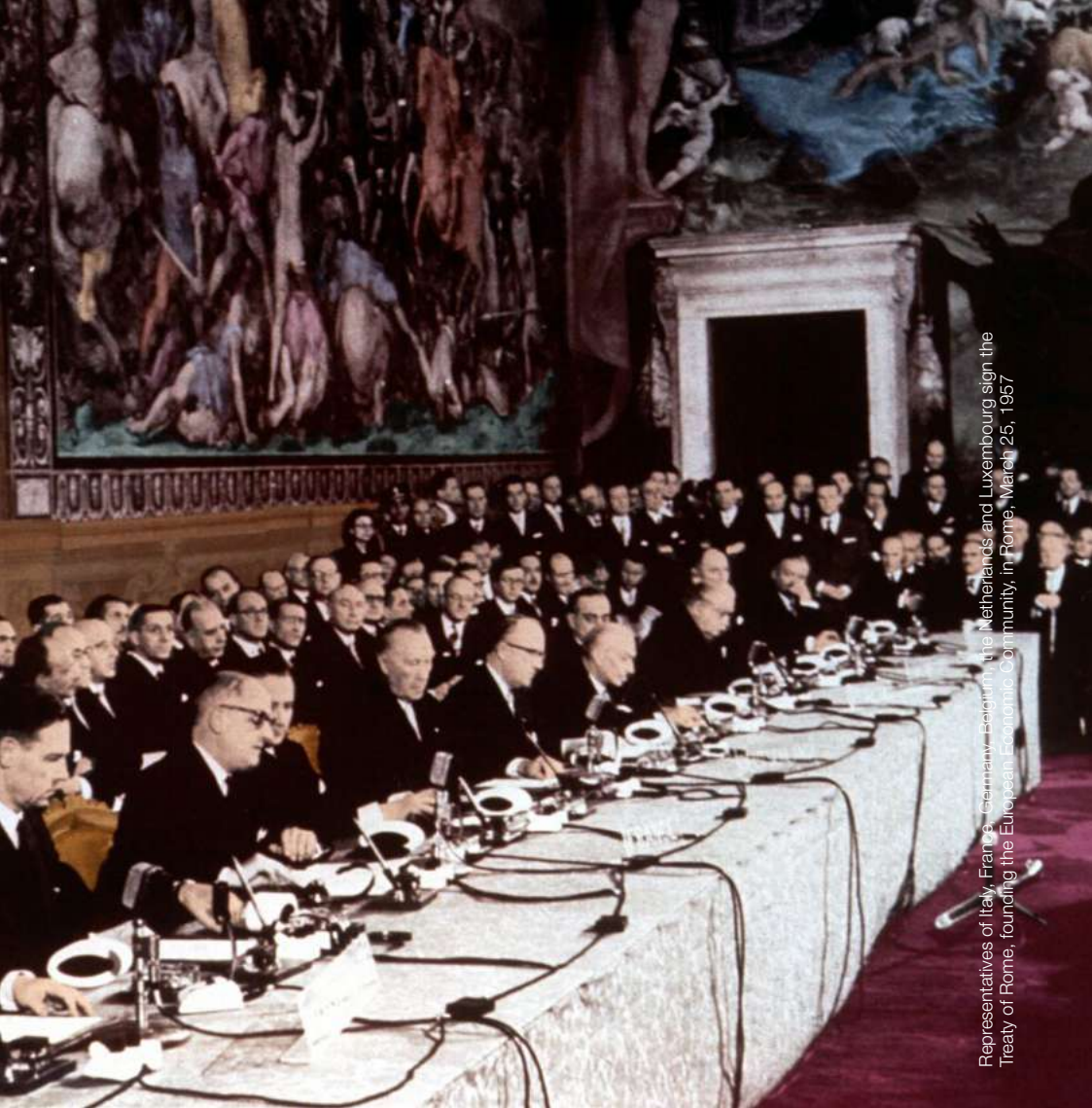
Well before what became known as the migration crisis, many governments had progressively closed their labour markets to non-EU migrants especially after the onset of the financial crisis, with the exception of an influx of Ukrainians and Western Balkans nationals who replaced central European workers who had moved West after the bloc’s 2004 eastern enlargement.

For most young people from Africa and the Middle East, the only path to work in

Europe was by entering the bloc illegally and claiming political asylum. Other than deploying European forces permanently or paying proxies on the ground to fight the people smugglers and smash the armed groups that extract a rent at gunpoint on the migration trail, the best way to discourage these people from risking their lives in the Mediterranean would be to open up legal temporary migrant labour quotas, combined with training and investment in countries of origin. More on this in chapter 4.

FOOTNOTES

- (1) The Mediterranean and the Mediterranean World in the Age of Philip II, first edition 1949, University of California Press, 1995
- (2) Interview with the author, Brussels, February 2019
- (3) Interview with the author, Paris, March 2019
- (4) <https://www.reuters.com/article/us-usa-russia-libya-exclusive/exclusive-russia-appears-to-deploy-forces-in-egypt-eyes-on-libya-role-sources-idUSKBN16K2RY>
- (5) Interview with the author, Naples, March 2019
- (6) Interview with the author, February 2019
- (7) Telephone interview with the author, April 2019
- (8) Interview with the author, Rome, March 2019
- (9) <https://www.ft.com/content/5641e3b4-3495-11e6-bda0-04585c31b153> Interview with the author, Rome, March 2019
- (10) I am indebted to Jonathan Lynn, head of communications and media relations at the Intergovernmental Panel on Climate Change in Geneva for these references
- (11) I am indebted to Jonathan Lynn, head of communications and media relations at the Intergovernmental Panel on Climate Change in Geneva for these references
- (12) https://www.ipcc.ch/site/assets/uploads/2018/02/WGIIAR5-Chap23_FINAL.pdf
- (13) https://www.ipcc.ch/site/assets/uploads/2018/02/WGIIAR5-Chap22_FINAL.pdf
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- (15) https://ec.europa.eu/eurostat/statistics-explained/index.php/People_in_the_EU_-_population_projections; <https://www.statista.com/statistics/730588/demographic-trends-italy-by-age/>



Representatives of Italy, France, Germany, Belgium, the Netherlands and Luxembourg sign the Treaty of Rome, founding the European Economic Community, in Rome, March 25, 1957

CHAPTER 2

INCOMPRESO

A MIDDLE POWER

Italians traditionally go to great lengths to avoid 'brutta figura' - looking bad or literally showing an ugly face. For decades, Italian foreign and security policy has arguably been driven by a desire for 'bella figura' - keeping up appearances or looking at one's best, even when others were calling the shots.

Today, many Italians feel 'incompreso' or misunderstood, with their international role undervalued or taken for granted.

For generations of post-war Italian politicians, diplomats, civil servants and generals, being good Europeans, good Atlanticists and model citizens of the United Nations was second nature. Accepting its status as a 'mezzano' or middle power - a term coined by 16th century Italian political philosopher Giovanni Botero⁽¹⁾ - Italy has been a passionate supporter of multilateralism and aspired to be a model global citizen. Opinion polls long found that Italians had more faith in the EU institutions and in NATO than in their own government.

This was partly a reaction to the way their young state had yielded to fascism that led it into war, occupation by both German and allied

forces, and destruction in World War Two. It was also a response to the First Republic's endless carousel of short-lived revolving door governments, a weak central administration, corrosive corruption and organised crime, and a north-south economic and political divide seemingly immune to public spending.

Europe offered redemption from domestic shortcomings. Italians such as Alcide De Gasperi and Altiero Spinelli were among the pioneers of European construction. Rome exported some of its leading talents to the EU - from Tommaso Padoa-Schioppa, one of the fathers of the euro, to Romano Prodi, Mario Monti, Emma Bonino and Mario Draghi. They often fared better in the European institutions than in volatile domestic politics.

Italy also cultivated a privileged relationship with the United States born of common geopolitical interests, support for a permanent American presence in Europe as a balancing factor against domination by other European powers, and cultural and human bonds with an estimated 15.7mn Americans of Italian heritage.

US economic ties, political support and military presence, along with the influence of the Vatican and the lure of European integration, helped ensure that the Communist Party never got into power during the Cold War, even though it was the second largest political force after the Christian Democrats. Anti-communism was also a key driver of the Roman Catholic church's influential support for European integration.

The twin allegiances to the European Union - as federal as possible - and to a permanent US military presence in NATO survived all changes of government until 2018. The Italian communists made their peace with NATO in the early 1980s, long before the fall of the Berlin Wall. Indeed, the government that agreed to Italy's first substantial combat role since World War Two in the NATO bombing of Yugoslavia in 1999 during the Kosovo war was led by an ex-communist, Massimo D'Alema.

***“We want to sit at the table
but once we get a seat, we
don’t have much to say”***

Stefano Stefanini,
*former Italian ambassador to NATO and
diplomatic adviser to former President
Giorgio Napolitano*

Italy's standing and influence in those institutions has suffered from its chronic political instability - Rome has had 66 governments since 1946. It forced its way

temporarily into NATO's informal steering group of the United States, Britain, Germany and France, known as the Quad, during the Kosovo campaign in 1999 but the Quint did not endure. Rome was also frustrated at being left out of the EU3 group of countries that negotiated with Iran on its nuclear programme.

“It's always been a problem. We want to sit at the table but once we get a seat, we don't have much to say,” said Stefano Stefanini, a veteran former Italian ambassador to NATO and diplomatic adviser to former President Giorgio Napolitano. ⁽²⁾

NAUGHTY BOYS

Now, for the first time since the fall of dictator Benito Mussolini, Italy is governed by leaders who take pride in being the naughty boys of Europe, although they have stopped short of calling into question membership of the euro, the EU or NATO, as some of them did while in opposition.

The parties that won the 2018 general election, the hard right anti-immigration League of Matteo Salvini, and the anti-system 5 Star Movement (M5S) founded by comedian Beppe Grillo and led by Luigi Di Maio, attained power by surfing on Italians' economic discontent, disenchantment with the EU since the eurozone crisis and anger over the wave of migration since 2011.

They blamed Germany and the European Commission for austerity and tight EU fiscal rules, German Chancellor Angela Merkel for throwing open Europe's gates to migrants, EU partners for leaving Italy to fend for itself in the migration crisis, and France for its perceived high-handedness towards Italian economic and strategic interests. Both parties seek to reduce the power of the European Commission and assert Italian national sovereignty.

Attacking Paris, Berlin and Brussels simultaneously yielded a short-term domestic political payoff. But it has resulted in an unprecedented self-isolation of Italy within the EU, which its frequent ally Britain is about to leave, and to a lesser extent in NATO, at a time when Rome needs the support of both organisations to achieve its objectives of stabilising the Mediterranean region and controlling migration.

Salvini's tactics of stoking verbal conflicts with western European governments while trying to build alliances with Eurosceptic populists such as Jaroslaw Kaczynski, the leader of Poland's ruling Freedom and Justice Party (PiS), Hungarian Prime Minister Viktor Orbán, Germany's hard right party Alternative fuer Deutschland (AfD) and French far right leader Marine Le Pen, have caused consternation in the EU and NATO.

Nicoletta Pirozzi, head of the EU politics and institutions programme at the Istituto Affari Internazionali (IAI), calls it "suicide diplomacy" that could result in the long-term

marginalisation of Italy in the EU as well as in the defence and energy sectors. France and Germany would increasingly rely on other partners such as Spain, which were keen to link to the Franco-German engine, she argues. ⁽²⁾

However, some of the government's gestures of defiance towards the EU mainstream appear to be symbolic rather than substantial. Career diplomats and government officials see them more as a temporary aberration than a permanent change of Italy's trajectory.

For example, Rome joined Austria, Hungary, Poland, the Czech Republic, Romania, Bulgaria, Slovakia and Latvia in refusing to sign a non-binding UN Global Compact on Migration, preventing the EU from endorsing the charter, which calls for international cooperation to manage migration effectively and open up legal migration routes, and condemns discrimination against migrants.

This shift has not won new allies capable of delivering on Italy's strategic interests. Rome wants EU partners to take in quotas of asylum seekers, but Salvini's new friends in Poland and Hungary vehemently reject either the European Commission's mandatory relocation scheme or voluntary sharing among willing countries. Austrian Chancellor Sebastian Kurz, whom Salvini has courted, has not only refused to take back rejected asylum seekers from Germany but also threatened to reimpose border controls on the Brenner Pass - Europe's busiest north-south land route - if Italy keeps allowing migrants to head north.



French President Emmanuel Macron and Italian President Sergio Mattarella commemorate the 500th anniversary of the death of Leonardo Da Vinci at the chateau of Amboise, France, on May 2, 2019.

“ANTIPATHY TO FRANCE”

French President Emmanuel Macron was the bogeyman of choice for Italy's new rulers because of his high-profile calls for closer European integration and for humane treatment of migrants, as well as due to France's perceived condescension towards Italy and Paris' enduring role in Africa.

The estrangement reflected what French diplomatic analyst Dominique Moisi called a clash between France's superiority complex and Italy's inferiority complex.⁽³⁾

Macron and previous centre-left Prime Minister Paolo Gentiloni had agreed in early 2018 to negotiate a Treaty of the Quirinale, named after the Italian president's residence, that would codify Franco-Italian cooperation with annual summits and a permanent dialogue. It would be modelled on the Franco-German Treaty of the Élysée, signed in 1963, which gave structure and substance to reconciliation between France and West Germany.

The new Italian government did not pursue the talks and reacted sourly when Paris and Berlin signed an upgraded friendship treaty at Aachen/Aix-la-Chapelle in January 2019 committing them to intensive bilateral consultations on all EU and foreign policy issues. France pledged to work for a UN Security Council seat for Germany. There was no mention of Italy.

An Italian government adviser said Paris was trying to exploit an imbalance in power to Italy's detriment, arguing that the Quirinale Treaty was intended to subordinate Rome.

"France is a much larger power, geopolitically in another class, even if the Italian public is unaware of this," the adviser said. "France wants an allied Italy that accepts alignment with the French agenda. It's asymmetric. If you force Italy to agree with France on specific items before discussing them in the EU, and have an Italian government very sensitive to French interests, you strengthen the hierarchical relationship between France and Italy." ⁽⁴⁾

Unsurprisingly, French diplomats take a different view, depicting the proposed pact as an outstretched hand to a friend and neighbour with whom Paris shares many common interests in the Mediterranean and the EU, on which it is often harder to reach agreement with Germany.

***"France wants an allied Italy
that accepts alignment with
the French agenda.
It's asymmetric"***

An Italian government adviser

Both Macron and Salvini saw a political interest in confrontation. The French leader used it to project himself as the champion of liberal European values against a "spreading leprosy" of populism and nationalism. The Italian deputy premier used it to rally support at home and build himself up as the leader of a pan-European alliance of right-wing nationalist forces.

For M5S, born as a grassroots, direct democracy, anti-globalisation movement, Macron embodied cosmopolitan elitism and French hypocrisy. Di Maio, the M5S leader and deputy premier, praised the often violent 'Gilets Jaunes' (yellow jackets) protest movement against fuel taxes and the cost of living that erupted in France in November 2018. When he made an unannounced visit to some of the most radical activists of the French anti-system revolt in February 2019, Paris recalled its ambassador for consultations - the most severe diplomatic incident between the two countries since the end of World War Two. ⁽⁵⁾

The broadsides tapped into deeper Italian grievances. Manlio Di Stefano, the M5S undersecretary in the Foreign Ministry, said in an interview that if Macron were serious about a common European foreign policy, he should turn over France's UN Security Council seat to the EU. ⁽⁶⁾

Asked how he explained the crisis in relations with Paris since the League-M5S government took office, Di Stefano said: "The real issue with France was that we spoke out openly and widely about the way they treat their former colonies in Africa.

"You just need to look at how it's always the same French companies (operating) in those countries and how governments don't have the possibility to devalue or revalue their currency, the CFA franc. Everything is not really open and free. We have to go beyond hypocrisy."

The government adviser close to the League said foreign policy was rarely discussed in the cabinet and "is only relevant inasmuch as France is involved, because there is a very strong antipathy to France".

This was due in part to the migration issue but more widely to conflicting Italian and French interests in the Mediterranean region, especially in Libya, where rebel Marshal Khalifa Haftar, who has received covert help from France as well as Russia, Egypt, Saudi Arabia and the United Arab Emirates, has thwarted UN-led efforts supported by Italy to broker peace and political stability.

Another source of tension is French ownership of key parts of the Italian economy, notably in banking, insurance, the dairy sector and the fashion industry, while Paris has resisted Italian control of French shipyards.

A report by audit firm KPMG highlighted the imbalance in investment, showing that between 2006 and 2016, French firms had bought 186 Italian companies worth 52.3bn euros, while Italian concerns had bought only half as many French businesses for just 7.6bn euros. ⁽⁷⁾

While many Italians feel colonised by French economic giants, France is uncomfortable with seeing its industries coming under Italian control. When Italian shipbuilding and defence conglomerate Fincantieri sought to take over French shipyards owned by the South Korean company STX in 2017, Macron's government briefly nationalised them to protect French interests. It eventually agreed to Fincantieri gaining control of the Chantiers de l'Atlantique but with a French state safety lock. Then the French competition authority, officially independent of the government, and its German counterpart referred the merger to the EU Competition Commissioner for investigation, which has stalled the deal. No wonder Rome suspects Paris of playing a double game.

TURNING POINT

Many Italians have long accused Brussels and Berlin of imposing economic stagnation and budgetary austerity on their country, bringing higher unemployment and lower living standards, but the turning point in public sentiment towards the EU came over the migration crisis.

Italy has long been the country most exposed to irregular migration from Africa and the Middle East due to its geographical location. With the exception of the single wave of Syrian refugees and other migrants from Turkey to Greece in 2015-16, it has seen the most arrivals since an agreement between Spain and Morocco closed the West Mediterranean route in the early 2000s.

Italy felt abandoned by its European partners to cope with hundreds of thousands of boat people who landed on its shores from North Africa between 2011 and 2018. Most were migrants from sub-Saharan Africa fleeing poverty and seeking work and a better life rather than refugees escaping war or persecution. Under Italian law, most had no legal right to asylum.

The Italians initially took a caring approach after a series of deadly shipwrecks. Centre-left Prime Minister Enrico Letta launched the 'Mare Nostrum' air and naval operation to conduct search and rescue and combat people smuggling in October 2013 after two harrowing shipwrecks off the Italian island of Lampedusa in which at least 400 people

"Mare Nostrum cost too much politically for the Italian government"

Former Italian Prime Minister Enrico Letta

drowned. The operation was a humanitarian success but a political failure. It saved tens of thousands of lives in the central Mediterranean between Libya and Italy but it became unpopular at home since European partners did not share the cost or the burden of taking in asylum seekers.

"Mare Nostrum cost too much politically for the Italian government," Letta said in an interview. "I raised the question of a European operation at EU level after the first shipwrecks and drownings, but I got very disappointing results. Only the EU institutions supported me. Even Germany didn't help." ⁽⁸⁾

His successor, Matteo Renzi, shut down Mare Nostrum after a year, arguing that Italy must avoid being alone in the front line. It was replaced by Operation Triton, run by the EU border agency Frontex, which focused on securing the sea border rather than search and rescue.

Letta disputes Salvini's accusation that Mare Nostrum created a pull factor for migrants and underpinned the business model of

people smugglers. The operation did help bring the first smugglers to justice in Italy, but to Letta's frustration it failed to force a change in EU migration policies.

"After the financial crisis struck, we created a toolbox for the euro zone with the ESM bail-out fund, a banking union etc. We changed the institutions," the former Prime Minister said. "In the migration crisis, we are no further forward after six years."

The arrival of more than 600,000 migrants in the four years from 2014 strained a society weakened by the economic crisis and transformed Italian politics, contributing to bringing the current Eurosceptic coalition to office. Italy had long complained that the EU's Dublin Convention, which put the onus to register migrants and process their asylum requests entirely on the country of first entry, imposed an unfair burden on the Mediterranean littoral states.

Yet its EU partners refused to reform the system, due to domestic opposition to welcoming more immigrants, especially Muslims. Their priority was to seal the Union's external borders. In addition, wealthier northern countries resisted any financial transfers to southern European states that were at the centre of both the eurozone crisis and the migration wave.

At first, overstretched Italian authorities let many of the arrivals make their way north to Austria, Germany and France without registering them.

When the European Commission, under pressure from Germany, Sweden and Italy, proposed sharing out mandatory quotas of refugees among all EU countries - a decision adopted by the EU Council by majority vote - it provoked a revolt by central European countries led by Hungary and Poland, which refused to be forced to admit anyone.

In 2017-18, centre-left Interior Minister Marco Minniti cut deals with tribal chiefs in southern Libya and militias controlling northern ports to stem the flow of migrants and crack down on smugglers. "I asked them to break any links with the traffickers - and I said that Italy, Europe, and the international community were ready to help their communities financially," the former intelligence coordinator told the BBC in a 2018 interview. ⁽⁹⁾

Minniti also spearheaded an innovative effort to improve the integration of Muslims into Italian society and combat radicalisation by signing a National Pact for an Italian Islam with leaders of communities encompassing an estimated 70% of Italian Muslims and the Grand Mosque of Rome in 2017.

The document contained commitments by Islamic organisations "to strengthen dialogue and active collaboration with the interior ministry administration, continuing efforts to work against expressions of religious extremism and promoting a process of legal organisation of Islamic organisations in harmony with the principles of current regulations on the issue of religious freedoms". It called for sermons to be preached in Italian, and for the training

of imams to ensure full implementation of the principles of secularism, the rule of law and equality between men and women as well as religious and cultural pluralism. How far such cooperation can be maintained under an Interior Minister openly hostile to Islam is unclear. ⁽¹⁰⁾ ⁽¹¹⁾

Minniti also restricted non-government organisations, threatening to withdraw their registration if their rescue ships entered Libyan waters. He argued that NGOs which operated close to the Libyan coast acted as objective accomplices of the smugglers. The NGOs argued that they were simply saving lives, and that sending migrants back to Libya exposed them to inhumane detention and in some cases to torture or slavery. Arrival statistics show it was Minniti's policies that began to cut migration substantially. The fall accelerated after Salvini closed Italian ports to rescued boat people.

Salvini's anti-migrant rhetoric and boasts of success in reducing landings helped boost the League's support in opinion polls ahead of May 2019 European Parliament elections to just over 30% compared to the 17.35% it won in the 2018 general election. But political honeymoons are short-lived in Italy, and previous efforts to unite Far Right forces in the EU legislature have ended in failure. Surveys also show that more Italians are worried about people emigrating from their country than about the arrival of migrants. ⁽¹²⁾

In the run-up to the elections, Italy forced the EU to suspend sea patrols under its Operation

Sophia maritime mission in the Central Mediterranean to fight people smuggling and train Libyan coastguards. EU ships had already largely abandoned search-and-rescue operations in the light of Italy's refusal to let them land rescued migrants in its ports.

As long as the root causes of migration are not addressed in the countries of origin and transit, the issue has been parked but not solved.

TRUMP CARD

While the anti-establishment government has spectacularly fallen out with the EU, France and Germany, its efforts to build ties with other major powers have run into mutual contradictions.

"It's difficult to see why we should do less than others have been doing for the last 20 years"

A senior government official

Italy's new leaders were keen to exploit an ideological kinship with US President Donald Trump. Prime Minister Conte was invited for an early visit to the White House and made clear Rome's continued attachment to NATO.



Chinese President Xi Jinping meets Italian President Sergio Mattarella in Rome on March 21, 2019. The two countries signed a Memorandum of Understanding endorsing China's Belt and Road infrastructure initiative

Trump appeared to back Italian defiance of EU budget rules and praised Italy's "very hard line on illegal immigration".

But Rome upset Washington by refusing to join the US-led drive to recognise Parliament Speaker Juan Guaido as the legitimate leader of Venezuela in place of Marxist President Nicolas Maduro, a hero to many M5S activists. And the United States was angry to discover that Italy had secretly negotiated

a Memorandum of Understanding with China that would make it the first Group of Seven (G7) country to endorse Beijing's Belt and Road infrastructure initiative. The US ambassador remonstrated with Di Maio over the planned agreement, which included the prospect of Chinese investment in the Italian ports of Genova and Trieste, both of which are strategic gateways that would be used to ship military reinforcements to central Europe in case of a crisis.

US lobbying and EU concerns did not stop Italy signing the document when President Xi Jinping visited Rome in March 2019. Rome also rebuffed US pressure to exclude Chinese firms Huawei and ZTE from tenders for its 5G wireless telecommunications networks. Italian officials insisted the MoU was non-binding and were quick to accuse their critics of hypocrisy.

Was China not the United States' lender of last resort, holding 30% of US sovereign debt, helping to keep interest rates low with the complicity of the US Treasury? Were not all US cellphones manufactured in China? Did German car firms not produce more cars in China than in Germany? So why was everyone beating up on Italy?

"It's difficult to see why we should do less than others have been doing for the last 20 years," a senior government official said. ⁽¹³⁾ A month after Xi's visit to Rome, the UK government, America's most faithful European ally, decided to let Huawei participate in building its 5G network, though not the core infrastructure.

The embrace of China's signature project sparked differences within the Italian government and misgivings in the wider establishment. Some in the League fretted that Rome risked alienating Washington at a time when the heavily indebted country might need US goodwill in the financial markets as a result of unorthodox fiscal policies and recession.

KREMLIN FRIEND

If the opening to China put Italy at odds with the White House, the government's attitude towards Russia initially caused high anxiety in the State Department and Brussels.

The coalition agreement called for a lifting of EU sanctions over Russia's annexation of Crimea and military destabilisation of eastern Ukraine, and said Moscow should be treated as a partner, not a military threat to Europe. Salvini visited Moscow soon after taking office, denounced the sanctions and called for closer cooperation with Russia.

But Rome has acquiesced in the six-monthly rollovers of the sanctions and Brussels diplomats say that in EU and NATO deliberations, Italian representatives have continued to stress the need to combine firmness with dialogue with Russia. Italy has also maintained its military presence in NATO's Enhanced Forward Presence in Latvia, which Salvini in opposition had branded an act of war against Russia, as well as in NATO air policing over the Baltics, Black Sea and Balkans.

Italy historically had cordial relations with Moscow even during the Cold War while remaining a pillar of the Atlantic Alliance. The two countries have never fought each other and veteran diplomats say Italy traditionally regards Russia as a useful counterweight to dominance by other European powers and by the United States. Conservative former Prime Minister Silvio Berlusconi befriended



Matteo Salvini, leader of Italy's right-wing nationalist League party, meets Russian President Vladimir Putin.

Russian President Vladimir Putin and hosted him at his holiday home.

Before entering government, Salvini made clear his admiration for Putin, tweeting in May 2015 a picture of himself with the Russian leader captioned: “Io sto con lui.” (I stand with him). In 2017, he signed a cooperation agreement between the League and Putin's United Russia party, but he has denied repeated media reports of Russian funding for his party.⁽¹⁴⁾

STRUGGLING IN NATO

Since Russia's seizure of Crimea in 2014 shifted NATO's focus from expeditionary crisis management back to collective defence, successive Italian governments have pressed for the alliance to pay more attention to the south as well as the east.

Italian activism was instrumental in persuading NATO leaders to adopt a '360 degree' posture towards external threats, commit to 'projecting stability' in the south, step up cooperation

efforts with Mediterranean partners and establish a Strategic Hub for the South.

This hybrid civilian-military analysis and outreach centre established at Joint Forces Command in Naples is intended to improve understanding of the drivers of crisis in the Middle East and North Africa. It aims to engage with think tanks, academics, NGOs and international organisations across the region to help NATO anticipate future conflicts and share potential solutions.

“We need to understand much better their culture,” General Ignazio Lax, the Hub’s first director, says of Arab and African partners. “There is a misunderstanding of NATO’s role. People think NATO does only kinetic (warfare). They don’t make a distinction between Italy or Germany or the United States and NATO as an organisation. There is a lot of misinformation.”⁽¹⁵⁾

Lax stressed that NATO wanted to engage in dialogue, provide expertise and mentoring where requested and build partnerships with ministries of defence in Mediterranean countries. But he acknowledged that progress had been modest since the alliance launched its first Mediterranean Dialogue in 1994 and the Istanbul Cooperation Initiative with Gulf states in 2004.

NATO’s defence capacity building efforts with partners in the region have been even more modest. Aside from a separate training mission in Iraq, which NATO took on in 2018, only Jordan and Tunisia have taken up offers of

training assistance while Kuwait hosts a NATO regional training centre. Morocco, Algeria and Egypt have so far resisted such cooperation.

While some NATO officials see little point in increasing the supply if the demand is not there, the Italians want to create two new allied headquarters to prepare, conduct and assess defence capability building programmes, leading to joint exercises with partner countries. They want NATO to establish mobile training teams combining allied and national experts, and military authorities to draw up a “theatre security cooperation plan” as an overall strategy for the south.⁽¹⁶⁾

The response at NATO headquarters has mostly been to shrug off Italian agitation. Other allies do not see the same need for military contingency planning for the south as for the east, since the threats there are not comparable. “Italy is as much to blame for bleating about the south as Poland is about the east. If you bleat too much, you lose sympathy,” one allied official said.

KEEN ON EUROPEAN DEFENCE

Italy has arguably achieved more on defence in the EU framework than in NATO in the last five years, despite the decline in public support for the Union as a whole. The EU’s 2016 Global Strategy was drawn up and pushed through by two Italians, EU Foreign Policy High Representative Federica Mogherini and her special adviser, Nathalie Tocci.⁽¹⁷⁾

A political push for differentiated integration on the 60th anniversary of the Rome Treaties helped lay the groundwork for the launch of Permanent Structured Cooperation (PESCO) on defence among willing member states, based on a joint French-German-Italian-Spanish proposal in 2017.

Italy is leading or participating in 21 of the 34 PESCO projects initiated in 2018, level with France. The Conte government confirmed its commitment by joining a number of new projects, including two with France on space capabilities, and bringing an ongoing programme to develop a European drone pushed by France, Italy, Germany and Spain under the PESCO umbrella. So, while Rome is at odds with Berlin, Paris and Brussels on other issues, there is more pragmatic continuity than radical change in defence policy. ⁽¹⁸⁾

The same approach applies to the European Defence Fund, launched by the European Commission with an endowment of 590mn euros until 2020 and a proposed 13bn over 2021-2027, to finance cooperative research and military capability development while supporting the European defence industry. Italy helped keep the door open to ad hoc participation by third countries such as the UK despite France's desire to confine it to EU members. Rome also won a crucial agreement that projects eligible for EU funding should involve at least three member states, a clear attempt to open Franco-German cooperation to Italian involvement.

Italy's preference for using the EU framework, where it has an equal say, for political, military and industrial defence efforts is one reason it was suspicious of the French-led European Intervention Initiative. Previous centre-left governments were more inclined to swallow their scepticism and join the club. The current ruling parties' antipathy for Macron makes that unlikely in the short run.

Despite growing Euroscepticism, an October 2018 opinion survey for the Istituto Affari Internazionali by the University of Siena found that 60% of Italians favour greater defence cooperation and integration within the EU, and only 12% oppose it. More than 70% of mainstream parties' voters support the idea, but a majority of League (63%) and M5S voters (53%) also back it. That mirrors staunch support for NATO: 70% of Italians want Rome to stay in the Alliance and 39% want a stronger European pillar within it. ⁽¹⁹⁾

The question is whether resentment over perceived EU failures on austerity and migration will over time erode the desire among Italians for more European defence. No party campaigned against it in the European Parliament elections, suggesting it is widely seen to be in the national interest and not just for 'bella figura'.

FOOTNOTES

- (1) Giovanni Botero, *The Reason of State* (first published in 1589, Edited edition: Cambridge University Press, 2007)
- (2) Interview with the author, Brussels, March 2019
- (3) <http://en.rfi.fr/wire/20190128-jilted-france-angry-italy-divorce-heart-eu>
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- (13) Interview with the author, Rome, March 2019
- (14) <https://mobile.twitter.com/matteosalvinimi/status/597059028326440961>
- (15) Interview with the author, Naples, March 2019
- (16) Interviews with NATO officials and diplomats, Brussels, February/March 2019
- (17) http://eeas.europa.eu/archives/docs/top_stories/pdf/eugs_review_web.pdf
- (18) https://www.iai.it/sites/default/files/pi_a_0148.pdf
- (19) <https://www.iai.it/sites/default/files/iai1908.pdf>



Italian UN peacekeepers in southern Lebanon monitor the so-called Blue Line border with Israel

CHAPTER 3

DIFESA ALL'ITALIANA - DEFENCE ITALIAN STYLE

“ENGAGEMENT, NOT COMBAT”

Not since the Roman empire have Italian soldiers been as widely spread, on three continents, as they are now. Today's centurions are not imperial forces but serve as peacekeepers, trainers, observers and team players mostly in the service of NATO, the European Union and the United Nations.

According to the Defence Ministry, the Italian military is engaged in 40 international operations in 23 countries. These undertakings span from Afghanistan in south Asia to Latvia on the Baltic Sea, from Niger and Mali in Africa to Iraq in the Middle East, as well as the Indian Ocean off the coast of Somalia. Some of these involve only a small number of Italian personnel participating in decades-old UN missions in Western Sahara, the Golan Heights, the Sinai Peninsula, the West Bank, Cyprus and Kashmir.

The largest contingents are in the UNIFIL peacekeeping mission in southern Lebanon, which is under Italian command, the NATO-led Resolute Support Mission in Afghanistan and the US-led coalition's Inherent Resolve operation against Islamic State militants in Iraq. Italy also leads the NATO-led peacekeeping forces in Kosovo. Italian forces also contribute to EU, NATO and national naval operations in the central Mediterranean and EU anti-piracy sea patrols off the Horn of Africa.

Additionally, Italian forces are engaged in NATO's Enhanced Forward Presence in

Latvia, air policing in the Baltics, the Black Sea region and the Western Balkans, as well as in EU and bilateral training and assistance missions in Libya, Niger, Somalia and Mali.

Altogether, just over 6,000 Italian soldiers are deployed on international operations - more than from either the German or British armed forces. Another 7,200 personnel are deployed at home, mostly on highly visible anti-terrorism street patrols and guard duties at public buildings. ⁽¹⁾

Italy has long been a permanent volunteer for UN duties and hosts a Global Services Centre in Brindisi which supports UN peacekeeping operations worldwide with logistics, geospatial, information and telecommunications technology and training facilities.

The Italians are often first in and last out. They are widely welcomed in post-conflict zones as the good guys ('brava gente' in Italian) who combine security tasks and working with local communities, international agencies and non-governmental organizations to promote dialogue, economic development and public health.

Political theorist Raffaele Marchetti calls it 'Italian hybrid diplomacy'.⁽²⁾ Swedish defence researcher Elisabeth Braw of the Royal United Services Institute in London says "Italy's calling card is engagement, not combat." ⁽³⁾

"Italy's calling card is engagement, not combat"

Elisabeth Braw,

Associate Fellow at the Royal United Services Institute in London

The flip-side of this approach is that Italian forces rarely participate in high-end combat operations, except when their peacekeepers come under attack. British and French officers often grumble that the Italians 'don't do first entry' - fighting their way into a hostile environment. On NATO missions, their forces are often constrained by political caveats that limit their permitted areas of deployment, armament and rules of engagement. This can weaken Italian influence in the conduct of operations.

Italian officials acknowledge the caveat problem but point to exceptions such as participation in bombing raids in NATO's 1999 Kosovo air campaign, targeting missions alongside the US Air Force during the 2002 invasion of Afghanistan and suppression of Libyan air defences in 2011.⁽⁴⁾

«There is an Italian tradition to think development and dialogue with the population when doing peacekeeping operations. Sometimes, the Italian military do it themselves, in some cases with the help of NGOs in Lebanon, Kosovo or Bosnia in the 1990s,» says Mario Giro, a veteran mediator in charge of international relations for the Sant'Egidio Community, a Rome-

based Catholic peace building organisation.

Sant'Egidio itself, though independent of the government, is one of the reasons why Italy is often seen in conflict situations as a force for discreet dialogue and back-channel communication, while other Western allies are more likely to be viewed with suspicion through the lens of colonialism or of aggressive military intervention. Thanks in part to Rome's gentler reputation, the community has been able to establish a distinguished track record of mediation and facilitation in Africa, the Middle East and the Balkans.

Italy's presence in Lebanon is an example of its distinctive approach to peacekeeping. Italian soldiers were first deployed between 1982 and 1984 as part of a Multinational Force in an area of southern Beirut, at the time controlled by the Shi'ite Amal militia and later by Iranian-backed Hezbollah fighters. Unlike US and French forces in Lebanon, they were not targeted for traumatic bomb attacks that inflicted heavy casualties on their allies. A study by Bastian Matteo Scianna, a war studies lecturer at Potsdam University, suggests this was due to specific Italian behaviour and characteristics on the ground, namely coordinating operational and diplomatic efforts, observing strict neutrality, using minimal force and protecting the population respectfully.⁽⁵⁾

While many of its overseas military missions have a direct relevance to national and European security, some are seen by the

new government as too remote from Italy's core interests. The coalition agreement said these commitments should be reviewed. Government officials say Rome is keen to wind down or terminate its presence in Afghanistan, and possibly in Iraq, as the United States pulls back from the region. But there has been no sudden rush for the exit.

"We must focus more on those areas that are most relevant to Italy, which are NATO, the Western Balkans, the Mediterranean region and the Sahel," a government adviser said. ⁽⁶⁾

There is another, less altruistic and more embarrassing, reason why the Italian forces are so keen to take on international missions. Due to a tightening budget squeeze, it's often the only way they can get money to sail their ships, fly their aircraft and exercise their infantry.

BIG REACH, SMALL BUDGET

Italy's big reach belies a small and stagnant defence budget as a result of weak public support for military spending and overseas deployments. In a country which does not have a long colonial past or a popular military culture, governments tend to proceed by stealth on defence expenditure to avoid igniting public opposition. The result is "a very capable, well-structured set of forces that get a lot of bang for the buck" but are hobbled by a serious shortfall in maintenance, training and exercising. ⁽⁷⁾

In terms of NATO's 'three Cs' measurement of allies' defence efforts - cash, capabilities and contributions - Italy does best on the latter and worst on the former.

Rome is officially sixth from bottom of the class in the 29-nation NATO for defence spending, reporting expenditure of 21.2bn euros in current prices or 18.5bn euros in constant 2010 prices - just 1.15% of gross domestic product in 2018, with a small reduction to 1.13% planned for 2019. Italian and NATO experts say it may be a rare example of a country that under-declares real outlays to avoid inflaming both public opinion and the Church. Some reckon Italy could plausibly claim up to 1.25 or 1.26% of GDP. In the words of one expert, "the game is to signal domestically that we are cutting defence and tell the alliance we are spending more". ⁽⁸⁾

There are effectively three defence budgets, only one of which comes directly under the purview of the Ministry of Defence. The second source of funding is an additional 2.8bn euro equipment procurement budget run under the Ministry for Economic Development. The other one is an annual allocation of about 1bn euros for external operations which is passed by a decree from the prime minister's office and confirmed in a subsequent parliamentary vote.

Trying to assess real military spending is like watching a shell game where attention is focused on the official Ministry of Defence allocation while the real action is happening

(or not happening) elsewhere. Salaries make up more than 70% of the defence ministry budget, which includes the cost of more than 100,000 Carabinieri, who perform civilian policing and highway patrol duties as well as military police functions.

Of the remaining 30%, about 20 % goes on equipment procurement and less than 10% is spent on training, exercises and maintenance.

⁽⁹⁾ The extra procurement budget, camouflaged as industrial investment, is meant to guarantee a steady order flow to Italian arms manufacturers and support their export potential. Under the new government, defence budgeting has become even more opaque.

The coalition agreement called for a rationalisation of defence resources to avoid waste and duplication and reduce real estate holdings not required for military

purposes. In practice, there was little change in the first defence ministry budget. Some detailed measures actually removed stimuli for efficiency. For example, the government cut the share of proceeds from the sale of military real estate that accrues to the defence budget, reducing the incentive for the armed forces to dispose of unneeded property.

Funding for external operations and for major ongoing equipment programmes, such as Lockheed Martin F35 fighters and European aerospace group MBDA CAMM-ER air defence, remained uncertain four months into the 2019 fiscal year.

Defence Minister Elisabetta Trenta, an M5S member and reserve captain who served as a political adviser and a post-conflict aid worker in Lebanon, Libya and Iraq, sought to de-emphasise traditional military tasks in



The aircraft carrier Cavour, which entered service in 2009, is the flagship of the Italian navy

her keynote policy statement. Reflecting her movement's distaste for all things military, she prioritised dual-use projects such as building and repairing civilian infrastructure that can be used for military mobility and using defence personnel to boost resilience to natural disasters, cyber-attacks and hybrid warfare. ⁽¹⁰⁾

Trenta said in an interview with the Financial Times that NATO should change the criteria it uses to calculate defence spending to incorporate cybersecurity and non-military investments to protect vital energy infrastructure. ⁽¹¹⁾ There is little chance of the alliance modifying its accounting rules to suit her, especially since this government's approach seems aimed at obfuscating core military spending, which risks damaging Italy's reliability as an ally and industrial partner.

OVERSTAFFED, UNDERFUNDED

The disproportionate amount of the defence budget spent on personnel is partly due to another problem: Italy's military is too large for 21st century tasks. The armed forces carry too much dead weight.

A major reform initiated by Defence Minister Giampaolo Di Paola, a former chief of staff, in 2012 called for the armed forces to be gradually reduced over a decade to an army of 90,000, an air force of 36,000 and a navy of 29,000. In 2018, the army still employed 102,000 soldiers, the air force 42,000 personnel and the navy 30,000 sailors.

Whereas the British and German armies have experienced difficulty recruiting and retaining capable staff for their armed forces, the Italians have trouble getting rid of old soldiers. Labour laws and political pressure make it hard to lay them off. Far too many non-commissioned officers continue to draw salaries and live in military accommodation until retirement at 65. The average age of armed services personnel in 2017 was 37.9 years, compared to 33.1 in France and 31 in the UK. Only 25% of Italian army soldiers are under 31.

"It's partly social policy in disguise, and partly a trick by the army general staff to resist being downsized," said Andrea Grazioso, a former senior defence ministry official. ⁽¹²⁾

Even though Italy does not face a plausible land threat, it has "a duty of solidarity for European defence", Di Paola said in an interview, noting that Italy needs to have armed forces proportional to its weight in NATO and the EU to remain internationally credible.

"We are the last of the big or the first of the small," he said. "Ambition pushes us to be in the top group. Reality pushes us back. There is a constant frustration because we don't invest enough to have that capability, so we are always seen as a junior."

"If we want the same per soldier per capita expenditure percentage as France or the UK, we would have to cut the size of the army by half," explained Di Paola. "I don't think that would be a smart move for a country that is the

number two or number three manufacturer in the European Union once the UK leaves.” (13)

Besides, he acknowledged, there are perverse disincentives to shrinking the forces. “Experience shows that any time you reduce the size, the money goes down.”

“We are the last of the big or the first of the small. Ambition pushes us to be in the top group. Reality pushes us back”

Giampaolo Di Paola,
former Minister of Defence

The Di Paola plan was based on an agreement with parliament to cut the headcount without reducing resources, so that personnel costs would fall to 50% of the defence budget, leaving the other half to be split equally between equipment and running costs such as maintenance, ammunition, training and exercising.

It did not turn out that way. The proportion of the official defence budget spent on manpower has risen, leaving ever less cash for vital running costs.

HOLLOW FORCE?

As a result, the Italian military has a lot of armoured vehicles and equipment that it cannot maintain or sustain in the field, used by

forces that are often not properly trained and spend too little time outside their barracks. “Training and sustaining are pretty poor,” a NATO source said. “Stock levels are a joke, especially of high-end munitions.” (14)

The top-heavy Italian forces have far less inter-service integration than their French and British counterparts. Each service has retained a greater degree of autonomy and kept a large amount of redundant infrastructure such as barracks, training grounds, officers’ clubs and sports facilities. They are often fierce rivals vying for limited procurement budgets.

In a 2015 White Paper, centre-left Defence Minister Roberta Pinotti tried to impose greater inter-service cooperation, a reduction in the number of permanent staff contracts, multi-year financial programming and more power for the chief-of-staff to increase efficiency. (15) However, the reforms, submitted to Parliament in a 2017 bill, have stalled in the Senate.

“I believe this idea helps the armed forces. There was a lot of resistance when you try to change the balance of power,” Pinotti, who is now an opposition Senator, said in an interview. “Although it does not require legislation to implement this... I would have preferred that parliament approve it faster. But I have left my legacy of change.” (16)

The single services still pursue very different agendas. Insiders say the navy likes to work alongside the US Sixth Fleet and sees itself as a sovereign service with ambitions for blue-water geographical projection from the Gulf of

Guinea to the Malacca Strait, even though in reality it rarely sails outside the Mediterranean except on EU or NATO operations.

In 2015, it secured a 5.9bn euro multi-year modernisation programme that keeps shipbuilder Fincantieri busy and helps market its FREMM frigates, jointly designed with France's Naval Group, to foreign navies.

Italy has not one maritime force but three, each with their own ships. The coast guard is controlled by the transport and infrastructure ministry. The customs police, known as the Guardia di Finanza, has a naval arm that reports to the minister of economy and finance in peacetime. This is not a recipe for efficiency.

The air force is the service most focused on the high end of the spectrum of operations. It is technologically and operationally close to

the US Air Force but has to cope with limited operating resources. Participating in NATO air policing over the Baltics, Iceland, Romania and the Western Balkans is often the only way to ensure that pilots get their flying hours. The air force is also keen to explore the use of drones though the Amendola training centre.

The army has made the most of international missions through its participation in operations in Afghanistan, Iraq and Lebanon. As it attempts to resist cuts to its force structure, the army is keen to show its relevance through its domestic street patrols and disaster relief missions. Italy still has 11 army brigades in theory, justifying the jobs of dozens of generals and colonels.

Grazioso, the former defence ministry official, noted that Italy held the rotating responsibility for the alliance's Very High



Italian soldiers guard Santa Maria dei Fiori Cathedral in Florence as part of anti-terrorism patrols during a religious procession in January 2018

Readiness Joint Task Force in 2018, assigning to that task its only armoured brigade, the famed “Ariete”. This renowned unit, supposed to be the spearhead of the army’s heavy forces, lacks several up-to-date assets for sophisticated manoeuvre combat operations. In reality, it operated as a framework brigade with essential assets coming from other allies. For example, Spain provided the battle tanks during NATO’s major Trident Juncture rapid reinforcement exercise in Norway in October 2018.

“Without a drastic U-turn in defence investment, we will soon have a hollow force with a very low number of functioning vehicles”

Andrea Grazioso,
former senior Defence Ministry Official

“Without a drastic U-turn in defence investment, we will soon have a hollow force with a very low number of functioning vehicles,” warned Grazioso. “The Ministry of Defence sends plenty of documents to Parliament and the Prime Minister each year on discipline but nothing about readiness and the real state and numbers of equipment. The services are very reluctant to produce any meaningful data on readiness.”

“You can’t sustain a force like ours with less than 2bn euros a year to do maintenance and training.”

BUY, DON’T FIX

The low budget for running costs has the paradoxical effect of increasing incentives to order new kit rather than repair and sustain existing stocks.

“With procurement, they (service chiefs) pay for up to 10 years of sustainment. So they tend to buy new equipment rather than do maintenance because they can use investment funds for maintenance,” explained Grazioso.

The Ministry of Economic Development, responsible for more than half of procurement spending, is institutionally more interested in boosting the defence industry’s order books and export capacity than in maximising the capabilities of the armed forces.

Hence, it would rather fund the purchase of new helicopters from Leonardo’s Augusta Westland arm than help the forces repair and use, or sell off, existing inventory. “There are plenty of good helicopters of the last generation that are not flying and are not effectively marketed because the industry doesn’t want a second-hand market,” Grazioso said.

Rather than recondition Centauro armoured reconnaissance vehicles that went into service in the 1990s, Italy sold 80 of the wheeled tank-busters to Jordan at an average price of 40,000 euros a vehicle - less than the cost of a sport utility vehicle. It ordered new ones in 2018 from the manufacturer, a joint venture of Leonardo and truck-maker Iveco, at a

unit cost of 6.7mn euros -plus equipment and logistics - for the first 10 of a planned 135-vehicle order.⁽¹⁷⁾

Grazioso laments that Italy's central purchasing authority within the defence establishment is not truly comparable with France's Directorate General of Armaments (DGA), which aligns procurement with the country's military strategy and a requirement for autonomy in cutting edge technology. Nor does it have a central defence marketing agency like their ODAS, which acts as a government-to-government (G2G) partner for foreign military sales and an interface for more than 30 French industrial suppliers. "This is a weakness for both the armed forces and industry, which can't compete with real G2G providers," he said.

SPREADING BETS

In the absence of such central bodies, Italy's technologically advanced defence companies have spread their industrial bets between transatlantic and European cooperation. This risks enmeshing them in political contradictions, notably because of Britain's looming exit from the EU and the imminent arrival of a European Defence Fund.

Leonardo, known until 2017 as Finmeccanica, is the world's ninth or tenth largest defence contractor with revenues of 12.2bn euros in 2018, 85% of which come from international

markets. The Italian Finance Ministry holds a 30.2% stake in the company.⁽¹⁸⁾

The Rome-based defence and aerospace group is deeply integrated into the US-UK defence sector. It employs 29,200 people in Italy, 6,900 in the UK and 6,500 in the United States. It is part of the Eurofighter consortium alongside BAE Systems in the UK and Airbus in Germany and Spain. It also assembles and maintains Lockheed Martin F35 fighters and is involved in the UK-led Tempest future fighter aircraft project intended to replace the Eurofighter from 2040 onwards.

Leonardo also builds helicopters in Italy, the UK and Poland, where it employs 2,600 people. It is a 25% stakeholder in European missile maker MBDA, with Airbus and BAE Systems, and is also tied to France's Thales through joint ventures in the space sector.

Leonardo executives believe they made a winning bet with the F35 programme. They expect to assemble and maintain the fifth generation US fighter jets in Italy for several northern European countries including Belgium, the Netherlands, Norway and Denmark and potentially others, as well as for Italy, at a plant in Cameri, north of Turin. This factory is the only F35 production line in Europe.

However, not everyone in the industry sees this as a success for Italy, or for Europe. One defence manufacturer, speaking on condition of anonymity, said that whereas 10,000 Italian engineers worked on the Eurofighter

programme, it took just 1,000 technicians to assemble the F35, while all the technology was developed and manufactured in America. “Who made the right bet? Where is the knowledge,” he asked. ⁽¹⁹⁾

Italy, the first European country to put the F35 into service in 2018, has announced plans to buy 90 of the fighters for its air force and navy. Uncertainty over long-term defence budgeting makes that figure and the rate of annual deliveries highly uncertain. Participation in the programme has continued under a dozen different governments since its conception 22 years ago.

Trenta, whose M5S party had pledged in opposition to scrap the F35 programme – then vowed upon entering government to cut it back- has launched an ongoing ‘technical re-evaluation’. This has triggered alarm in the armed forces and more discreet concern at Leonardo.

General Alberto Rosso, commander of the Italian Air Force, was unusually critical of the government when he appeared in front of Parliament’s defence committee in March 2019. “Slowdowns or reductions in numbers are extremely worrying for operational capability, for national industry and the economic benefits (the programme) brings,” he testified, adding that he was “strongly concerned about the uncertainty and the eventual hypothesis of a drop in numbers.” ⁽²⁰⁾

TROJAN HORSE?

Some in the French defence establishment see Leonardo as a Trojan horse for US efforts to dominate the European military aerospace market given its role in the F35 programme. That may explain in part why Paris has not invited Rome to join the Franco-German project to develop a European sixth generation Future Combat Air System.

Armed Forces Minister Florence Parly spelled out concerns at aggressive US arms marketing in Europe in a speech to the Atlantic Council in Washington in March 2019. She declared: “I’m personally more concerned at the notion that the strength of NATO solidarity might be made conditional on allies buying this or that equipment. The alliance should be unconditional, otherwise it’s not an alliance. NATO’s solidarity clause is called Article V, not article F35.” ⁽²¹⁾

Leonardo has chosen to partner instead with the UK’s Team Tempest, alongside BAE Systems and Rolls-Royce, working on a sixth generation fighter aircraft for the 2040s. An Italian officer said it would be difficult for countries like France and Germany to leapfrog, as they hoped, to the sixth generation of fully integrated air combat systems if they had not gained experience, like Italy, in the fifth generation.

The Italian Institute of International Affairs (IAI) recommended that Rome should negotiate the joint development of the Tempest project as a government partner with London to have

a stronger hand in a possible merger between the Franco-German and UK-led programmes in the medium-term for the benefit of European strategic autonomy.⁽²²⁾

Leonardo's choice raises questions about how cross-border defence industry integration will work after Britain leaves the EU. That will depend in part on future trade relations which, at the moment of writing, have yet to be negotiated.

"If there's a hard Brexit, the entire Italian aerospace system will suffer on a daily basis," predicted an executive of one defence company that has a chain of customers and suppliers in the UK. "The system works by avoiding customs and regulatory controls. A hard Brexit would be a disaster between Italy and the UK, and for exports to third countries."⁽²³⁾

By contrast, shipbuilder Fincantieri, which owns 20 shipyards on 4 continents with nearly 19,000 employees, has made a resolutely European choice. Whether its ambition to create "a naval equivalent of Airbus - a European champion in defence" will be realised remains uncertain.⁽²⁴⁾

Fincantieri is 71.6% owned by the Cassa di Risparmio di Venezia, a state holding company. It is in robust economic health with an order book of 34bn euros, equivalent to 2% of Italian GDP. Its output is roughly 60% civilian and 40% military. It was already the biggest European commercial and naval shipbuilder before it sought to buy a controlling 50%

stake in France's Chantiers de l'Atlantique shipyards, with the French state-controlled Naval Group taking a 10% holding. Fincantieri and Naval Group co-developed the FREMM warship programme but they are fierce rivals in export markets.

***"If there's a hard Brexit,
the entire Italian aerospace
system will suffer on
a daily basis"***

**Senior Italian Defence
industry executive**

The merger has encountered political turbulence in France, aggravated by hostility towards the Salvini-dominated government. The deal is subject to a regulatory challenge from French and German regulators, which was pending before EU competition authorities as of May 2019, holding up completion.⁽²⁵⁾ There are other complexities, including a rivalry over naval electronics between France's Thales, a shareholder in Naval Group, and Leonardo, which has a joint venture with Fincantieri.

Italy's defence industry is wider than these two giants and features some smaller, cutting-edge companies such as electronics, radar and cyber specialist Elettronica, which keeps a foot in several camps by supplying systems for British, Franco-German, Franco-Italian and even Russian platforms (though not for the Russian armed forces). Elettronica, whose shareholders include Thales and Leonardo, gives high priority to developing autonomous European technology

that is not subject to strict US ITAR export controls. It is counting on the nascent EU defence fund to help integrate the European defence sector.

Another historic Italian defence manufacturer, drone-maker Piaggio Aerospace, is in receivership. It has been kept on life support by the Italian government for economic as much as for military reasons and may end up being swallowed up by Leonardo. IVECO Defence Vehicles, a subsidiary of the IVECO truck and utility vehicle maker owned by Fiat and US conglomerate CNH Industrial, supplies a range of armoured vehicles, logistic and tactical trucks. It manufactures these systems at plants in Italy, Germany and Brazil.

CYBER SAWY

Italy seems well organised to handle cyber security, insiders say. Unlike other areas of the government that are hamstrung by compartmentalisation, coordination bodies function quite effectively. The problem is one of resources, rather than management or know-how.

Cyber security is coordinated by the national security council, known as CISR, and its expert-level deputies body, CISR-T. The Department of Security Information (DIS) intelligence agency controls both the internal and external intelligence services and has a specific cyber security cell called NSC that is linked to all the relevant ministries and to the EU's Computer Security Incident Response Team. The defence and interior

ministries each have a cyber centre tasked with protecting military security and policing cyber-crime respectively.

Insiders say the system works but lacks resources and sufficient staffing. Among the gaps in public administration is a lack of training for older civil servants who often fail to recognise phishing attempts and to take adequate security precautions. In the private sector, one difficulty is that the Italian economy is dominated by small and medium-sized enterprises which often do not have the money and capacity to invest in cyber security. The police cyber-crime agency is establishing regional centres to support these companies.

The DIS' 2018 annual report to Parliament reported a fivefold increase in attempted cyber-attacks on Italian institutions and companies, compared to 2017. Many of the reported hostile acts involved either industrial espionage or attempts to penetrate the oil and gas sector, including efforts directed against universities' energy research. There were also attempts to steal information on corporate and government decision-making processes. ⁽²⁶⁾

Officially, the government has not incorporated offensive cyber operations into its doctrine, unlike France and Britain. However, Elettronica's CY4GATE provides governments, including the Italian authorities, with disruptive software and hardware solutions for both defensive and offensive operations. However, it describes these offerings in euphemisms such as "active defence" to avoid public censure.

Italy appears slower than France or Germany in public investment and policy development on Artificial Intelligence and its applications in the security and defence sector.

A 2018 government White Paper, “Artificial Intelligence: At the Service of Citizens”, called for supporting collaboration between research, business accelerators and innovation hubs, both public and private, also at European level, to promote the adoption of AI solutions in the public sector; and establishing a Trans-disciplinary Centre on AI. There is a national lab on AI including around 40 universities and more than 600 researchers.

In an unpublished comparative analysis of French, German and Italian policy, IAI researcher Paola Sartori noted that “While the Italian government has not brought together the various dimensions of AI under a coherent and organic strategic framework yet, the interdisciplinary approach adopted to address the cyber domain may serve as a model for doing so.”⁽²⁷⁾

FOOTNOTES

- (1) <https://www.difesa.it/EN/Operations/Pagine/MilitaryOperations.aspx>
- (2) Interview with the author, Rome, March 2019
- (3) Raffaele Marchetti, Italian Hybrid Diplomacy, in Contemporary Italian Politics 2018, pp 193-207
- (4) Interview with the author, London, February 2019
- (5) <https://www.tandfonline.com/doi/full/10.1080/07075332.2018.1431804>
- (6) Interview with the author, Rome, March 2019
- (7) Interview with the author, Brussels, March 2019
- (8) Interview with the author, Rome, March 2019
- (9) For an excellent summary of current issues in defence spending and the age profile of the forces, see this July 2018 report by the Italian Senate's Impact Assessment Office: https://www.senato.it/application/xmanager/projects/leg18/English_Focus_Difesa.pdf
- (10) https://www.difesa.it/Primo_Piano/Documents/2018/Luglio/20180726_Linee_programmatiche_Difesa.pdf (available only in Italian)
- (11) <https://www.ft.com/content/f87efe12-295e-11e9-a5ab-f8ef2b976c7>
- (12) (13) Interview with the author, Rome, March 2019
- (14) Interview with the author, Brussels, April 2019
- (15) https://www.difesa.it/Primo_Piano/Documents/2015/07_Luglio/White%20book.pdf
- (16) Interview with the author, Rome, March 2019
- (17) <http://www.defense-aerospace.com/articles-view/release/3/195024/italy-orders-initial-batch-of-centauro-ii-tank-destroyers.html>
- (18) <https://people.defensenews.com/top-100/>
- (19) Interview with the author, Rome, March 2019
- (20) <https://www.defensenews.com/global/europe/2019/03/13/italy-air-force-chief-attacks-f-35-uncertainty-in-rome/>
- (21) <https://www.defense.gouv.fr/english/salle-de-presse/discours/discours-de-florence-pary/discours-a-l-atlantic-council-the-us-french-relationship-in-a-changing-world>
- (22) <https://www.iai.it/sites/default/files/iai1902.pdf>
- (23) Interview with the author, Rome, March 2019
- (24) The term “Airbus of the sea” was coined by Herve Guillou, CEO of Naval Group, in 2015 and is now regularly used by Italian and French executives to describe the proposed merger. This quotation is from an interview with a Fincantieri executive in Rome in March 2019.
- (25) http://europa.eu/rapid/press-release_IP-19-262_en.htm See Chapter 2 on Franco-Italian dispute over shipbuilding merger
- (26) <https://www.sicurezza nazionale.gov.it/sisr.nsf/wp-content/uploads/2019/02/Relazione-2018.pdf> (Available only in Italian)



The Italian flag is reflected in a puddle in a street in the northern city of Turin

CHAPTER 4

AVANTI TUTTA

CONCLUSIONS AND RECOMMENDATIONS

DRAWING LESSONS

Europe faces a rising tide of instability, potential conflict and migration from the wider Mediterranean area, and Italy will be on the front line.

Any number of national or cross-border upheavals could trigger the next crisis. Civil war in Libya, social conflict in post-Bouteflika Algeria, Turkish-Kurdish fighting in northern Syria, another round of hostilities between Israel and Hezbollah in Lebanon, conflicts in countries of origin of migrants in east or sub-Saharan Africa, or a naval incident off the coast of Cyprus are just some of the plausible scenarios. Each could have as stark an impact on European public opinion as Russia's seizure of Crimea and the subsequent destabilisation of eastern Ukraine.

NATO knows how to secure its own eastern flank. It's been doing it for 70 years. It's a matter of displaying collective political resolve

and spending enough to maintain a credible deterrent without losing sight of opportunities for a more constructive relationship with Russia if they arise. While it has not prevented wars in Georgia and Ukraine in the grey zone between NATO and Russia, it has succeeded in limiting contagion.

By contrast, EU and NATO policies towards the greater Mediterranean region since the end of the Cold War have largely failed, stalled or - in the worst case of the 2011 intervention in Libya - aggravated the chaos.

It's time to draw lessons from what didn't work and to join forces to design and execute more consistent and effective policies. Italy will be at the centre of that effort. Its input is essential. Little will go right if Italy is at loggerheads with its main European partners, nor while France and Italy are waging what resembles a proxy war in Libya.

MEDITERRANEAN DISUNION

Lesson 1: attempts to turn the Mediterranean into a European-style community of peace and reconciliation were naive, if well intentioned, and should not be endlessly reinvented.

The Euro-Mediterranean partnership launched by the EU with great fanfare in Barcelona in 1995, at the height of the Israeli-Palestinian peace process, was based on the mistaken belief that the southern and eastern Mediterranean countries could be bound together through regional cooperation. The idea was to build interdependence through trade, energy, water and people-to-people projects inspired by the method that drove post-war Franco-German reconciliation, laying the foundations for European integration.

The Barcelona process was divided into three so-called baskets: building a common area of peace and stability through the reinforcement of political and security dialogue; constructing a zone of shared prosperity through economic and financial cooperation; and promoting rapprochement between peoples through a social, cultural and human partnership. It was meant to lead to the establishment of a free trade area in the Mediterranean basin by 2010. Despite trade deals with some partners, that never happened.

Most Arab countries refused to join regional cooperation tables that included the Jewish state while it was still occupying Palestinian

land. Other inter-state disputes got in the way, such as the long-running Algerian-Moroccan feud over Western Sahara or the 2002 Spanish-Moroccan skirmish over two tiny unpopulated islands off the Moroccan coast. Though Libya did not join under Gaddafi, it eventually became an observer. Syria was a nominal member but never showed up.

The authoritarian, opaque nature of many partner states, with economies largely carved up among ruling families and regime loyalists, made it hard for the EU to spend taxpayers' money there. Efforts to engage civil society did lead to some constructive dialogue among elites, which helped dispel mutual prejudices. But they often fell foul of the secret police, conservative religious authorities or rules prohibiting the foreign funding of non-governmental organisations.

The Mediterranean partners barely traded with each other, having little to sell, and European protectionism ensured there was little opening for North Africa's main non-energy exports - fruit and vegetables and wine - which competed with southern European produce. Exit free trade.

The next EU initiative was the European Neighbourhood Policy, launched in 2003, which lumped southern and eastern neighbours together in an aspirational "ring of friends" via a process of economic and regulatory alignment and a commitment to governance reforms without the carrot of membership. Such an approach had proved

successful in the EU's eastward enlargement. European Commission President Romano Prodi's vision hinged on the belief that "Wider Europe" would share "everything with the Union but institutions".⁽¹⁾

This too fell flat, however, because the incentives set in place for partner countries to adopt European rules and norms in areas ranging from the rule of law to product standards and environmental protection were simply too small.

Authoritarian regimes rightly perceived the EU approach as a threat to their long-term survival. The country that went furthest down the road of a Deep and Comprehensive Free Trade Agreement - Ukraine - plunged into domestic turmoil when elected President Viktor Yanukovich backed away from signing the deal following Russian pressure. A pro-European revolt ousted him, triggering Russian military intervention to grab Crimea and back secessionists in eastern Ukraine.

The Neighbourhood Policy was twice revised to offer a more tailored, bilateral approach to individual partners. Bilateral association agreements were signed with Egypt, Jordan, Lebanon, the Palestinian Authority, Tunisia, Algeria and Morocco with limited impact.

An attempted grand relaunch of a regional cooperation framework in 2008 by French President Nicolas Sarkozy, rebranded as a Union for the Mediterranean and co-chaired by an EU member state and a south Mediterranean country, soon fell flat

as well. Sarkozy rolled out the red carpet for Arab autocrats like Gaddafi, Assad and Mubarak just a couple of years before their exasperated young populations rose up against them. Turkey stayed away because Sarkozy had made it clear that he saw the new grouping as an alternative to Ankara's EU accession talks, which he opposed.

In 2014, ties with eastern and southern neighbours were placed under the same Commission department that handled EU enlargement negotiations, rebranded as DG NEAR.

The EU initiatives all stumbled for the same reasons: an attempt to transfer the European model of integration onto a region with little or no desire to integrate, and autocratic regimes that made awkward partners for a Union based on values of democracy, human rights, gender equality and the rule of law.

When Arab uprisings began to topple rulers in Tunisia, Egypt and Libya and threaten the survival of Syria's Assad in 2011, the EU responded half-heartedly. Hostility to the Muslim Brotherhood, particularly in France, dominated European thinking. Mediation efforts by an EU special envoy to try to facilitate an inclusive government in Egypt lacked high-level support from member states and were ultimately quashed when Marshal Abdel Fatah al-Sisi staged a military coup, and was soon embraced by relieved European leaders. The EU has rightly focused aid and political support on Tunisia, the sole democratic survivor of the Arab Spring.

The only country in which European powers intervened militarily, backed by substantial US support under the NATO umbrella, was Libya. Their air operation helped dissidents oust Gaddafi but there was no follow-up to stabilise the country due to European and American fears of being sucked into a quagmire after the long-running, inconclusive western interventions in Afghanistan and Iraq.

The EU countries' biggest concerns were no longer about promoting democracy, the rule of law, economic reform or civil society, but combatting the increasing threats of Jihadist terrorism and uncontrolled migration emanating from the southern Mediterranean.

NATO'S IMAGE PROBLEM

Lesson 2: NATO's hard security toolbox is of limited relevance to many of the security challenges facing the wider Mediterranean region.

The alliance can patrol the sea and help keep power rivalries in check. It can provide a security backbone for the Western Balkans. It can offer willing Arab partners training and joint exercises.

It provides allies with the experience of operating together that enables coalitions of the willing to function, as exemplified by the French-led Operation Barkhane in the Sahel.

But the problems of climate change, migration, fragile states and radicalisation are beyond its competence, as are economic relations. Moreover, the US-led alliance is suffering from an image problem in the Muslim world that limits the possibilities for cooperation.

NATO's attention shifted after the end of the Cold War to crisis management beyond the North Atlantic Treaty area in wars in Bosnia and Kosovo after the breakup of Yugoslavia. Italy played a key role both as NATO's unsinkable aircraft carrier and as a participant in allied operations, notably with its widely respected Carabinieri military police.

At the turn of the millennium, the alliance's focus switched to expeditionary operations in more distant theatres, first to stabilise Afghanistan after the US-led invasion, then in the air campaign against Gaddafi's forces in Libya. Whereas it was seen as protecting Muslims in Bosnia and Kosovo in the 1990s, its image changed following the US-led operations in Afghanistan and Iraq, and the French-led campaign in Libya.

NATO's attention was wrenched back to its traditional Article V role of territorial defence only after the Russian intervention in Ukraine in 2014.

Under pressure from Italy, which was concerned that all resources would once again be focused on the East, the alliance adopted a classified Framework for the South at its 2018 Brussels summit. But NATO officials

are the first to acknowledge that most of the problems in the wider Mediterranean area are not amenable to its hard power tools.

Nor is it clear whether more countries would take up offers of training assistance, interoperability and joint exercises if the alliance were to create the special headquarters proposed by the Italians for training and evaluating partners' armed forces. The obstacles are mostly political and historical rather than a shortage of NATO trainers, whom allies are reluctant to provide.

The NATO Hub for the South could potentially change perceptions of the alliance in the region by engaging with civil society, academics, international organisations and governments on long-term stabilisation strategies. It could also improve NATO's awareness and understanding of the security challenges. But this will take time and it would be more logical for the unit to report to NATO's civilian secretariat than through a military chain of command – its current procedure.



The government of Prime Minister Giuseppe Conte poses with President Sergio Mattarella after being sworn in on June 1, 2019. Deputy Prime Ministers Matteo Salvini of the League and Luigi Di Maio of the 5 Star Movement, the political leaders of the coalition, are first and second on the right in the front row.

FIX LIBYA FIRST

Lesson 3: security in the southern Mediterranean cannot be improved as long as European countries, specifically France and Italy, are working at cross purposes.

French action in Libya over the last decade has been a major cause of instability that led to a surge in migration. There may well have been strong humanitarian arguments for intervening in 2011 when Gaddafi was poised to crush a pro-democracy uprising in eastern Libya. But the failure to plan or implement measures to stabilise the country after his fall was a blunder resembling that made by the US after toppling Saddam Hussein in Iraq. Italy was a collateral victim of this French-led policy and has good reasons to be angry.

France should show more respect for Italian interests in a country where Rome has historical ties and vital economic and strategic interests, just as France has in Algeria and in the Sahel, and Spain and France have in Morocco. In return, Italy's coalition leaders should stop France-bashing and seek to work constructively with Paris.

Even now, the European Union and the United States could help the United Nations bring about an inclusive political settlement in Libya along with their Arab allies if they spoke with one voice and acted together. But French and US support for rebel warlord Khalifa Haftar, who controls much of eastern and southern Libya, emboldened him to try to seize power from the UN-backed Tripoli

government of Prime Minister Fayeze al-Sarraj. Italy has supported Sarraj and has helped train the coastguard and navy of his Government of National Accord.

Other outside powers have also piled in - Russia, the United Arab Emirates, Saudi Arabia and Egypt on Haftar's side, Turkey and Qatar in Sarraj's camp.

Another war in Libya would have wider destabilising consequences in the region, fuelling problems of radicalisation, terrorism, arms trafficking, uncontrolled migration and energy insecurity. It has already begun.

LOOK BEYOND STRONGMEN

Lesson 4: Long-term stability requires looking beyond strongmen.

After a decade of turmoil, European governments and the United States are inclined to support authoritarian rulers who appear able to clamp a lid on Jihadist terrorism, Islamist radicalisation and uncontrolled migration. Many EU leaders are prioritising partners who can help enforce their Fortress Europe policy, even if that means turning a blind eye to human rights abuses, corruption and restrictions on freedom of expression. Egypt is Exhibit A for this policy.

But such repressive expedients sow the seeds of longer-term alienation and instability. They do not create an environment for investment, human and economic development or jobs for a teeming younger generation, connected by social media. Europe will pay a high price if it is seen by young Arabs and Muslims as the hypocritical ally of their oppressors.

The EU, NATO and European governments cannot avoid working with rulers in the region, but their policies must also address the aspirations of the rising generation for education, employment, travel opportunities and the empowerment of women. Otherwise, they risk fuelling the very objects of European fear - terrorism and migration.

RECOMMENDATIONS

1. A new EU Mediterranean strategy

Europe needs a new start for its relations with the countries and peoples of the Mediterranean region. Neither a one-size-fits-all technocratic approach nor a purely security-based policy but a calibrated, bilateral engagement that will require greater generosity in importing agricultural produce and issuing more visas for students, cultural exchanges and temporary work permits.

The ongoing peaceful civil society movement against Algeria's old guard may offer an opening in this direction. Europeans need to be modest in how far they can influence

the political and social development of North African and east Mediterranean countries. But they can offer incentives through the distribution of educational, economic and travel benefits to reward societies that are opening up and they can step up cooperation with Tunisia, the fragile best-in-class.

On an institutional level, the EU needs to better coordinate its diplomatic, economic and political tools for developing relations with the countries of the region. To give that holistic approach greater political visibility, the incoming Commission, due to take office in November 2019, should include a Commissioner for the Mediterranean, serving under the High Representative for Foreign Policy.

The management of relations with Mediterranean partner countries should come under the European External Action Service with a remit to coordinate EU trade, development, humanitarian assistance, education, migration, climate and energy policies for those states.

Changing responsibilities in Brussels is no miracle remedy for achieving a more comprehensive approach. Much more depends on the political willingness of member states to look beyond short-term Fortress Europe policies towards longer-term engagement. That will require greater political unity and far-sighted leadership than has been displayed in the last decade.

2. A new NATO-EU division of labour

A comprehensive strategy for stabilising the Mediterranean region also requires better cooperation and a new, informal division of labour between NATO and the EU, and among a coalition of willing countries. That division cannot be simply geographical, with NATO focusing on eastern Europe and the EU on the South, as some French strategists advocate.

Russia is present in the South as well as the East - in Syria, the eastern Mediterranean and North Africa. The United States is also present throughout the wider Mediterranean area, countering both Russian and, potentially, Chinese influence and keeping Turkey in the fold. NATO's presence in the Balkans and naval patrols in the Mediterranean are part of the fabric of regional security.

Perhaps by 2030, the Western Balkans will be inside the EU and will no longer need a NATO presence. But we're not there yet; in the meantime, there is still potential for ethnic flare-ups in Bosnia and Kosovo and for Jihadist fighters returning from Syria and Iraq to establish a foothold in Bosnia.

The division of labour should be functional, with the EU taking the lead with soft power where it has most of the tools in institution-building, trade and economic relations, development assistance, climate mitigation, energy interconnectivity and labour market policy. NATO should develop its capacity-building and engagement by making a bigger

investment in training, mentoring and joint exercises with willing partners in the wider Mediterranean region.

Coordinating these efforts should be a core part of the growing agenda for EU-NATO strategic dialogue and practical cooperation.

3. A Franco-Italian grand bargain

One big obstacle that stands in the way of a more coherent European and NATO strategy towards North Africa and the wider Mediterranean region is Franco-Italian rivalry, which has been exacerbated since the election of Emmanuel Macron and of the unprecedented Italian anti-establishment coalition.

France and Italy need to stop aggravating their differences and work towards a grand bargain that would reconcile their strategic, economic and migration interests. This may seem like a tall order given the political rhetoric on both sides, but it is in both countries' long-term interests. In Italy, President Mattarella and Prime Minister Conte are best placed to lead such an endeavour. The best overall framework would be a bilateral friendship treaty enshrining regular consultations of the kind that Paris and Rome had begun to discuss before relations went off the rails. This would also be the best way to shield Italy from the sort of Franco-German 'fait accompli' which it has long feared.

The building blocks of such a new deal would include:

- joint support for UN power-sharing efforts in Libya,
- a joint approach to improving security and combatting the trafficking of migrants, weapons and drugs on Libya's southern border,
- regular Franco-Italian consultations on North African and Mediterranean issues,
- a balanced economic partnership in which each country is open to investment from the other and both work to develop a joint European champion in civilian and naval shipbuilding,
- regular consultations on defence industrial policy and capability development,
- Italy should join the European Intervention Initiative created by France to be part of a coalition of willing and capable states planning for possible operations together,
- Italy should be invited to join France and Germany in developing a future European air combat system and other major armaments projects,
- a joint approach to helping Western Balkans countries move towards EU membership,
- a joint effort to create a coalition of willing European countries to implement a reformed asylum and immigration system including joint processing of asylum requests according to common EU criteria, joint management of returns of rejected migrants, and a sharing out of quotas of recognised refugees and protected persons among willing EU members. ⁽³⁾

Whether Salvini and Di Maio will see such an agenda as in their interest remains unclear. But there is a window of opportunity after the European Parliament elections to put dialogue and cooperation before political polemics. Failing that, many political analysts expect that a more traditional type of government may take over in Rome within the next 18 months.

4. Rebooting Italian defence reform

Italy needs to take bolder steps to implement the defence reforms initiated by Di Paola and developed in the 2015 White Paper to adapt its force structure to meet 21st century threats. Such reforms should build on internationally valued strengths in peacekeeping, stabilisation and civilian-military engagement, and should maintain and improve the high-end military components developed over recent decades, while eliminating waste and perverse incentives.

A key reform element is a real centralisation of armed forces' activities at joint level, including procurement programmes up to national armaments directorate level, to reduce duplication and inter-service rivalry on military spending. This goes hand in hand with a rationalisation of military bases and an ambitious programme to sell off or rent out surplus real estate and equipment, with at least two thirds of the proceeds accruing to the defence budget.

The budget must shift expenditure significantly from personnel to maintenance, training and exercising: while Rome is meeting the NATO target of 20% of defence spending on procurement, it needs to devote at least 20% to these operational costs.

This implies substantially younger and smaller armed forces, especially the army, with a once-off civilian retraining and early retirement programme for officers to lower the age profile and free up resources for running costs.

A consolidated and transparent defence budget that incorporates external operations and all procurement funding, including by the Ministry of Economic Development, would enable a more effective and efficient use of resources – and would improve democratic accountability as a result.

5. A strategic Italian approach

A successful defence policy also requires strategic political guidance. The foundations of Italy's strategy towards national and international security, codified in the 2015 White Paper, are still valid today. Yet they have to be implemented consistently, taking into account the sea of troubles besetting the country as well as perception gaps with key allies.

Within NATO, Italy needs to offer practical solutions and adequate resources to enable the Alliance to make a valuable contribution to Mediterranean stability. It also needs to

be realistic in recognising the limits of what NATO can do to address non-military threats in the South, and thus promote NATO-EU synergy, mobilising the Union's broader toolbox.

Within the EU, while remaining an active player in shaping PESCO and the EDF, Rome should be more consistent in making the necessary investments – another good reason to pursue budget rationalisation and gradually raise defence spending towards the 2% NATO commitment.

This requires a better alignment of military, industrial and political thinking in each strategic choice Italy makes on defence cooperation in Europe. A number of bilateral and mini-lateral projects are in the pipeline, from sixth generation fighters to main battle tanks, and Rome should be ready to step up with cash, capabilities and contributions.

European defence and security cooperation is not just about capabilities. Italian interests are better served if Rome contributes to a common European position on issues like the Iran nuclear deal, relations with Russia and an overall approach towards China – without forgetting the need to preserve transatlantic and cross-Channel political and military cooperation. All these issues are interlinked with Mediterranean stability, which is Italy's priority but should not be the only item on the agenda of Italian defence and foreign policy.

The challenge in the Mediterranean goes well beyond the defence domain and calls for civil-military cooperation with a stronger political lead from the prime minister and head of state. Strategic issues such as striking a grand bargain with France and addressing instability in Libya require long-term vision and political consistency.

FOOTNOTES

- (1) The term “ring of friends” was coined by Prodi in an interview with the author for Reuters in November 2002. <https://www.timesofmalta.com/articles/view/20021113/local/prodi-seeks-quot-ring-of-friends-quot.162917> He fleshed out the vision in a series of speeches on “Wider Europe” leading to the ENP. http://europa.eu/rapid/press-release_SPEECH-02-619_en.htm
- (2) For more on how to break the EU deadlock over migration and asylum policy, see the excellent study *For a European Policy on Asylum, Migration and Mobility*, by Jerome Vignon for the Jacques Delors Institute: <http://institutdelors.eu/wp-content/uploads/2018/11/ForaEuropeanPolicyonAsylumMigrationandMobility-Vignon-Nov18.pdf>

ANNEX: WHAT OTHERS THINK

SURVEY ON ITALY'S ROLE AS A REGIONAL AND GLOBAL SECURITY ACTOR

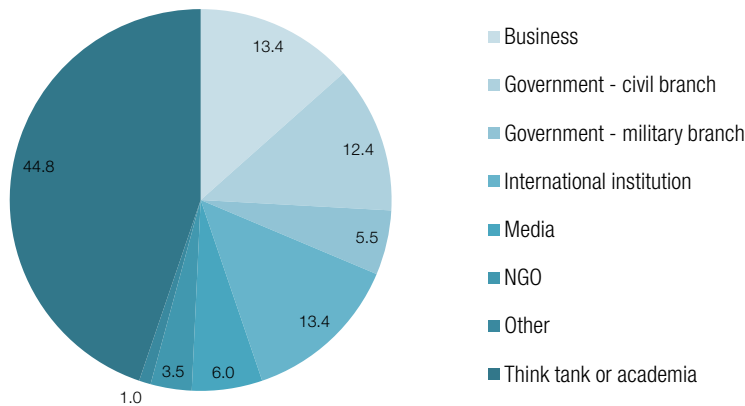
OVERVIEW

As part of this report on Italy and its role in the future of European defence and Mediterranean security, Friends of Europe and the Istituto Affari Internazionali (IAI) conducted a survey exploring how sectoral stakeholders in Italy, Europe and beyond perceive the nation's position in regional and global undertakings. The results of the survey complement findings from in-depth interviews that provide analysis and recommendations for the Italian and EU leader-ship.

This survey consisted of 17 questions on topics pertaining to major priorities for Italy's security and defence cooperation frameworks; threat perceptions; relations with NATO and the EU; Italy's role in the Mediterranean region; and future military and security cooperation scenarios. About 200 security and defence stakeholders took part in the survey over a two-month period. Participants were asked to indicate the sector in which they work, country of origin and residence.

1. Which sector do you work in?

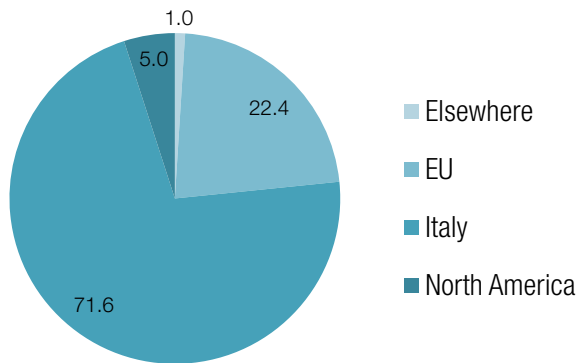
Figure 1:



2. What is your country of origin?

Responders came from 24 countries, which can be put into the following categories: Italy, EU, North American and Elsewhere (Figure 2). For the purpose of this analysis, we gathered them in two groups: Italian (79.1%) and non-Italian (20.9%).

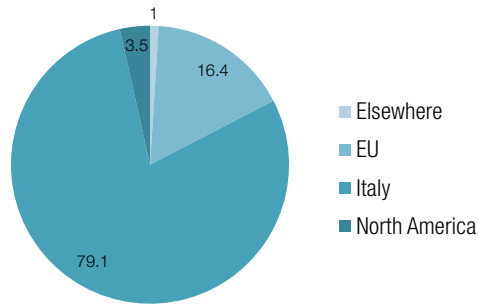
Figure 2:



3. What is your country of residence?

Respondents lived in 15 countries, with almost two thirds residing in Italy (71.6%) and most of the remaining residing in other EU countries (22.4%).

Figure 3:



STRATEGIC ENVIRONMENT

4. How relevant do you think these topics are as a threat for Italy's security?

Participants were asked to rate how pressing the following potential threats are to Italy's security, scoring them from 1 (not important) to 5 (very important):

- a. Islamist terrorism
- b. Uncontrolled migration
- c. Cyber-attacks and information warfare
- d. Disintegration of the EU
- e. Disintegration of NATO
- f. Unemployment, depopulation and decline of living standards
- g. Instability in North Africa and the Middle East
- h. Climate change/desertification of Mediterranean basin
- i. Russia

The highest rated potential threat was the disintegration of the EU (4.25), which more than half of participants (56.7%) view as a very important threat to Italian security. Unemployment, depopulation and decline of living standards were also considered a very relevant threat by 37.3% of participants. On the other hand, Russia was voted the least relevant threat (2.85), followed by Islamic terrorism (3.09). (Figure 4)

Italian participants rated almost every threat as more relevant to Italian security than non-Italian respondents. However, it is interesting to note that Italians see uncontrolled migration as less of a relevant threat than non-Italians (0.36 points difference). Russia is the other exception to the trend and is regarded by Italians as a less relevant threat than by non-Italians (0.07 points difference). (Figure 5)

Figure 4:

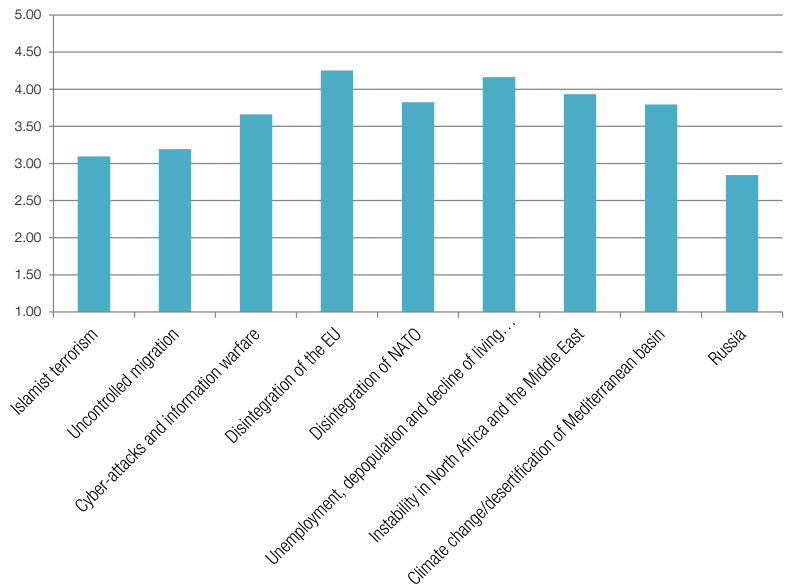
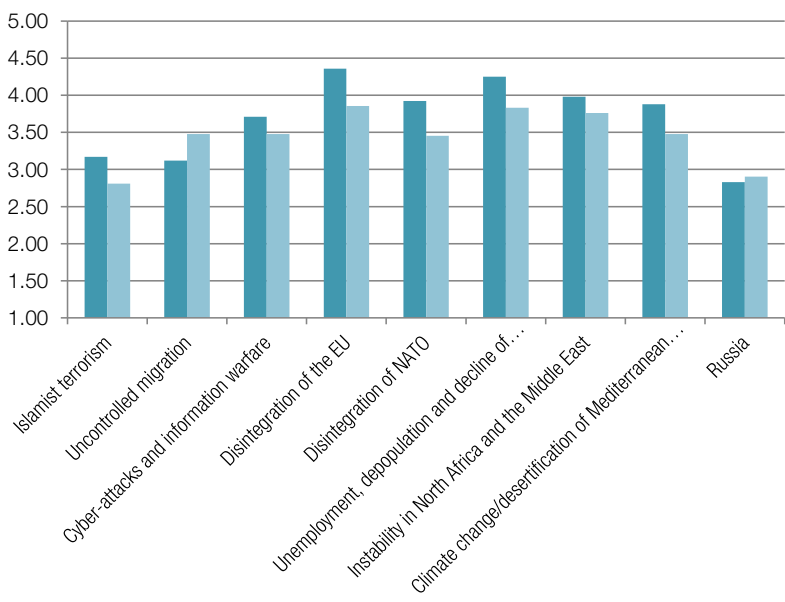


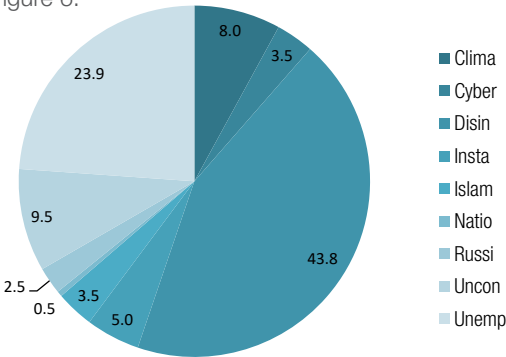
Figure 5:



4.a) Which of them is the most important?

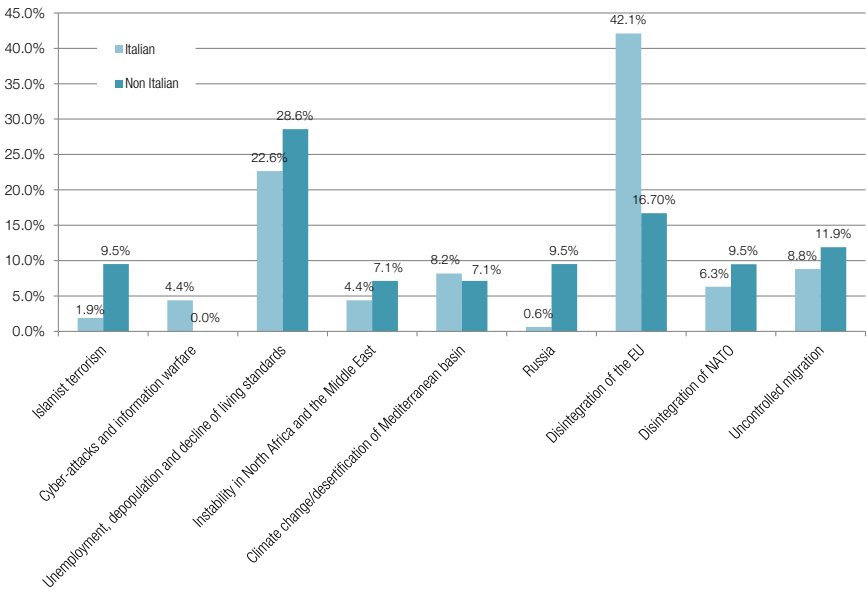
A disintegration of the EU was seen as the most significant threat by 36.8 % of participants, followed by the threat of unemployment, depopulation and decline of living standards (23.9%). Only 2.5% saw Russia as the most serious threat, followed by cyber-attacks and information warfare and Islamic terrorism. (Figure 6)

Figure 6:



We can see significant differences when comparing Italian and non-Italian responses. While 42.1% of Italian participants think that disintegration of the EU represents the most important threat to Italian security, only 16.7% of non-Italian respondents think it. For non-Italian participants, unemployment, depopulation and decline of living standards is the most important (28.6%). None of the Italian respondents considered cyber-attacks and information warfare as the most important threat, while 4.4% of non-Italians did. Disparate perceptions of Russia and Islamic terrorism also creates dissent as more non-Italian than Italian participants consider them the most important threat by large margins (9.5% vs 0.6% and 9.5% vs 1.6% respectively). (Figure 7)

Figure 7:



5. How well suited are the current Italian government’s policies to deal with these challenges?

Participants were asked to rate how well suited the current Italian government’s policies are to deal with the aforementioned security challenges. They could choose between: very well, well, not very well, not at all or don’t know.

Although none of the participants declared that the current Italian government’s policies are not at all suited to deal with the challenges, an overwhelming 87.6% rated them as not very well suited to address these threats. 10% of participants thought current policies were well suited and only 1% ranked them as very well suited. (Figure 8)

Italian participants are slightly more critical of the current government than non-Italian respondents.

Figure 8:

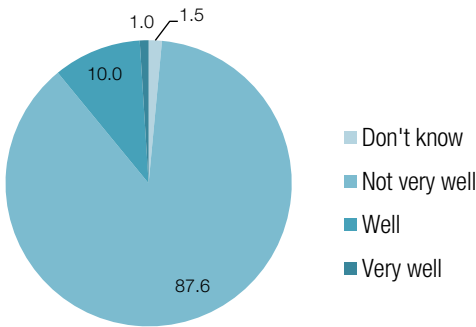
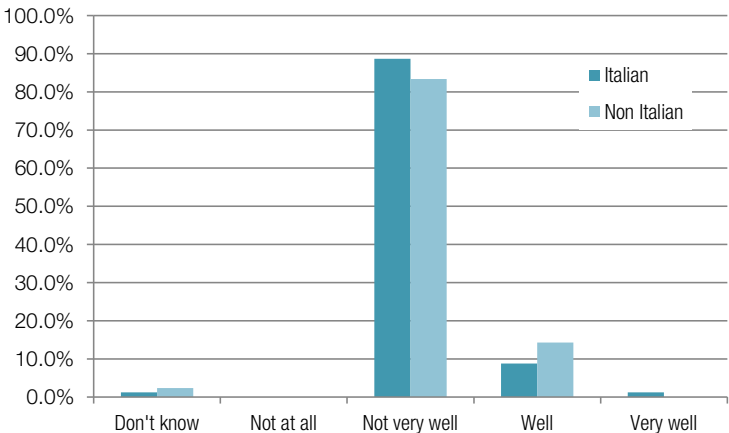


Figure 9:



ALLIANCES

6. How important do you think these countries/organisations are as partners for Italy?

Participants were asked to rate how important different countries and organisations are as partners for Italy, scoring them from 1 (not important) to 5 (very important):

- a. NATO
- b. EU
- c. US
- d. China
- e. Russia
- f. Turkey
- g. Poland
- h. Other Mediterranean countries

Most of the participants (84.6%) declared that the EU is a very important partner for Italy. The EU scored 4.76 out of 5 in terms of importance, followed by NATO (4.19 points) and the US (3.96 points). Only 2% of participants thought that Poland or Turkey are very important for Italy; in fact, 28.9% of them believe Poland (2.18 points) is not important for Italy and 19.9% voted likewise for Turkey. (Figure 10)

The biggest variance between Italian and non-Italian respondents was about Russia (0.48 points difference) and China (0.28 points difference). In both cases, Italian participants saw them as more important partners than non-Italian respondents. The only two cases in which non-Italian participants rated a country or organisation as more important to Italy than Italians themselves is in the cases of Turkey and other Mediterranean countries (Figure 11).

Figure 10:

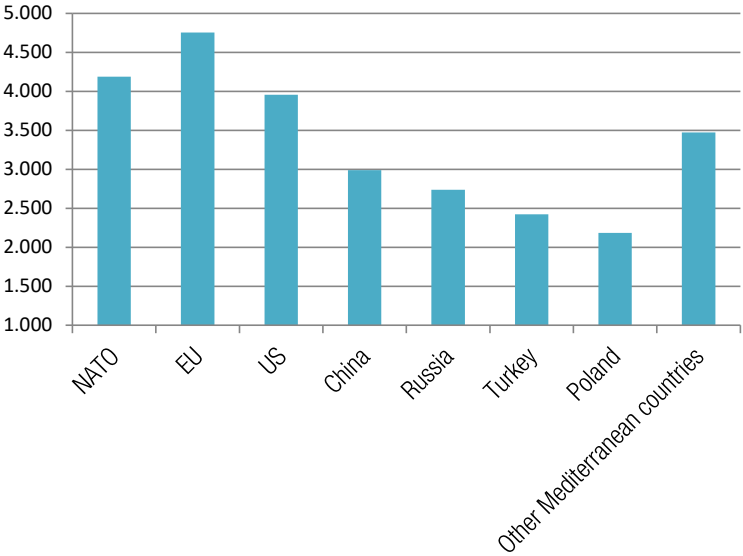
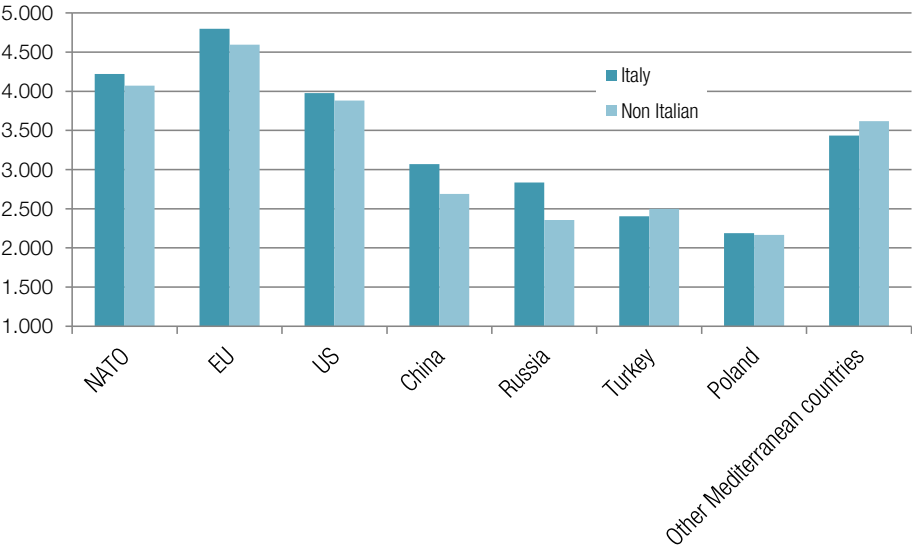


Figure 11:



7. Which defence cooperation framework should the government prioritise?

Participants were asked which framework the Italian government should prioritise for defence cooperation, choosing between: NATO, the EU or bilateral cooperation with other countries.

More than half of respondents (58.2%) answered that the Italian government should prioritise the EU, 34.3% of them thought it should prioritise NATO, and only 7.5% chose bilateral cooperation.

However, the answers vary significantly between Italian and non-Italian participants. Most Italian respondents (63.5%) said Italy should prioritise cooperation with the EU, while most of the non-Italians (54.8%) thought Italy should focus on NATO. (Figure 13)

Figure 12:

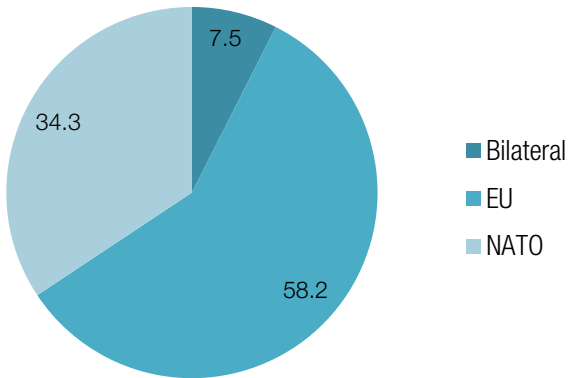
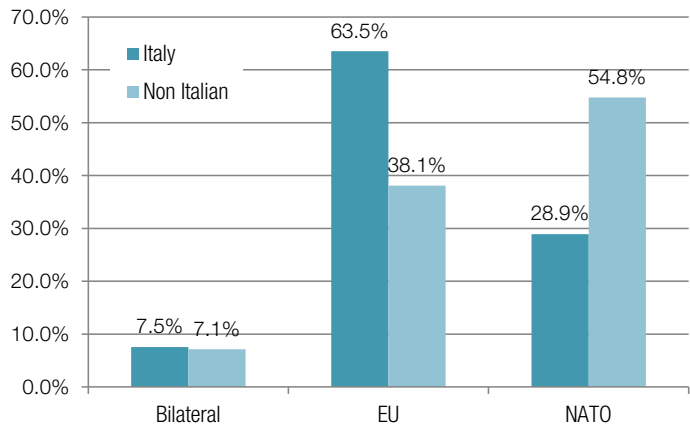


Figure 13:

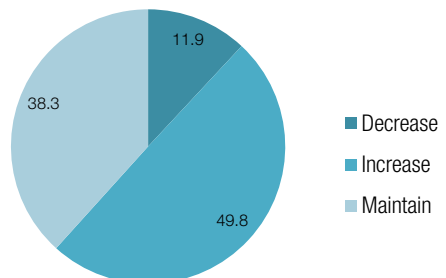


DEFENCE EXPENDITURE

8. Italy's government recently announced a cut in defence expenditure of 0.5 billion euros in 2019 with a further cut planned in 2020. Do you think Italy should increase, decrease or maintain defence spending unchanged?

When asked if the Italian government should increase, decrease or maintain defence spending, almost half of the participants (49.8%) answered that the government should increase its defence spending. 38.3% said the government should maintain it unchanged, and only 11.9% declared it should decrease it. When Italian and non-Italian responses to this question were compared, we could observe a consensus on this matter.

Figure 14:



9. How important do you think it is that Italy focuses its defence spending on these different areas?

Participants were asked to rate how important it is that Italy focuses its defence spending on different areas, scoring them from 1 (not important) to 5 (very important):

- a. Coast guard
- b. Air force (including nuclear-capable fighter aircraft)
- c. Ocean-going navy
- d. Land forces (including peacekeeping missions)
- e. Artificial Intelligence
- f. Intelligence, reconnaissance and surveillance
- g. Cyber defence

Half of the respondents ranked intelligence, reconnaissance and surveillance as most important (53.2%), closely followed by cyber defence (49.3%). The lowest graded area was the navy (2.85) as only 10% of participants thought it was very important that the government prioritised investing on it. The navy proved to be even more unpopular on further inspection as 23.4% of respondents said it was of little importance and 16.9% declared it is not important. (Figure 15)

Italian participants ranked almost every area as more important for defence spending than non-Italian respondents did. The only two areas to which non-Italians give more importance than Italians are Maritime forces: the coast guard (0.58 point difference) and ocean-going navy (0.26 difference). (Figure 16)

Figure 15:

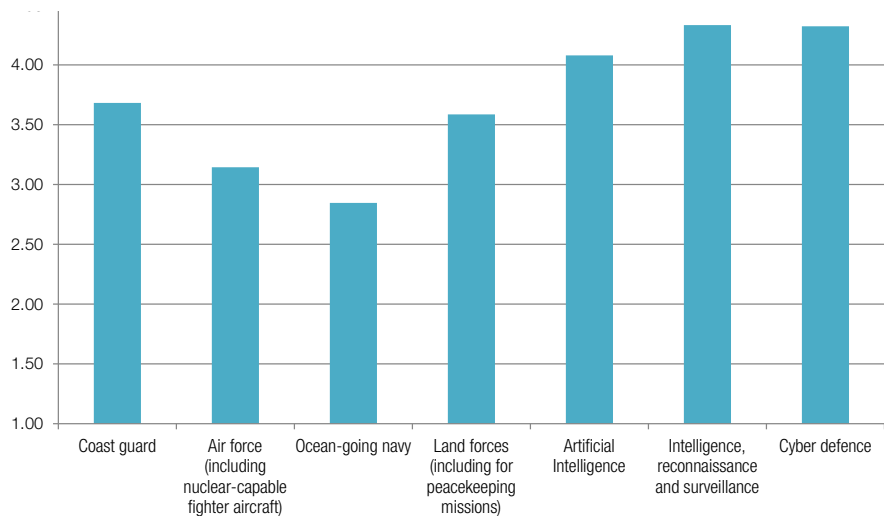
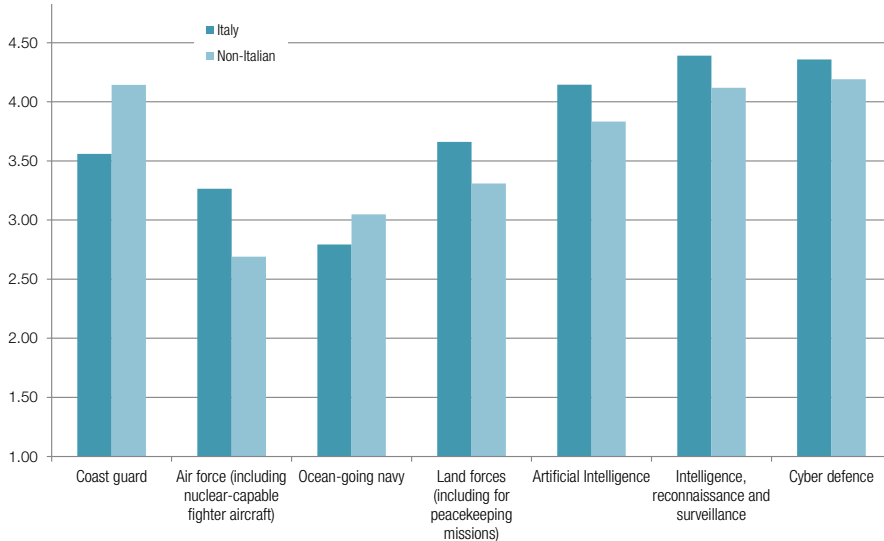


Figure 16:



9.a) Which of them do you think is the most important?

When asked which of these seven capability areas is most deserving to receive defence spending, 38.3% of participants said the government should prioritise intelligence, reconnaissance and surveillance and 22.9% felt that cyber security was most important. The lowest score went to the Air Force, as only 4.5% of participants though it should be a priority. (Figure 17)

There were significant differences between Italian and non-Italians’ answers. While 44.7% of Italian participants think that intelligence, reconnaissance and surveillance should be the top priority, only 14.3% of non-Italians agree. On the other hand, 33% of non-Italian respondents prioritise spending on the coast guard, which is only perceived by 7.5% of Italian participants as the most important area. (Figure 18)

Figure 17:

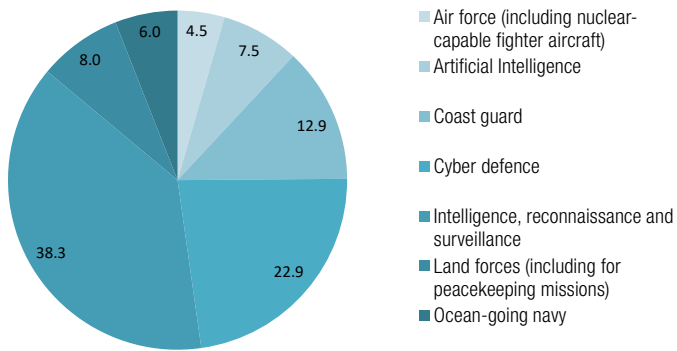
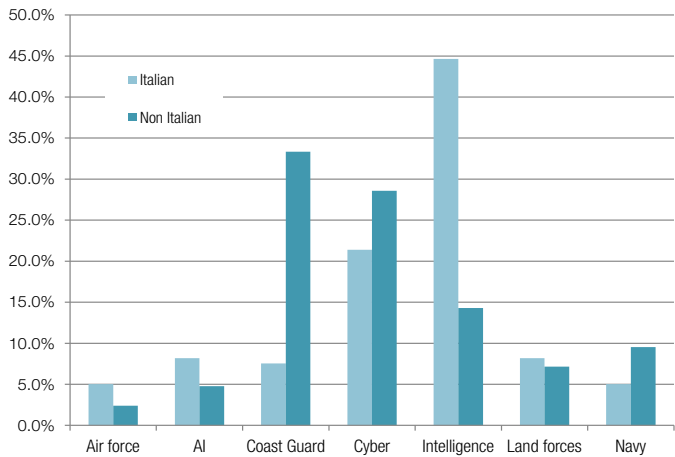


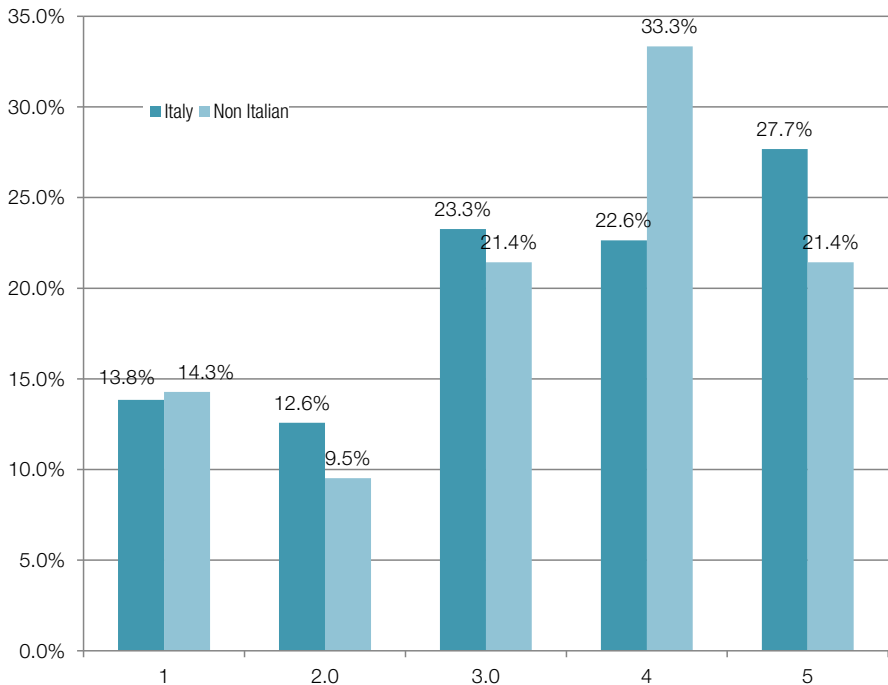
Figure 18:



MIGRATION**10. Do you think that Italy is losing or gaining international influence due to the government's tough policy on migration?**

Participants were asked whether the current Italian government's tough policy on migration is damaging Italy's international influence. Grading from 1 (not at all) to 5 (absolutely), the average mark respondents gave to this question was 3.38. Most of participants (74.2%) see Italian migration policies as damaging its international influence to some extent; 26.4% of respondents said it was absolutely provoking a loss of international influence. Only 13.9% of participants declared that these policies were not damaging Italy's international influence at all.

Figure 19:



11. Should EU agencies (FRONTEX, EASO, etc) have a bigger role a) in patrolling the Mediterranean Sea between Italy and North Africa; and b) in registering and processing asylum seekers who arrive in Italy?

Participants were asked if EU agencies (FRONTEX, EASO, etc) should have a bigger role in (a) patrolling the Mediterranean Sea between Italy and north Africa and (b) in registering and processing asylum seekers who arrive in Italy. Responses showed that an overwhelming number of participants thought the EU should have a bigger role in both areas. 88.6% of participants thought that the EU should have a bigger role in patrolling the Mediterranean Sea between Italy and North Africa, while 82.1% said EU agencies should be more involved in registering and processing asylum seekers who arrive in Italy. Italian and non-Italian gave similar responses.

Figure 20:

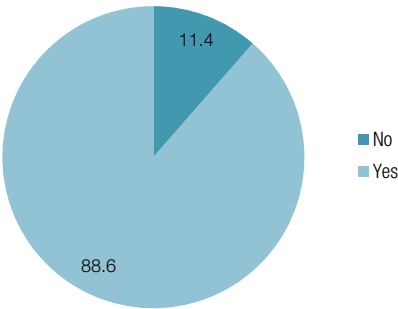
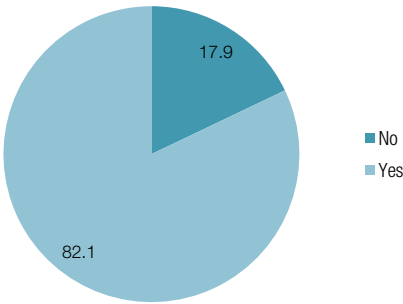


Figure 21:



ITALY AND THE EU

12. How effective do you think the role of Italy is in European security?

Participants were asked to grade the effectiveness of Italy’s role in European security from 1 (not effective) to 5 (very effective). The average result is an exact 3. Participants’ opinion is divided, as 31.9% of them think it is rather effective while 23.9% think it’s rather ineffective. As we can see in figure 22, the answers are almost symmetrical.

A higher percentage of Italian respondents than of non-Italians think Italy’s role in European security is effective. Conversely a slightly bigger percentage of non-Italian participants think it is rather ineffective. (Figure 23)

Figure 22:

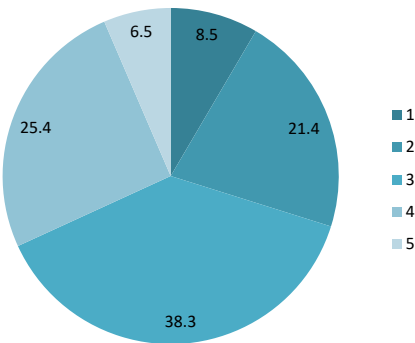
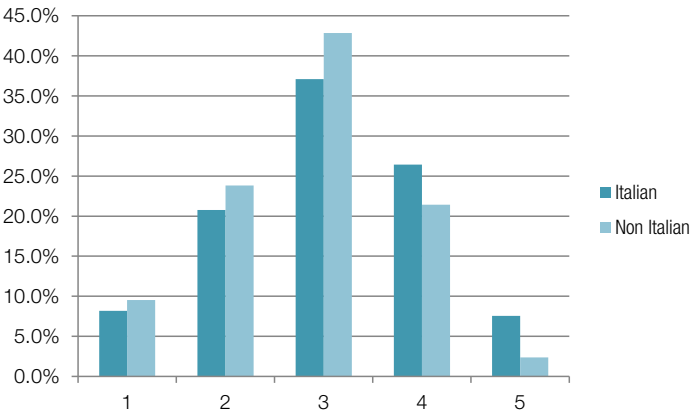


Figure 23:



13. Should the EU increase its efforts toward a European army?

Asked if the EU should increase efforts to create a European army, 77.6% of participants voted in the affirmative as 22.4% of respondent think it should not.

Italian stakeholders are significantly more inclined to support a European army than non-Italians: 82.2% of Italian participants voted in favour of it while only 59.5% of non-Italians supported it.

Figure 24:

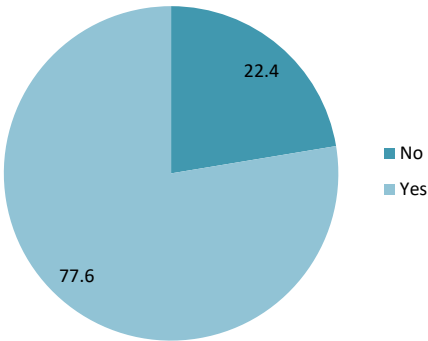
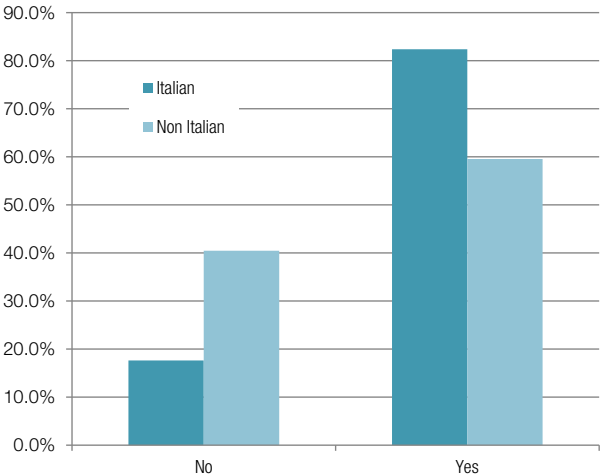


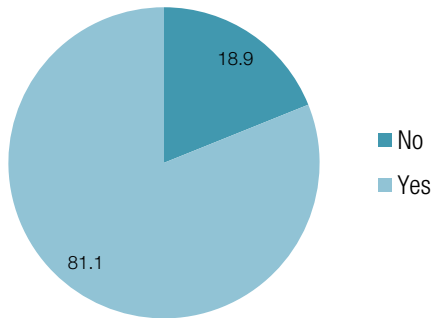
Figure 25:



14. Should Italy join the European Intervention Initiative launched by France to develop a common strategic culture and prepare for possible joint external crisis missions?

When participants were asked if Italy should join the European Intervention Initiative launched by France to develop a common strategic culture, four-fifths responded it should (81.1%). In this case, both Italian and non-Italian participants followed the same trend.

Figure 26:



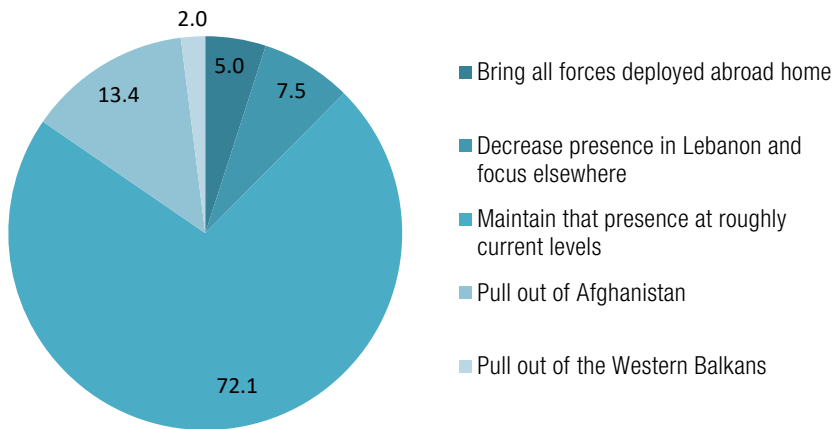
ITALY AS INTERNATIONAL ACTOR

15. Italy is a major troop contributor to peacekeeping operations in Lebanon, Afghanistan and the western Balkans. Should it:

- a.Maintain that presence at roughly current levels?
- b.Decrease presence in Lebanon and focus elsewhere?
- c.Pull out of Afghanistan?
- d.Pull out of western Balkans?
- e.Bring all forces deployed abroad home?

Participants were asked to choose between one of the above strategies for the future of Italian peacekeeping operations. Most of them declared that Italy should maintain that presence at roughly current levels (72.1%), 13.4% said it should pull out of Afghanistan, 7.5% wanted it to decrease presence in Lebanon and focus elsewhere, 5% thought it should bring all forces deployed abroad home, and only 2% declared that it should pull out of the Western Balkans. In this case, both Italian and non-Italian participants followed the same trend.

Figure 27:

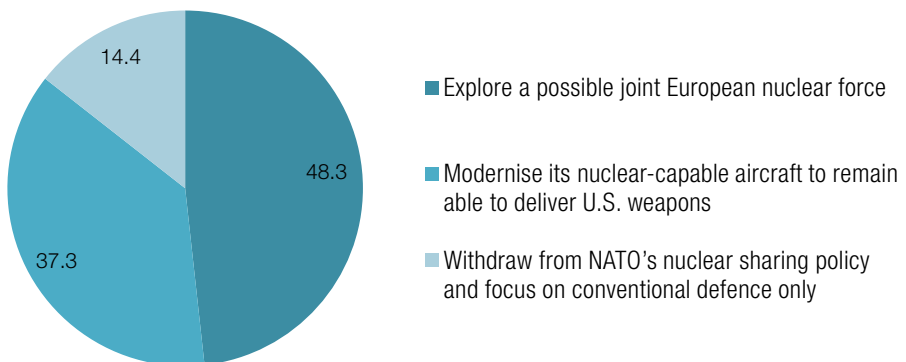


16. As part of NATO's nuclear deterrence, Italy and four other European allies currently operate aircraft capable of delivering U.S. nuclear weapons stored on their soil. These systems are aging and will need to be modernised to remain effective. Should Italy:

- a. Modernise its nuclear-capable aircraft to remain able to deliver U.S. weapons?
- b. Withdraw from NATO's nuclear sharing policy and focus on conventional defence only?
- c. Explore a possible joint European nuclear force?

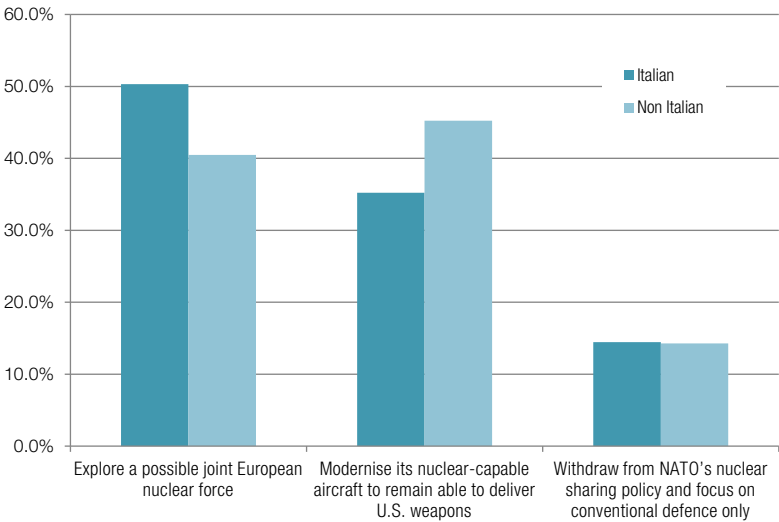
Participants were asked to decide which nuclear strategy Italy should pursue once its aircraft capable of delivering U.S. nuclear weapons become obsolete. Almost half of the participants (48.3%) said Italy should explore a possible joint European nuclear force, 37.3% said it should modernise its nuclear capable aircraft to remain able to deliver U.S. weapons and only 14.4% said that it should withdraw from NATO's nuclear sharing policy and focus on conventional defence. (Figure 28)

Figure 28:



Once again, Italians were more in favour of European defence cooperation as 50.3% voted for exploring a possible joint European nuclear force while 40.5% of non-Italian did. Non-Italian voters were more inclined to say Italy should modernise its nuclear-capable aircraft to remain able to deliver U.S. weapons (45.2%). (Figure 29)

Figure 29:



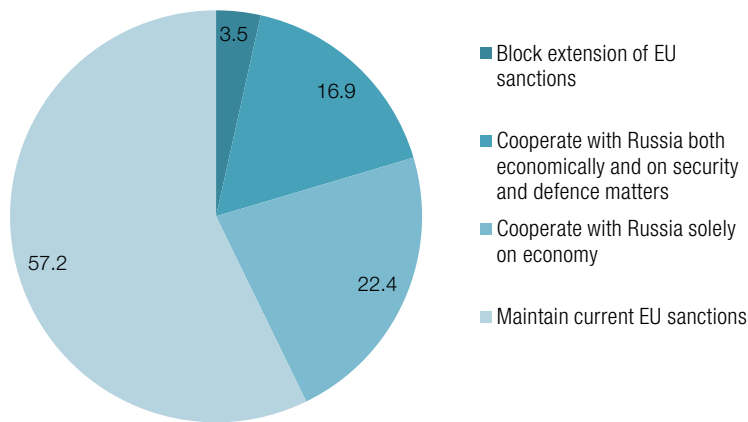
17. What stance should Italy take towards Russia?

Participants were asked what stance Italy should take towards Russia, choosing between:

- a. Maintain current EU sanctions
- b. Block extension of EU sanctions
- c. Cooperate with Russia solely on economy
- d. Cooperate with Russia both economically and on security and defence matters

Most participants (57.2%) said Italy should maintain current EU sanctions while only 3.5% thought that it should block the extension of sanctions. 22.4% of respondents said Italy should cooperate with Russia solely on the economy while 16.9% would extend this cooperation to security and defence matters. (Figure 30)

Figure 30:



Italian voters appeared less aligned with the EU position than non-Italian participants. While 71.4% of non-Italians said Italy should maintain current EU sanctions, only 53.3% of Italians agreed. And while 42.8% of Italians want cooperation with Russia, only 26.2% of non-Italians said Italy should cooperate with Russia. (Figure 31)

Figure 31:

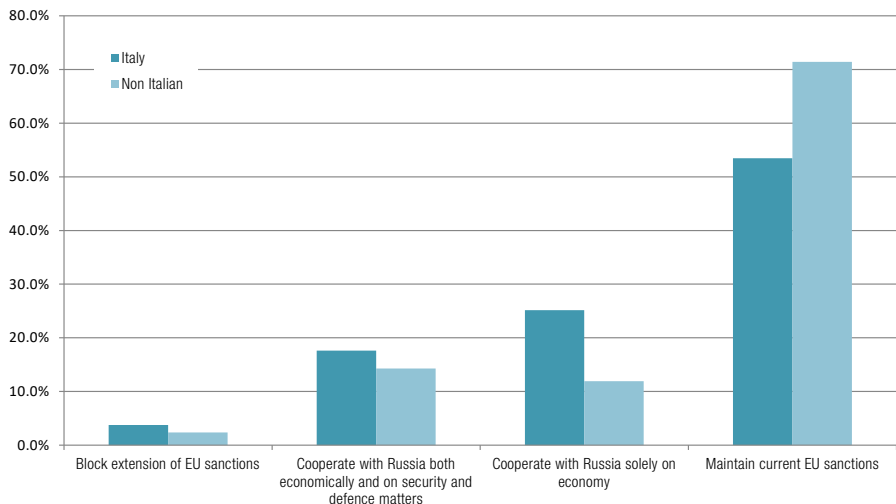


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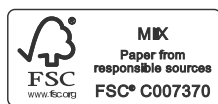
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