PERMANENT STRUCTURED COOPERATION (PESCO): Opportunities and Risks for the Italian Military Sector

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Achieving control over change, in respect to lifestyle, demands an engagement with the outer social world rather than a retreat from it.¹

I. INTRODUCTION

It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it
was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of
Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing
before us, we were all going direct to Heaven, we were all going direct the other way—in short, the period
was so far like the present period, that some of its noisiest authorities insisted on its being received, for good
or for evil, in the superlative degree of comparison only. ²

These were the thought-provoking words used by Charles Dickens in the opening chapter of “A Tale of Two
Cities” in 1859.

Today it would seem that we are witnessing another time of great contradictions. It is not central tension
between love and family, and between oppression and hatred that characterised the French Revolution, in the
words of Dickens, but another unstable time of despair and pain on one hand, and bliss and hope on the other.
As a matter of fact, the current period is marked by a brand-new paradoxical relationship that has gradually
developed between the current hybrid threats typical of the twenty-first century and the emergence of advanced
security projects.

In line with the thought of Charles Kupchan, who suggested that the state system nowadays, albeit not wholly
multipolar yet, is characterised by power vacuums; the vast majority of theorists claim that the Western
hegemony no longer leads the new globalised world in which we live.³ The events of the last few decades,
indeed, bear witness to what we might define a state system chaotic transition from unipolarity to multipolarity,
a changeover that often risks producing instability since some states are revisionists, as will be analysed later.
Quoting Charles Kupchan “Transitions in the balance of power are dangerous historical moments; most of
them have been accompanied by considerable bloodshed.”⁴

The words of the 1973 Nobel Peace Prize, Henry Kissinger, are not much more heartening. In his book “World
Order”, published in 2014, the American statesman and political scientist argued that a new balance of power
is needed but extremely difficult to be achieved since multilateralism is based on a certain number of universal
norms which do not exist at present.⁵

Within this peculiar context, it is evident that the European Union is facing significant strategic risks and
pressing threats. When external and internal intimidations are hardly defined and, thus, ambiguous,

³ Charles A. Kupchan, No Ones World: The West, the Rising Rest, and the Coming Global Turn. (New York: Oxford University
Press, 2013), 184, quoted in Matlary, Janne Haaland. Hard Power in Hard Times: Can Europe Act Strategically? (Cham,
⁴ Charles A. Kupchan, No Ones World: The West, the Rising Rest, and the Coming Global Turn, 184-185, quoted in Matlary,
consequently also the national interest is unclear, leading security and defence policies to be at the very bottom of the political list of priorities. This has happened in the vast majority of European states after the Cold War, but there has been a meaningful change in world politics since 2010.

The out-of-control world of globalisation in which we live, scarred by deep divisions and by the feeling of being all prey to forces over which we have no power, presents unprecedented opportunities for multilateral cooperation on the one hand, and new uncertainties on the other. Many difficulties, indeed, have challenged existing global balances and the liberal international order that has predominated since the end of World War II.

In Europe, territorial integrity continues to be severely violated as demonstrated by the Russian annexation of Crime and by the heavy fighting in the Eastern part of Ukraine that has led to severe escalations in the Azov Sea and Kerch Strait. In the meanwhile, global and regional powers from the Middle East to Asia are modernising their industrial sectors, changing the military power balance which has always focused on the US as military hegemon. Furthermore, in the last few years, Daesh, and other terrorist actors have attacked at the heart of European cities and elsewhere. The killing of almost the entire staff at Charlie Hebdo early in January 2015, the deadliest attack in Paris on Friday 13 November the same year and, the massacre in July 2016 in Nice marked a catastrophic turning point. Subsequent attacks in Brussels, Manchester, Strasbourg further singled transnational terrorism as one of the most severe areas of concern. It is not surprising that considering all these circumstances, the proportion of those who think that the EU is a safe place has fallen significantly: from 79 percent in 2015 to just over two thirds, 68 percent, in 2017.

While tensions of political and military nature between key security actors endure in the EU’s close neighbourhood, multi-layered sources of hybrid threats have emerged, including cyber attacks, fake news, and disinformation campaigns. Growing geopolitical competition, instability and underdevelopment in the Middle East and North Africa (MENA) region put the values of liberal democracy under attack, pushing Europe to reconsider their foreign policies.

In other words, global challenges have not just increased in recent years, they have become more convoluted, multidimensional and fluid, and in the face of these developments, Europe was left alone, while the US was looking away.

Since Member States are deeply interdependent, in what John Burton could have defined a modern “cobweb model” of transnational relationships, Europe can neither be divided nor silent in the face of complex security challenges. Hence, driven by the firm consensus that no single Member State is able to master alone the

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emerging security threats of the twenty-first century, Europe has started to build its response to these uncertainties and disorders.

The continually changing geopolitical context demands Europe new capacities and resources and requires European leaders, so far uncomfortable with using hard power tools, to start thinking strategically. Used to conduct foreign policy taking advantage only of its soft power, Europe was successful in demonstrating that this policy of “carrots only” has been a healthy diet, suffice it to mention that there has been no violent conflict within or between European state since the 1999 Kosovo campaign. However, the Kantian peace produced and maintained by Europe in a Hobbesian world is now at risk, and it is, thus, the time when Europe must remember also having a “stick” through which conduct foreign policy.

Therefore, in this time marked by rapid change and unsettling shifts, European citizens are asking for a more structured defence cooperation at the European level. Accordingly, with the resurgence of state security concerns, Europe demands unitary actor risk-willingness and hard power capacities, pushing members states more closely with each other in the defence field. Since European Commission President Jean-Claude Juncker’s Political Guidelines, the European Member States and institutions have jointly laid new foundations for Europe’s own security, making European defence cooperation achieving unprecedented momentum. In light of strengthening European cooperation in security and defence field, on June 28th, 2016, immediately after the Brexit referendum, the EU adopted its new global strategy, European Global Strategy for Foreign and Security Policy (EUGS), elaborated under the leadership of the High Representative Federica Mogherini. Under the title "Shared Vision, Common Action: A Stronger Europe", this strategy systematically encourage a process of closer cooperation and strive to produce a robust European defence industry, proving that Europeans are becoming well aware of what is at stake in this unstable mutating security environment.

In line with the Liberal Intergovernmental approach whose father was Andrew Moravcsik, the Union is what the Member States want it to be, and, hence it will be crucial to report on the history of the processes that lead to our current condition.

The question I will try to tackle in this research is: will the European Global Strategy for Foreign and Security Policy (EUGS) be offering, in particular the Permanent Structured Cooperation (PESCO), new opportunities to the Italian military sector or new risks dictated by a potential Franco-german military oligopoly?"

At the beginning of the investigation, I will analyse the progressive developments and the results of European integration in foreign, defence and security matters, taking into account the unique terms through which the domain of security and especially defence policy has been framed starting from the Maastricht Treaty.

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Therefore, the first part will examine the history of European defence up to the latest strategies through which “[...] able and willing Members states”\textsuperscript{14} jointly decided to take greater responsibility for European security. Furthermore, the aim of the initial section is to provide a comprehensive overview of both the exogenous and endogenous factors that had marked a significant turning point for European defence.

Later, emphasis will be placed on the new initiatives in the European defence sector, illustrating the functions of the central projects developed within the European Global Strategy for Foreign and Security Policy (EUGS) framework, that is to say: PESCO, CARD and EDF. Moreover, in order to fully grasp the significant change that has occurred in the European defence, two crucial aspects of the Permanent Structured Cooperation will be examined: on the one hand the different strategic priorities of PESCO’s members, outcomes of the diverging perceptions of threats, and on the other hand the ambitious projects designed under its framework.

The second part of the research, therefore, aims at bringing to light the latest improvements in the domain of security and defence policy, achieved with the precise aim of actively responding to the emerging crises.

Finally, it will be necessary to delineate the role of the Italian military industry in this “new” European defence. The last chapter will be, hence, firstly devoted to the analysis of the Italian position in Europe, through the study of its strategic priorities, and subsequently, the attention will be shifted to the Italian response to both external and internal threats. Through a cost-benefit analysis, resulting from the comparative study of academic sources, articles and books, the research will try to assess what impact these new defence policies will have on the Italian military-industrial sector.

CHAPTER 1. EUROPEAN DEFENCE: YESTERDAY AND TODAY

“Europe must take greater responsibility for its own security and underpin its role as a credible and reliable actor and partner in the area of security and defence. The Union is therefore taking steps to bolster European defence, by enhancing defence investment, capability development and operational readiness.”

With these compelling words, the European Council opens the second section of the “Conclusions” adopted at the meeting held on 28 July 2018.

This gripping report somehow seems to echo the then forecasting statement of the former Chairman of NATO’s Military Committee, General Klaus Naumann, and former Supreme Allied Commander Europe, General Joe Ralston: “European defense integration is not an interesting option, it is an imperative.”

Notwithstanding this, for several years, the European Union has been sharply criticised for its lack of investment in the defence field, notably for the general lack of trust in the European unity and capacity to intervene militarily during international crises. Today European action in the domain of defence policy is indispensable since peace in Europe seems to be precarious. Within this distinctive context marked by widespread international instability, the European Union is faced with the choice to either organise its security effectively and constructively or to renounce, once and for all, to its defensive capability.

All things considered, Europe does not seem to be willing to give up the strategic autonomy it is intended to achieve. Hence, Europe has started to deal rationally with the problem of security and defence.

At the NATO Parliamentary Assembly meeting, the High Representative of the EU for Foreign Affairs and Security Policy, Federica Mogherini asserted: “[...]In the last two years, we have built the basis for the defence of the European Union that was a dream of the founding fathers and mothers since the very beginning(...)”

What has been precisely achieved in the last two years?

This subsection provides a concise historical outline of the developments achieved in the European domain of security and defence policy.

1.1 The History of European defence

It all began on October 24th, 1950.

That day, indeed, René Pleven, President of the French Council of Ministers, proposed to the French National Assembly a power-hungry and ultimately doomed plan for wide-ranging defence integration, including the

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setting up of a European Army and the appointment of a European Minister of Defence. The French Prime Minister’s speech culminated with these words, followed by loud applause: “This Europe must not forget the lessons of two world wars and, at a time when it is building up its forces again, utmost ensure that they are never used for anything other than the defence of international security and peace.”

Having said that, it was not to be.

The plan was soon translated into a second Treaty meant to establish a second European Community: the European Defence Community (EDC). After two years of negotiations, all six members of the European Coal and Steel Community (ECSC) signed the agreement in Paris. However, in 1954, after a series of vicissitudes, this visionary project encountered a political impasse, and it was voted down by the French Parliament. This deadlock left a scar, marking the end of the idea of a common European defence for the following half a century.

Six years later, defence policy became the subject matter of another initiative, radically different in its essence. Conceived by French President Charles De Gaulle and named after the French Ambassador in Denmark who drafted it, the Plan Fouchet was introduced in 1961. This plan, intergovernmental in nature, envisaged the establishment of a “Union of states” to harmonise the policy of Member States in spheres of common interest, including defence.

However, the domain of security and defence policy has undergone the most remarkable changes between 1997 and 2007.

At the Franco-British Summit held in St. Malo on 3 and 4 December 1998, the then British Prime Minister Tony Blair and the then French President Jacques Chirac agreed on the need to give the European Union “the capacity for autonomous decision-making and action, backed up by credible military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crisis”. The Declaration recognised the leading role of the Western European Union (WEU), established in 1954, and NATO in collective defence, but also pointed out that “Europe needs strengthened armed forces that can react rapidly to the new risks, and which are supported by a strong competitive European defence industry and technology”.

23 Ibid.
Significantly, the Franco-British Declaration, devised as a repose to the armed conflict in Kosovo, was considered revolutionary for bringing security and defence back on the European agenda.  

The initiative undeniably paved the political path for the launch of the then European Security and Defence Policy (ESDP), now Common Security and Defence Policy (CSDP).  

A further qualitative leap was achieved through the Convention on the Future of Europe, the body established in 2001 by the European Council, following the Laken Declaration. The Convention aimed at producing a draft Constitution for the European Union and, in doing so, it set up a working group on defence chaired by the then European Commissioner Michel Barnier. In the final report of Working Group VIII report, released in December 2002, Barnier envisaged “closer cooperation” among those Member States “wishing to carry out the most demanding Petersberg tasks and having the capabilities needed for that commitment to be credible”, that is to say, a defence eurozone. Additionally, the Chairman suggested introducing a solidarity clause to enable Member States to address emerging threats jointly. This baffling provision marked a qualitative shift in the way European Union shaped its security environment, by basically laying the foundations for what we acknowledge as the “mutual assistance” clause, currently Article 42.7 TEU. Moreover, the final report recommended the launch of a “European Armaments and Strategic Research Agency to strengthen the industrial and technological base of the defence sector”. Furthermore, the Convention advocated the establishment of a “European Armaments, Research and Military Capabilities Agency” which would soon translate into the creation of the European Defence Agency (EDA) in 2004.

A new type of cooperation expressly committed to defence was inserted in the 2003 Draft Constitution, allowing the Member States fulfilling “higher military capability criteria” to “enter into more binding commitments”.  

The following year, the Treaty establishing a Constitution for Europe (TCE) did not bring significant changes. The negotiators, indeed, were dead set to maintain the provision according to which the execution of a security duties could be entrusted to a group of Member States, current article 44 TEU. Although the Constitutional Treaty did not lead to substantial improvements, it added the qualification “permanent” to “structured”.  

Signed in December 2007, the Lisbon Treaty, initially known as the Reform Treaty, provided a flexible framework for the development of Common Security and Defence Policy, by saving the substance of the Constitutional Treaty of 2004 and by amending the existent treatises. The Lisbon Treaty instituted the position

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28 Ibid.

29 Ibid.

30 Ibid.

31 Ibid.

32 Ibid, 19.

33 Ibid.
of High Representative of the Union for Foreign Affairs and Security Policy (HR/VP) and led to the creation of the European External Action Service (EEAS), placed under its authority.

With this Treaty, entered into force in 2009, there has been an evolution in the defence domain from a set of constraining to one of essentially enabling provisions. The treaty, indeed, not only introduced the solidarity and the mutual assistance clauses, respectively Article 222 TFEU and Article 42.7 TEU, but also extended the scope of both military and civilian missions to be carried out under the CSDP framework, Article 43 TEU.

Furthermore, the Treaty was devoted at the promotion of additional initiatives for what concerns Permanent Structured Cooperation, Articles 42.6 and 46 TEU, Protocol No 10, and enhanced cooperation, Article 20 TEU. Article 42.6 of the Treaty on European Union (TEU), indeed, provides the possibility for a group of like-minded Member States, “whose military capabilities fulfill higher criteria and which have made more binding commitments to one another in this area with a view to the most demanding missions”, to take European defence to the next level. Through Articles 42.6 and 46 TEU, and Protocol No 10, the Lisbon Treaty opened the possibility of differentiated integration within the treaty framework by introducing Permanent Structured Cooperation (PESCO).

Despite all these improvements, it has been a long time coming before any real change. As soon as the Lisbon treaty entered into force, it became evident that no single Member State was hasty in launching the Permanent Structured Cooperation. There was no adequate boost in substantially implementing the achievements included in the new Treaty due to numerous. First and foremost, since the end of 2009, the eurozone political context has been entirely dominated by a profound sovereignty debt crisis. Secondly, no single European country was openly looking at further integration. France and the United Kingdom began to enjoy a more structured bilateral partnership while the other initiatives in the defence domain led to the launch of the so-called Weimar Triangle in 2011. Thirdly, the Permanent Structured Cooperation was perceived as potentially divisive both among the Member States and inside them. Last but not least, Member States had long been held back by a long-standing question about sovereignty. Defence is; indeed, area governments perceive to be at the core of national sovereignty. With this in mind, European Members states faced a dilemma between the traditional logic of defence sovereignty and the “revolutionary” idea of ceding sovereignty to

34 Ibid.
37 Ibid.
38 Ibid., 23
supranational authorities, logic already expressed in Article 1 EDC.\textsuperscript{39} It took a long time before European
countries understood that “[…]Systematic defence cooperation and further integration will contribute to the
preservation of national sovereignty”.\textsuperscript{40} Quoting Emmanuel Macron, President of the French Republic: “To
cope with upheavals worldwide, we need sovereignty that is greater than our own, but which complements it:
European sovereignty”.\textsuperscript{41} It is no accident that when PESCO was first discussed, in 2010, the Belgian
Presidency discovered that the vast majority of Member States still doubted whether the structured cooperation
should be activated at all.\textsuperscript{42}

Hence for a relatively long time there was no mention of PESCO.

In those years, defence and security cooperation frequently took the form of joint development programmes,
such as the Euro-fighter Typhoon fighter plane, or the form of sharing capability such as the European Air
Transformation.\textsuperscript{43} Other initiatives went even further. Suffice it to mention some regional clusters such as the
one of the Benelux countries, the Nordic Defence Cooperation Mobile Training Team (NORDEFCO) or the
Visegrad Group, all set up in order to encourage greater defence collaboration among the Member States.\textsuperscript{44}
European defence cooperation relied, thus, on a multitude of impressive bilateral and multilateral bottom-up
initiatives that, however, proved to be insufficient.

 Providentially, since the first European Council devoted to CSDP, in 2013, the combination of powerful
agents, such as Putin, Brexit, and Trump, has led to an undeniable acceleration in the organisation of European
Defence. Putin’s realpolitik, the change of American leadership that has reached its peak with Trump
administration and the political and economic divides that have emerged following the British decision to
leave the Union, combined with the spread of nationalism and populism, developed centrifugal forces that
forced the Union to strengthen itself in order to preserve its identity.

This reality seems to be confirmed by looking at the defence expenditures in GDP.

Diverse analysis has, indeed, confirmed that the deteriorating security environment recently witnessed in
Europe has encouraged many European governments to raise their defence outlays and to reconsider defence-
investment priorities.\textsuperscript{45} Contrary to Trump’s arguments, indeed, the year 2013 broke the trend of declining

\textsuperscript{39} European Defense Community Treaty, art 1: “By the present Treaty the High Contracting Parties institute among themselves a
European Defense Community, supranational in character, consisting of common institutions, common armed Forces and a
common budget.”

\textsuperscript{40} “Speech by President Jean-Claude Juncker at the Defence and Security Conference Prague: In Defence of Europe,” European
Commission - PRESS RELEASES - Press Release - Speech by President Jean-Claude Juncker at the Defence and Security
January 30, 2019).

\textsuperscript{41} “Macron Defends the Idea of European Sovereignty | News | European Parliament,” Europarl.europa.eu, April 17, 2018,
sovereignty(accessed March 20, 2019).

\textsuperscript{42} Sven Biscop, “EU60: Re-Founding Europe. The Responsibility to Propose,” IAI Istituto Affari Internazionali, February 6, 2017,

\textsuperscript{43} “In Defence of Europe: Defence Integration as a Response to Europe’s Strategic Moment,” European Commission, June 15,

\textsuperscript{44} Ibid.

\textsuperscript{45} Lucie Béraud-Sudreau and Bastian Giegerich, “NATO Defence Spending and European Threat Perceptions,” IISS, July 16,
military spending in Europe that was observed since 2007.\textsuperscript{46}

This turn of events might be explained first and foremost by the significant change in threat perceptions. Notably, European governments, facing significant strategic risks and pressing threats have come to feel that the world is unpredictable. Secondly, this major shift in military spending might be interpreted in light of the improved economic situation across the continent. Indeed, most states experienced stronger GDP growth rates in 2017, and thus had more fiscal space to increase defence budgets. Thirdly, the defence imperative emerged as a response to the effects of two decades of reduced spending, resulting in visible capability and readiness shortfalls. After years of defence cuts after the end of the Cold War and in the aftermath of the financial crisis, European governments realised that “it is time to go further”.\textsuperscript{47,48} According to the data in The Military Balance 2019, total European defence expenditure is increasing both in nominal and in real terms, in Eastern, Northern, and Western Europe. Although in 2018 only four out of the 27 European NATO member states met the 2 percent symbolic threshold: Estonia, Greece, Lithuania and the United Kingdom, it is evident that European leaders have started to address the capability and readiness shortfall.\textsuperscript{49}

A report realised by The International Institute for Strategic Studies showed that NATO’s European Member States increased their defence budgets by 4.2 percent in real terms in 2018.\textsuperscript{50} In view of lastest estimates, it seems that European total defence spending would amount to the second largest military budget in the world, comparable to 1.5 times China’s official budget, and almost four times Russia’s estimated total military expenditure.\textsuperscript{51}

In light of strengthening European cooperation in security and defence field, on June 28th, 2016, in the immediate aftermath of the Brexit referendum, the EU adopted its new global strategy, European Global Strategy for Foreign and Security Policy (EUGS), elaborated under the leadership of the High Representative, Federica Mogherini. Under the title "Shared Vision, Common Action: A Stronger Europe", the strategy formally called for strategic autonomy, by systematically encouraging a process of closer cooperation and striving to produce a more credible joined-up European defence industry.\textsuperscript{52} Significantly, it suggested that 2016 that Europe had reached a point where progress was the only option.

\textsuperscript{49} Similarly: France (1.91%), Latvia (1.99%), Poland (1.97%) and Romania (1.93%).
\textsuperscript{51} Ibid.
With this in mind, France and Germany awakened the so-called “Sleeping Beauty” of the Lisbon Treaty. On 13 November 2017, twenty-three European Members States, except for Denmark, Ireland, Malta, Portugal and the UK, notified the High representative, Federica Mogherini and the Council of their intention to take part in PESCO. Ministers signed a joint notification launching Permanent Structured Cooperation (PESCO), setting out a list of binding commitments in the area of defence and handed it over to the High Representative and the Council. Federica Mogherini referred to that day as a “historic day for European defense”.

In light of this notification, on 11 December 2017, the Council took the historic step to adopt a decision establishing PESCO and its list of participants. And to this day, a total of 25 Member States got involved in PESCO, attracted by its inclusive and modular nature. It was a “dream that had become reality”, after sixty-seven years.

In order to get to grips with this achievement, it is necessary to understand what PESCO represents. Nicole Koenig defined PESCO as an ambitious and binding legal framework elaborated to incentivise cooperation among Member States in the area of defence capability development and operations.

Furthermore, PESCO is part of a broader defence package. In 2017, the European Union, indeed, set up a European Defence Fund, launched a mechanism for more coordination in national defence planning, and took first steps towards increased financial burden-sharing, expanding cooperation far beyond initial economic mandates.

The following subsections aims at providing a far-reaching audit of both the exogenous and endogenous factors that had marked the turning point for European defence above mentioned.

1.2 Exogenous factors

1.2.1 Trump and the change in the American leadership

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56 Ireland and Portugal joined PESCO before December.

57 See: https://twitter.com/eucopresident/status/941352204740497410


“It is time to stop pretending that Europeans and Americans share a common view of the world, or even that they occupy the same world. (...) Americans are from Mars and Europeans are from Venus: They agree on little and understand one another less and less.”

Although dating back to 2002, the words of Robert Kagan, American historian and theorist, could not be more actual.

The election of Donald Trump as the forty-fifth President of the US in November 2016 was one of the factors that have persuaded Europeans to channel greater politics effort into ways of increasing defence cooperation. In other words, Trump’s unreliable partnership offered a historical window of opportunity for European defence cooperation. In support of this argument, it is necessary to stress that President Donald Trump has evidently abdicated American leadership of the West, leaving Europe “home alone” in facing the emerging threats of the twenty-first century. Trump’s persistent refusal to criticise Russia has confirmed this perception. At the Russia-United States summit, held on July 16, 2018, in Helsinki, Trump was condemned for siding with the Kremlin and for having avoided criticising Putin or the cyber-attacks that he had coordinated, as suggested by the US intelligence. The impression was solidified by Trump’s meetings with NATO and G-7 leaders in Europe in late May and then additionally reinforced by the President’s announcement to cease the participation in the Paris Agreement. Furthermore, Trump has, on many occasions, questioned America’s defence obligations to its allies, defining NATO outmoded and arguing that allies failing to meet their spending thresholds would have to get leave. The 2016 US election results have, thus, raised severe doubts about the future of the United-States-European Union relations, pushing the Member States to take immediate action to prepare for the possible backlashes of the “American first” foreign policies. However, it is essential to highlight the fact that it is not merely Trump’s fault or merit. The US’s departure from the world’s policeman was a development long in coming and found its roots in the policies of Barack Obama. The former US President, was, indeed, firmly averse to embrace a leading role in the security domain and asked Europeans to take much more responsibility for their own security needs.

Therefore, Donald Trump’s remarks are not something new, especially for what concerns the lack of contributions to the North Atlantic Alliance. In June 2011, the ongoing US Secretary of Defence, Robert Gates, suggested Europe get its defence institutions and security relations on track, warning the bloc that NATO

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could continue along its current trajectory for much longer. He admonished Member States arguing that if a more balanced architecture was not achieved within the security alliance, NATO would face a “dim” and a “dismal” in future.

Quoting Gates: “The blunt reality is that there will be dwindling appetite and patience in the U.S. Congress […] to expend increasingly precious funds on behalf of nations that are apparently unwilling to devote the necessary resources or make the necessary changes to be serious and capable partners in their own defence.”

In the last major speech at NATO’s ministerial meeting in Brussels, the Secretary, hence, set strong cautionary advice that the American military commitment to Europe should not be taken for granted. Further, he defined NATO as a “two-tiered” alliance and his successor, Leon Panetta, has expressed similar views. The US criticism has continued since then, and the core of this endless disapproval is the same: allies do not carry their share of the burden, neither in terms of defence spending nor in terms of military contributions to operations. Another key thing to remember is that the International system in which we find ourselves living is no longer West-centred. American Atlanticism has diminished because America has turned its back on Europe, addressing its strategic priority to Asia.

Within the volatile context in which Europeans find themselves living, one thing is clear: Europeans fear American unilaterality. In other words, Member States fear that the Americans bolster a Hobbesian world in which Europeans, and the Kantian peace they sell, may become increasingly vulnerable. This fear combined with Trump’s aggressive tones and tweets had been translated into extreme statements, as demonstrated by the harsh words used by Macron at Europe 1 radio. “When I see President Trump announcing that he is quitting a major disarmament treaty which was formed after the 1980s Euro-missile crisis that hit Europe, who is the main victim? Europe and its security” stated the President of the French Republic.

As a consequence, Europe has developed its own strategic vision. In the last two decades, the EU has created the Common market, it has established a single currency, and in 1985 a zone without internal frontiers, the Schengen area while expanding from 12 to 28 Member States. The recent establishment of the Permanent Structured Cooperation in 2017 has further demonstrated that Europeans are tired to be part of a framework

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69 Ibid.
70 Ibid.
in which the United States “make the dinner” and the Europeans “do the dishes.”74 In light with Trump’s rebukes about the low spending of Europe, twenty-five European Member States have agreed to develop and deploy armed forces together and to allocate 20 percent of their expenditure to investments. Albeit PESCO has real potential for the Union, it has raised apprehensions from the vast majority of American diplomats. Since the launch of the Permanent Structured Cooperation, the United States indeed worried that the brand-new European Union defence agreement could potentially lead to protectionism, that could, in turn, splinter the security alliance.75 Moreover, there are many worries that the pact could duplicate NATO efforts and possibly shut out American exports of arms from future European defence contracts.76 However, many relevant voices in the American scene seem to agree that in the long run there would be little reasons to be concerned about this initiative and many more to rejoice for a stronger United-States-European Union relation.

Jim Townsend, former deputy assistant secretary of defence for European and NATO policy, hinted that the next future will conclusively display that PESCO is “no threat to NATO and in fact may result in a more efficient and helpful European contribution to a NATO operation.”77 Enhanced defence capabilities of Member States will undoubtedly benefit NATO, by responding, first and foremost, to the repeated demands for stronger transatlantic burden sharing. Since common European defence will always be complementary to and entirely compatible with NATO’s collective self-defence, the “sleeping beauty” of the Lisbon Treaty is meant to lead to a full-spectrum force package, in line with the North Atlantic Alliance.7879 Thus, NATO will continue to represent the cornerstone of the common European defence as envisioned by Article 42.2 TEU.80

And although it is universally recognised that the transatlantic relationship is changing, there are many optimistic Europeans. For example, Washington has expanded the funding for the European Deterrence Initiative to finance initiatives and partnerships. The 2016 Joint declaration, indeed, increased cooperation in a range of areas, including military mobility, counter-terrorism, defence industry, operational cooperation

80 Treaty of the European Union, art 42, par 2: “[…]The policy of the Union in accordance with this Section shall not prejudice the specific character of the security and defence policy of certain Member States and shall respect the obligations of certain Member States, which see their common defence realised in the North Atlantic Treaty Organisation (NATO), under the North Atlantic Treaty and be compatible with the common security and defence policy established within that framework.”
including at sea and on migration and cyber security.\textsuperscript{81} Two years after an initial agreement signed in Warsaw, in this Declaration Donald Tusk, Jean-Claude Juncker and Jens Stoltenberg have underlined how a stronger NATO and a stronger Europe are mutually reinforcing. \textsuperscript{82}

\subsection*{1.2.2 Putin and the consequences of the invasion of Crimea}

Recent crises in the EU’s neighbourhood, in particular, the Russian seizure of the Crimea in 2014, have made it clear that most Member States present visible capability and readiness shortfalls. The annexation of Crimea or reunification, as Russians define it, had been called the most significant violation of international law since World War II, undoubtedly representing one of the most pivotal factors in shaping the European security environment. The seizure of the Supreme Council of Crimea by highly professional Russian troops, the little green men, leading to the incorporation of Crimea in March 2014, has significantly influenced threat perceptions among defence establishments in both Central and Eastern Europe.\textsuperscript{83} The President of the French Republic, Emmanuel Macron argued in a radio interview that to face with Russia’s re-emergence at the borders, it is needed “a Europe which defends itself better alone, without just depending on the United States, in a more sovereign manner.”\textsuperscript{84} Although Macron’s harsh words may seem exaggerated, Russia constitutes a considerable military threat to Euro-Atlantic security communities, for several reasons.

First and foremost, Russia has increased and advanced the capabilities of its armed forces through a military reform and modernisation program launched in 2008.\textsuperscript{85} Secondly, unlike many European states, Russia has started to use military force as an instrument of its foreign policy, sometimes called “heavy metal diplomacy”.\textsuperscript{86} The country has extended its military power beyond national borders, especially in the CIS (Commonwealth of Independent States), where Russia claims special interest and rights.\textsuperscript{87} In other words, the Kremlin has reintroduced the traditional Realpolitik doctrine. Thirdly, Russia has been conducting a significantly aggressive anti-Western foreign policy, even rejecting the hypothesis of a membership in the Euro-Atlantic community. In explaining the recent shift in Russian foreign policy, Alexei Arbatov, perhaps

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the principal expert on Russian strategic thinking today, wrote: “From 2011 to 2013 the drivers of Russia’s foreign policy were primarily external […]. Challenging the West turned out to be an effective tool for domestic political consideration.”

Already in 2012, Mitt Romney, the Republican nominee at the US Presidential campaign, defined Russia the United States’ foremost geopolitical adversary. The candidate was highly criticised, but only two years later, Russia’s annexation of Crimea brought a significant change in Western perception. Cyber operations against Estonia and United States, the deployment of missile and air defence assets and, recently, nuclear-capable Iskander missiles to Kaliningrad were just some of the manifold examples of the Russian aggressive behavior on its Western border, culminating with menaces of using nuclear strikes against NATO countries that have missile defence installations within their territory. Additionally, Russian violation of the Intermediate-Range Nuclear Forces Treaty (INF), the withdrawal from the Conventional Armed Forces in Europe Treaty, combined with the frequent intrusion into the air space of NATO countries led by Russian aircraft, upheld European and American concerns.

On the other side of the coin, all these actions are indicative of how seriously the Kremlin perceives the North Atlantic Treaty Organization (NATO). Indeed, not only the annexation of Crimea was intended to prevent Ukraine escaping Russia’s sphere of influence, but also the other significant threats, listed before, constituted, from the Russian point of view, a legitimate way to protect national interests avoiding a major setback for the country. Hence, from the Kremlin’s perspective, the constant Russian sabre rattlings were solely designed to prove that NATO cannot expand into the vicinity of Russia without its rapid military response. Despite this brief plunge into Russia’s point of view, it is no coincidence that the vast majority of the European Member States consider Russia the primary challenger to Europe’s security order.

In Lithuania’s 2018 National Threat Assessment, it is explicitly stated that “Russia’s hostile intentions, capabilities and actions will remain the main source of threats to Lithuanian national security”. Military crisis in Ukraine and the subsequent annexation of Crimea had a tangible impact on Lithuanian defence planning, the 2015 defence budget registered an increase of 37.9 percent from the previous year. In 2018 the Lithuanian defence budget in 2018 was 2.01 percent of GDP, reaching the NATO threshold. Interestingly, in 2017 the Lithuanian Ministry of Defence had spent more than 30 percent of the defence budget on the equipment. Correspondingly, the 2018 National Security Concept of the Republic of Estonia (NSC) blamed the

91 Ibid.
94 Ibid.
unpredictable Russian activity for the instability procured by increasing its military presence on the borders of NATO member states. Under the 2019 Budget Bill defence expenditures will total €594 million, which is more than 2.1 percent of the GDP.\(^95\) The 2016 Latvian defence concept expressed similar views, directly asserting that Russia was destroying the existing international order.\(^96\) Now Latvia has become one of the few NATO member states spending the promised 2 percent of GDP on defence.\(^97\) Russian Clausewitzian foreign policy was severely condemned even in Poland’s 2017 Defence Concept. In the document, it is possible to read that: “[... ] It poses a threat mainly for Poland and other countries in the region, but also for all other nations desirous of a stable international order.”\(^98\) To be able to master the threats posed by the Kremlin, Andrzej Duda, the Polish President, signed a law in October 2017 committing Poland to spend 2.2 percent of GDP in 2020 to reach an impressive 2.5 percent of GDP on defence by 2030.\(^99\) The same law also provided to increase Poland’s armed forces from the 100,000 personnel to 200,000.\(^100\) Referring to this law, the former Polish Defence Minister, Antoni Macierewicz rather ambitiously stated: “The Polish army will within ten years gain the capability of stopping every opponent.”\(^101\) Similarly, the 2017 Czech defence strategy underlined that “[... ] in Eastern Europe, the Russian Federation blatantly carries out its power ambitions, including through the use of military force”, breaching several times the obligations of International law.\(^102\) Likewise, the Military Strategy of Romania presented Russian Realpolitik in its areas of influence as both a national and a systemic problem, causing instability in the Western Balkans.\(^103\) Although both countries are currently spending approximately 1.1 percent of their respective GDPs on defence, government officials in Budapest and Prague reassured NATO allies that they have plans to almost double defence spending by 2024.\(^104\) The 2016 Slovak defence White Paper made similar points, and notably, it highlighted the advancement in project realisation in order to reduce the technological


dependence on the Russian Federation.\textsuperscript{105}

Therefore, Russia is identified as the principal threat by the states of Central but especially of Eastern Europe where a resurgent Russian represents an unprecedented menace. The 2018 Defence Expenditure of NATO Countries (2011-2018) has shown how the fear of Russia has turned into rearming and stronger commitment to both NATO and PESCO, echoing the Latin adage si vis pacem, para bellum, in a single graph.\textsuperscript{106}

\begin{figure}[h]
\centering
\includegraphics[width=0.8\textwidth]{graph2}
\caption{Defence expenditure as a share of GDP versus equipment expenditure as a share of defence expenditure}
\end{figure}

Nonetheless, Russia seems to be living a long-term decline.

According to the latest report of the Stockholm International Peace Research Institute (SIPRI), Russian military expenditure kept increasing until 2017, when it fell for the first time since 1998, slipping from third to the fourth position.\textsuperscript{107} Russia spent 5.3 percent of its Gross Domestic Product (GDP) in 2016, and just 4.3 percent in 2017, a drastic reduction albeit this share of GDP “was still higher than any other European country

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had recorded since 2011”.\textsuperscript{108} Notwithstanding Russian cuts in military spending, the latter is only part of a broader picture. “Russia is demonstrating continued interest in capabilities beyond conventional military force which are easier to develop and deploy unaccountably (..)”\textsuperscript{109} says the IISS report, claiming that the West has not found a successful response to master the country. The downward trajectory dictated by severe economic condition does not mean that the Kremlin is intended to change its revisionist behaviour and Eastern European countries clearly understood this.

\textit{1.2.3 Brexit and the disappearance of vetoes}

Brexit has undisputedly led to a renewed momentum for the European defence and security domain. As soon as the United Kingdom decided to leave the Union and consequently lost the political faculty to veto initiatives it stands against; the European Union was able to promote a wide range of new initiatives to boost EU military cooperation.

Although the UK has traditionally played a prominent role in European defence, it is indeed widely recognised that since the mid-2000s British governments had been gradually disengaging from the CSDP, especially the EDA. By constantly recalling the close relationship with Washington and by fearing a duplication of tasks with Nato, the U.K has started to criticise the reforms launched by the Union in the security domain. Additionally, U.K has strongly opposed to all the necessary funding increases of the European Defence Agency and to the financing of the Athena mechanism.\textsuperscript{110} \textsuperscript{111} Therefore, the Brexit decision represents a window of opportunity for the European defence field since it marks the disappearance of British vetoes on any potential increased EU role in coordinating the defence, thus opening the door to brand-new proposals. Further, Brexit has increased the salience of defence cooperation in order to reduce the possibility that other countries could follow the British example.

Notwithstanding this, Britain and the European Union have mutual interests to continue working closely in this domain, an area where U.K has remarkable cards to play in the negations because of its globally significant military. The United Kingdom is the most considerable military spender of the current twenty-eight European Union countries, the only Member State, together with France, having nuclear deterrent, combined with a robust strategic culture and with frontline capabilities which enable the country to master emerging threats rapidly.

Despite all these considerations, three years after the withdrawal of the United Kingdom from the bloc, there has been altogether little reasonings concerning the future consequences of Brexit on the European defence sector. Two crucial elements must be considered when talking about the potential impacts of the UK’s

\textsuperscript{108} Ibid.
\textsuperscript{109} Ibid.
withdrawal from the Union on the British and continental armament industry. First and foremost, it will be unavoidable to evaluate the repercussions of withdrawal on defence companies, ranging from Thales to Leonardo, but also its effect on bilateral and multilateral European programs, on the European Defence Agency, on the implementation of the EC directives on EDEM, on OCCAR and the LOI.\footnote{Oliver De France et al., “THE IMPACT OF BREXIT ON THE EUROPEAN ARMAMENT INDUSTRY,” Iris-france.org, August 2017, http://www.iris-france.org/wp-content/uploads/2017/08/Ares-19-Brexit-25-August-2017-IRIS.pdf (accessed March 10, 2019).} Secondly, a question that will play a central role during the negotiations will concern the UK’s access to EU research funding up to and after 2020 since being excluded from the European defence funding would represent an extremely costly prospect for UK. Although the 2017-2020 period is likely to produce little change considering that the country is expected to remain an EU member until at least 2019, the thornier issue regards the potential British access to the European budget 2021-2027.\footnote{Ibid.} However, despite the “leave” vote, Brussels has expressly shown some willingness in assuring cooperation in defence and security fields for all European democracies, including the United Kingdom. Therefore, a compromise must be found between the benefits that might be produced by the UK’s participation in European funded research and the European imperative of prioritising the needs of European citizens and protecting the autonomy of its decision-making process.

In light with the Prime Minister’s Lancaster House speech on 17 January 2017, in which she had emphasised the need for future cooperation, including in the area of security and defence, David Davis expressly asserted that the country would continue to contribute to European security through a new Security Partnership significantly.\footnote{Janne Haaland Matlary, “Britain,” In Hard Power in Hard Times: Can Europe Act Strategically? (Cham, Switzerland: Palgrave Macmillan, 2018).} Additionally, the leader of the Conservative Party, Theresa May, offered 20 billion pounds as a “down payment” before negotiations started and full cooperation on security and defence.\footnote{Janne Haaland Matlary, “Britain,” In Hard Power in Hard Times: Can Europe Act Strategically? (Cham, Switzerland: Palgrave Macmillan, 2018), 176.}

In the British vision for defence and security cooperation with the European Union post-Brexit, the government proposed a closer relationship than any other existing arrangements the EU has ever achieved or designed with third countries. To reach this compromise, the British government has offered to contribute with troops to European battlegroups and to host operational headquarters. According to the then Secretary of State for Exiting the Union, David Davis, EU has to choose between treating the United Kingdom as a “common” third country, risking to ruin the existing relationship, or taking a more adaptable approach, elaborating mechanism to master the ever-evolving threats jointly.\footnote{Jon Brussels, “UK Threatens Less Security Cooperation with EU If Locked out of Galileo Satellite System,” The Independent, May 09, 2018, https://www.independent.co.uk/news/uk/politics/uk-galileo-satellite-system-eu-security-brexit-defence-a8343146.html (accessed March 17, 2019).} In other words, the British White Paper, after a long list of British contributions to the EU’s Common Foreign and Security Policy, has suggested that the
government’s bid is for British participation to the fullest in all European foreign security and defence policy, albeit Britain cannot act as if it were a European Member State.  

On April 5, 2019, Theresa May requested, in a letter sent to European Council President Donald Tusk, a further extension of article 50 TEU until June 30.  

To date, it seems that Donald Tusk, European Council President, will propose a 12 month "flexible" extension to Brexit, with the option of cutting it short as soon as the UK Parliament ratifies a deal.  

Future will reveal what will be the impact on the European and on the British military sector, regardless of the potential lack of a deal with the block. Meanwhile, British worries it will not be in the position to reduce the unprecedented boost that the European defence sector is experiencing.

1.3 Endogenous factors

1.3.1 The Franco-German leadership

In the summer of 2016, in the immediate aftermath of the adoption of EUGS, joint letters from the French and German foreign defence and interior ministers launched the Bratislava Process to give European defence policy a new impetus. In other words, France and Germany succeeded in awakening the “Sleeping Beauty of the Lisbon Treaty”, (PESCO).

Although the exogenous factors, analysed previously, have been crucial in driving European Members States to address European defence cooperation, they have not been the real game changers in achieving the strategic autonomy set by the 2016 EU Global Strategy. The potential revitalisation of the defence sector principally depends on the political will of the Member States and European institutions. In this subsection, therefore, emphasis will be placed on Germany and France, the main drivers behind this process in late 2017.

Despite the acknowledged role of leaders in the implementation of PESCO, there are fundamental and deep divides between the French and German strategic cultures, creating enduring obstacles to cohesion.

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119 Ibid.


From the beginning, indeed, the discussions concerning PESCO had been framed through a central dichotomy: quality versus quantity, with France favouring the former and Germany the latter.\(^{123}\) Whereas France desired to strengthen defence capabilities, calling for an ambitious and effective initiative with an exclusive group of capable States; Germany insisted on an inclusive approach to strengthen integration and cohesion in Europe with as many contributing states as possible.\(^{124}\) Hence, on the one hand, France demands high entry criteria and firm operational commitments, but on the other hand, Germany worries that high binding commitments could create new divisions within an already extremely heterogenous European Union, marked by emerging centrifugal tendencies.\(^{125}\)\(^{126}\)

This central division reflects two different and opposing strategic cultures.

In Paris, common defence and security policy has always been a priority and only few other European states, besides France, have invested much in this field. To date, France is a nuclear-armed permanent member of the UN Security Council, profoundly marked by a unique sense of responsibility for global security.\(^{127}\) Unlike Germany, France is able and potentially willing to take part in military interventions if necessary since the country has the most straightforward decision-making process of all European states when it comes to the use of force.\(^{128}\) In France, the domain of security and defence is exclusively governed by the French President who essentially acts alone, usually supported by the French people, without any public or parliamentary debate.

The extraordinary strength of the French executive has found its expression in Emmanuel Macron’s speech on the Europe’s future.\(^{129}\) On that occasion, the French President outlined several proposals for EU military cooperation, presenting his outlines to achieve a free, sovereign and united Europe. Macron underlined that the primary military imperative is enabling Europeans to act autonomously when needed, complementing NATO’s defence role with a more resolute Europe.\(^{130}\) To achieve solid Europe de la défense, Macron had stirred the other Member States in the establishment of a common intervention force, a common defence budget and a common doctrine for action.\(^{131}\) Significantly, since the then prime strategy of General de Gaulle,
whereby Europe would become a great international actor on the global scene not dependent on the US, national strategic autonomy has been embedded in France’s political DNA.

And although France has repeatedly stressed that being autonomous does not mean rivalling NATO, France’s feasible leadership in European defence is often questioned by the countries that are most devoted to the security guarantees provided by NATO. This fear was fuelled when the country, after the terrorist attacks on Paris on 13 November, invoked the defence clause of the Lisbon Treaty, Article 42.6, instead of NATO’s Article 5, which has always played a pivotal role in Western deterrence.

Differently from France, Germany perceives the European defence as the first step towards a political integration project. Despite being the richest, largest, and most populous country in Europe, Germany is weakened by a culture of military self-restraint. Contained by its domestic policy where the Bundestag is the one that takes decisions concerning the use of force, the nation is reluctant to deploy armed forces in sharp operations abroad. Indeed, it is no coincident that Germany spends only 1.24 percent of its GDP on defence. This percentage is consistent not only Germany’s history and strategic culture but also with European countries’ conflicting perceptions and fears toward the increase in German military capabilities. Because the use of force remains the last resort defensive instrument, one of the main problems between France and Germany is the impossibility of a fair sharing of security responsibility.

What is more, unlike France, Germany seems to have accepted its de facto strategic subordination to the United States through NATO. The central importance of NATO for Germany was heartily emphasised in the 2016 German security White Paper which stated that Europe could defend itself only with the support of the United States.

Further, it is important to underline that the differences in French and German attitudes toward military force are not just philosophical. Suffice it to mention the endless debate concerning the establishment of an operational headquarters for the conduct of the EU military operations. France insisted for well-equipped

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134 Ibid.


European Union military headquarters while Germany opted for more modest civilian-military planning facilities.\textsuperscript{142} Twenty years later, the European Union set up the Military Planning and Conduct Capability which will be addressed in the next chapter.

Despite all the differences and controversies, Paris and Berlin managed to find a compromise that accommodates their seemingly irreconcilable wishes for an ambitious and inclusive defence arrangement, by turning PESCO into an incisive and modular process.\textsuperscript{143} \textsuperscript{144} In support of this argument, it is inevitable to highlight that the victory of Emmanuel Macron was received with relief in Berlin. The French president, in fact, encouraged driving betterment at home and manifested a strong will to work closely with German authorities to “rebuild” the European project.\textsuperscript{145}

Shortly after Macron’s election, on July 13, indeed, the Franco-German Defence and Security Council announced a plan to work together on a new generation of joint fighter jets, highlighting the renewed aspiration for deeper defence cooperation.\textsuperscript{146} \textsuperscript{147}

In conclusion, despite the countless clashes and difficulties, the two states have opened the possibilities for an unprecedented momentum in the European defence sector. Their alliance has reached such extraordinary levels in the last few years that the other Member States, including Italy, have worried about a potential Franco-German oligopoly of the military sector, trying to prevent it at all costs, as it will be analysed in the last chapter.

\textit{1.3.2 Terrorism and the perception of risks by European citizens}

Over the last decade, large-scale terrorist attacks in Europe have led to a significant number of fatalities and casualties. Suffice to mention the 2004 Madrid train bombings costing 192 lives and injuring more than 2000 people or the 2005 London bombings killing 52 civilians and injuring 784.\textsuperscript{148} More recently, the 2015 Paris massacre and the 2016 Nice assault together killed more than 200 civilians, and the 2016 Brussels bombings reported 32 fatalities.\textsuperscript{149}

The following graph perfectly discloses the drastic increase in the number of victims from terrorist attacks,\textsuperscript{142}\textsuperscript{143}\textsuperscript{144}\textsuperscript{145}\textsuperscript{146}\textsuperscript{147}\textsuperscript{148}\textsuperscript{149}
In the last few years, Daesh (ISIL) and other terrorist actors have attacked at the heart of Western Europe, making transnational terrorism one of the most severe areas of concern for the Union.\textsuperscript{151}

The latest Special Eurobarometer indeed showed that the proportion of those who think that the EU is a safe place had fallen significantly: from 79 percent in 2015 to just over two thirds, 68 percent, in 2017.\textsuperscript{152}

Moreover, although security priorities differ from country to country, almost all respondents agree that national authorities should share information with the armed forces and intelligence of the other EU Member States to better fight crime and terrorism.\textsuperscript{153}

In the survey, developed in the immediate aftermath of the attack on Charlie Hebdo of January 2015, 95 percent of the respondents regarded terrorism as the most alarming menace to the internal security of the EU.\textsuperscript{154}

The subsequent graph, extrapolated from the above-mentioned report, clearly shows the increasing trend in considering terrorism as a “very important” threat for the bloc.\textsuperscript{155}

\textsuperscript{150} Figure 1.2, “Fatalities from terrorist attacks,” graph, Our World in Data, January 2018, https://ourworldindata.org/terrorism#fatalities-from-terrorist-attacks


\textsuperscript{154} Ibid

\textsuperscript{155} Figure 1.3, “Importance of specific challenges to EU security”, graph, Special Eurobarometer 464b, December 2017, http://data.europa.eu/euodp/en/data/dataset/S1569_87_4_464B_ENG
A new study elaborated by RAND Europe for the European Parliament estimated that the European Union lost around €180 billion in GDP terms due to terrorism between 2004 and 2016. The highest economic losses in GDP terms for the above mention reasons were registered in the UK (€43.7 billion) and France (€43 billion), closely followed by Spain (€40.8 billion), and then Germany (around €19.2 billion).  

Marco Hafner, the drafter of the analysis, demonstrated that terrorism is inversely proportional to economic growth in Europe considering that the psychological effects resulting from terroristic attacks make both people and companies alter their economic behaviour. Therefore, European initiatives to master and prevent terrorism constitute an imperative since, besides the fatalities, terrorism harms the wellbeing of the population as a whole. Indeed, terrorism influences people’s life, happiness, and also their trust within communities and national political institutions, affecting the existing environment completely.

When addressing terrorism, it is crucial to underline the intrinsic problem that lies within the Lisbon Treaty. In the Treaty, Member States are delineated as principally responsible for maintaining national security, as envisaged both in article 4 TEU and in article 72 TFEU. Despite this, article 67.3 TFEU underlines that

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157 Ibid.
159 Ibid.
160 Treaty on European Union, art 4, par 2: “In particular, national security remains the sole responsibility of each Member State.”
161 Treaty on the Functioning of the European Union, art 72: “This Title shall not affect the exercise of the responsibilities incumbent upon Member States with regard to the maintenance of law and order and the safeguarding of internal security.”
the Union “shall endeavour to ensure a high level of security”.¹⁶²

Notwithstanding the contradictory nature of this legal framework, in 2005, the European Union adopted a specific counterterrorism strategy, based on four “pillars”: prevent, protect, pursue and respond. However, counterterrorism remains, once again, part of a broader European security architecture.¹⁶³

Ten years later, the European agenda on security acknowledges terrorism as one of the priority areas for EU security, suggesting the necessity of far-reaching cooperation between European and the Member States to protect the collective security of the Union as a whole.

With this in mind, Member States decided in 2018 to further strengthen the civilian dimension of CSDP to address emerging security challenges, including cross-border terrorist threats. In September 2018, President Jean-Claude Juncker declared that the Commission was committed to extending the scope and the functions of the newly established European Public Prosecutor's Office to include the fight against terrorist offences.¹⁶⁴

The reinforced European Public Prosecutor's Office would be in charge of the coordinated investigations dealing with terrorist cases affecting more than one Member State and, as a Union level actor, it would avoid inefficient parallel prosecution of linked cases.¹⁶⁵ ¹⁶⁶ Further, it would be in the best position to gather and share information across all participating Member States, including non-EU countries and European Agencies Eurojust and Europol.¹⁶⁷

Envisaged to take up its functions by the end of 2020, the European Public Prosecutor's Office could represent a significant qualitative leap in the development of a common set of policies targeting terrorism. It is a first step forwards but combined with some of the projects developed under the PESCO umbrella, that will be addressed in the second chapter, it seems that we are witnessing conspicuous signs of the winds of change.

¹⁶² Treaty on the Functioning of the European Union, art 67, par 3.
¹⁶⁷ Ibid.
CHAPTER 2. NEW INITIATIVES IN THE EUROPEAN DEFENCE SECTOR

2.1 EU Global Strategy for Foreign and Security Policy (EUGS)

“I reignited the idea of a Europe of Defence as early as 2014 [...] What we want is to become more autonomous and live up to our global responsibilities.”\(^{168}\)

The thought-provoking words used European Commission President Jean-Claude Juncker Robert Kagan could not be more actual. To date, indeed, it has become a truism to observe that the Europeans perceive themselves living in the midst of unprecedented turmoil both within European borders and outside them.\(^{169} 170\)

The world is rapidly changing and the European Union, already worn by the economic crisis, has to face an outstanding array of strategic risks and pressing challenges, both global and domestic. In addition to the threats examined heretofore, the current period is distinguished by two and concomitant phenomena: an increasing globalisation of problems, which tends to turn the world into a highly interconnected single reality, by undermining the notion of the nation-state, and a parallel increase of fragmentation which causes structural damages and destabilisation. Consequently, internal and external security are profoundly intertwined: European security at home depends on peace beyond its borders.\(^{171}\) For this very reason, Europeans are becoming well aware of what is at stake realising that further defence integration is the only option and what the world expects from the bloc. Hence, Europe has started to address these menaces to look after its own security interests, by seeking to conduct foreign policy with the “stick” and by trying to invest in all dimensions of foreign policy. As suggested by the HR/VP, Federica Mogherini, the Union has what is needed to be an accountable global stakeholder; its potential is unparalleled, but responsibility must be shared between the Member States.\(^{172}\)

This is precisely the aim with which, on June 28th, 2016, in the immediate aftermath of the Brexit referendum, the EU adopted its new global strategy, European Global Strategy for Foreign and Security Policy (EUGS). The project, elaborated under the guidance of the High Representative, was heartily welcomed by the European Council, demonstrating, once for all, that the idea that Europe as a solely “civilian power” was outdated.\(^{173}\) As a matter of fact, the European Global Strategy is designed to achieve the proper level of ambition and strategic autonomy that could enable Europe to nurture human peace and security within and beyond its borders. The strategy demands the Member States for higher contributions to Europe’s collective

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\(^{172}\) Ibid, 6.

\(^{173}\) Ibid, 8.
security and broader cooperation with their partners to preserve and improve what the Union had been able to achieve up to this point.

The establishment of the European Global Strategy was preceded by significant fanfare but an interesting question to be asked is whether it would really contribute to a substantial improvement in the European defence.

Considering the preceding 2003 European Security Strategy and the 2008 implementation report on the European Security Strategy, the Union might be perceived at first sight as a global actor based on long-term policies.\(^\text{174}\) Notwithstanding this, Lawrence Freedman, Emeritus Professor of War Studies, observed that the European strategies rarely lead to the elaborations of specific coordinated responses to deal with distinct problems.\(^\text{175}\) Moreover, although the decision-making in trade policy is officially supranational, it should be stressed that most of the European’s external relations have to be agreed by unanimity. These two factors have made prioritisation in strategies a real challenge for the European Union. In Sven Bishop's words: “For in the absence of clear priorities, the EU rarely takes to the initiative on the key foreign policy issues of the moment (contrary to the other great powers) or, when it does, its initiatives tend to be fragmented and stove-piped.”\(^\text{176}\)

Despite this quintessential hallmark of European strategies, the 2016 European Global Strategy demonstrated that these obstacles have produced delays but have not stopped the Union from launching action plans. Indeed, Sven Bishop himself speaking of the strategy asserted that: “whether it gives us something to work with to render EU foreign and security policy more effective. The answer is: yes, and quite a lot.”\(^\text{177}\)

Significantly, the report “Implementing the Global Strategy: EU delivers on security and defence” stated that in the two years following the launch of the Global strategy the defence sector had improved at a fast pace. Albeit Europe has not become a major military power yet, between 2016 and 2018 European players had been able to bolster coordination on defence through active involvement and concrete contributions.\(^\text{178}\)

Consequently, a full range of reasonable steps has been taken in the security and defence domain. It is thus necessary to mention the most significant achievements obtained in defence domain to attest the quantitative leap delivered by this global strategy.

In the following graph, it is possible to look at the improvement accomplished by the still embryonic European Defence Union in the past two years in a precise timeline.\(^\text{179}\)

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\(^\text{177}\) Ibid.


\(^\text{179}\) Figure 2.1, “More progress in the last two years than in the lats two decades”, graph, EPSC Brief: Joining Forces The Way Towards the European Defence Union,”, December 2017, https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf
In June 2017, the Union established The Military Planning and Conduct Capability (MPCC) to ensure greater coordination and all-embracing cooperation between military and civilian actors.180

Four months later, Member States witnessed the first trial run of the Coordinated Annual Review on Defence (CARD), a mechanism expected to foster capability development addressing shortfalls and to benefit from the potential gains resulting from the optimal use of defence spending plans.181

In December of the same year, the Council took the historic step to establish PESCO and additionally an agreement was reached between concerning the first seventeen PESCO projects.182 The launch of this initiative was extremely significant since it has the potential to take the European defence to the next level through “joint and collaborative defence capability development”.183

Moreover, before the resurrection of PESCO, in a meeting in November 2016, the foreign ministers of the EU decided to revise the Common Foreign and Security Policy (CFSP) and they adopted the European Defence

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Fund (EDF), a fund for EU defence cooperation. Additionally, in June 2018, Europe introduced the European Peace Facility, a new €10.5 billion fund outside of the Union’s multi-annual budget in order to finance operational actions military or defence implications under the Common Foreign and Security Policy.184

Before moving on to a detailed examination of the key projects elaborated or about to be, this subsection will provide a comprehensive outline of the functioning of the mechanisms briefly discussed above, as well as of the possible links among them.

### 2.1.1 CARD: aligning participating states’ defence budgets and capability plans

Over the past three years, the European Union has been involved in boosting European defence, setting up advanced cooperation platforms within the EU framework to make the Union militarily stronger and operationally more effective.185

To enhance adeptness, the 2016 European Union Global Strategy called for a “gradual synchronisation and mutual adaptation of national defence planning cycles and capability development practices”.186 187 Following the aforementioned statement, in the November 2016 Council conclusions on implementing the EUGS in the area of security and defence, Jorge Domecq, Head of the European Defence Agency, advanced suggestions concerning the scope and the duties of a Coordinated Annual Review on Defence (CARD).188 Afterwards, the European Defence Agency (EDA) together with the European External Action Service (EEAS) drafted a well-detailed concept paper to clarify the crucial aspects of CARD.189 Finally, on 18 May 2017, the Council approved the modalities to establish the Coordinated Annual Review of Defence, beginning with a "trial run" involving all Member States and with a prospect to complete implementation in autumn 2019.190 191

By regularly monitoring national defence spending plans, the CARD is meant to address strategic capability shortfalls, bolstering an enlightened convergence around the priorities singled out by the Capability Development Plan.192 Hence, it encourages EU governments to adjust their defence budgets and capability plans and to simultaneously identify common capability needs over the medium to longer-term, ensuring

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184 Ibid.
188 Ibid.
189 Ibid.
optimal and coherent use of defence spending plans.\textsuperscript{193} For this very reason, CARD requires all European governments to enact their respective defence planning books at the EDA to enable the Agency to avoid capability development duplication.\textsuperscript{194} In other words, the Coordinated Annual Review of Defence attempts to overcome the phenomenon of duplication of capabilities that has often characterised the European defence procurement and has always hampered the EU’s ability to protect its citizens.\textsuperscript{195} Broadly translated these findings indicate that its launch has not merely improved European readiness levels, but it has also turned Europe into a powerful security provider.\textsuperscript{196}

\subsection*{2.1.2 EDF: The necessity of financial incentives}

If Europe wants to address the ongoing threats and live up to tomorrow’s security challenges, it has to realise that soft power alone is not persuasive enough in an increasingly militarised world and, henceforth it has to elaborate a more productive use of its 264 billion US dollars yearly defence spending.\textsuperscript{197,198} At the Defence and Security Conference Prague, Jean-Claude Juncker stressed that the European governments spent “half as much as the United States” but they only achieved “15\% of the American efficiency”, since 80 percent of defence procurement and more than 90 percent of technology programmes were run on a purely national basis, without any coordination between the Member States.\textsuperscript{199} Over the years, this duplication of capabilities has led the European Union to develop 178 different weapons systems compared to the 30 in the U.S and 36 defence platforms against the 11 currently in production across the Ocean.\textsuperscript{200,201} Hence, it was not surprising when Jean-Claude Juncker defined the European scattergun approach to defence procurement as both insufficient and costly.\textsuperscript{202} To date, Europeans are well aware that to achieve the strategic autonomy they are heartily nurturing, the Union must be backed by a competitive and stable defence industrial base. Accordingly, European countries have to

\textsuperscript{194} Ibid.
\textsuperscript{196} Ibid.
\textsuperscript{200} Ibid.
With this in mind, in November 2016 the European Commission proposed a European Defence Fund (EDF), an authentic catalyst for the creation of a strong EU defence industry.204 This fund was intended to create incentives for the Member States to cooperate on joint research, development and acquisition of defence technology, without replacing their now national budgets on defence. What is more, the Fund requires the Member States to leverage national investments in the development of military products, with European Union money.205

Formally launched by the President of the European Commission in June 2017, the European Defence Fund is thus conceived to boost defence capabilities, build new partnerships across borders and finance the pan-European collaborative defence research projects, designed to ensure Europe's technological leadership.206

Hence, while inviting better spending, the Fund addresses prime capability shortfalls, consolidating national collaborative efforts and providing a more significant reason for EU governments to develop capabilities together.207 208

To this end, the Commission decided to allocate almost 600 million euros in support of the Fund until 2020, and notably, it foresees a fivefold multiplying effect leading over seven years.209

In June 2018, the Commission proposed a fully-fledged European Defence Fund worth 13 billion euros under the next EU long-term budget for the period 2021–27, turning the EU into the biggest investor in collective defence research and technology in Europe.210 This financial envelope comprises 4.1 billion euros to cover defence research and more than double to finance the collaborative development of joint industrial prototypes.211

With its two separate windows on research and capability development, the European Defence Fund has demonstrated that the European Union is earnestly determined in improving its defensive capability.212

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research window has been already in place since 2017 when the European Commission launched a Preparatory Action on Defence Research (PADR) which, to date, has succeeded in granting support to five projects, despite the modest budget (90 million euro until 2019). Conversely, the capability development window has become operative recently with the first call for proposals under the European Defence Industrial Development Programme (EDIDP), to be precise on 19 March 2019. This industrial programme of the EU aiming at supporting the competitiveness and the innovation capacity of the Union’s defence industry is worth 500 million euro to be spent on joint capability development between 2019 and 2020. Open to third country entities under specified conditions, the relevance of the program will depend on the quality of the projects proposed. In particular, Member States have to find a balance between investing in immediate priorities to overcome specific shortfalls and financing future-proof types of warfare.

All things considered, although it is widely recognised that the European Defence Fund represents a real game-changer for European defence domain, its effectiveness will depend on the Member States’ will, effort and engagement. Today Europe seems willing to take a longer-term view, and in addition to the above-mentioned fund, the European Commission has indeed proposed the first-ever dedicated budget for defence actions under the next Multiannual Financial Framework (2021-2027) and the European Peace Facility, designated to support additional defence-related activities.

2.1.3 PESCO: a further step towards a European Defence Union

Today, the European Union has been able to translate Member States’ commitments to mutual assistance and solidarity into action. This has been confirmed by the vast array of improvements achieved in the last two years by the European Defence Union which includes, as illustrated by figure 4, the new Coordinated Annual Review on Defence, the setting up of a European Defence Fund, the founding of a joint Military Planning and Conduct Capability, and the establishment of the European Peace Facility. Significantly all these developments succeeded in demonstrating how both European institutions and Member States have progressively (re)engaged in defence cooperation, bringing the EU’s defence programmes under one comprehensive roof.

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213 Ibid.
It is precisely under this common defence *chapeau* that on June 22, 2017, the European Council agreed “on the need to launch an inclusive and ambitious Permanent Structured Cooperation (PESCO)”.

A few months later, on 13 November 2017, national military chiefs of twenty-three European Members States, except for Denmark, Ireland, Malta, Portugal and the UK, notified the High representative, Federica Mogherini and the Council of their intention to activate the Lisbon treaty mechanism known as “Permanent structured cooperation” (PESCO). Both to strengthen the European security and to achieve the level of ambition expressed in the 2016 European Global Strategy, the participating ministers signed a joint notification launching the PESCO, setting out a list of binding commitments in the area of defence and handed it over to the High Representative and the Council. In light of this notification, on 11 December 2017, the Council took the historic step to formally adopt the decision establishing PESCO, the Council decision (CFSP) 2017/2315, and its list of participants, which to this day amount to a total of 25 Member States.

The revitalization of PESCO has represented a significant political decision since its activation has immediately led to minor but tangible efforts to answer the growing demand by European citizens for a more solid Union to master security threats, ranging from the violations of territorial integrity to terrorism.

Moreover, by activating a Lisbon Treaty provision dormant since 2009, PESCO has constituted also a major policy decision for the European defence domain. In support of this latter position, it suffices to stress that PESCO contains binding commitments, a mechanism to evaluate compliance by participating Member States and the remote possibility that single states might be expelled out of PESCO in the event of their non-compliance, as it will be analysed in the following subsections.

Therefore, it is widely recognised that the launch of this inclusive and ambitious Permanent Structured Cooperation on defence with binding commitments has betokened an unprecedented momentum for the Union, fostering even further defence solidarity and modern capability development for the Member States beyond their national resources and thus leading to a deeper defence convergence.

In other words, after sixty-seven years, PESCO is concretely what had been a dream of a few, a project that has gradually become the hope of many.

### 2.1.3.1 PESCO: another form of intergovernmental cooperation in the security domain

Awoken from its slumber, the “sleeping beauty” of the European Union has started to follow a rigidly functional logic driven by shared interests as well as practical needs, to better ensure coherence and integration
in industrial architecture of European defence.

Despite this utilitarian principle, PESCO has not set defence capability under the control of EU supranational bodies since defence is an area which participating governments perceive to be at the core of national sovereignty. Consequently, trembling at the sweeping idea of ceding sovereignty to supranational authorities, it took longer than it was expected before the European Member States understood that “[…] Systematic defence cooperation and further integration will contribute to the preservation of national sovereignty”, and consequently decided to move beyond the traditional logic of defence sovereignty.

Eventually, a compromise was found.

Albeit in the context of strategic supervision granted by the European Council, PESCO was thus purposed as member state-driven process where participating governments are chiefly accountable for maintaining their political pledges. Thus, whilst PESCO is indirectly hinged upon the assumption that sovereignty could bolster European defence, national sovereignty remains untouched. Hence, while PESCO points at incentivising cooperation among participating Member States in the field of defence capability development and operations, solely the national governments are in charge of the European military policies which are voluntary. Therefore, national armed forms will remain national and only the engaged European governments will decide whether or not they wish to cooperate and thereupon decide on the pace and fields of progress.

Furthermore, the intergovernmental essence of the initiative has been confirmed by PESCO's structure and governance; which is made up of two-layer structure: the council level and the project level.

As concerns the former, the Council is held responsible for the overall policy direction and decision-making. Additionally, while both the resolutions regarding the suspension of membership and entrance of new members are taken by qualified majority, all the other decisions are taken by unanimity. Apropos of the projects level, instead, it must be stressed that each project will be managed by those Member States that take part in it, under the oversight of the Council, which is authorised to decide on general governance rules for the projects. Furthermore, the intergovernmental essence of "Sleeping Beauty" finds concrete expression in the composition of the PESCO secretariat which is composed of the European Defence Agency (EDA) and the EEAS, including the EU Military Staff.

229 Ibid.
231 Ibid.
234 Ibid.
Thus, in full compliance with the constitutional provisions of each Member States, recognising the provisions of the Treaty on European Union and the attached protocols, PESCO provides a binding and inclusive European legal framework for advancing Member States’ respective military assets and defence capabilities without leading to the end of national sovereignty.235

Although, it is precisely this preservation of national sovereignty that makes the initiative more and more palatable, the glass-half-empty camp in assessing PESCO’s first moves argues that the defence planning of States is too heavily national and for this reason, a lot of valuable opportunities for the European defence Union have been precluded by precedent national choices.236

It follows that the goal of PESCO, intended as a political project with a shared purpose, is to jointly develop a single coherent full spectrum force package that delivers a considerable share of the NATO and EU capability requirements.237 In this way, PESCO might gradually raise the level of ambition by channelling more considerable efforts into cooperation. Progressively, the collaboration between the participating Member States will shift from isolated programmes towards equipment cooperation projects, thus improving security to European citizens.238

Furthermore, it must be stressed that the greatest advocates of PESCO hold that it will bring benefits to both smaller and larger participating Member States. While the former would gain weight in the International scenario by anchoring their entire armed forces in different multinational configurations, obtaining a greater say in the European decision-making processes; the latter would preserve their dominant role in the European defence Union by granting the substantial part of the military structures.239

Although this inherently utopian view bears some truths, the last chapter will reveal how the delicate equilibrium between the idealistic perception of PESCO, outlined as a beneficial project for both larger and smaller Members States, and the disenchanted image of the initiative, drafted to generate military oligopolies, has been put at risk several times.

All things considered, what can be said without running the risk of slipping off in exclusively normative statements is that the real value of PESCO lies more in the political momentum it has created than in its inner and still vague mechanisms.240

2.1.3.2 PESCO: a body with a very solid legal basis

236 Ibid.
In the joint notification handed over to the Council and the High Representative of the Union for Foreign Affairs and Security policy, the then twenty-three participant Member States jointly asserted that: “PESCO is an ambitious, binding and inclusive European legal framework for investments in the security and defence of the EU’s territory and its citizens”. Driven by the level of ambition announced in the 2016 European Union Global Strategy, the decision to adopt an inclusive PESCO, based on a modular approach, gave a strong political signal towards European citizens and the outside world that the European Member States were taking collective security and defence seriously. Designed to make European defence more effective and to deliver more output by intensifying coordination in the areas of investment, capability development and operational readiness, PESCO strives to connect Member States' forces through increased interoperability and industrial competitiveness.

What is more, unlike the previous attempts to improve collaboration in the defence sector, the Permanent Structured Cooperation has the advantage of offering a ready legal framework within the TEU. In this sense, PESCO has everything it takes to become the treaty-based vehicle that is needed to raise the European defence domain to a higher level of cooperation. Therefore, to better grasp the value associated to PESCO, it is relevant to examine the legal framework that laid the foundations for the initiative. Envisioned in Articles 42 and 46 of the Treaty on European Union and in the Protocol No. 10 attached thereto, PESCO's legal base could not be more robust. Article 1 of the Protocol N°10 on PESCO stipulates that PESCO shall be opened to each Member States which has higher capacities and “undertakes to develop defence capacities through the development of national contributions and their participation (…) in the main European equipment programmes and in the activities of the EDA in the field of defence capabilities development, research, acquisition and armaments(…)”. Similarly, article 42.6 of the Treaty on European Union (TEU) provides the possibility for a group of like-minded Member States, "whose military capabilities fulfil higher criteria and which have made more binding commitments to one another in this area with a view to the most demanding missions", to take European defence to the next level. It follows that the most willing and best-prepared Member States that meet a set of capability-based entry criteria can voluntarily choose to join PESCO to cooperate more closely on military matters.

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245 Ibid.


247 Treaty on European Union, art 42, par.6

However, the PESCO framework is outlined to move beyond this existing voluntary commitment in two main ways: through binding commitments and specific projects.

It is precisely the legally binding nature of the duties undertaken by all the participating governments, before getting involved in PESCO that has constituted since the beginning the critical difference between PESCO and the previous forms of cooperation. Envisaged in article 2 of Protocol N°10 on PESCO, these commitments are indeed expected to create an environment that will deepen integration in the defence sector by shaping the mindset of decision-makers in a way that the idea of deploying the acquired capabilities or forces will become more acceptable.249 The list of these "ambitious and more binding common commitments" undertaken by each of the participating Member States contains twenty individual pledges related to five broad commitments.250 The provision begins by asserting that first and foremost, Member States have to cooperate to agree on the level of investment on defence equipment and subsequently they have to regularly review these objectives, in the light of the continually changing geopolitical context of recent days.251 Secondly, the participating Member States are asked to "bring their defence apparatus into line with each other as far as possible (...)" by harmonising military needs and by pooling defence means and capabilities.252 Thirdly, European governments have to enhance their forces’ availability, interoperability, flexibility and deployability, notably "by identifying "common objectives regarding the commitment of forces".253 Further, the twenty-five Member States shall address the commonly identified capability shortfalls, including through multinational approaches.254 Last but not least, participating Member States have to take part in the development of major joint or European equipment programmes within the remit of the European Defence Agency (EDA).255 PESCO members must accept and respect all the above-mentioned binding commitments and have to engage in at least one specific project. This principle is at the core PESCO framework representing the beating heart of the whole body.

Additionally, the PESCO notification declares that nations having joined the body commit to increase their defence budgets in real terms and to invest 20 percent of these improved budgets into joint defence capability projects and 2 percent into joint research and technology.257 In the same notification, PESCO also invites Member States to gradually Europeanise their capability development to spend more in an EU context.258

251 Protocol (No 10), art 2.
252 Ibid.
253 Ibid.
254 Ibid.
255 Ibid.
258 Ibid.
Remarkably, to fulfil all the several binding commitments, the twenty-five Member States have to adopt National Implementation Plans (NIPs) which are to be reviewed and updated annually.\(^{259}\) Regularly examined by the European Defence Agency (EDA), these plans outline how the states intend to accomplish the more specific objectives that are to be set at each phase. Consequently, the updated NIPs are delivered annually to the European External Action Service (EEAS) and the European Defence Agency (EDA) and are made available to all PESCO participating Member States.\(^{260}\)

In conclusion, the voluntary participation combined with the still intergovernmental nature of European defence and with the legally binding essence of commitments offers the Union an extremely innovative starting point. All things considered, PESCO, indeed, seems to have the potential to become a new game changer for EU defence cooperation, appearing as the central cog in the EU’s new defence machinery.\(^{261}\)

### 2.1.4 PESCO, CARD and EDF: three interconnected pillars under the same imperative

As briefly discussed in the previous paragraphs, the Coordinated Annual Review on Defence (CARD), the Permanent Structured Cooperation (PESCO) and the European Defence Fund (EDF) are three major separate but interconnected initiatives which play a pivotal role in influencing the EU capability development. Whilst no single project alone is able to deliver on the ambitious goals of enhanced strategic autonomy and further integrated defence cooperation, together these different bodies have the potential to “bring about the step-change in defence cooperation between Member States”.\(^{262}\) For this very reason, at present, PESCO is connected not only to the European Defence Fund (EDF) and the Coordinated Annual Review on Defence (CARD) but also to the updated 2018 Capability Development Plan (CDP) and its subsequent eleven EU Capability Development Priorities collectively identified by the Member States.\(^{263}\) Combined these projects support Member States’ efforts in promoting collaborative defence capability planning, development and procurement.

While the revised CDP identifies the capability priorities on which the Member States should channel their efforts, and the new CARD provides an overview of existing capabilities in Europe; PESCO opens prospects to bridge capability gaps in a collaborative manner, benefitting from the financial incentives provided by the EDF.\(^{264}\)


\(^{260}\) Ibid.


\(^{264}\) Ibid.
Despite this, nowadays Europe is in the position to further reinforce these bonds.

To ensure greater synergy between the three initiatives, the Union should make CARD compulsory for PESCO members. Albeit designed to be a voluntary initiative, CARD should thus be translated into a mandatory process within PESCO framework. A close connection between CARD and PESCO’s national implementation plans (NIP) could indeed mark a symbolic starting point for a brand-new European defence Union.

However, when launching PESCO, participant Member States have just committed to support CARD “to the maximum extent possible” and within individual national constraints.266267 This solution would unquestionably strengthen PESCO by pressuring national governments to arrange their military requirements and invest in joint capability development, however a stronger harmonisation could have guaranteed the EU a better financial burden sharing.268

In the meanwhile, the Bloc conferred on the HR/VP a unique role to assure transparency and coordination to achieve a better coadjuvancy between CARD and EDF.

Last but not least, the urgent need for mightier links between the three bodies was further confirmed when the twenty-five PESCO Member States were required as a prerequisite to take part in the EDF effectively.

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266 Annex II to PESCO notification, point 7.


Notwithstanding this, it is crucial to stress that there will be challenges associated with the use of the financial incentives associated with EDF to promote PESCO capability projects. Firstly, considering that the EDF is open to all European Member states, a closer link between these two bodies could weaken the strategic and industrial coherence between PESCO and not-PESCO capability projects that could be subsidised by the EDF.\textsuperscript{269}

Secondly, despite the explicit inclination for PESCO-based programmes, the EU has to ensure that EDF-funded programmes avoid both geographical and industrial imbalances across the Bloc.\textsuperscript{270}

Thirdly, the financial incentives aimed at meeting the strategic needs and shortcomings found within the CSDP could run the risk of being exploited by some governments as a mean to subsidise ongoing national or projects.\textsuperscript{271}

Considering the determinants and the hurdles mentioned above, the governance of PESCO, as part of a comprehensive defence package, will be essential to achieve the cohesion and complementary required for a credible European Defence Union. The multinational structures established through PESCO should indeed be transformed into the framework of choice from which to organise all European operations, and within which all participating Member States would end up then with defence planning, capacity building and operations.\textsuperscript{272}

In 2017, the European Union President Juncker asserted: “By 2025 we need a fully-edged European Defence Union”.\textsuperscript{273} At present, the pledge endures, but Europe has developed the necessary devices and knows what it has to be done to obtain a coherent and robust defence, worthy of being defined European Defence Union.

\subsection*{2.2 PESCO is about priorities}

Today, European citizens are finding themselves living in an ever extended and less homogeneous Union which has become internally more assorted and differentiated.


\textsuperscript{270} Ibid.

\textsuperscript{271} Ibid.


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As the figure suggests, at present, the Union encompasses a narrower euro area, made up of nineteen countries, a single market zone that includes thirty-one countries, a separate Schengen area that comprises twenty-six states, both EU and non-EU, and twenty-two countries that are found within NATO and the European Union. In an increasingly convoluted Union, marked by different levels of ambition, each Member State has its own security perception and consequently different strategic priorities.


Ibid.
Although dated back to 2017, the following stylised diagram offers a representation of the different priority profiles existing in the Bloc.\textsuperscript{277} Elaborated by taking into account the operational activities of the last few years, the figure illustrates that France and the UK support more interventionist deployable forces while Germany prioritises territorial defence, de facto confirming the outcomes introduced in the first chapter.\textsuperscript{278} Moreover, the image shows that countries, such as Ireland and Austria, pay more attention to capacity building and stabilisation operations, while Italy mainly focuses on operations and border security, gradually becoming a border security country.\textsuperscript{279} Considering the different priority profiles, the issue that needs to be addressed is to understand where the European efforts in the defence domain will be directed.

At present, indeed, the EU, facing security perils from its East, South and an unpredictable ally in the West, barely hides the deep divisions that arise when the Union, operating as a single actor, has to decide which hurdle must be mastered first.

While the countries of Central and Eastern Europe have identified the Kremlin as the main geopolitical adversary, the Southern and Western European Member States, albeit acknowledging the growing concerns about Russian revisionist behaviour, has placed more emphasis on instability arising from transnational challenges, in particular, migration and terrorism. This is just an example while Figure X perfectly shows how each Member State perceives decisive European threats differently.\textsuperscript{280}


\textsuperscript{279} Ibid.

Geographically speaking, according to the 2018 ECFR’s survey, the vast majority of Member States firmly supports active EU involvement in Western Balkans, Eastern Europe, Africa, and the Middle East. While few countries, such as Italy and Portugal, would prefer the EU was not actively involved in Eastern Europe and other nations, such as the Netherlands, Latvia, Bulgaria, Romania, and Malta, have not openly encouraged the EU’s involvement in sub-Saharan Africa; altogether the EU seems to concentrate on the stability of its neighbourhood, at the expense of Central Asia.  

With this in mind, it is often argued that the Union is unable to develop Act strategically due to its Member States’ diverging historic experiences, military doctrines, and diverging perceptions on key future threats to national security.  

Despite this, if strategic cultures are the product of common historic experiences, common threat assessments and common doctrine on the use of military force, it follows that a common European strategic culture will gradually develop in conjunction with closer defence cooperation and not prior to it. 

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283 Ibid.
2.3 PESCO: thirty-four projects to deepen defence cooperation

In response to increasing security challenges, PESCO was advanced to be both a permanent framework for closer cooperation and a structured process to increase defence cooperation within the Union framework.\(^{284}\) PESCO, in fact, has opened up possibilities to solve the problem of lack of European capabilities and the resulting dependency on the U.S, implementing a platform for collaboration which might result in economies of scale and interoperability.\(^{285}\)

With this in mind, on 6 March 2018, the Council adopted an initial list of seventeen projects to be developed under PESCO framework. Met with scepticism, these first projects cover areas such as training, operational readiness and capability development in the field of defence.\(^{286}\)

The European Medical Command, the Cyber Threats and Incident Response Information Sharing Platform, EUFOR Crisis Response Operation Core (EUFOR CROC) and the Maritime (semi-) Autonomous Systems for Mine Countermeasures (MAS MCM) are just some of the most ambitious projects approved in March.\(^{287}\)

Altogether, the first round of initiatives was considered successful, demonstrating the political commitment and the unity of the Union in times of crisis.\(^{288}\)

Afterwards, on 19 November 2018, in line with the procedure set out in Article 5 of Decision (CFSP) 2017/2315, the Council adopted an updated list of seventeen projects to be undertaken under PESCO, in addition to the original seventeen projects agreed on 11 December 2017 and formally adopted in March 2018.\(^{289}\)

To have a clear understanding on the relevance of these achievements, it is necessary to mention some additional projects such as Helicopter Hot and High Training (H3 Training), Electronic Warfare Capability and Interoperability Programme for Future or integrated Unmanned Ground System (UGS).\(^{290}\)

In other words, the thirty-four projects, delivering on capability and operational gaps range from the establishment of an EU Training Mission Competence, a Centre European Medical Command, Cyber Rapid...
Response Teams to the creation of a European Military Space Surveillance Awareness Network, as well as a common EU Intelligence School specialised Helicopter Training.291

Having said this, it must be remarked that not every PESCO Member State is expected to commit to each capability area encompassed by PESCO, nor consequently to participate in every project developed in the context of PESCO.292

However, those Member States involved in an individual project are demanded to adapt as necessary for that project, as envisaged in Article 4.2(f) of Decision (CFSP) 2017/2315.293 Moreover, whilst Article 5.3 of Decision (CFSP) 2017/2315 provides general guidance to participants in conceiving the suitable arrangements for the management of each project, Article 5.2 of Decision (CFSP) 2017/231 provides a framework which incorporates the modalities to inform the Council about the development of individual project regularly.294

Albeit acclaimed by some as a breakthrough for European defence, an interesting question to be asked is whether these projects would contribute to a substantial advancement in the European defence.

To determine whether the PESCO projects constitute an added value in addressing the Union’s capability and operational needs, the International Institute for Strategic Studies (IISS) assessed them using the 2018 revision of the Capability Development Plan (CDP). In other words, the institute estimated whether the two rounds of PESCO projects, adopted respectively in March and November 2018, verge on the EU’s capability development priorities contained in the 2018 Capability Development Plan (CDP).295

The ensuing table cross-references the thirty-four projects against the thirty-eight priorities subcategories, emerging from the eleven priority areas acknowledged in the latest CDP, in June 2018.296

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294 Ibid.


296 Figure 2.6, “Table 1: 2018 EU capability Development Priorities vs PESCO Projects”, table, Alice Billon-Galland, and Yvonni Stefania Efthathiou, “Are PESCO Projects Fit for Purpose?,” European Leadership Network, February 20, 2019, https://www.europeanleadershipnetwork.org/policy-brief/are-pesco-projects-fit-for-purpose/ (accessed April 30, 2019).
The table suggests that PESCO projects successfully cover twenty-five priorities (out of the 38). 297

At the same time, instead, the thirteen priority subcategories that have no PESCO project relating to them include Air combat capability, Anti-Access Area Denial (A2/AD) capability, Ballistic Missile Defence (BMD), Strategic air transport, and Tactical transport.298

While such striking gaps endure, it is safe to claim that the overall direction of PESCO projects is consistent with the CDP goals.

For instance, in the priority area of enhanced logistic and medical supporting capabilities the EU has introduced both a Military Mobility project and a European Medical Command, addressing in one fell swoop two crucial gaps. While the former, supported by twenty-four countries, strives to guarantee the unhindered movement of military forces across Europe; the latter, regulated by Germany, points at providing critical medical resources to assist missions and operations on the ground.299


298 Ibid.

299 Ibid.
What is more, PESCO Member States have significantly agreed to cultivate synergies to deliver a stronger defence against cyber-attacks. Projects such as “Cyber Rapid Response Teams and Mutual Assistance in Cyber Security” project, and the “Cyber Threats and Incident Response Information Sharing Platform” might be fundamental in protecting the Bloc against attacks on military and civilian infrastructures.  

Accordingly, although the vast majority of projects reflects of what the Member States were ready and able to develop at the national level; there are particularly encouraging PESCO projects in the realms of Intelligence Surveillance and Reconnaissance, Enhanced Logistics, Ground Combat Capabilities, and Cybersecurity. The International Institute for Strategic Studies (IISS) concluded by asserting that the thirty-four projects represent a step in the right direction, but not the complete solution to the EU’s capability problems and security concerns.

Therefore, Member States should move beyond the political and industrial hurdles to jointly deliver the capabilities required to eventually reach a European Defence Union capable of mastering the emerging security threats of the twenty-first century.

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300 Ibid.
301 Ibid.
CHAPTER 3. THE ITALIAN MILITARY INDUSTRY IN THE NEW EUROPEAN DEFENCE UNION

3.1 The Italian perspective

“The EU must become a security provider at the global level; in order to do so, it must strengthen its cooperation with NATO and all other International Organizations. Italy is ready to play its part to this effect”, declared the Defence Minister Elisabetta Trenta at the EU Foreign Affairs Council (FAC) in Defence format that took place on 25 June 2018.\(^{302}\)

These compelling words, showing satisfaction for the PESCO projects’ governance rule, confirmed that PESCO is supported by the Ministry of Defence, as well as by the Ministry of Foreign Affairs, the offices of the Presidency of the Council of Ministers and the Head of State dealing with defence and foreign policy.\(^{303}\) Moreover, the body seems to hold a nearly stable consensus at the political level, regardless of the consistent divergences between Italian parties and movements. Despite this fragmented political panorama, indeed, the Yellow-Green coalition government led by Giuseppe Conte has not challenged this consensus yet.\(^{304}\) Suffice to mention that Elisabetta Trenta (from M5S) has not altered the political direction introduced by her predecessor Roberta Pinotti (from PD), restating Italy’s consensus for PESCO, EDF and NATO-EU cooperation at the EU ministerial meeting in Luxembourg.\(^{305}\) Furthermore, on 26 July 2018, while illustrating her defence policy guidelines to the Chamber of Deputies and the Senate’s Defence Committees, the Minister affirmed that “Italy has always been and remains among the Member States supporting the initiative”.\(^{306}\)

Therefore, despite some apprehensions arising from the industrial sector, Italy might be considered a strong supporter of the initiative.

However, although the Italian political apparatus adamantly endorsed the establishment of PESCO, an interesting question to be asked is whether the initiative would contribute to a tangible enhancement in the Italian military-industrial sector or whether would represent an opportunity merely for France and Germany.

3.1.1 Italy: a precarious geopolitical environment


\(^{304}\) Ibid.

\(^{305}\) “Minister Elisabetta Trenta in Luxembourg for the EU Ministerial,” difesa.it, June 25, 2018, https://www.difesa.it/EN/Primo_Piano/Pagine/hjk.aspx (accessed May 01, 2019).

Today, it is safe to assert that the out-of-control world in which European citizens live is characterised by unprecedented instability both within European borders and outside them. The Union is facing significant strategic risks, ranging from the variation of the global balance of power to meaningful changes in the political structures, which are triggered by political, social, economic, environmental or religious factor.\(^{307}\) Besides the manifold tensions of political and military nature enduring in the EU’s adjacent neighbourhood, the liberal international order that has prevailed in Europe since the end of World War II have been undermined by determinants such as demographic changes, the scarcity of natural resources and the globalisation of financial stocks. This period, marked by an increasing globalisation of problems, therefore, produces new uncertainties, spreading disruption and crises, and thus causing structural damages and destabilisation while offering unprecedented opportunities for multilateral cooperation, turning the world into a dynamic reality.

In this reality in which the enhanced interdependence between peoples is at the daily occurrence, Italy finds itself deeply rooted in the international system that surrounds it, due to both its geographical position and its dependence on foreign resources. In fact, the geographical location, economic flows and the cultural history, place the Peninsula at the core of the Euro-Mediterranean area, an extremely convoluted geopolitical region.\(^{308}\) Composed of very diverse political, economic, social, cultural as well as religious systems, the area shares the Mediterranean basin which connects five regions each having distinctive features: the European Union countries, the Black Sea, the Balkans, the Maghreb and the Mediterranean area of the Middle East.\(^{309}\) Some of the aforementioned areas are currently recording violent criminality, terrorism as well as bloody civil wars and transnational uprisings.

Considering the significant dependency on these realms for energy, these factors, while jeopardising the stability of the Euro-Mediterranean region, are also weakening that Italian democratic structures. In other words, since the Italian national safety is closely linked with the security in the Euro-Mediterranean region, it follows that the direct effects of these instabilities paired with the geographical proximity make it impossible for the Peninsula to ignore the way various tensions and conflicts are evolving.\(^{310}\) Additionally, the Euro-Mediterranean region is not a closed-door system, and it is influenced by the dynamics occurring particularly in adjacent areas. This implies that to deal with emerging crises that are endangering the already fragile security, it is necessary to hold a deeper understanding of global threats. The complexity of this framework and the heterogeneity of the actors seem to suggest that an enduring security system is not feasible at the moment in the Mediterranean area.\(^{311}\) Notwithstanding this, the country has to take more responsibility, by actively participating in the attempts of the international community to master threats or at least to hold them back.


\(^{309}\) Ibid.

\(^{310}\) Ibid, 23.

\(^{311}\) Ibid, 30.
Therefore, PESCO might represent the expected qualitative leap in the procurement of the means necessary to address the problems of internal security and external defence. Accordingly, as part of this ambitious and binding framework, designed to achieve more effective and synergic military cooperation, Italy must work, both for the protection of national interests and for the fulfilment of higher levels of global security and stability.312

3.1.2 The Italian strategic priorities to master the emerging threats

As a response to the effects of two decades of reduced spending, resulting in evident capability shortfalls, the European Member States have promoted more integration in the defence-industry field. It is against this backdrop that Italy serves as a compelling case to investigate since the country has become one of the most active supporters of the initiative, despite the widespread Euroscepticism in the Peninsula, by taking part in all the recent initiatives of the still embryonic European Defence Union.313 Already in November 2003, indeed, the Italian Presidency challenged the Franco-German model of ad hoc structured cooperation, accentuating the need for permanent cooperation that, open to all willing Member States should have been in full accordance with NATO’s commitments.314 Additionally, in 2011 May, it was Italy that together with Spain wrote to HR/VP Catherine Ashton to demand a debate on PESCO within the EU’s Foreign Affairs Council.315 Indeed, now that the West has been called to renegotiate the role it has always taken for granted, and that the East is represented by key players that stand out for economic and demographic gigantism, while the South of the world is still heavily marked by pronounced imbalances and instability, Italy needs PESCO to cope with this reconfiguration of the word order and to achieve its strategic priorities.316

As already discussed in the second chapter, according to the 2018 ECFR’s survey, the vast majority of Member States supports active EU involvement in Western Balkans, Eastern Europe, Africa, and the Middle East.317 Despite this, Italy, together with Portugal, is the only country that has not openly encouraged the EU’s involvement in Eastern Europe.318 The position of Italy, at the centre of the Mediterranean basin, indeed, sharply identifies the area of priority gravitation in which the country is called to exercise a responsibility role.

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313 “Three decades ago, Italians were highly pro-Europe, but today they are among the most ‘Euromorose’ of the EU’s nations,” stated the researchers Daniel Debomy, Emmanuel Rivièrè and Arno Husson in a policy paper for the Institut Jacques Delors.
318 Ibid.
Hence, the Italian priorities focus on the sub-Saharan Africa area rather than Eastern Europe is reasonable in light of the strong links between instability in the Sahel and migration flows.\(^{319}\) Therefore, while acknowledging increasing concerns about other areas, the 2015 Italian White Paper on defence focus on southerly problems.

Before being discharged, the Italian government under Paolo Gentiloni asserted that: “[…]the southern shore of the Mediterranean constitutes the “accumulation point” of the instabilities […], putting at risk the security, stability, political and socio-economic situation in the region.”\(^{320}\)

Besides this, on February 28, 2019, the “Report on security information policy”, edited by the Intelligence Section for the year 2018, was publicly launched at the Sala Polifunzionale of the Presidency of the Council. The document is a valuable source to understand the factors of instability that affect Italy, as well as the developments and actions taken by the country in the several scenarios in which it operates.

The Annex to the Report, dedicated to the state of the cyber threat, underlines from the premise that there has been an increase in the quality and complexity of some types of attack.\(^{321}\) Remarkably, it highlights how hacktivism is the most consistent threat, at least in numerical terms, being responsible for 66 percent of monitored attacks.\(^{322}\)\(^{323}\)\(^{324}\) Significantly, the data also show that attacks on the public sector have more than quintupled compared to 2017.\(^{325}\)

Furthermore, the 2018 Report on Information Security Policy confirmed the centrality of the danger represented by terrorism and subversion. Indeed, two specific sections of the document have been dedicated to these themes, relating respectively to transnational terrorism and to the endogenous phenomena of subversion. The controversial topic of terrorism can be found also in other sections, for instance in the one dealing with illegal migration. This emphasis is hardly surprising considering that at first glance there are several overlapping reasons to view Italy as an important hub of jihadist mobilization and target for terrorist offences.\(^{326}\)

First and foremost, Italy is an excellent point of arrival and transit for militants due to its geographical closeness to tensions areas in the Middle East as well as in North Africa, and due to its relatively penetrable borders.\(^{327}\)

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\(^{319}\) Ibid.


\(^{322}\) Ibid.

\(^{323}\) the word “hacktivism” is a neologism that derives from the union of hacking and activism

\(^{324}\) In 2017, the attacks by these actors were 50% of those observed.


\(^{327}\) Ibid.
received a massive influx of migrants, most of whom from Muslim majority countries and conflict areas.\footnote{Operational portal refugee situations,” data2.unhcr, https://data2.unhcr.org/en/situations/mediterranean/location/5205 (accessed May 02, 2019)}\footnote{Operational portal refugee situations,” data2.unhcr, https://data2.unhcr.org/en/situations/mediterranean/location/5205 (accessed May 02, 2019)} Thirdly, it is widely recognized that Italy was one of the first European countries to behold jihadist activities, turning into a logistical base for several jihadist groups since the early 1990s.\footnote{Ibid.} Additionally, the Peninsula constitutes a symbolic target for these groups. In particular, Rome has great iconic value since it is considered the cradle of Christianity.\footnote{Ibid.} Last but not least, the Italian government has played an active role in various Middle Eastern conflicts, deploying troops to Afghanistan and Iraq as well as substantial intelligence resources in the current Libyan conflict.\footnote{Ibid.} Overall, it is no coincidence that the threat of jihadism is considered “absolute priority” for national intelligence.\footnote{Ibid.}

Notwithstanding these factors, Italy has not faced challenges from jihadist terrorism, except for a couple of minor incidents that were prevented or failed.\footnote{Ibid.}

However, despite the defeats inflicted on the Islamic State in Syria and Iraq, and the lack of terrorist assaults in Italy, the threat persists in the country. It is sufficient to think of the evening of June 3, 2017, when in Piazza San Carlo, Turin, the confusion generated by two criminals, perceived as a terrorist attack, transformed the viewing of the Champions League final into a massacre, causing more than 1500 wounded and the death of two women.

Altogether, considering both the geographical strategic priorities and the two most pressing security threats, it is safe to assert that, from the Italian perspective, the establishment PESCO was crucial. Outlined in both the letter and spirit of the Lisbon Treaty, PESCO has everything it takes to improve European ability to protect its citizens and interests, including the Italian ones which find themselves living in the context of an unpredictable EU neighbourhood. In other words, if Italy were able to firmly allege its strategic priorities at the table of the mighty Member States, PESCO could effectively benefit the Italian security system.

### 3.1.3 The Italian involvement in brand-new projects in PESCO’s framework

Since the 1970s, Italy has been one of the European Member States most profoundly involved in cooperative armaments projects.\footnote{Antonio Calcara, “Italy’s defence policy in the European context: the case of the European Defence Agency,” Contemporary Italian Politics, November 09, 2017, 9:3, 277-301, DOI: 10.1080/23248823.2017.1396064 (accessed April 05, 2019), 5.}

In support of this argument, it is of utmost relevance to stress that the country has participated in the Tornado Panavia and the Eurofighter Typhoon consortium as well as in the OCCAR3 and the LoI/FA initiatives.\footnote{Ibid.}
Moreover, Italy, which will be the third largest defence spender in the EU after Brexit, has always assured a meaningful involvement in out-of-theatre operations within the framework of the European Security and Defence Policy. Hence, defence cooperation at the EU level is encouraged in the Peninsula since it is meant to boost specialisation, consolidation and eventually a more functional and more profitable structuring of the defence market.

Due to these expectations, today Italy leads seven projects and is participating in twenty-one projects. In investigating the thirty-four PESCO projects, it appears that Italy promotes those initiatives which drive to multinational processes for purchase, which, in turn, would facilitate interoperability between EU member states’ armed forces. In other words, the prevailing idea is that PESCO projects should concentrate on capability development.

This is hardly surprising when considering the initial batch of seventeen projects launched in March 2018. Among the first set of initiatives, in fact, two out of the four projects headed by Italy intend to improve quite robust capabilities, namely a new family of armoured vehicles and systems for harbour protection. Substantially, in assessing the Italian contribution in the beginning collaborative PESCO projects, the Italian military sector appears particularly eager to seek cooperation with both large and small participating Member States on a range of future capabilities.

Significantly, the second wave of projects, approved by the Council in November 2018, has reflected this general attitude towards joint capability development. Three ambitious projects have confirmed this spirit, that is to say: the European Medium Altitude Long Endurance Remotely Piloted Aircraft Systems (MALE RPAS), the European High Atmosphere Airship Platform (EHAAP) and the European Military Space Surveillance Awareness Network (EU-SSA-N).

Notwithstanding this intense focus on capability development, Italian authorities are fully aware that capabilities are not merely material. For this reason, Italy is additionally involved in other PESCO projects ranging from military mobility to training and education, such as the Joint EU Intelligence School or the European Union Training Mission Competence Centre.

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339 Ibid.
340 Ibid.
342 While the former aims at enhancing the common use of the system in dedicated areas of a newly developed European military capability for the next-generation of MALE RPAS; the second venture is outlined to develop cost-efficient Persistent Intelligence, Surveillance and Reconnaissance (ISR) capability. The third project mentioned above, under the personal guidance of Italy, points at improving an independent and sovereign EU military space surveillance awareness for the protection of European Military Space assets and services, “Defence Cooperation: Council Launches 17 New PESCO Projects,” Consilium, November 19, 2018, https://www.consilium.europa.eu/en/press/press-releases/2018/11/19/defence-cooperation-council-launches-17-new-pesco-projects/ (accessed April 19, 2019).
In spite of this, Italy definitively favours projects dealing with research and development procurement, as well as maintenance and repair of capabilities, portraying PESCO as a driver for cooperative programmes and further investments at both the national and European levels.\textsuperscript{344}

With this in mind, it is also crucial to stress that Italy has also sought to protect its economic and technological interests from foreign interference. Suffice it to recall the Italian withdrawal from the European A400M aircraft project and the safeguarding of national sovereignty in some particular technological areas.\textsuperscript{345} In the document “More Europe on defence”, in fact, it is clearly stated that “it is important to emphasise that we must balance national identities and the ultimate goal of a common defence”.\textsuperscript{346} Besides, even the Italian White Paper betrays the Europeanization of defence policy by proposing a differentiation between “sovereign” and “collaborative” technologies.\textsuperscript{347}

The logic behind the protection of national defence technology is twofold. On the one hand, there are strategic considerations related to the concept of autonomy of the military sector, while on the other hand, Italy is hesitant to integrate competences at the European level for economic reasons.\textsuperscript{348} Despite this concise outline of the Italian protection of some national defence technology areas, the country, at present, is the European country that participates in the highest number of projects, alongside Germany, demonstrating an extraordinary level of ambition and will. The following subsections are intended to provide a far-reaching examination of both the exogenous and endogenous factors that marked the turning point for the European defence investigated in the first chapter in relation to Italy's strategic and political priorities.

\textbf{3.2 Exogenous factors}

\textit{3.2.1 The US divide at impera in the industrial military sector}

Over the last few years, in face of the global challenges, which have become more convoluted, multidimensional and fluid, Europe was left alone. The U.S. continued indeed to look away as President Donald Trump abdicated American leadership of the West, turning into an unstable and untrustworthy partner, at least in the eyes of Europeans governments. It follows that, now more than ever, European Member States have divergent preferences about whether to recognise NATO or the E.U. to be the most legitimate institutional framework in which to advance integrated military capabilities.\textsuperscript{349}

\textsuperscript{344} Ibid.
\textsuperscript{345} Ibid.
\textsuperscript{348} Ibid.
\textsuperscript{349} Ibid, 279.
Assessing the Italian position on this issue is not straightforward. Several studies indeed have remarked that Italian defence policy has always been distinguished by a delicate equilibrium between Atlanticism and Europeanism.\textsuperscript{350} On the one hand Italy has always shown a strong willingness to keep a privileged relationship with both Atlantic Alliance and United States, on the other hand, Italy is driven by the aspiration to play a leading role in the European framework.\textsuperscript{351}

Despite this, it is legitimate to state that, considering the traditionally high-grade relations with Washington, for Italy the adamant support of both the political apparatus ad the Italian military-industrial sector to all recent PESCO projects might produce frictions with the American ally. According to a recent article of the New York Times, in fact, the U.S. establishment looks with mistrust at the current European initiatives in the defence domain, worried by a potential weakening of NATO and by the possibility that the European protectionism would marginalise the American exports of arms from future European defence contracts.\textsuperscript{352} 353

However, Italy cannot afford to lose a partner of the calibre of the U.S, given the solid alliance with U.S. industry partners. It is thus essential to examine the U.S-Italian relations from a defence-industrial perspective, by looking at the defence procurement and industrial cooperation between the two countries.

In this regard, it must be asserted that the U.S political and industrial attention in Italy’s defence sector has been continuous since the end of World War II. Afterwards, the defence industrial relations between Rome and Washington were based on two crucial elements: firstly on proper procurement programs, both concluded and still ongoing and secondly, on the penetration of U.S defence markets by Italian companies such as Finmeccanica, AgustaWestland and Fincantieri.\textsuperscript{355} 356 357 To better grasp the relevance of the nature of this robust partnership, it will be of utmost relevance to dwell on three main elements that characterise the U.S-Italian relations in the defence-industrial domain: the recent acquisition of DRS Technologies by the Leonardo (formerly Finmeccanica) group, the partnership between Lockheed Martin and Fincantieri and the controversial agreement on F-35s.\textsuperscript{358}

Although the U.S. industrial presence in Italian markets dates to the aftermath of World War II, the Italian entrance in the American market is a recent phenomenon occurring mainly after the end of the Cold War.\textsuperscript{359}

\textsuperscript{350} Ibid.
\textsuperscript{351} Ibid.
\textsuperscript{356} Examples of procurement programs include: the C130J and C27J Spartan transport aircraft as well as the KC-767 tanker, the Medium Extended Air Defense System (MEADS) and the F-35 fighter aircraft.
\textsuperscript{357} Finmeccanica is an Italian high-tech company specialised in the aerospace, defence and security.
One of the notable examples in this regard is the acquisition of DRS by Finmeccanica. In May 2008, Finmeccanica proclaimed the acquisition of U.S. defence company DRS Technologies, a leading supplier of products for military forces and espionage agencies. After the formal announcement, the acquisition was successfully completed in October 2008, for the total value of this operation was $5.2 billion.

For what concerns the partnership between Lockheed Martin and Fincantieri, instead, it must be underlined that partnerships and cooperation agreements with the American company were established during the Cold War. At present, this close cooperation finds expression in the controversial Italian-American F-35 programme, which deserves specific attention because of its industrial, military, and political importance. Better known as F-35 “Lightning II”, the Joint Strike Fighter (Jsf) is the multi-role fighter-bomber that will constitute the backbone of the aviation forces of half the world. What is pivotal to be stressed is that the F-35 programme changed the way allied countries such as Italy participate in a U.S-led multinational procurement. Italy is Level II partner in this program, which is assembled by Leonardo on behalf of Lockheed Martin in the Italian Final Assembly and Checkout (FACO), in Cameri. Designed to be the European Maintenance, Repair, Overhaul and Upgrade Centre of Excellence, the FACO will provide long-term sustainable jobs, laying strong foundations for Italian future economic growth. Moreover, at the FACO, Leonardo builds the wings for the F-35 partners and foreign military nations. The establishment of the aforementioned assembly plant in 2009, the only one outside the United States, confirmed the strong bond that binds Italian and American industries, which is fully understandable, since Italy joined the programme already in 1998.

However, despite the relentless commitment, today, Italy is making the American ally upset. Firstly, the Yellow-Green coalition government seems to be intent on reducing the number of aircraft to be purchased from Lockheed Martin. Secondly, it seems intent on quitting the cooperative program but in the meantime, in order not to disappoint the partner, Elisabetta Trenta, has favoured a “technical evaluation” on Italian participation in the programme. Furthermore, what is truly unacceptable, both to the government and to the American defence colossus, is that Rome has suspended payments for the eleven F35s already delivered and the nine ordered. This tension has urged President Sergio Mattarella to demand the government to respect the

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360 Ibid.
363 It is meaningful to mention the F-104S Starfighter which was a licensed Italian version of the Lockheed F-104 Starfighter or the fact that in May 2004, the U.S. Department of Defense bestowed Lockheed Martin and its Italian partner a contract to develop and consequently produce two ships, intended to be part of a broader conflict ship program.
365 Ibid.
368 Initially, indeed, the Italian commitment involved the purchase of 131 aircraft for 13.5 billion, but in 2012 the number of aircraft to be purchased was reduced 90
commitments it had signed, thus pressing the coalition to proceed with the payments of the agreements already concluded.\footnote{Gianluca Zappa, “F35, ecco come Mattarella strattona Difesa e governo,” Startmag, https://www.startmag.it/mondo/f35-ecco-come-mattarella-strattona-difesa-e-governo/(accessed May 02, 2019).}

Notwithstanding the current frictions, the U.S-Italian relations in the defence-industrial domain remain stable, since they are also backed by an unveiled political complicity.

The President Trump’s support for the Conte government which become explicit at the last G7 summit has turned Italy into Washington’s new “privileged interlocutor” in Europe.\footnote{David M. Herszenhorn, “Giuseppe Conte, Donald Trump’s Italian cheerleader,” Politico, July 30, 2018, https://www.politico.eu/article/giuseppe-conte-us-donald-trump-italy-election-nato-eu/ (accessed April 24, 2019).} This is hardly surprising since Trump needs an active Italy in Europe to weaken Germany and, strategically, the Franco-German axis, by preventing or, at least, slowing down the eventual affirmation of a robust military instrument of the EU that could in future constitute an alternative to NATO and, therefore, to the strategic dependence from the USA.\footnote{Gianandrea Gaiani, “L’asse con Trump e la collocazione strategica dell’Italia,” Analisidifesa, August 01, 2018, https://www.analisidifesa.it/2018/08/lass-e-congli-usa-e-la-collocazione-strategica-dellitalia/ (accessed April 29, 2019).}

In the bitter confrontation between Trump and German-driven Europe, Rome represents for Trump the London’s replacement, for both its economic and political weight, but also for its strategic position in the Mediterranean.\footnote{Ibid.} For this reason, the convergence of interests between the governments of Rome and Washington seems to open significant margins for Italian interests, despite the problems encountered in the F-35 programme.

Altogether, it seems safe to assume that the U.S-Italian relations have always obeyed an old rule of international politics: the one dictated by interests. The relations between the two powers were very intense when they had common interests and knew that they could achieve the same goal together; and less robust when the two nations had different, if not conflicting, goals. Although after the election of Donald Trump, the common interests are less and less numerous, Italy needs a special relationship with the U.S. to relaunch Rome’s role in the Mediterranean.

In June 2018, at the Council of the European Union in Luxembourg, Elisabetta Trenta asserted Italy’s position: support and participation in all projects in Brussels, provided they do not clash with NATO. Solely in this way, the country could prevent the formation of a Franco-German defence oligopoly, that could, in turn, splinter the Italian military-industrial sector.\footnote{Stefano Pioppi, “Più Nato con più Europa. La strategia italiana al Consiglio Ue spiegata dalla Trenta,” Formiche, https://formiche.net/2018/06/difesa-europea-nato-trenta/ (accessed May 02, 2019).} On May 16, at the meeting of the Foreign Affairs Council in Defence of the E.U, the Minister reiterated that for Italy it is essential to maintain the uninterrupted transatlantic bond and explained that the high level of Italian involvement in EU security initiatives must be conceived as a complement to NATO and not as a replacement of it.\footnote{Ministeriaie Unione Europea: il Ministro Trenta a Bruxelles,” Ministero Della Difesa, May 14, 2019, https://www.difesa.it/Primo_Piano/Pagine/ministeriale-unione-europa-ministro-trenta-a-bruxelles.aspx (accessed May 15, 2019).} Time will tell whether Italy will succeed in maintaining this ambitious political line, despite the growing American worries and the active Italian participation in European projects.
3.2.2 Italian-Russian relations: agreements or fear of threats?

In his debut speech to Parliament on June 5, 2018, Italy’s new Prime Minister, Giuseppe Conte, declared that the country remained a “privileged ally” of the U.S, but added: “[…] We will be the advocates of an opening towards Russia […].” The provocative words used by the Prime Minister explicitly called for a brand re-engagement with Moscow. This policy guideline is hardly surprising, since the Italian post-war foreign policy, articulated around the two pillars of European integration and belonging to the Atlantic community, have found a sort of balance in economic and security cooperation with states outside these frameworks, including Russia, leader of the Eastern bloc.

Over the years, the Italian-Russian cooperation has gradually acquired a political dimension that has proved to be considerably regular over time. While Russia perceives Italy as an irreplaceable partner for its relations with the European Union and NATO, Rome firmly holds that the participation of Moscow in the dialogue on European security and international governance would guarantee essential advantages to the stability of the security architecture in Europe.

Although connected by well-built political relations, however, Italy and Russia are founded on robust commercial and energy interests. Therefore, it is essential to examine the Russian-Italian relations from an economic perspective, since commercial relations are the main guideline over which the Italy-Russia relationship has consolidated over time, starting from the 1966 General Agreement for the construction of the Volga automobile plant. Since the beginning of the 2000s, Italian exports to Russia have progressively increased, especially between 2007 and 2013. Now, according to the 2018 Ministry of Economic Development, Italy is Russia’s sixth supplier country and the seventh country for Russian import destinations. Overall, it is legitimate to state that Italy and Russia are natural trading partner. Indeed, while in absolute terms, Russia is today the fourth supplier of oil and the first of natural gas, but it is devoid of diversification in the manufacturing sector, Italy has opposite characteristics.

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379 Ibid, 5.
380 The relations between the two powers have benefited for a long time from personal relationships between their respective leaders, as demonstrated by the close relations cultivated by the former Prime Minister, Silvio Berlusconi, with Vladimir Putin. Ibid, 6.
381 Ibid,9.
For this very reason, the energy sector has been a pioneer and still represents the central component of Italy-Russia economic relations. Although the first interchanges in the energy sector date back to 1958, over the decades, Russian energy supplies directed towards the Italian market have progressively increased, reaching historical peaks of 18 million tons of crude oil in 2003 and 30 bcm of gas in 2013.\textsuperscript{383, 384} It should be emphasized that natural gas supplies from Moscow represent a large share of total Italian imports, constituting the main thread of the Rome-Moscow energy axis.\textsuperscript{385} Altogether, the Italian-Russian one is a strong and enduring energy partnership, which despite few moments of crisis, has remained solid until the present day, as demonstrated by the Italian support for the South Stream pipeline project.\textsuperscript{386}

Despite these bonds, with the severe deterioration of relations between the West and Russia in the immediate aftermath of the Russian seizure of the Crimea in 2014, Italy has had considerable difficulties in balancing its Euro-Atlantic interests with the desire to keep Russia hooked into the structures of Western cooperation. Indeed, Italy was forced to condemn the annexation of Crimea peninsula and Russia’s support to the Donbass rebels, reacting simultaneously with EU and NATO through the adoption of stringent economic sanctions and through the strengthening of NATO’s eastern flank. At the same time, however, Italian governments have tried to protect the country’s political and economic interests by seeking to reopen the doors of dialogue with Moscow.

At the base of these initiatives of rapprochement, there has been the unwavering belief that Russia could effectively contribute to the achievement of long-term solutions in the Middle East and North Africa. Nevertheless, above all, the adoption of sanctions against Russia and counter-sanctions by Moscow has raised many concerns for economic damages. The data recorded by Coldiretti, in fact, seem to give reason to those who argue that the sanctions had a damaging impact for Italy, as shown by the decline in Italian exports to Russia of three billion euros a year compared to the record figure reached in 2013.\textsuperscript{387}

Although there was a turning point marking a positive trend in 2017, many exponents of the political apparatus have openly encouraged the abolition of the sanctions. Recently, indeed, during his visit to Moscow, the Minister of Foreign Affairs, Enzo Moavero Milanesi, became the spokesman for Italy’s position on sanctions, stressing that sanctioning measures can be eliminated.\textsuperscript{388} On his last official business to Moscow, also


\textsuperscript{385} Equal to 43 percent in 2017

\textsuperscript{386} Among the most significant examples of crisis that have to be mentioned there are the Russian-Ukrainian gas disputes of 2006 and 2009.


Giuseppe Conte insisted that the economic penalties are not an end but an instrument. On March 8, of this year, the Prime Minister reiterated this position by asserting that Italy is intended to lift the sanctions. All these statements reflect the pro-Russian stance of the Italian League party, an attitude that, in turn, find expression, for instance, in the hostility to the use of Italian troops to bolster NATO defence of the Baltic states against possible Russian aggression. Although these words have comforted Russia, NATO Secretary General Jens Stoltenberg warned Rome, emphasizing the relevance of the economic stances while the U.S ambassador to NATO, Kay Bailey Hutchinson argued that allies have to maintain the political line. Overall, it is safe to conclude by assessing that despite the climate of mistrust which cools Western-Russian relations, Italy continues to uphold the inclusion of Moscow in the various negotiating tables. Therefore, as in the case of the United States, Italy adopts a policy that embeds the country in a rather unstable framework where, in order to nurture its economic interests, it must perform the function of good office between two or more parties, often in conflict.

3.2.3 Brexit and the potential consequences on the Italian military industries.

As analysed in the first chapter, Brexit has given a renewed impetus to the European defence and security domain. As soon as the United Kingdom decided to leave the Union and consequently lost the political faculty to veto the initiatives it opposes, due to both its close relationship with Washington and the fear of duplicating tasks with NATO; the European Union was able to promote a broad range of new initiatives to strengthen military cooperation. However, although the withdrawal of the United Kingdom from the Bloc represents an opportunity to those who have seen the UK as a handbrake on developments towards further EU defence integration, it also constitutes a threat to those who distrust EU security framework after the departure of its most influential military member.

In the immediate aftermath of Brexit, Italy was one of the countries that most reiterated its support for defence integration, portraying the UK “leave” vote as a blessing. Vincenzo Camporini, a former Italian Chief of the Defence General Staff argued, in fact, that the prospects for an enhanced European collaboration appeared

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390 “Italy PM says is working to try to end sanctions against Russia,” Reuters, March 08, 2019, https://www.reuters.com/article/us-italy-conte-russia/italy-pm-says-is-working-to-end-sanctions-against-russia-idUSKCN1QP221(accessed May 08, 2019)
393 Ibid.
brighter in the post-Brexit vote summit in Italy, where the leaders of France, Germany and Italy recognised the urgency of channelling all their political efforts to heighten military cooperation.\textsuperscript{394}

Although some experts would agree with Camporini, stating that Brexit would marginally hit Europe’s defence industry due to the still modest acquis of the EU in the field; Brexit worries and not a little the defence sector, since several studies have emphasized that the cost of Brexit will also be felt in security domain. This is mainly because the EU defence-industrial foundation is characterised by high levels of fragmentation and widespread tendency towards protectionist policies, two factors that have forcefully prevented the establishment of a pan-European defence procurement market.\textsuperscript{395} To soften the impact of Brexit, the European Commission has sought to improve the regulatory framework governing the capability procurement while the intergovernmental projects, examined in the second chapter, headed to the creation of transnational industrial ties.

Significantly, the striking British participation in procurement projects has led to the integration of British industries within European industrial groups.\textsuperscript{396} For instance, in 2000, Leonardo acquired the avionics sector of what was then Marconi Electronic Systems.\textsuperscript{397} However, over the years, the UK-Italian relations in the defence-industrial domain has gone far beyond these inter-industry obligations.

Firstly, nowadays, Italy contributes to the Tornado project, and it cooperates with UK and France at the naval anti-aircraft Principal Anti Air Missile System (PAAMS) through MBDA.\textsuperscript{398} Secondly, the helicopter sector continues to represent a vital playing field on which to strengthen bilateral cooperation between Italy and the UK.\textsuperscript{399} Lastly, Italy is a possible future partner on the Tempest programme, the future sixth generation British fighter destined to gradually replace the Raf Eurofighter Typhoon.\textsuperscript{400}

Despite the substantial line of continuity with the strict positions of Brussels on Brexit pursued by the new government, Italy is simultaneously interested in keeping good relations with the United Kingdom since the link between Rome and London within the common, so far, context of the European Union is closer than it may appear to be. Suffice it to say that around 5 percent of the Italian exports travel to London.\textsuperscript{401}

Although the percentage may seem paltry at first sight, it makes UK the fourth target markets for Italian exports, after Germany, France and the United States, translating into around 23 billion euros.\textsuperscript{402} Given that


\textsuperscript{396} Ibid.


\textsuperscript{398} Ibid.

\textsuperscript{399} Ibid.


\textsuperscript{402} Ibid.
the Italian import from London amounts to about 12 billion, this percentage produces a trade surplus of 11 billion.⁴⁰³

Altogether, it is legitimate to assume that the price of Brexit on the European and on the British military sector will be revealed by the path that Britain will pursue. In this regard, the study “Looking through the Brexit fog: scenarios and implications for the European defence industry” deserves special mention since it identified three possible scenarios for the post-Brexit vote.

The first scenario, “A wide and deep partnership”, foresees that the EU and UK would agree to maintain the customs union or a free agreement, thus preserving the current situation and allowing the UK to participate in the EDF and PESCO projects.⁴⁰⁴ In the second scenario, “A tailor-made and complicated partnership”, a customs union is not envisaged, but the relation between the Union and the UK is reduced to a rather mild free trade agreement, comparable to EFTA or WTO.⁴⁰⁵ Probably, on the defence front, London and Brussels would find a targeted agreement to allow UK to participate in research development activities and in the EDF and PESCO sphere. In the third scenario, “Open Competition”, the negotiations would be concluded without an agreement between the two parties, not even in the field of defence, leading to a relative closure of the EU market for British imports and of the UK market for European exports, and consequently to a broad commercial divergence between the two players.⁴⁰⁶ Therefore, this outlook would exclude UK from PESCO and EDF, favouring an industrial and military consolidation on the Franco-German axis.

Two considerations must be made when assessing the potential scenario of a no deal Brexit. First and foremost, in this potential chain of events, the European citizens would lose a total of 40.4 billion.⁴⁰⁷ According to the estimates published by the Bertelsmann institute, whilst the loss of income in Germany would be the highest in Europe, France and Italy would also see significant income losses amounting to billions of euros.⁴⁰⁸ ⁴⁰⁹ Secondly, from a strategic perspective, the third scenario, weakening the close relations between Italy and England, would allow the Franco-German alliance to crush the priorities of the Italian industrial sector.

To conclude, while European defence is progressing rapidly between PESCO and EDF, all Member States, including Italy are looking forward to the end of negotiations, earnestly hoping for the achievement of the first scenario.

3.3 Endogenous factors

⁴⁰³ Ibid.
⁴⁰⁵ Ibid.
⁴⁰⁶ Ibid.
⁴⁰⁸ Respectively almost eight billion euros and four billion euros each year.
⁴⁰⁹ Ibid.
3.3.1 The risk of a Franco-German military oligopoly

The impulse that the vast majority of European Member States seem determined to channel to the European Defence Union opens up to unprecedented opportunities for the military industries, but, at the same time, presents new uncertainties and obstacles.\textsuperscript{410}

Europe seems to be further and further depleted, despite possessing resources and industries with relevant technical capabilities and technologies of avant-garde.\textsuperscript{411} Since it is not a matter of resources, the blemish of the system must necessarily lie in the excessive fragmentation along national lines and in the widespread tendency towards protectionist industrial policies that distinguish the EU defence-industrial foundation. This is no wonder since, of the twenty-eight states that currently make up the EU, few countries already possess on their own almost all the skills necessary to proceed on their own.\textsuperscript{412, 413}

Among these countries, Italy, in the dual sector of Aerospace and Defence, is one of the best-positioned member countries having developed quality capabilities almost in the entire range of products of interest, ranging from fighter jets to electronic warfare and intelligence equipment. Since it holds all the ingredients of success, a bright future both in Europe and in the international scene would seem secure for Italy at first glance. However, this is not the case. There are, in fact, several factors that could hinder the Italian defence industry in reaching the European level of ambition, among them stands out the remarkably rooted team France and Germany.

Suffice it to mention the plans by France and Germany to team up on a next-generation fighter which, according to the head of an Italian defence industry association, Guido Crosetto, unequivocally represent an affront to Italy.\textsuperscript{414, 415} Given that the only other Member State with similar industrial capabilities is Italy, the fighter deal is regarded as planned to undermine the pillars of the Italian military sector and to leave all other Member States on the margins.\textsuperscript{416} In other words, a France that is armoured with Germany not only represents a potential threat to the Italian ability to play an international role on the defence market but also risks weakening the EU, as reiterated the senior advisor to Leonardo’s CEO. Besides, in a sharp attack on the Future Air Combat System (FCAS) deal, Crosetto told Defense News that if Paris and Berlin called the shots, Rome


\textsuperscript{412} Ibid.

\textsuperscript{413} Ibid.

\textsuperscript{414} France, Germany, England, Italy, Spain and Sweden


\textsuperscript{416} Ibid.
would seek closer ties with the UK, for instance by joining the Tempest programme, despite the UK’s imminent departure from the EU.\textsuperscript{417}

Although frictions between France and Italy rose in July 2017 following the French government’s decision to nationalise shipbuilder Chantiers de l’Atlantique rather than giving Italy’s Fincantieri a majority stake, failing to observe an agreement between Italy and France’s previous government, they have worsened over the years.\textsuperscript{418, 419} However, only recently, the relation between the three countries has reached a level of tension that seems to be a point of no return.

On 22 January 2019, on the occasion of the 56th anniversary of the Elysée Treaty, President Emmanuel Macron and Chancellor Angela Merkel signed in Aachen a new Franco-German treaty on cooperation and integration which bears great historical as well as political significance.\textsuperscript{420, 421} This sixteen-page contract, reaffirms their foreign and security policy and military cooperation; and strengthens the ties in the domains of economy, culture, administration, environment, and research, all to be fully coordinated together.\textsuperscript{422, 423} Additionally, in Article.4 §1 of the Treaty, the two nations inserted a mutual defence clause, to be activated in the event of an attack on their territories, following the principle of Article 42.7 TEU and Article 5 of NATO.\textsuperscript{424} Although the Aachen clause mentions both NATO and EU commitments in the field of collective defence, it is worth bearing in mind as it omits to recognise the former as the principal framework for its implementation.\textsuperscript{425} Additionally, the provision goes beyond its models since it contains both binding terminology and explicit references to the use of armed force.

Albeit still broadly representative, the Treaty legally binds both France and Germany to pursue greater integration, demonstrating that the they are serious about the preservation of the European post-war international order vis à vis the internal centrifugal tendencies, examined in the first chapter.\textsuperscript{426} Above all, the Treaty provides a form of non-coercive leadership within the Union, as confirmed by the Macron who asserted before the signing ceremony: “[…] Germany and France have to take responsibility and show the way”.\textsuperscript{427, 428}

\textsuperscript{417} Ibid.
\textsuperscript{419} This tense atmosphere was confirmed on the occasion of the peace conference on Libya organised by President Macron who did not invite the Italian government, a de facto key player in the Libyan scenario.
\textsuperscript{421} The Elysée Treaty is a highly symbolic post-war accord of friendship signed in 1963.
\textsuperscript{422} Ibid.
\textsuperscript{423} Remarkably, the Treaty envisions the creation of a French-German economic area and a French-German Economic and Financial Council to promote the adjustment of their financial legislation.
\textsuperscript{425} Ibid, 5.
\textsuperscript{427} Ibid.
Altogether, it is legitimate to assume that this Treaty is making other European countries, in first place Italy, extremely nervous, nurturing the fear of being excluded from the decision making as Berlin and Paris become increasingly potent.

After yet another affront, in which France offered Germany a permanent seat on the UN Security Council, despite long-term plans in Europe to give a new seat to the EU, Conte stated: “Looks like they are making fun of us [...]”.

Weakened by tensions with France and Germany due to their protectionist policies, Italy has to deal with the European integration of defence capacities. What most frightens the Italian military sector, polarised around some large industrial agglomerations, is that the concept of integration rhymes with rationalisation, and the latter implies avoiding overlaps.

To get to grips with the complexity of the unification process, it is essential to observe the aeronautical sector, the most structured and integrated today. Excluding the United Kingdom, and thus Bae Systems, in Europe, three significative giants are dominating the sector, namely the Franco-German Airbus, Italian Leonardo and the French Thales. Given that Airbus has a civilian core business, helicopters endure in the military group, where Airbus and Leonardo are main competitors, producing a wide range of overlapping capabilities, ranging from aeronautics to spatial domination. On the other hand, Thales and Leonardo have defence and security as their core business, collaborating in space despite the numerous duplicates. Therefore, it seems that even this field is characterised by a high level of fragmentation, an aspect which is further accentuated in the naval and terrestrial sectors.

In this forthcoming process of rationalisation of the European defence system, Italy could be the weak link. Indeed, albeit the current European defence projects represent a qualitative advancement, it is crucial to emphasise the risks that can derive from the union of the capacities of the sector. As Guido Crosetto warned, since the weight of Italian companies in Europe is lower than that of other countries, the rationalisation of the European system imperils the Italian industrial apparatus.

In order to protect the Italian military-industrial sector from both this inevitable rationalisation and the Franco-German marriage, Italy needs to sell its capabilities abroad. Nonetheless, before developing European and global synergies, Italy must work on stronger synergies and collaborations at the national level. It is thus no coincidence that the Yellow-Green government is demanding the two national industrial giants, Fincantieri and Leonardo, to seek mutual synergies and to take advantage of small and medium-sized industries.

430 Fincantieri, Leonardo-Finmeccanica, Oto Melara, Iveco, the Avio group of Colleferro, et cetera.
432 Ibid.
433 Ibid.
In conclusion, it is legitimate to state that one of the main obstacles to Italy’s ambition to join Franco-German cooperation has to be found in the Italian defence budget. Now more than ever, the Italian government is required to invest more heavily in Italy’s defence industry to make it competitive. As the CEO of Leonardo asserted, joining collective defence initiatives in Europe will bring an unprecedented momentum the Italian military but only if Italy is backed by the Italian government through substantial investment.

3.3.2 A budget problem

To date, the Italian political apparatus openly supports the establishment of PESCO while the Italian military-industrial sector was forced to support the recent initiatives of the European Union of Defence to survive. For Italy, one of the four ambitious countries that proposed the first draft of the PESCO notification in July 2017, it has become imperative to assume greater responsibilities in the PESCO framework. It logically follows that the state should increase military spending in terms of percentage of GDP. Indeed, although Italy is already ranked among the countries with the highest level of spending in absolute terms in the sector, in 2017 it appeared in twelfth place as a level of expenditure in relation to GDP.

Regrettably, however, Italy is not heading in the right direction. On 15 October 2018, Elisabetta Trenta delivered its Plurennial Programmatic document (DPP) outlining Italy’s defence expenditure estimates until 2020. The document suggests that, compared to the last decade, the Defence / Budget ratio decreased from 1.35 percent in 2008 to 1.19 percent in 2018. Besides, while Italy’s 2018 defence budget grew compared to 2017, with expenditures reaching 1.19 percent of GDP, in 2019, the ratio will decrease to 1.15 percent and again to 1.10 percent in 2020. Hence, the DPP envisions a downward trend in defence expenditures for the 2018–2020 period, at a time when the EU is demanded to channel both effort and resources to boost its defence cooperation to master current threats and when the US Trump administration is admonishing its European allies for not carrying their share of burden, neither in terms of defence spending nor in terms of military contributions to operations. Consequently, such defence cuts
compromise Italian contribution to joint plans, undermining Italian credibility both in NATO and EU framework.

As a member of NATO, Italy has committed to reach the target of devoting 2 percent of GDP to defence spending by 2024, a pledge that Italy would hardly accomplish. In fact, recently, Elisabetta Trenta sought to change NATO defence sending rules. The Defence Minister asserted that NATO guidelines requiring member countries to allocate 2 percent of their GDP on defence should also include non-military investments since Italy spend more on social welfare.442

Regarding the EU, instead, the downward trend outlined in the DPP may raise doubts on the Italian engagement to the brand-new defence cooperative initiatives, including those launched through PESCO and EDF. Within the PESCO framework, in fact, this gradual but substantial reduction in defence expenditures is contrasting the list of binding commitments that participating Member States have implemented, to promote the deployability and interoperability of their capabilities.443 Precisely, the twenty-five participating governments committed to “regularly increasing defence budgets in real terms” to promote “joint and collaborative defence capability development”, which might, in turn, be sustained through the EDF “if required and as appropriate”.444 445

In this regard, the Italian approach to capability development formulates PESCO as a hatchery for programmes to be directly submitted to EDF, driven by the firm consensus that the lack of adequate financial European co-founding could jeopardize Italian industrial participation in the European projects.446 However, although the PESCO-EDF connection can bring tangible benefits to the national industrial-military sector, Italy is perfectly aware that the reaffirmation of commitments through declarations will not be sufficient and that only concrete contributions will guarantee its participation in the twenty-one projects in which it is involved. Additionally, although only a small number of these projects would be eligible for EDF funding, within the DPP, Italian-led or participated initiatives under the PESCO chapeau are only listed in a footnote with any specific suggestion regarding future resources.447

Therefore, an interesting question to be tackled is how Italy will finance the initiatives not covered by the EDF if the Italian defence expenditure continues to decline.

Despite this, there are other economic problems to be underlined, especially the fact that the EDF requires European funds to be spent only to assist and promote European-owned companies.\footnote{Article 7 in “Proposta di REGOLAMENTO DEL PARLAMENTO EUROPEO E DEL CONSIGLIO che istituisce il programma europeo di sviluppo del settore industriale della difesa, volto a sostenere la competitività e la capacità di innovazione dell’industria europea della difesa,” EUR-lex, June 7, 2017, https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:52017PC0294&from=EN (accessed April 28, 2019).} As recently claimed in a letter wrote by the Presidents of four major Italian regions and addressed to the President of the European Parliament, to the Italian European parliamentarians, as well as to the President of the Council, the question of the eligibility of not European-owned industries poses critical problems for the stability of Italian industrial and employment interests.\footnote{Stefano Pioppi, “La difesa comune e gli interessi dell’industria italiana al Parlamento europeo (con Tajani),” Formiche, February 21, 2018, https://formiche.net/2018/02/parlamento-europeo-difesa-industria-edidp-industria/ (accessed April 07, 2019).} Overall, in Italy, defence sector companies controlled by non-European actors “directly employ over 8200 employees, 18.6% of the total”, numbers that the country cannot afford to leave out of the common defence.\footnote{Piedmont, Liguria, Lombardy and Lazio.}

Significantly, even the principal amateurs of the Italian industry could experience adverse consequences from this rule. For instance, Leonardo is concerned that Augusta-Westland, a leading company in aerospace, defence and security, owned by the Italian group, but with manufactories in the United Kingdom, cannot take advantage of these financial opportunities. The Union is unprepared to manage the problem since there is not a European system that controls foreign investments in strategic European companies. However, the Union cannot exclude an important and sometimes fundamental part of the European technological and industrial base, as Françoise Grossetête instead suggested.

The French parliamentarian insisted on the criterion of “effective control” as stated in the thirteenth point of her report, where it is openly declared that “[…] only entities established in the Union and effectively controlled by Member States or their nationals should be eligible for support”.\footnote{“Appello Maroni, Chiamparino, Toti, Ue Tuteli Aziende Settore Difesa Controllate Da Stranieri,” ANSA, February 15, 2018, http://www.ansa.it/europa/notizie/rubriche/altrenews/2018/02/14/difesa-4-regioni-a-pe-ue-tuteli-aziende-in-manistranieri_c283ef08-167b-4e29-944f-2247d9b56d4e.html (accessed May 06, 2019).} This is hardly surprising as France has all the interest in this planning phase to support its own industrial sector, excluding companies with non-EU control. Eventually, the European Parliament amended the point, introducing a rigid formula that leads to the exclusion of those European companies that are controlled by states or third parties, unless they observe specific parameters that will be hardly verified prevented.\footnote{“Ibid. The European Parliament added: “[…] other entities established in the EU and not effectively controlled by Member States or their nationals may be eligible if, for the purpose of an action funded under the Programme, the necessary mechanisms are in place to ensure that the effective control over the undertaking by a third country or a third country entity is removed and their access to sensitive information relating to the action is prevented.”}

Nonetheless, these circumstances do not alter the fact that the Italian budget plans represent severe concerns for Bruxelles, as they constitute “an obvious significant deviation” from the recommendations adopted by the Council for 2019. For this very reason, Italy has all the papers in order to be potentially suspended from
PESCO, in line with Article 46.4 TEU.\textsuperscript{454} Although this scenario is entirely far-fetched, at least to date, the downward trend in defence expenditures will prompt Italy to be left behind by its European partners, crushed by a Franco-German military oligopoly, which Rome cannot prevent, held back by its low defence / budget ratio.

II. CONCLUSION

If PESCO will become a true game-changer for European defence cooperation by boosting the Union’s military capabilities, helping the EU to achieve the strategic autonomy set by the 2016 EU Global Strategy, is yet to be seen. The success of the initiative will depend upon the ambitious engagement of the participating Member States and, especially, upon their willingness to make notable contributions to the projects. Considering the still intergovernmental character of PESCO and the resulting discrepancies in strategic cultures between European states, their diverging threats assessment and different perceptions of the function of further military integration, the far-reaching national commitments thus represent the main constituents, without which the initiative will become just another paper tiger. Consequently, the extent to which all of these national efforts will lead to a more operational role for the still undeveloped European Defence Union remains in the ways capability projects within PESCO are modulated and what capability programmes are launched. It logically follows that to bring real added value, PESCO has to take the qualitative step from cooperation to effective integration in defence, going beyond mere procurement projects and aiming at generating permanent multinational frames.

Therefore, the broad implication of this research is that, if it is not permanent for the inclusive group of the willing Member States and structured through a coherent set of joint capacity development projects, then PESCO will be the umpteenth missed opportunity. Only by respecting these requirements PESCO will lead to the creation of an effective European defence, empowering the Member States to master both the emerging security threats of the twenty-first century and the centrifugal tendencies that are threatening the unity of the Union.

Needless to say, the precarious Italian geopolitical security environment at the centre of the Euro-Mediterranean area, an extremely convoluted region, has made Italy one of the most active advocates of the initiative, despite the widespread Euroscepticism in the Peninsula. Notwithstanding the apprehensions arising from the industrial sector, in fact, Italy has energetically promoted the project, as the opportunity to play a key role in the field of EU defence cooperation would provide political, economic and military benefits indispensable for the country. This is hardly surprising since the initiative would guarantee the country needed funding for its defence industry and it would ultimately serve a remarkable political purpose: that of providing Italy with an essential path of engagement with other European governments, thus reducing the growing isolation of Rome within the EU.

Despite the several benefits, PESCO seems to foresee future intricacies for Italy, first of all by incorporating the country into a rather unstable framework in which, in order to nurture its economic interests both with the United States and with Russia, the state has to perform the function of a *de facto* good office between two or more parties, which are often in conflict. Secondly, while the price of Brexit on the European military sector will be unveiled by the path that Great Britain will pursue, the Italian-British relations in the defence-industrial domain may transform Italy into a weak link in the Union in the next process of rationalization of the European defence system.\textsuperscript{458} Altogether, however, what threatens the most the Italian military-industrial sector within the PESCO framework is the Franco-German marriage which is gradually turning into an ominous oligopoly of the industrial market, with the potential of splintering the Italian defence sector. 

In this regard, it has to be stressed that the primary obstacle to Italy’s ambition to join Franco-German cooperation has to be found in its defence budget. Hence, in order to better grasp the difference between Italy and the two military giants of the Union, it is essential to compare the three diverging defence spending. According to data collected by NATO, in 2018 France spent 1.82 percent of its GDP in defence, 59542 million USD, a percentage that allows Paris to talk about EU unity in its own terms.\textsuperscript{459} \textsuperscript{460} Likewise, German defence spending notably increased to 46192 million USD in 2018 from 45382 million USD in 2017.\textsuperscript{461} For what concerns Italy, instead, military spending decreased to 26082 million dollars in 2018 from 26448 million dollars in 2017.\textsuperscript{462} Therefore, albeit the Italian aerospace, defence and security sector is solid and has a long tradition, polarised around some large industrial agglomerations and made up of small and medium enterprises, research centres and university hubs of excellence, the distance from France and Germany is evident resulting in equally manifest capability and credibility shortfalls which mark Italy in multinational fora. 

The commitment made at the summit of the NATO in Wales in September 2014 to spend 2 percent of the GDP on defence within 2024 was disregarded by Renzi, Gentiloni and currently by Conte, but with a major difference: while the first two governments have tried to increase the defence budget, the brand-new coalition government has decided to reduce it. 

On the off chance that the current Yellow-Green coalition government will effectively commit to the challenges and opportunities offered by the Permanent Structured Cooperation and all the other recent initiatives of the European Defence Union, two main scenarios might be envisaged for Italy in the PESCO framework:

1. In the first scenario, regrettably the most probably outcome, Italy will not change its political guidelines, still heading in the wrong direction. Although the downward trend outlined in the DPP has already raised

\textsuperscript{458} “A wide and deep partnership, “A tailor-made and complicated partnership” or “Open Competition” 


several doubts on the Italian engagement to the current defence cooperative initiatives, the estimates until 2023 may further decrease in light of the implementation of specific provisions included in the 2019 budget law.

2. In the second scenario, instead, Italy will exploit the extremely modest growth the country will witness starting from 2020 to increase its military spending. This preferable outlook would enable Italy to achieve the NATO target of devoting 2 percent of GDP to defence spending by 2024, upgrading in this way Italian credibility both in NATO and EU framework.

From all possible perspectives, the most reasonable strategy for Italy is to commit itself into channelling more considerable efforts in increasing its defence spending. Although this scenario seems entirely far-fetched, at least at present, any other outline will prompt Italy to be left behind by its European partners, crushed by the extremely dreaded Franco-German military oligopoly.

Precisely for this reason, with the utmost respect for the dedication in the European Defence Union of the current Minister of Defence, Elisabetta Trenta, her last proposal to consider the costs for cyber-security as NATO defence spending does not hold up. Rome must not look for shortcuts. Conversely, Italy must respect the pledges taken in order to be regarded as a trustworthy partner.

Uncertainty is not suitable for a delicate and strategic sector such as defence.

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**Books**


IV. EXECUTIVE SUMMARY IN ITALIAN

I mutamenti del sistema internazionale da un sistema unipolare, con un primus inter pares, gli Stati Uniti, ad un sistema multipolare tuttora in via di definizione, ed i conseguenti cambiamenti della natura degli attori all’interno della scacchiera globale, sono solo alcuni degli elementi che, associati alla crescente globalizzazione dell’economia, hanno fortemente inciso sul panorama della difesa, italiana ed europea. Il mondo sta cambiando rapidamente e l'Unione, già profondamente indebolita dalla crisi economica, si trova a dover affrontare una serie di sfide strategiche che hanno messo in discussione gli equilibri globali e l'ordine internazionale liberale, dominante dal secondo dopoguerra. Se da una parte l'integrità territoriale europea continua ad essere gravemente violata, come dimostrato dall'annessione russa della Crimea, dall’altra le potenze regionali dal Medio Oriente, modernizzando i loro settori industriali, hanno alterato l'equilibrio militare da sempre incentrato sugli Stati Uniti. La crescente competizione geopolitica, il sottosviluppo delle regioni del Medio Oriente e del Nord Africa, e la nuova gamma di minacce ibride, tra cui attacchi informatici, notizie false e campagne di disinformazione, hanno ulteriormente contribuito a mettere a rischio i valori della democrazia liberale, spingendo l'Europa a riconsiderare le sue scelte di politica estera. Ad oggi, tuttavia, la minaccia terroristica rimane il fenomeno che maggiormente preoccupa i cittadini europei. Gli attentati a Tolosa nel 2012, a Berlino nel 2016, passando per il Bataclan a Parigi, Bruxelles, Nizza, fino ad arrivare agli attacchi a Westminster, Manchester, Barcellona hanno lasciato un segno indelebile nella storia moderna. Inoltre, i fenomeni comitandi che contraddistinguono il periodo attuale sono due: una crescente globalizzazione dei problemi, che tende a trasformare il mondo in una singola realtà altamente interconnessa, minando la nozione di entità nazionale, e un parallelo aumento della frammentazione dei fenomeni che potrebbe provocare innumerevoli danni strutturali. Ne consegue logicamente che la sicurezza interna ed esterna sono profondamente intrecciate: la sicurezza europea dipende dalla pace oltre i suoi confini. Le nuove minacce, reali o percepite, quali la criminalità e i conflitti transazionali, il terrorismo e la proliferazione nucleare non sono più facilmente localizzabili ma hanno acquisito una loro dimensione globale. È proprio la natura di questi rischi che ha imposto agli europei di trovare una risposta ad hoc. All'interno di questo singolare scenario, l'Unione si è trovata di fronte al seguente dilemma: organizzare la propria sicurezza in maniera efficace e costruttiva o rinunciare, una volta per tutte, alla sua capacità difensiva. Il continuo mutamento delle relazioni transatlantiche, sulle quali l’UE ha sempre fatto affidamento, l’ha indotta a perseguire una propria autonomia strategica.

“[…] Negli ultimi due anni abbiamo costruito le basi per la difesa dell'Unione europea che è stato il sogno dei padri fondatori e delle madri sin dall'inizio […]”

È con queste parole che Federica Mogherini ha manifestato la rinnovata centralità strategica che la sicurezza e la difesa ha assunto per la politica estera europea negli ultimi anni, sottolineando i progressivi sviluppi e i risultati dell'integrazione europea in questo campo.
Effettivamente, la storia della difesa europea è meno lineare di ciò che ci si aspetterebbe. L’idea di una maggiore integrazione nel settore della difesa risale addirittura al 1950, quando a seguito delle due Grandi Guerre, René Pleven, l’allora Presidente del Consiglio dei Ministri, propose all'Assemblea nazionale francese un piano che prevedesse una significativa integrazione della difesa tramite la creazione di un esercito europeo e la nomina di un Ministro europeo della Difesa. Dopo un complesso impasse politico ed il veto del parlamento francese, il sogno di una difesa europea scomparse per il mezzo secolo successivo. Sebbene il Piano Fouchet del 1961, la Dichiarazione di Saint-Malo del 1998 e la Convenzione sul futuro dell’Europa del 2001 furono vere e proprie pietre miliari nella storia della difesa europea, la vera rivoluzione avvenne solamente con il trattato di Lisbona. Quest’ultimo infatti, entrato in vigore nel 2009, registrò il decisivo passaggio da una serie di provvedimenti di natura restrittiva a disposizioni essenzialmente abilitanti. Non solo introdusse le clausole di solidarietà e di assistenza reciproca ma estese la portata delle missioni militari e civili da svolgere nell’ambito della CSDP. In particolare, attraverso gli articoli 42.6 e 46 TEU ed il Protocollo n. 10, il trattato offrì la possibilità a un gruppo di Stati membri di portare la sicurezza europea al livello successivo, introducendo la cooperazione strutturata permanente (PESCO). Eppure, non appena il trattato di Lisbona entrò in vigore, fu evidente che nessuno degli Stati membri avesse reale urgenza di implementare la PESCO. Provvidenzialmente, fu a partire dal primo Consiglio europeo dedicato alla CSDP, nel 2013, che la combinazione di potenti agenti costrinse i diversi governi ad adottare l’iniziativa. Fattori esogeni come Trump, Putin, e la Brexit ed endogeni come la leadership franco-tedesca e la minaccia terroristica hanno infatti portato ad un'innegabile accelerazione nell'organizzazione della Difesa europea. In primo luogo, il cambio di leadership americana, che raggiunse il suo apice con l'elezione di Donald Trump nel novembre 2016, i toni aggressivi dello stesso e il costante timore dell'unilateralismo americano spinsero i governi europei ad assumersi maggiori responsabilità rispetto alle proprie esigenze di sicurezza. Allo stesso modo, la Realpolitik di Putin, fondata su una politica estera rivisitata in pura chiave Clausewitziana, ha avuto un ruolo centrale nel rimarcare la necessità di una maggiore cooperazione europea in termini di difesa. Le operazioni informatiche contro Estonia e Stati Uniti, il dispiegamento di missili e altri mezzi di difesa aerea, sono stati solo alcuni dei molteplici esempi del comportamento aggressivo della Russia che, culminato con l’annessione della Crimea nel 2014, hanno messo in evidenza le gravi carenze militari degli Stati membri, esortando l’Unione a sviluppare una propria visione strategica. A tal proposito, fondamentale fu anche la decisione britannica di lasciare l’Unione con la conseguente scomparsa dei veti britannici su qualsiasi potenziale incremento nel ruolo dell'UE nel coordinamento della difesa. La Brexit, combinata con la diffusione del nazionalismo e del populismo, ha infatti portato ad un rinnovato slancio nella difesa europea. Tra i fattori endogeni, l’impulso alla politica di difesa europea è stato principalmente voluto da Francia e Germania, nonostante le profonde divergenze nelle culture strategiche dei due paesi, che hanno notoriamente creato ostacoli alla coesione. Alla luce di questo rinnovato interesse per il rafforzamento della cooperazione europea in materia di sicurezza
e difesa, il 28 giugno 2016, l'UE ha adottato la Strategia Globale europea per la politica estera e di sicurezza (EUGS), elaborata sotto la guida di Federica Mogherini.

Il progetto, accolto con favore dal Consiglio europeo, dimostrò definitivamente come l’idea di un’Europa intesa come un ente provvisto solo di potere normativo fosse definitivamente superata. Elaborata per raggiungere un livello di autonomia strategica tale da consentire all'Unione di coltivare la pace all'interno e oltre i suoi confini, sin dall’inizio la strategia richiese ai governi maggiori apporti alla sicurezza collettiva e una più ampia cooperazione con i loro partner per preservare e migliorare ciò che l'Unione era stata in grado di raggiungere fino a quel momento.

Benché l'Europa non sia ancora una potenza militare di rilievo, tra il 2016 e il 2018, è stata in grado di tradurre in azione gli impegni degli Stati membri in materia di assistenza reciproca e solidarietà. Questo si evince dalla vasta gamma di progetti introdotti nello scorso biennio che annovera tra le principali iniziative: una nuova revisione annuale coordinata sulla difesa (CARD), l'istituzione di un fondo europeo di difesa (EDF) e la fondazione di una capacità di pianificazione e condotta militare congiunta (MPCC) e la cooperazione strutturata permanente (PESCO).

Sebbene nessun dei suddetti progetti sia in grado di raggiungere gli ambiziosi obiettivi previsti dalla Strategia Globale da solo, insieme possono apportare un cambiamento radicale nella cooperazione in materia di difesa tra gli Stati membri, promuovendo la pianificazione, lo sviluppo e l'acquisizione di capacità di difesa. Significativamente, questi sviluppi sono infatti riusciti a dimostrare nel contesto internazionale come sia le istituzioni europee sia gli Stati membri siano nuovamente focalizzati sulla cooperazione per la difesa, portando i programmi di difesa dell'UE sotto un unico tetto.

È proprio sotto questo chapeau della difesa comune che nel giugno 2017 il Consiglio europeo ha convenuto sulla necessità di avviare una cooperazione strutturata permanente. Alcuni mesi dopo, i capi militari nazionali di ventitré Stati membri europei hanno notificato a Federica Mogherini e al Consiglio, la loro intenzione di attivare il meccanismo del trattato di Lisbona noto come PESCO, sia per rafforzare la sicurezza europea sia per raggiungere il livello di ambizione espresso nella strategia globale. Alla luce di tale notifica, che conteneva anche un elenco di impegni vincolanti, il Consiglio ha compiuto il passo storico di istituire la cooperazione e il suo elenco di partecipanti, che oggi ammontano a un totale di venticinque stati. Il risveglio di questa iniziativa ha provocato uno slancio senza precedenti per l'Unione, promuovendo lo sviluppo di capacità moderne da parte degli Stati membri al di là delle loro risorse nazionali e portando la difesa europea ad una più profonda convergenza industriale.

Concepita come un processo di chiaro carattere intergovernativo, in cui i governi partecipanti sono i principali responsabili del mantenimento dei loro impegni politici, la PESCO, nel pieno rispetto delle norme costituzionali di ciascuno stato e riconoscendo i provvedimenti del trattato sull'Unione europea e i protocolli allegati, fornisce un quadro giuridico europeo vincolante e inclusivo per far avanzare le rispettive capacità militari di difesa dei governi europei senza porre fine alla sovranità nazionale. Malgrado il suddetto carattere intergovernativo, da un’attenta analisi emerge chiaramente una differenza significativa tra la PESCO e le
precedenti forme di cooperazione, in quanto vi è una solida base giuridica (art 42, 46 TEU) ed i doveri assunti da tutti i governi partecipanti presentano un carattere vincolante.

In particolare, in questa Unione sempre più estesa e meno omogenea, dove ogni Stato membro ha differenti priorità strategiche, la PESCO ha permesso di implementare una piattaforma di collaborazione che potrebbe tradursi in economie di scala e interoperabilità attraverso ambiziosi progetti. L'Istituto internazionale di studi strategici, analizzando i trentaquattro progetti della PESCO adottati dal Consiglio, rispettivamente a marzo e a novembre 2018, ha infatti sottolineato come questi ultimi rappresentino un sostanziale passo avanti nella giusta direzione, coprendo con successo venticinque delle trentotto priorità contenute nel piano di sviluppo delle capacità del 2018, ma non ancora la soluzione completa ai problemi di sicurezza dell'UE.

Se la PESCO diventerà un vero punto di svolta per la cooperazione europea nel settore della difesa, rafforzando le capacità militari dell’UE, è ancora da vedere. Il successo dell'iniziativa dipenderà primariamente dall'impegno dei governi partecipanti e, in particolare, dalla loro volontà di apportare contributi tangibili ai progetti. Considerando le discrepanze nelle culture strategiche degli Stati europei, le loro divergenti valutazioni delle minacce e le differenti percezioni sulla funzione di un'ulteriore integrazione militare, gli impegni nazionali rappresentano i principali ingredienti, senza i quali l'iniziativa risulterebbe fallimentare. Di conseguenza, la misura in cui tutti questi sforzi nazionali porteranno ad un ruolo più operativo per l'Unione europea di difesa risiederà nel modo in cui i progetti all'interno della PESCO veranno modulati e dal tipo di programmi introdotti.

Pertanto, solo se la PESCO sarà permanente per i governi partecipanti e strutturata attraverso una serie coerente di progetti di sviluppo delle capacità congiunte, essa porterà alla creazione di un'efficace difesa europea, consentendo agli Stati membri di contrastare le tendenze centrifughe del ventunesimo secolo che minacciano l'unità dell'UE.

Inutile dire che la precaria situazione di sicurezza geopolitica italiana, al centro dell'area euro-mediterranea, una regione estremamente instabile, ha fatto dell'Italia uno dei più attivi sostenitori dell'iniziativa, nonostante il diffuso euroscetticismo nella Penisola. Il governo della coalizione giallo-verde guidato da Giuseppe Conte non ha, infatti, ancora messo in discussione il consenso mostrato dal precente governo. Specialmente il Ministro della Difesa ha ribadito il consenso italiano per PESCO, EDF e NATO-UE alla riunione ministeriale europea a Lussemburgo. Nonostante le numerose preoccupazioni messe in luce dal settore industriale l'Italia ha dunque promosso energicamente il progetto, in quanto l'opportunità di svolgere un ruolo chiave nel campo della cooperazione europea in materia di difesa offrirerebbe benefici politici, economici e militari indispensabili per il Paese. L’iniziativa infatti garantirebbe allo Stato i finanziamenti necessari per l’industria della difesa interna e avrebbe in ultima analisi un notevole obiettivo politico: quello di fornire all'Italia un percorso essenziale di impegno con gli altri governi europei, riducendo così il crescente isolamento di Roma all'interno dell'UE.

Se da un lato l'Italia individua come prioritario l’intervento nell'Africa subsahariana, dall’altro il Rapporto sulla Politica dell'Informazione sulla Sicurezza ha sottolineato la centralità della minaccia informatica e del
pericolo rappresentato dal terrorismo.
Nonostante i numerosi benefici che potrebbe apportare alla gestione nazionale di queste sfide, la PESCO implica anche delle complessità future per l’Italia. In primo luogo, infatti, da un dettagliato studio dei progetti industriali di difesa elaborati bilateralmente con gli Stati Uniti e la Russia, è emerso come l’iniziativa possa inserire il Paese in un quadro piuttosto instabile dove, per perseguire i propri interessi economici con le due grandi potenze, lo Stato dovrà svolgere *de facto* la funzione di mediatore tra due o più parti.
In secondo luogo, sebbene il costo della Brexit sul settore militare europeo sarà svelato dal percorso che la Gran Bretagna seguirà a termine delle trattative, le relazioni italo-britanniche in campo difensivo-industriale potrebbero trasformare l'Italia nell’anello debole dell’UE nel prossimo processo di razionalizzazione dei sistemi di difesa. Come maggiore contribuente al progetto Tornado, collaboratore nel sistema principale di missili antiaerei navali e in qualità di possibile futuro partner del programma Tempest, l’Italia ha sempre mostrato una predilezione per le cooperation con il Regno Unito ma la questione dell'ammisibilità delle industrie non europee all’EDF porrà gravi problemi per la stabilità degli interessi industriali e occupazionali italiani.
Tuttavia, ciò che più minaccia il settore militare-industriale italiano nel quadro della PESCO è il matrimonio franco-tedesco che si sta gradualmente trasformando in un temibile oligopolio del mercato industriale di difesa. A questo proposito, va sottolineato che l'ostacolo principale all'ambizione italiana di aderire alla cooperazione franco-tedesca risiede nel suo bilancio della difesa. Se da una parte Francia e Germania continuano a incrementare i loro budget militari, la spesa militare italiana si è ulteriormente ridotta. Pertanto, sebbene il settore italiano dell'aerospazio, difesa e sicurezza sia solido e di lunga tradizione, la distanza da Francia e Germania è sempre più evidente e si traduce in altrettante visibili carenze di capacità e credibilità che contraddistinguono l'Italia nei *framework* multinazionali.
In conclusione, nella speranza che l'attuale governo di coalizione giallo-verde si impegni efficacemente ad affrontare le sfide e cogliere le opportunità offerte dalla Cooperazione Strutturata Permanente, l’elaborato ha cercato di mettere in luce come la strategia più ragionevole per l'Italia nei prossimi anni sia quella di impegnarsi a destinare maggiori sforzi per aumentare la spesa per la difesa. Malgrado questo scenario sembra piuttosto improbabile, almeno allo stato attuale delle cose, qualsiasi altra alternativa indurrà l'Italia ad essere lasciata indietro rispetto ai suoi partner europei, schiacciata dal giustamente temuto oligopolio militare franco-tedesco.
In linea con l'approccio liberale intergovernativo di Andrew Moravcsik, l'UE è ciò che gli Stati membri vogliono che sia. Perciò, per fare i conti con i dibattiti attuali, sarà fondamentale comprendere quale linea politica l’Italia intraprenderà e il conseguente ruolo che il Paese ricoprirà nel prossimo capitolo della storia europea.