

Department of Political Science

Chair of International Relations

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

Prof. Raffaele Marchetti
SUPERVISOR

Costanza Pestarino
082162
CANDIDATE

ACADEMIC YEAR 2018/2019

OUTLINE:

I. Introduction	p. 6
1. European Defence: yesterday and today	p. 10
1.1 The History of European defence	p. 10
1.2 Exogenous factors	p. 16
1.2.1 Trump and the change in the American leadership	
1.2.2 Putin and the consequences of the invasion of Crimea	
1.2.3. Brexit and the disappearance of vetoes	
1.3 Endogenous factors	p. 26
1.3.1 The Franco-German leadership	
1.3.2 Terrorism and the perception of risks by European citizens	
2. New initiatives in the European defence sector	p. 33
2.1 EU Global Strategy for Foreign and Security Policy (EUGS)	p. 33
2.1.1 CARD: aligning participating states' defence budgets and capability plans	
2.1.2 EDF: the necessity of financial incentives	
2.1.3 PESCO: a further step towards a European Defence Union	
2.1.3.1 PESCO: another form of intergovernmental cooperation in the security domain	
2.1.3.2 PESCO: a body with a very solid legal basis	
2.1.4 PESCO, CARD and EDF: three interconnected pillars under the same imperative	
2.2 PESCO: the different strategic priorities	p. 47

2.3 PESCO: thirty-four projects to deepen defence cooperation	p. 51
 3. The Italian military industry in the new European defence	p. 55
 3.1 The Italian perspective	p. 55
3.1.1 Italy: a precarious geopolitical environment	
3.1.2 The Italian strategic priorities to master the emerging threats	
3.1.3 The Italian involvement in brand-new projects in PESCO's framework	
 3.2 Exogenous factors	p. 61
3.2.1 The US divide at impera in the industrial military sector	
3.2.2 Italian-Russian relations: agreements or fear of threats?	
3.2.3 Brexit and the potential consequences on the Italian military industries.	
 3.3 Endogenous factors	p. 70
3.3.1 The risk of a Franco-German military oligopoly	
3.3.2 The budget problem	
 II Conclusion	p. 77
III Bibliography	p. 80
IV Executive Summary in Italian	p. 90

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

¹ Anthony Giddens , *Modernity and Self-identity: Self and Society in the Late Modern Age* (Stanford University Press , 1991), 184.

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,

² Charles Dickens, et al., *A Tale of Two Cities*. (Essex: Pearson Education, 2008), 3.

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, Switzerland: Palgrave Macmillan, 2018), 9.

⁴ Charles A. Kupchan, *No Ones World: The West, the Rising Rest, and the Coming Global Turn*, 184-185, quoted in Matlary, Janne Haaland. *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 9.

⁵ Henry Kissinger, *World Order*. (New York: Penguin Press, 2014), quoted in Matlary, Janne Haaland. *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 10-11 .

consequently also the national interest is unclear, leading security and defence policies to be at the very bottom of the political list of priorities.⁶ 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 Crimea 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.⁷ 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 2017.⁸

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.⁹

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

⁶ M. J. Williams, *NATO, Security and Risk Management: From Kosovo to Kandahar* (London: Routledge, 2008), quoted in Matlary, Janne Haaland. *NATO's European Allies: Military Capability and Political Will* (Basingstoke: Palgrave Macmillan, 2013), 3.

⁷ Janne Haaland Matlary, *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 3-4.

⁸ "Special Eurobarometer 464b: Europeans' Attitudes towards Security Ecodp.common.ckan.site_title." *Datasets*, http://data.europa.eu/euodp/en/data/dataset/S1569_87_4_464B_ENG (Accessed February 25, 2019).

⁹ Pawel Zerka, "Are Spheres of Influence Still In? The EU and External Security," *ECFR*, August 10, 2018, https://www.ecfr.eu/article/commentary_spheres_of_influence_eu_external_security (Accessed February 6, 2019).

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.¹⁰ 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 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.¹¹

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.¹² 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.¹³

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.

¹⁰ Matlary, Janne Haaland. *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 23.

¹¹ “EPSC Brief: Joining Forces The Way Towards the European Defence Union.” February 14, 2019, https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf (Accessed February 17, 2019).

¹² “High Representative Mogherini Presents EU Global Strategy for Foreign and Security Policy,” *EEAS*, June 28, 2016, https://eeas.europa.eu/topics/eu-global-strategy/7337/high-representative-mogherini-presents-eu-global-strategy-foreign-and-security-policy_en (Accessed March 7, 2019)

¹³ Nicole Koenig, “Security and Defence: A Glass Half Full – Jacques Delors Institut – Berlin,” *Jacques Delors Institut – Berlin*, July 2018, <https://www.delorsinstitut.de/en/all-publications/security-and-defence-a-glass-half-full/> (Accessed January 21, 2019)

Therefore, the first part will examine the history of European defence up to the latest strategies through which “[...] able and willing Members states”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 devolved 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.

¹⁴ Niklas Nováky, “The EU’s Permanent Structured Cooperation in Defence: Keeping Sleeping Beauty from Snoozing,” *SAGE Journals*, 2018, <https://journals.sagepub.com/doi/full/10.1177/1781685818764813> (Accessed January 13, 2019).

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.”*¹⁵

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”.¹⁶

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(..).”¹⁷

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

¹⁵ “European Council Conclusions, 28 June 2018,” *Consilium*, June 29, 2018, <https://www.consilium.europa.eu/en/press/press-releases/2018/06/29/20180628-euco-conclusions-final/> (accessed February 18, 2019)

¹⁶ “Joint Declaration on European Defense Integration,” *Center for Strategic and International Studies*, August 19, 2004, <https://www.csis.org/analysis/joint-declaration-european-defense-integration> (accessed February 17, 2019.)

¹⁷ “Speech by HR/VP Federica Mogherini at the NATO Parliamentary Assembly Meeting,” *EEAS*, February 19, 2019, https://eeas.europa.eu/headquarters/headquarters-homepage/58382/speech-hrvp-federica-mogherini-nato-parliamentary-assembly-meeting_en (accessed March 1, 2019).

setting up of a European Army and the appointment of a European Minister of Defence.¹⁸ 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."¹⁹

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.²⁰

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.²¹

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".²² 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

¹⁸ "In Defence of Europe: Defence Integration as a response to Europe's Strategic Moment," *European Commission*, June 15, 2015, https://ec.europa.eu/epsc/sites/epsc/files/strategic_note_issue_4_en.pdf (accessed February 13, 2019).

¹⁹ "Statement by René Pleven on the Establishment of a European Army (24 October 1950)," *CVCE.EU* by UNI.LU, July 05, 2016, https://www.cvce.eu/en/obj/statement_by_rene_pleven_on_the_establishment_of_a_european_army_24_october_1950-en-4a3f4499-daf1-44c1-b313-212b31cad878.html (accessed March 16, 2019).

²⁰ "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 Conference Prague: In Defence of Europe, June 9, 2017, http://europa.eu/rapid/press-release_SPEECH-17-1581_en.htm (accessed January 30, 2019).

²¹ Panos Koutrakos, "The Origins and Evolution of CSDP," in *The EU Common Security and Defence Policy*, ed. OUP Oxford (Oxford University Press, 2013), 5-19.

²² "Franco-British St. Malo Declaration (4 December 1998)." June 22, 2015, https://www.cvce.eu/content/publication/2008/3/31/f3cd16fb-fc37-4d52-936f-c8e9bc80f24f/publishable_en.pdf (accessed March 17, 2019).

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.²⁴

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).²⁵

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.²⁶ 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.²⁷ 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”.²⁸ 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 2004.²⁹

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”.³⁰

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”.³¹

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 treaties. The Lisbon Treaty instituted the position

²⁴ Panos Koutrakos, “The Origins and Evolution of CSDP,” in *The EU Common Security and Defence Policy*, ed. OUP Oxford (Oxford University Press, 2013), 5-19.

²⁵ “European Security and Defence Policy : The First Ten Years (1999-2009),” October 19, 2009, https://www.iss.europa.eu/sites/default/files/EUISSFiles/ESDP_10-web_0.pdf (accessed February 18, 2019).

²⁶ “CONV 461/02 WG VIII 22 Final Report of Working Group VIII,” European-convention.europa.eu, December 16, 2002, <http://european-convention.europa.eu/pdf/reg/en/02/cv00/cv00461.en02.pdf> (accessed March 17, 2019)

²⁷ Daniel Fiott, and Antonio Missiroli and Thierry Tardy, “Permanent Structured Cooperation: What’S In A Name?,” *European Union Institute For Security Studies*, November 13, 2017, *Iss.Europa.Eu*. https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf, 16.

²⁸ Ibid.

²⁹ Daniel Fiott, et al, “Permanent Structured Cooperation: What’S In A Name?,” *European Union Institute For Security Studies*, November 13, 2017, *Iss.Europa.Eu*. <https://www.iss.europa.eu/content/permanent-structured-cooperation-what’s-name>, 17.

³⁰ Ibid., 19.

³¹ 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.³² 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.³³ 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.³⁴ 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.³⁵ 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).³⁶

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.³⁷ 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 2011.³⁸ 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

³² Daniel Fiott, and Antonio Missiroli and Thierry Tardy, “Permanent Structured Cooperation: What’S In A Name?,” *European Union Institute For Security Studies*, November 13, 2017, *Iss.Europa.Eu*.
https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf, 11.

³³ “Implementation of the Lisbon Treaty Provisions on the Common Security and Defence Policy (CSDP): European Council Briefing - Think Tank,” *European Council Briefing - Think Tank*,
[http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI\(2016\)573285](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2016)573285) (accessed March 20, 2019).

³⁴ *Ibid.*

³⁵ Treaty on European Union, art 42, par 6.

³⁶ Sven Biscop, “EU60: Re-Founding Europe. The Responsibility to Propose,” *IAI Istituto Affari Internazionali*, February 6, 2017,
<https://www.iai.it/en/ricerche/eu60-re-founding-europe-responsibility-propose> (Accessed February 18, 2019).

Daniel Fiott, and Antonio Missiroli and Thierry Tardy, “Permanent Structured Cooperation: What’S In A Name?,” *European Union Institute For Security Studies*, November 13, 2017, *Iss.Europa.Eu*.
https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf, 22.

³⁸ *Ibid.*, 23

supranational authorities, logic already expressed in Article 1 EDC.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”.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”.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.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.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 (NORDEFMO) or the Visegrad Group, all set up in order to encourage greater defence collaboration among the Member States.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.⁴⁵ Contrary to Trump’s arguments, indeed, the year 2013 broke the trend of declining

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.”

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 Conference Prague: In Defence of Europe, June 9, 2017, http://europa.eu/rapid/press-release_SPEECH-17-1581_en.htm (accessed January 30, 2019).

⁴¹ “Macron Defends the Idea of European Sovereignty | News | European Parliament,” *Europarl.europa.eu*, April 17, 2018, <http://www.europarl.europa.eu/news/en/press-room/20180411IPR01517/macron-defends-the-idea-of-european-sovereignty>(accessed March 20, 2019).

⁴² Sven Biscop, “EU60: Re-Founding Europe. The Responsibility to Propose,” *IAI Istituto Affari Internazionali*, February 6, 2017, <https://www.iai.it/en/ricerche/eu60-re-founding-europe-responsibility-propose> (accessed February 18, 2019).

⁴³ “In Defence of Europe: Defence Integration as a Response to Europe’s Strategic Moment,” *European Commission*, June 15, 2015, https://ec.europa.eu/epsc/sites/epsc/files/strategic_note_issue_4_en.pdf (accessed February 13, 2019).

⁴⁴ Ibid.

⁴⁵ Lucie Béraud-Sudreau and Bastian Giegerich, “NATO Defence Spending and European Threat Perceptions,” *IISS*, July 16, 2018, <https://www.iiss.org/publications/survival/2018/survival-global-politics-and-strategy-augustseptember-2018/604-08-sudreau-and-giegerich> (accessed February 19, 2019).

military spending in Europe that was observed since 2007.⁴⁶

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”.⁴⁷⁴⁸ 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.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 2018.⁵⁰ In view of latest 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.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.⁵² Significantly, it suggested that 2016 that Europe had reached a point where progress was the only option.

⁴⁶ “DEFENCE DATA 2016-2017,” *Eda.europa.eu*, September 7, 2018, https://eda.europa.eu/docs/default-source/brochures/eda_defencedata_a4 (accessed February 19, 2019).

⁴⁷ “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 Conference Prague: In Defence of Europe*, June 9, 2017, http://europa.eu/rapid/press-release_SPEECH-17-1581_en.htm (accessed January 30, 2019).

⁴⁸ Lucie Béraud-Sudreau and Bastian Giegerich, “NATO Defence Spending and European Threat Perceptions,” *IJSS*, July 16, 2018, <https://www.ijss.org/publications/survival/2018/survival-global-politics-and-strategy-augustseptember-2018/604-08-sudreau-and-giegerich> (accessed February 19, 2019).

⁴⁹ Similarly: France (1.91%), Latvia (1.99%), Poland (1.97%) and Romania (1.93%).

⁵⁰ Lucie Béraud-Sudreau, “On the Up: Western Defence Spending in 2018,” *IJSS*, February 15, 2019, <https://www.ijss.org/blogs/military-balance/2019/02/european-nato-defence-spending-up> (accessed February 22, 2019).

⁵¹ *Ibid.*

⁵² Sven Biscop, “Letting Europe Go Its Own Way,” *Foreignaffairs.com*, July 6, 2018, <https://www.foreignaffairs.com/articles/2018-07-06/letting-europe-go-its-own-way>, (accessed February 20, 2019).

With this in mind, France and Germany awakened the so-called “Sleeping Beauty” of the Lisbon Treaty.⁵³ On 13 November 2017, twenty-three European Member 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”.⁵⁴

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.⁵⁵ And to this day, a total of 25 Member States got involved in PESCO, attracted by its inclusive and modular nature.⁵⁶ It was a “dream that had become reality”, after sixty-seven years.⁵⁷

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.⁵⁸

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.⁵⁹

The following subsections aim 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

⁵³ “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 Conference Prague: In Defence of Europe, June 9, 2017, http://europa.eu/rapid/press-release_SPEECH-17-1581_en.htm (accessed January 30, 2019).

⁵⁴ “Una Giornata Storica per L'Unione,” *Federica Mogherini*, November 13, 2017, <http://www.federicamogherini.net/giornata-storica-lunione/> (accessed February 02, 2019).

⁵⁵ “Permanent Structured Cooperation (PESCO) – Factsheet,” *EEAS*, November 19, 2018, https://eeas.europa.eu/headquarters/headquarters-homepage/34226/permanent-structured-cooperation-pesco-factsheet_en (accessed March 16, 2019).

⁵⁶ Ireland and Portugal joined PESCO before December.

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

⁵⁸ Nicole Koenig, “Security and Defence: A Glass Half Full,” *Jacques Delors Institut – Berlin*, July 2018, <https://www.delorsinstitut.de/en/all-publications/security-and-defence-a-glass-half-full/> (accessed January 21, 2019)

⁵⁹ Pawel Zerka, “Are Spheres of Influence Still In? The EU and External Security,” *ECFR*, August 10, 2018, https://www.ecfr.eu/article/commentary_spheres_of_influence_eu_external_security, Accessed February 6, 2019).

*“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.”*⁶⁰

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.⁶¹ 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.⁶² 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.⁶³ 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.⁶⁴ 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.⁶⁵

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

⁶⁰ Robert Kagan, “Power and Weakness,” *Hoover Institution*, June 1, 2002, <https://www.hoover.org/research/power-and-weakness> (accessed March 18, 2019).

⁶¹ Janne Haaland Matlary, *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 3.

⁶² Amanda Holpuch, et al., “Trump-Putin Meeting Reactions: 'Russia Is Not Our Ally', Says Paul Ryan – as It Happened,” *The Guardian*, July 17, 2018, <https://www.theguardian.com/us-news/live/2018/jul/16/trump-putin-summit-helsinki-russia-live> (accessed February 27, 2019).

⁶³ Stanley R Sloan, “Don’t Count on Germany to Save the West,” *War on the Rocks*, June 06, 2017, <https://warontherocks.com/2017/06/dont-count-on-germany-to-save-the-west/> (accessed March 15, 2019).

⁶⁴ Bruce Stokes, “NATO’s Image Improves on Both Sides of Atlantic,” *Pew Research Center*, May 23, 2017, <https://www.pewglobal.org/2017/05/23/natos-image-improves-on-both-sides-of-atlantic/> (accessed February 17, 2019).

⁶⁵ Janne Haaland Matlary, *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 4-5.

could continue along its current trajectory for much longer.⁶⁶ 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.⁶⁷

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.”⁶⁸ 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.⁶⁹ Further, he defined NATO as a “two-tiered” alliance and his successor, Leon Pannetta, has expressed similar views.⁷⁰ 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 unilateralism.⁷¹ 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.⁷²

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.⁷³ The recent establishment of the Permanent Structured Cooperation in 2017 has further demonstrated that Europeans are tired to be part of a framework

⁶⁶ Robert M. Gates, “The Security and Defense Agenda (Future of NATO),” *United States Department of Defense*, June 10, 2011, <http://archive.defense.gov/Speeches/Speech.aspx?SpeechID=1581> (accessed February 12, 2019)

⁶⁷ Janne Haaland Matláy, *NATOs European Allies: Military Capability and Political Will* (Basingstoke: Palgrave Macmillan, 2013), 98.

⁶⁸ “The Security and Defense Agenda (As Delivered by Secretary of Defense Robert Gates, Brussels, Belgium, June 10, 2011),” *The Washington Post*, June 10, 2011, https://www.washingtonpost.com/world/the-security-and-defense-agenda-as-delivered-by-secretary-of-defense-robert-gates-brussels-belgium-june-10-2011/2011/06/10/AGqlZhOH_story.html?utm_term=.1d8d2821c229 (accessed February 13, 2019).

⁶⁹ Ibid.

⁷⁰ Ibid.

⁷¹ Robert Kagan, “Power and Weakness,” *Hoover Institution*, June 1, 2002, <https://www.hoover.org/research/power-and-weakness> (accessed March 18, 2019).

⁷² “Macron Calls for ‘real European Army’ to Defend against Russia and US,” *The Local*, November 06, 2018, <https://www.thelocal.fr/20181106/macron-calls-for-real-european-army-to-defend-against-russia-and-us> (accessed February 18, 2019).

⁷³ Janne Haaland Matláy, *NATOs European Allies: Military Capability and Political Will* (Basingstoke: Palgrave Macmillan, 2013), 101-103.

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

⁷⁴ Robert Kagan, “Power and Weakness.” *Hoover Institution*, June 1, 2002, <https://www.hoover.org/research/power-and-weakness> (accessed March 18, 2019).

⁷⁵ Aaron Mehta, “US Warns against ‘protectionism’ with New EU Defense Agreement,” *Defense News*, February 14, 2018, <https://www.defensenews.com/smr/munich-security-forum/2018/02/14/us-warns-against-protectionism-with-new-eu-defense-agreement/> (accessed March 19, 2019).

⁷⁶ Georgi Gotev, “US Offer First Reaction to EU Defence PESCO Pact,” *Euractiv.com*, February 28, 2018, <https://www.euractiv.com/section/politics/news/us-offer-first-reaction-to-eu-defence-pesco-pact/> (accessed March 13, 2019).

⁷⁷ Aaron Mehta, “US Warns against ‘protectionism’ with New EU Defense Agreement,” *Defense News*, February 14, 2018, <https://www.defensenews.com/smr/munich-security-forum/2018/02/14/us-warns-against-protectionism-with-new-eu-defense-agreement/> (accessed March 19, 2019).

⁷⁸ “EPSC Brief: Joining Forces The Way Towards the European Defence Union,” *Ec.europa.eu*, February 14, 2019, https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf (accessed February 17, 2019).

⁷⁹ “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 Conference Prague: In Defence of Europe*, June 9, 2017, http://europa.eu/rapid/press-release_SPEECH-17-1581_en.htm, (accessed January 30, 2019).

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.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.⁸²

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.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."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 2008.⁸⁵ Secondly, unlike many European states, Russia has started to use military force as an instrument of its foreign policy, sometimes called "heavy metal diplomacy".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.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

⁸¹ "EU and NATO Cooperation to Expand to New Areas, including Counter-terror; Military Mobility; Women, Peace and Security," *EEAS*, December 6, 2017, https://eeas.europa.eu/delegations/mali/36854/eu-and-nato-cooperation-expand-new-areas-including-counter-terror-military-mobility-women_zh-hans (accessed March 20, 2019).

⁸² "Joint Declaration on EU-NATO Cooperation by the President of the European Council, the President of the European Commission, and the Secretary General of the North Atlantic Treaty Organization," *NATO*, July 08, 2016, https://www.nato.int/cps/en/natohq/official_texts_156626.htm (accessed March 15, 2019).

⁸³ Lucie Béraud-Sudreau and Bastian Giegerich, "NATO Defence Spending and European Threat Perceptions," *IISS*, July 16, 2018, <https://www.iiss.org/publications/survival/2018/survival-global-politics-and-strategy-augustseptember-2018/604-08-sudreau-and-giegerich>, (accessed February 19, 2019).

⁸⁴ "Macron Calls for 'real European Army' to Defend against Russia and US," *The Local*, November 06, 2018, <https://www.thelocal.fr/20181106/macron-calls-for-real-european-army-to-defend-against-russia-and-us> (accessed February 18, 2019).

⁸⁵ Richard Sokolsky, "The New NATO-Russia Military Balance: Implications for European Security," *Carnegie Endowment for International Peace*, March 13, 2017, <https://carnegieendowment.org/2017/03/13/new-nato-russia-military-balance-implications-for-european-security-pub-68222> (accessed March 05, 2019).

⁸⁶ Janne Haaland Matlary, "Britain," In *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 12.

⁸⁷ Janne Haaland Matlary, "Britain," In *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 230.

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.”⁸⁸

Already in 2012, Mitt Romney, the Republican nominee at the US Presidential campaign, defined Russia the United States’ foremost geopolitical adversary.⁸⁹ 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.⁹⁰ 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.⁹¹

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”.⁹² 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.⁹³ 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.⁹⁴ Correspondingly, the 2018 National Security Concept of the Republic of Estonia (NSC) blamed the

⁸⁸ Alexey Arbatov, “Russian Foreign and Security Policy,” *Carnegie Moscow Center*, June 21, 2016, <https://carnegie.ru/2016/06/21/russian-foreign-and-security-policy-pub-63860> (accessed March 01, 2019).

⁸⁹ Richard Sokolsky, “The New NATO-Russia Military Balance: Implications for European Security,” *Carnegie Endowment for International Peace*, March 13, 2017, <https://carnegieendowment.org/2017/03/13/new-nato-russia-military-balance-implications-for-european-security-pub-68222> (accessed March 05, 2019).

⁹⁰ Lucie Béraud-Sudreau and Bastian Giegerich, “NATO Defence Spending and European Threat Perceptions,” *IISS*, July 16, 2018, <https://www.iiss.org/publications/survival/2018/survival-global-politics-and-strategy-augustseptember-2018/604-08-sudreau-and-giegerich> (accessed February 19, 2019).

⁹¹ *Ibid.*

⁹² “NATIONAL THREAT ASSESSMENT 2019,” *Vsd.lt*, February 05, 2019, <https://www.vsd.lt/wp-content/uploads/2019/02/2019-Gresmes-internetui-EN.pdf> (accessed March 13, 2019).

⁹³ Margarita Šešelgytė, “PeSCO: THE LITHUANIAN PERSPECTIVE”, *Iris-france.org*, September 2018, <http://www.iris-france.org/wp-content/uploads/2018/09/Ares-29.pdf> (accessed February 12, 2019).

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

⁹⁵ Astghik Grigoryan, "Global Legal Monitor.Estonia: Government Boosts Defense Spending in 2019 Budget Bill," *Global Legal Monitor*, November 14, 2018, <http://www.loc.gov/law/foreign-news/article/estonia-government-boosts-defense-spending-in-2019-budget-bill/> (accessed February 12, 2019).

⁹⁶ "THE NATIONAL DEFENCE CONCEPT", *Mepoforum.sk*, May 24, 2016, <http://mepoforum.sk/wp-content/uploads/2017/01/Latvia-national-defence-concept-2016-en.pdf> (accessed February 15, 2019).

⁹⁷ Nato, "Defence Expenditure of NATO Countries (2011-2018)," *NATO*, July 10, 2018, https://www.nato.int/cps/en/natohq/news_156770.htm (accessed March 16, 2019).

⁹⁸ Lucie Béraud-Sudreau and Bastian Giegerich, "NATO Defence Spending and European Threat Perceptions," *IISS*, July 16, 2018, <https://www.iiss.org/publications/survival/2018/survival-global-politics-and-strategy-augustseptember-2018/604-08-sudreau-and-giegerich> (accessed February 19, 2019).

⁹⁹ Marcin Terlikowski, "DEFENCE AND INDUSTRIAL POLICY IN POLAND: Drivers and Influence," *Iris-france.org*, July 2017, http://www.iris-france.org/wp-content/uploads/2017/07/Ares_Defence_Industrial_Policy_in_Poland_July_2017.pdf (accessed February 17, 2019).

¹⁰⁰ Damien Sharkov, "Fearing Russia, Poland Will Now Increase Its Army by 50 Percent," *Newsweek*, October 24, 2017, <https://www.newsweek.com/fearing-russia-poland-increases-army-50-percent-691369> (accessed February 19, 2019).

¹⁰¹ Daniel Keohane, "EU Military Cooperation and National Defense," *The German Marshall Fund of the United States*, January 15, 2018, http://www.gmfus.org/publications/eu-military-cooperation-and-national-defense#_ftn13 (accessed February 19, 2019).

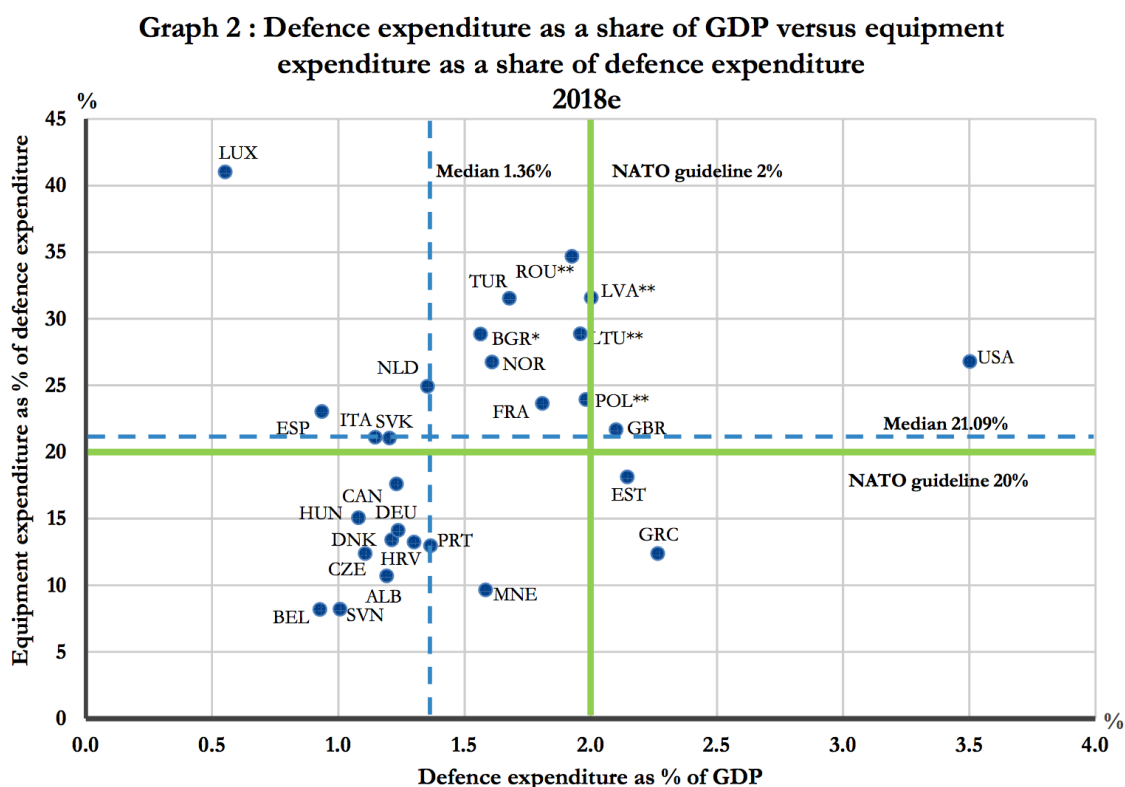
¹⁰² "THE DEFENCE STRATEGY OF THE CZECH REPUBLIC," *Army.cz*, March 13, 2017, <http://www.army.cz/assets/en/ministry-of-defence/strategy-and-doctrine/defencestrategy2017.pdf> (accessed February 22, 2019).

¹⁰³ "THE MILITARY STRATEGY OF ROMANIA," *Eda.europa.eu*, 2016, https://www.eda.europa.eu/docs/default-source/Defence-Procurement-Gateway/ro_milstrategy.pdf (accessed February 21, 2019).

¹⁰⁴ "News. Hungary and the Czech Republic Renew Their Focus on Defence, Pledging Their Commitment to Attaining the Alliance's Benchmark for Defence Spending," *NATO PA*, October 11, 2018, <https://www.nato-pa.int/news/hungary-and-czech-republic-renew-their-focus-defence-pledging-their-commitment-attaining> (accessed February 19, 2019).

dependence on the Russian Federation.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.¹⁰⁶



Notes: Figures for 2017 and 2018 are estimates. The NATO Europe and Canada aggregate from 2017 includes Montenegro, which became an Ally on 5 June 2017.

* Defence expenditure does not include pensions.

** With regard to 2018, these countries have either national laws or political agreements which call for at least 2% of GDP to be spent on defence annually, consequently these estimates are expected to change accordingly.

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.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

¹⁰⁵ “White Paper on Defence of the Slovak Republic 2016,” *Mosr.sk*, 2016, <https://www.mosr.sk/white-paper-on-defence-of-the-slovak-republic-2016/> (accessed February 25, 2019).

¹⁰⁶ Figure 1.1, “Defence expenditure as a share of GDP versus equipment expenditure as a share of defence expenditure”, graph, Defence Expenditure of NATO Countries (2011-2018), July 10, 2018, https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2018_07/20180709_180710-pr2018-91-en.pdf (accessed February 01, 2019).

¹⁰⁷ Alasdair Sandford, “NATO Military Spending Continues to Dwarf That of Russia,” *Euronews*, May 03, 2018, <https://www.euronews.com/2018/05/02/nato-military-spending-continues-to-dwarf-that-of-russia>, (accessed April 07, 2019).

had recorded since 2011”.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 (..)”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.

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.^{110 111} 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 negotiations 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

¹⁰⁸ Ibid.

¹⁰⁹ Ibid.

¹¹⁰ Lorenzo Angelini, “[Opinion] Brexit Is an Opportunity for EU Defence Policy.” *Euobserver*, July 8, 2016, <https://euobserver.com/opinion/134256> (accessed March 30, 2019).

¹¹¹ Federiga Bindi, “Why Trump and Brexit Will Lead to a Stronger EU Security,” *Carnegie Endowment for International Peace*, November 26, 2018, <https://carnegieendowment.org/2018/11/26/why-trump-and-brexit-will-lead-to-stronger-eu-security-pub-77775> (accessed March 23, 2019).

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.¹¹² 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 2021-2027.¹¹³ 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.¹¹⁴ 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.¹¹⁵

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.¹¹⁶ 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

¹¹² 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).

¹¹³ Ibid.

¹¹⁴ Janne Haaland Matlary, "Britain," In *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018).

¹¹⁵ Janne Haaland Matlary, "Britain," In *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 176.

¹¹⁶ 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).

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.¹¹⁷

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 30.¹¹⁸ 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.¹¹⁹

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.^{120 121} In other words, France and Germany succeeded in awakening the "Sleeping Beauty of the Lisbon Treaty", (PESCO).¹²²

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.

¹¹⁷ Janne Haaland Matlary, "Britain," In *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 182.

¹¹⁸ Heather Stewart and Daniel Boffey, "May Asks for Brexit Extension to 30 June as Tusk Offers up to a Year," *The Guardian*, April 05, 2019, <https://www.theguardian.com/politics/2019/apr/05/donald-tusk-will-tell-eu-to-back-brexit-flexextension-for-uk> (accessed April 06, 2019).

¹¹⁹ Ibid.

¹²⁰ Claudia Major, and Christian Mölling, "PeSCo THE GERMAN PERSPECTIVE," February 14, 2019, <http://www.iris-france.org/wp-content/uploads/2019/02/Ares-36.pdf> (accessed March 12, 2019).

¹²¹ "The Bratislava Declaration," *Consilium*, September 16, 2016, <https://www.consilium.europa.eu/en/press/press-releases/2016/09/16/bratislava-declaration-and-roadmap/> (accessed March 20, 2019).

¹²² "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 Conference Prague: In Defence of Europe*, June 9, 2017, http://europa.eu/rapid/press-release_SPEECH-17-1581_en.htm (accessed January 30, 2019) .

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 heterogeneous 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,

¹²³ Daniel Keohane, "EU Military Cooperation and National Defense," *The German Marshall Fund of the United States*, January 15, 2018, http://www.gmfus.org/publications/eu-military-cooperation-and-national-defense#_ftn13 (accessed February 19, 2019).

¹²⁴ Claudia Major, and Christian Mölling, "PeSCo THE GERMAN PERSPECTIVE," February 14, 2019, <http://www.iris-france.org/wp-content/uploads/2019/02/Ares-36.pdf> (accessed March 12, 2019).

¹²⁵ Billon-Galland, Alice, and Martin Quencez. "Can France and Germany Make PESCO Work as a Process Toward EU Defense?" *The German Marshall Fund of the United States*, October 06, 2017, <http://www.gmfus.org/publications/can-france-and-germany-make-pesco-work-process-toward-eu-defense> (accessed March 13, 2019).

¹²⁶ Daniel Fiott, et al., "Permanent Structured Cooperation: What'S In A Name?," *European Union Institute For Security Studies Iss.Europa.Eu*, November 13, 2017, https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf (accessed February 18, 2019).

¹²⁷ Daniel Keohane, "EU Military Cooperation and National Defense," *The German Marshall Fund of the United States*, January 15, 2018, http://www.gmfus.org/publications/eu-military-cooperation-and-national-defense#_ftn13 (accessed February 19, 2019).

¹²⁸ Janne Haaland Matlary, *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 152-155.

¹²⁹ Daniel Keohane, "EU Military Cooperation and National Defense," *The German Marshall Fund of the United States*, January 15, 2018, http://www.gmfus.org/publications/eu-military-cooperation-and-national-defense#_ftn13 (accessed February 19, 2019).

¹³⁰ Ibid.

¹³¹ Daniel Keohane, "EU Military Cooperation and National Defense," *The German Marshall Fund of the United States*, January 15, 2018, http://www.gmfus.org/publications/eu-military-cooperation-and-national-defense#_ftn13 (accessed February 19, 2019).

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.¹³²

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.¹³³ 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.¹³⁴

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.¹³⁵ 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.¹³⁶ 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.¹³⁷ 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.¹³⁸

What is more, unlike France, Germany seems to have accepted its *de facto* strategic subordination to the United States through NATO.¹³⁹ 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.¹⁴⁰

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.¹⁴¹ France insisted for well-equipped

¹³² Janne Haaland Matlary, *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 196-197.

¹³³ Janne Haaland Matlary, *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 198-200.

¹³⁴ Ibid.

¹³⁵ Janne Haaland Matlary, *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 156-157.

¹³⁶ "NATO Members' Promise of Spending 2% of Their GDP on Defence Is Proving Hard to Keep," *The Economist*, March 14, 2019, <https://www.economist.com/special-report/2019/03/14/nato-members-promise-of-spending-2-of-their-gdp-on-defence-is-proving-hard-to-keep> (accessed March 30, 2019).

¹³⁷ Stanley R. Sloan, "Don't Count on Germany to Save the West," *War on the Rocks*, June 06, 2017, <https://warontherocks.com/2017/06/dont-count-on-germany-to-save-the-west/> (accessed March 15, 2019).

¹³⁸ Daniel Keohane, "EU Military Cooperation and National Defense," *The German Marshall Fund of the United States*, January 15, 2018, http://www.gmfus.org/publications/eu-military-cooperation-and-national-defense#_ftn13 (accessed February 19, 2019).

¹³⁹ Luis Simón, "European Defence: Can the Industrial and Strategic Elements Be Brought Together around a Coherent Vision?" *Defence Matters*, July 12, 2017, <https://www.defencematters.org/news/european-defence-can-industrial-strategic-elements-brought-together-around-coherent-vision/1258/> (accessed March 28, 2019).

¹⁴⁰ "White Paper on German Security Policy and the Future of the Bundeswehr," *The German Marshall Fund of the United States*, September 23, 2016, <http://www.gmfus.org/publications/white-paper-german-security-policy-and-future-bundeswehr> (accessed March 30, 2019), 8.

¹⁴¹ Nicole Koenig, and Marie Walter-Franke, "France and Germany: spearheading a European security and defence union?", July 19, 2017, http://www.delorsinstitut.de/2015/wp-content/uploads/2017/07/20170719_FR-D-EU-Security_Koenig-Walter.pdf, (accessed March 31, 2019).

European Union military headquarters while Germany opted for more modest civilian-military planning facilities.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.¹⁴³ ¹⁴⁴ 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.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.¹⁴⁶ ¹⁴⁷

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.

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 784.¹⁴⁸ 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.¹⁴⁹

The following graph perfectly discloses the drastic increase in the number of victims from terrorist attacks,

¹⁴² Ibid.

¹⁴³ Daniel Fiott, et al. “Permanent Structured Cooperation: What’S In A Name?”, *European Union Institute For Security Studies, Iss.Europa.Eu*, November 13, 2017, https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf (accessed February 18, 2019).

¹⁴⁴ Daniel Keohane, “EU Military Cooperation and National Defense,” *The German Marshall Fund of the United States*. January 15, 2018, http://www.gmfus.org/publications/eu-military-cooperation-and-national-defense#_ftn13 (accessed February 19, 2019).

¹⁴⁵ Billon-Galland, Alice, and Martin Quencez. “Can France and Germany Make PESCO Work as a Process Toward EU Defense?” *The German Marshall Fund of the United States*, October 06, 2017, <http://www.gmfus.org/publications/can-france-and-germany-make-pesco-work-process-toward-eu-defense> (accessed March 13, 2019).

¹⁴⁶ Deutsche Welle, “Germany, France Present New Military Aircraft Plans in Berlin | DW | 26.04.2018,” *DW.COM*, April 26, 2018, <https://www.dw.com/cda/en/germany-france-present-new-military-aircraft-plans-in-berlin/a-43554242> (accessed March 11, 2019).

¹⁴⁷ Tim Hether, “France and Germany to Develop New European Fighter Jet,” *Reuters*, July 13, 2017, <https://www.reuters.com/article/us-france-germany-defence/france-and-germany-to-develop-new-european-fighter-jet-idUSKBN19Y1FJ> (accessed March 14, 2019).

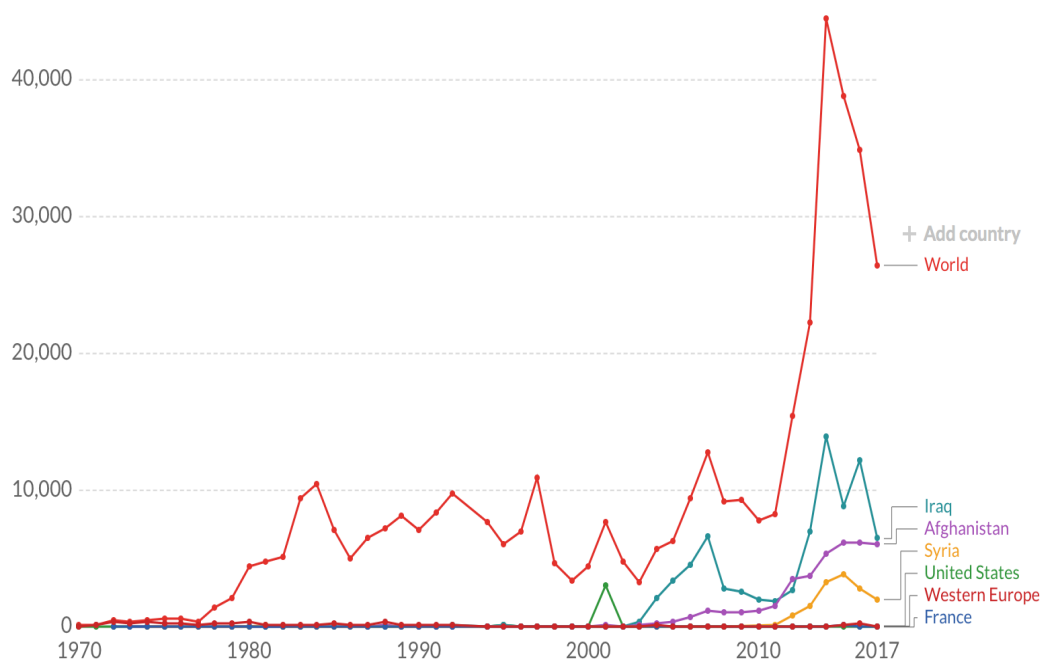
¹⁴⁸ “The Fight against Terrorism - Think Tank,” *The Fight against Terrorism - Think Tank*, May 17, 2018, [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU\(2018\)621817](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU(2018)621817) (accessed April 09, 2019).

¹⁴⁹ Ibid.

recording its peak in 2014.¹⁵⁰

Number of fatalities from terrorist attacks

Total number of fatalities per year from terrorist attacks. This represents the number of total confirmed fatalities for the incident. This includes all victims and attackers who died as a direct result of the incident.



Source: Global Terrorism Database (2018)

CC BY

► 1970 2017 CHART MAP DATA SOURCES

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.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 2017.¹⁵²

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.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.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.¹⁵⁵

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

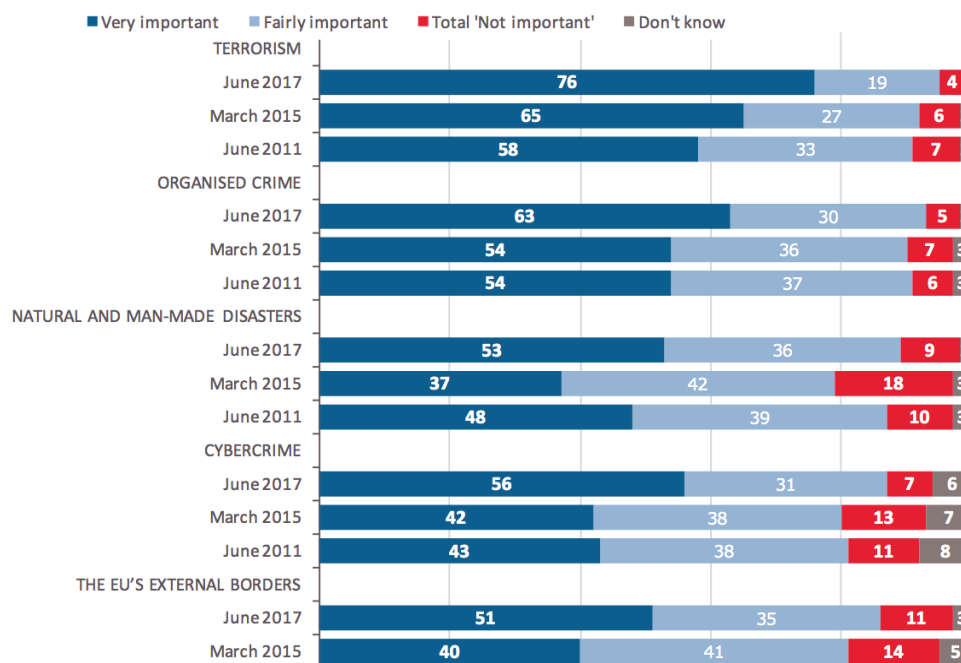
¹⁵¹ Janne Haaland Matlary, *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 3-4 .

¹⁵² “Special Eurobarometer 464b: Europeans' Attitudes towards Security Ecodp.common.ckan.site_title,” *Data.europa.eu*, http://data.europa.eu/euodp/en/data/dataset/S1569_87_4_464B_ENG (Accessed February 25, 2019).

¹⁵³ “Special Eurobarometer 464b: Europeans' Attitudes towards Security Ecodp.common.ckan.site_title,” *Data.europa.eu*, http://data.europa.eu/euodp/en/data/dataset/S1569_87_4_464B_ENG (Accessed February 25, 2019).

¹⁵⁴ Ibid

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



Base: All respondents (N=28,093)

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).¹⁵⁶

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.¹⁵⁷ 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.¹⁵⁸ Indeed, terrorism influences people's life, happiness, and also their trust within communities and national political institutions, affecting the existing environment completely.¹⁵⁹

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.¹⁶⁰ ¹⁶¹ Despite this, article 67.3 TFEU underlines that

¹⁵⁶ "Terrorism Cost the EU €180 Billion Between 2004 and 2016," *RAND Corporation*, June 6, 2018, <https://www.rand.org/news/press/2018/06/06.html> (accessed March 3, 2019).

¹⁵⁷ Ibid.

¹⁵⁸ "The Fight against Terrorism - Think Tank," *The Fight against Terrorism - Think Tank*, May 17, 2018, [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU\(2018\)621817](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU(2018)621817) (accessed April 09, 2019).

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.

¹⁶³ “EU Counter-terrorism Strategy,” *Consilium*, October 2005, <https://www.consilium.europa.eu/en/policies/fight-against-terrorism/eu-strategy/> (accessed March 17, 2019).

¹⁶⁴ “State of the Union 2018: A Reinforced European Public Prosecutor's Office to Fight Cross-border Terrorism,” *European Commission - PRESS RELEASES - Press Release - State of the Union 2018, September 2018*, http://europa.eu/rapid/press-release_IP-18-5682_en.htm (accessed February 27, 2019).

¹⁶⁵ John Smith, “European Public Prosecutor's Office,” *European Anti-Fraud Office - European Commission*, February 27, 2019, https://ec.europa.eu/anti-fraud/policy/european_public_prosecutor_en (accessed March 12, 2019).

¹⁶⁶ “State of the Union 2018: New Commission Proposal for a Reinforced EU Asylum Agency,” *EUROPEAN ASYLUM SUPPORT OFFICE*, September 15, 2018, <https://www.easo.europa.eu/news-events/state-union-2018-new-commission-proposal-reinforced-eu-asylum-agency> (accessed March 15, 2019).

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

¹⁶⁸ “President Jean-Claude Juncker’s State of the Union Address 2018,” *European Commission*, http://europa.eu/rapid/press-release_SPEECH-18-5808_en.htm (accessed May 06, 2019):

¹⁶⁹ “Special Eurobarometer 464b: Europeans’ Attitudes towards Security,” *Data.europa.eu*. http://data.europa.eu/euodp/en/data/dataset/S1569_87_4_464B_ENG. (accessed February 25, 2019).

¹⁷⁰ Karen E. Smith, “A European Union Global Strategy for a Changing World?” *SpringerLink*, May 02, 2017, <https://link.springer.com/article/10.1057/s41311-017-0041-0> (accessed March 19, 2019).

¹⁷¹ “Shared Vision, Common Action: A Stronger Europe,” *EEAS*, June 02, 2016, http://eeas.europa.eu/archives/docs/top_stories/pdf/eugs_review_web.pdf (accessed March 20, 2019), 10.

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.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.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."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."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.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.¹⁷⁹

¹⁷⁴ Karen E. Smith, "A European Union Global Strategy for a Changing World?" *SpringerLink*, May 02, 2017, <https://link.springer.com/article/10.1057/s41311-017-0041-0> (accessed March 19, 2019), 5-6.

¹⁷⁵ Lawrence Freedman, *Strategy: A History*, (Oxford: Oxford University Press, 2013), 611, quoted in Karen E. Smith, "A European Union Global Strategy for a Changing World?" *SpringerLink*, May 02, 2017, <https://link.springer.com/article/10.1057/s41311-017-0041-0> (accessed March 19, 2019), 5.

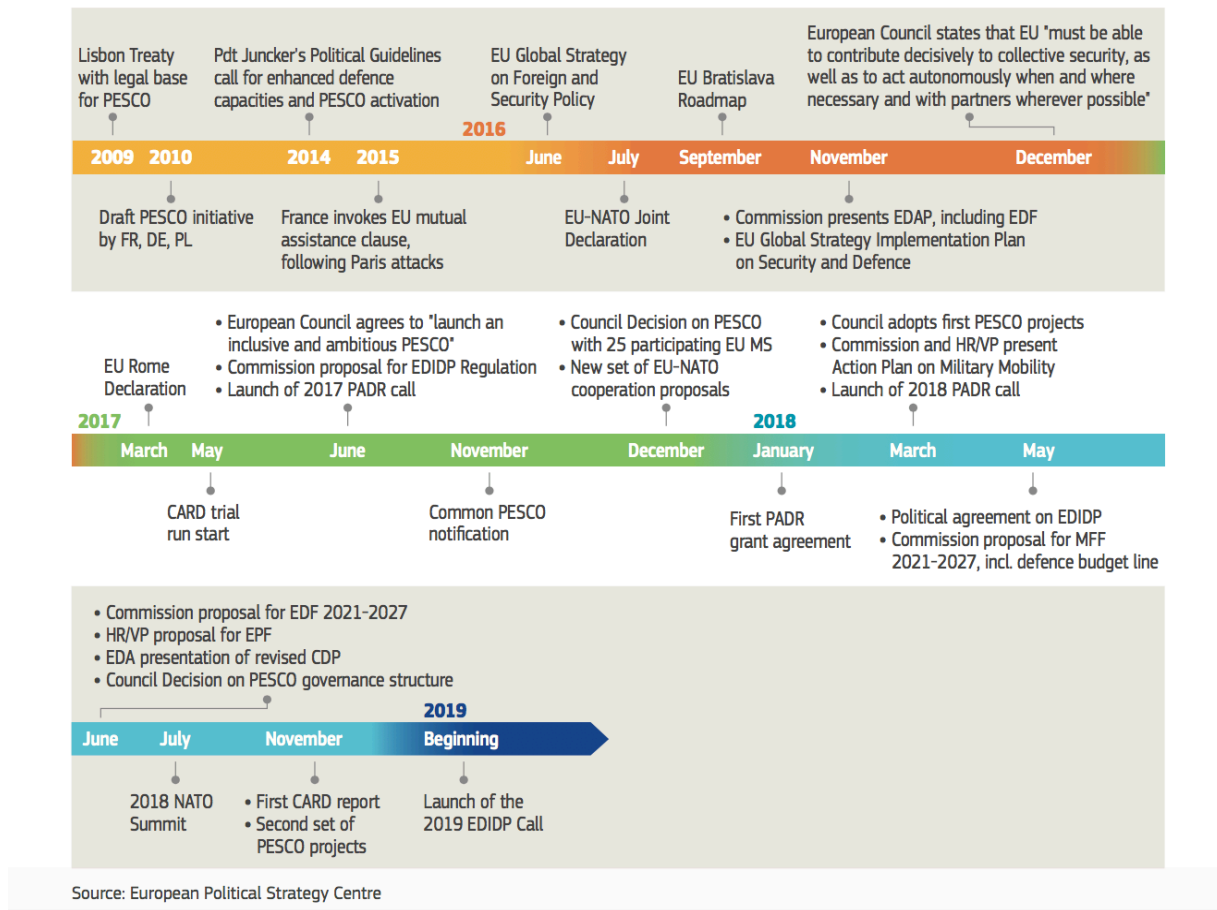
¹⁷⁶ Karen E. Smith, "A European Union Global Strategy for a Changing World?" *SpringerLink*, May 02, 2017, <https://link.springer.com/article/10.1057/s41311-017-0041-0> (accessed March 19, 2019), 7.

¹⁷⁷ Ibid.

¹⁷⁸ "Implementing the Global Strategy: EU Delivers on Security and Defence," *EEAS*, June 27, 2018, https://eeas.europa.eu/topics/eu-global-strategy/47517/implementing-global-strategy-eu-delivers-security-and-defence_en (accessed March 24, 2019).

¹⁷⁹ Figure 2.1, "More progress in the last two years than in the last 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

Figure 2: More progress in the last two years than in the last two decades



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

¹⁸⁰ “Timeline: European cooperation in the area of security and defence,” *EEAS*, https://eeas.europa.eu/sites/eeas/files/timeline-final_1.pdf (accessed March 26, 2019).

¹⁸¹ “Towards a Stronger EU on Security and Defence,” *EEAS*, November 19, 2018, https://eeas.europa.eu/headquarters/headquartershomepage_en/35285/Towards%20a%20stronger%20EU%20on%20security%20and%20defence (accessed March 15, 2019).

¹⁸² “Timeline: European cooperation in the area of security and defence,” *EEAS*, https://eeas.europa.eu/sites/eeas/files/timeline-final_1.pdf (accessed March 26, 2019).

¹⁸³ “Protocol (No 10) on permanent structured cooperation established by Article 42 of the Treaty on European Union,” *Lex Access to European Union Law*, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12008M/PRO/10> (accessed April 21, 2019).

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

¹⁸⁴ Ibid.

¹⁸⁵ "EPSC Brief: Joining Forces The Way Towards the European Defence Union." *Ec.europa.eu*. February 14, 2019. https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf. (accessed February 17, 2019).

¹⁸⁶ Daniel Fiott and Antonio Missiroli and Thierry Tardy, "Permanent Structured Cooperation: What'S In A Name?," *European Union Institute For Security Studies*, November 13, 2017, *Iss.Europa.Eu*, https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf, (accessed March 02, 2019).

¹⁸⁷ "Coordinated Annual Review on Defence (CARD)," *European Defence Agency*, [https://www.eda.europa.eu/what-we-do/our-current-priorities/coordinated-annual-review-on-defence-\(card\)](https://www.eda.europa.eu/what-we-do/our-current-priorities/coordinated-annual-review-on-defence-(card)) (accessed March 30, 2019).

¹⁸⁸ Ibid.

¹⁸⁹ Ibid.

¹⁹⁰ Daniel Fiott and Antonio Missiroli and Thierry Tardy, "Permanent Structured Cooperation: What'S In A Name?," *European Union Institute For Security Studies*, November 13, 2017, *Iss.Europa.Eu*, https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf, (accessed March 02, 2019).

¹⁹¹ Nicole Koenig, "Security and Defence: A Glass Half Full," *Jacques Delors Institut – Berlin*, July 2018, <https://www.delorsinstitut.de/en/all-publications/security-and-defence-a-glass-half-full/> (accessed January 21, 2019)

¹⁹² "Coordinated Annual Review on Defence (CARD)," *European Defence Agency*, [https://www.eda.europa.eu/what-we-do/our-current-priorities/coordinated-annual-review-on-defence-\(card\)](https://www.eda.europa.eu/what-we-do/our-current-priorities/coordinated-annual-review-on-defence-(card)) (accessed March 30, 2019).

optimal and coherent use of defence spending plans.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.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.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.¹⁹⁶

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.^{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.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.^{200 201} Hence, it was not surprising when Jean-Claude Juncker defined the European scattergun approach to defence procurement as both insufficient and costly.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

¹⁹³ Daniel Fiott and Antonio Missiroli and Thierry Tardy, “Permanent Structured Cooperation: What's In A Name?,” *European Union Institute For Security Studies*, November 13, 2017, *Iss.Europa.Eu*, https://www.iiss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf, (accessed March 02, 2019).

¹⁹⁴ Ibid.

¹⁹⁵ “EPSC Brief: Joining Forces The Way Towards the European Defence Union.” *Ec.europa.eu*. February 14, 2019. https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf. (accessed February 17, 2019).

¹⁹⁶ Ibid.

¹⁹⁷ “In Defence of Europe: Defence Integration as a response to Europe's Strategic Moment,” *European Commission*, June 15, 2015, https://ec.europa.eu/epsc/sites/epsc/files/strategic_note_issue_4_en.pdf (accessed February 13, 2019).

¹⁹⁸ Lucie Béraud-Sudreau, “On the Up: Western Defence Spending in 2018,” *IISS*, February 15, 2019, <https://www.iiss.org/blogs/military-balance/2019/02/european-nato-defence-spending-up> (accessed February 22, 2019).

¹⁹⁹ “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 Conference Prague: In Defence of Europe*, June 9, 2017. http://europa.eu/rapid/press-release_SPEECH-17-1581_en.htm (accessed January 30, 2019).

²⁰⁰ Ibid.

²⁰¹ “EPSC Brief: Joining Forces The Way Towards the European Defence Union.” *Ec.europa.eu*. February 14, 2019. https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf. (accessed February 17, 2019).

²⁰² “Speech by President Jean-Claude Juncker at the Defence and Security Conference Prague: In Defence of Europe.” *European Commission*, June 9, 2017. http://europa.eu/rapid/press-release_SPEECH-17-1581_en.htm. (accessed January 30, 2019).

deepen integration, channelling more considerable economic efforts in the elaboration of coordinating requirements, equipment interoperability, and in the increase of innovative capabilities.²⁰³

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 indeed 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 The

²⁰³ Daniel Fiott, and Antonio Missiroli and Thierry Tardy, "Permanent Structured Cooperation: What'S In A Name?," *European Union Institute For Security Studies*. November 13, 2017, *Iss.Europa.Eu*.

https://ec.europa.eu/epsc/sites/epsc/files/strategic_note_issue_4_en.pdf (accessed March 02, 2019).

²⁰⁴ "European Defence Fund Delivers New Pan-European Research Projects," *European Commission*, February 16, 2018, http://europa.eu/rapid/press-release_IP-18-763_en.htm (accessed March 22, 2019).

²⁰⁵ "EPSC Brief: Joining Forces The Way Towards the European Defence Union," *Ec.europa.eu*, February 14, 2019, https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf, (accessed February 17, 2019).

²⁰⁶ Nicole Koenig, "Security and Defence: A Glass Half Full," *Jacques Delors Institut – Berlin*, July 2018, <https://www.delorsinstitut.de/en/all-publications/security-and-defence-a-glass-half-full/> (accessed January 21, 2019)

²⁰⁷ Fiott, Daniel, and Antonio Missiroli and Thierry Tardy. "Permanent Structured Cooperation: What'S In A Name?," *European Union Institute For Security Studies*. November 13, 2017. *Iss.Europa.Eu*.

https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf (accessed March 02, 2019).

²⁰⁸ "EPSC Brief: Joining Forces The Way Towards the European Defence Union." *Ec.europa.eu*. February 14, 2019. https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf. (accessed February 17, 2019).

²⁰⁹ Nicole Koenig, "Security and Defence: A Glass Half Full," *Jacques Delors Institut – Berlin*, July 2018, <https://www.delorsinstitut.de/en/all-publications/security-and-defence-a-glass-half-full/> (accessed January 21, 2019)

²¹⁰ "EPSC Brief: Joining Forces The Way Towards the European Defence Union," *Ec.europa.eu*, February 14, 2019, https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf (accessed February 17, 2019).

²¹¹ "European Defence Fund: Statement by Commissioner Bieńkowska on the European Parliament's Vote," *European Commission*, April 18, 2019 http://europa.eu/rapid/press-release_STATEMENT-19-2170_en.htm (accessed April 19, 2019).

²¹² "EPSC Brief: Joining Forces The Way Towards the European Defence Union," *Ec.europa.eu*, February 14, 2019, https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf (accessed February 17, 2019).

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).²¹³ 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 2019.²¹⁴ 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 2020.²¹⁵ 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.²¹⁶ 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.²¹⁷

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.²¹⁸ 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.²¹⁹

²¹³ Ibid.

²¹⁴ "European Defence Fund: Statement by Commissioner Bieńkowska on the European Parliament's Vote," *European Commission - PRESS RELEASES - Press Release - European Defence Fund: Statement by Commissioner Bieńkowska on the European Parliament's Vote*, April 18, 2019, http://europa.eu/rapid/press-release_STATEMENT-19-2170_en.htm (accessed April 19, 2019).

²¹⁵ "EPSC Brief: Joining Forces The Way Towards the European Defence Union," *Ec.europa.eu*, February 14, 2019, https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf (accessed February 17, 2019).

²¹⁶ Nicole Koenig, "Security and Defence: A Glass Half Full," *Jacques Delors Institut – Berlin*, July 2018, <https://www.delorsinstitut.de/en/all-publications/security-and-defence-a-glass-half-full/> (accessed January 21, 2019).

²¹⁷ "EPSC Brief: Joining Forces The Way Towards the European Defence Union," *Ec.europa.eu*, February 14, 2019, https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf (accessed February 17, 2019).

²¹⁸ "Shared Vision, Common Action: A Stronger Europe," *EEAS*, June 02, 2016, http://eeas.europa.eu/archives/docs/top_stories/pdf/eugs_review_web.pdf (accessed March 20, 2019), 22.

²¹⁹ "EPSC Brief: Joining Forces The Way Towards the European Defence Union," *Ec.europa.eu*, February 14, 2019, https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf (accessed February 17, 2019).

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)”.²²⁰ 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.²²¹ 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 Members States.^{222 223}

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.²²⁴

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.²²⁵

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.²²⁶

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

²²⁰ “About PESCO,” *Pesco.europa.eu*, <https://pesco.europa.eu/about/>, (accessed April 23, 2019).

²²¹ Ibid.

²²² “Lex Access to European Union Law,” *EUR*, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017D2315> (accessed April 18, 2019).

²²³ Two additional Member States joined them on 7 December 2017, respectively Ireland and Portugal.

²²⁴ Alessandro Marrone, “Permanent Structured Cooperation: An Institutional Pathway” *Iai.it*, 2017, <http://www.iai.it/sites/default/files/iaicom1726.pdf> (Accessed April 21, 2019).

²²⁵ Ibid.

²²⁶ “The Rome Declaration,” *Consilium*, March 25, 2017, <https://www.consilium.europa.eu/en/press/press-releases/2017/03/25/rome-declaration/> (accessed April 24, 2019).

in industrial architecture of European defence^{227 228}

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.²²⁹

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.²³⁰ Therefore, national armed forces 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.²³¹

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.²³²

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.²³³ 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.²³⁴ 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.

²²⁷ Daniel Fiott, and Antonio Missiroli and Thierry Tardy, “Permanent Structured Cooperation: What’s In A Name?,” *European Union Institute For Security Studies*, November 13, 2017, *Iss.Europa.Eu*.
https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf (accessed March 02, 2019).

²²⁸ “Speech by President Jean-Claude Juncker at the Defence and Security Conference Prague: In Defence of Europe,” *European Commission*, June 09, 2017, http://europa.eu/rapid/press-release_SPEECH-17-1581_en.htm (accessed January 30, 2019).

²²⁹ Ibid.

²³⁰ Daniel Keohane, “EU Military Cooperation and National Defense,” *The German Marshall Fund of the United States*, January 15, 2018, <http://www.gmfus.org/publications/eu-military-cooperation-and-national-defense> (accessed February 19, 2019).

²³¹ “In Defence of Europe: Defence Integration as a response to Europe’s Strategic Moment,” *European Commission*, June 15, 2015, https://ec.europa.eu/epsc/sites/epsc/files/strategic_note_issue_4_en.pdf. (accessed February 13, 2019).

²³² “Permanent Structured Cooperation (PESCO) – Factsheet,” *EEAS*, November 19, 2018, https://eeas.europa.eu/headquarters/headquarters-Homepage/34226/permanent-structured-cooperation-pesco-factsheet_en (accessed March 16, 2019).

²³³ 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

²³⁵ Nicole Koenig, "Security and Defence: A Glass Half Full," *Jacques Delors Institut – Berlin*, July 2018, <https://www.delorsinstitut.de/en/all-publications/security-and-defence-a-glass-half-full/> (accessed January 21, 2019)

²³⁶ Ibid.

²³⁷ Sven Biscop, "EU60: Re-Founding Europe. The Responsibility to Propose," *IAI* February 6, 2017, <https://www.iai.it/en/ricerche/eu60-re-founding-europe-responsibility-propose>, (accessed February 18, 2019).

²³⁸ "About PESCO," *Pesco.europa.eu*, <https://pesco.europa.eu/about/>, (accessed April 23, 2019).

²³⁹ Sven Biscop, "EU60: Re-Founding Europe. The Responsibility to Propose," *IAI*, February 6, 2017, <https://www.iai.it/en/ricerche/eu60-re-founding-europe-responsibility-propose>, (accessed February 18, 2019).

²⁴⁰ "The French Perspective," *Iris-france.org*, February 2019, <http://www.iris-france.org/wp-content/uploads/2019/02/Ares-37.pdf> (accessed April 20, 2019).

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”.²⁴¹ 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.²⁴² 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.²⁴³

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.²⁴⁴ 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.²⁴⁵ 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(...)”.²⁴⁶ 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.²⁴⁷

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.²⁴⁸

²⁴¹ “Notification on Permanent Structured (PESCO) to the Council and to the High Representative of the Union for Foreign Affairs and Security Policy,” *Consilium.europa.eu*, <https://www.consilium.europa.eu/media/31511/171113-pesco-notification.pdf> (accessed April 27, 2019).

²⁴² “EPSC Brief: Joining Forces The Way Towards the European Defence Union,” *Ec.europa.eu*, February 14, 2019, https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf (accessed February 17, 2019).

²⁴³ “Permanent Structured Cooperation (PESCO) – Factsheet,” *EEAS*, November 19, 2018, https://eeas.europa.eu/headquarters/headquarters-homepage/34226/permanent-structured-cooperation-pesco-factsheet_en (accessed March 16, 2019).

²⁴⁴ Sven Biscop, “EU60: Re-Founding Europe. The Responsibility to Propose,” *IAI*, February 6, 2017, <https://www.iai.it/en/ricerche/eu60-re-founding-europe-responsibility-propose>, (accessed February 18, 2019).

²⁴⁵ *Ibid.*

²⁴⁶ “Protocol (No 10) on permanent structured cooperation established by Article 42 of the Treaty on European Union,” *Lex Access to European Union Law*, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12008M/PRO/10> (accessed April 21, 2019).

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

²⁴⁸ Daniel Keohane, “EU Military Cooperation and National Defense,” *The German Marshall Fund of the United States*, January 15, 2018 http://www.gmfus.org/publications/eu-military-cooperation-and-national-defense#_ftn13 (accessed February 19, 2019).

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).^{255 256}

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

²⁴⁹ Daniel Fiott, and Antonio Missiroli and Thierry Tardy, "Permanent Structured Cooperation: What'S In A Name?," *European Union Institute For Security Studies*, November 13, 2017, *Iss.Europa.Eu*.
https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf (accessed March 02, 2019).

²⁵⁰ "Permanent Structured Cooperation (PESCO)," *Eda.europa.eu*, <https://www.eda.europa.eu/what-we-do/our-current-priorities/permanent-structured-cooperation> (accessed April 28, 2019).

²⁵¹ Protocol (No 10), art 2.

²⁵² *Ibid.*

²⁵³ *Ibid.*

²⁵⁴ *Ibid.*

²⁵⁵ *Ibid.*

²⁵⁶ "Binding Commitments," *PESCO*, <https://pesco.europa.eu/binding-commitments/> (accessed April 21, 2019).

²⁵⁷ "Notification on Permanent Structured (PESCO) to the Council and to the High Representative of the Union for Foreign Affairs and Security Policy," *Consilium.europa.eu*, <https://www.consilium.europa.eu/media/31511/171113-pesco-notification.pdf> (accessed April 27, 2019).

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

²⁵⁹ “Permanent Structured Cooperation (PESCO),” *Eda.europa.eu*, <https://www.eda.europa.eu/what-we-do/our-current-priorities/permanent-structured-cooperation> (accessed April 28, 2019).

²⁶⁰ Ibid.

²⁶¹ Steven Blockmans, “The EU's modular approach to defence integration: an inclusive, ambitious and legally binding PESCO?,” *ceps.eu*, 2018, <https://www.ceps.eu/system/files/Publication-Journal-20181122-StevenBlockmans-PESCO.pdf> (accessed April 28, 2019).

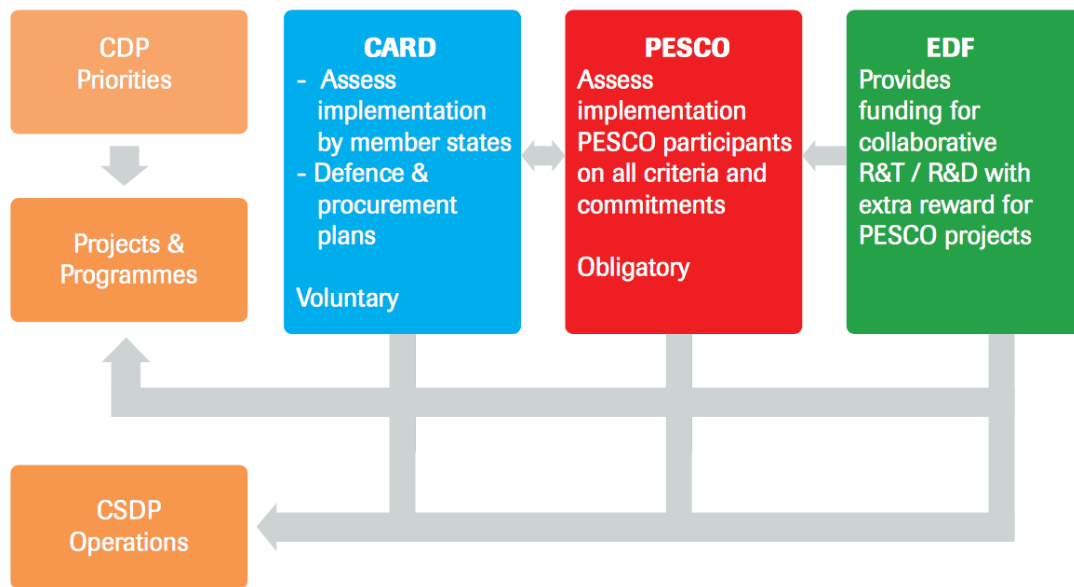
²⁶² “Council conclusions on security and defence in the context of the EU Global Strategy-14190/17”, *Council of the European Union*, November 13, 2017, <https://www.consilium.europa.eu/media/31520/ccs-on-security-and-defence.pdf> (accessed April 27, 2019).

²⁶³ Daniel Fiott, and Antonio Missiroli and Thierry Tardy, “Permanent Structured Cooperation: What's In A Name?,” *European Union Institute For Security Studies*, November 13, 2017, https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf (accessed March 02, 2019).

²⁶⁴ Ibid.

The following chart displays the existing relationship between CARD, PESCO and the EDF.²⁶⁵

Figure 7 The impact of CARD, PESCO and EDF



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.

²⁶⁵ Figure 2.2., "The impact of CARD, PESCO and EDF", map, Margriet Drent, Eric Wilms, and Dick Zandee, "Making Sense of European Defence," *Clingendael*, December 2017, <https://www.clingendael.org/publication/making-sense-european-defence> (accessed April 29, 2019).

²⁶⁶ Annex II to PESCO notification, point 7.

²⁶⁷ Alessandro Marrone, "Permanent Structured Cooperation: An Institutional Pathway," *IAI*, November 20, 2017, <http://www.iai.it/sites/default/files/iaicom1726.pdf> (accessed April 28, 2019).

²⁶⁸ Nicole Koenig, "Security and Defence: A Glass Half Full," *Jacques Delors Institut – Berlin*, July 2018, <https://www.delorsinstitut.de/en/all-publications/security-and-defence-a-glass-half-full/> (accessed January 21, 2019)

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.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.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.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 complementarity 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.²⁷² In 2017, the European Union President Juncker asserted: “By 2025 we need a fully-edged European Defence Union”.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.

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.

²⁶⁹ Daniel Fiott, and Antonio Missiroli and Thierry Tardy. “Permanent Structured Cooperation: What’S In A Name?,” *European Union Institute For Security Studies*, November 13, 2017, https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf (accessed March 02, 2019).

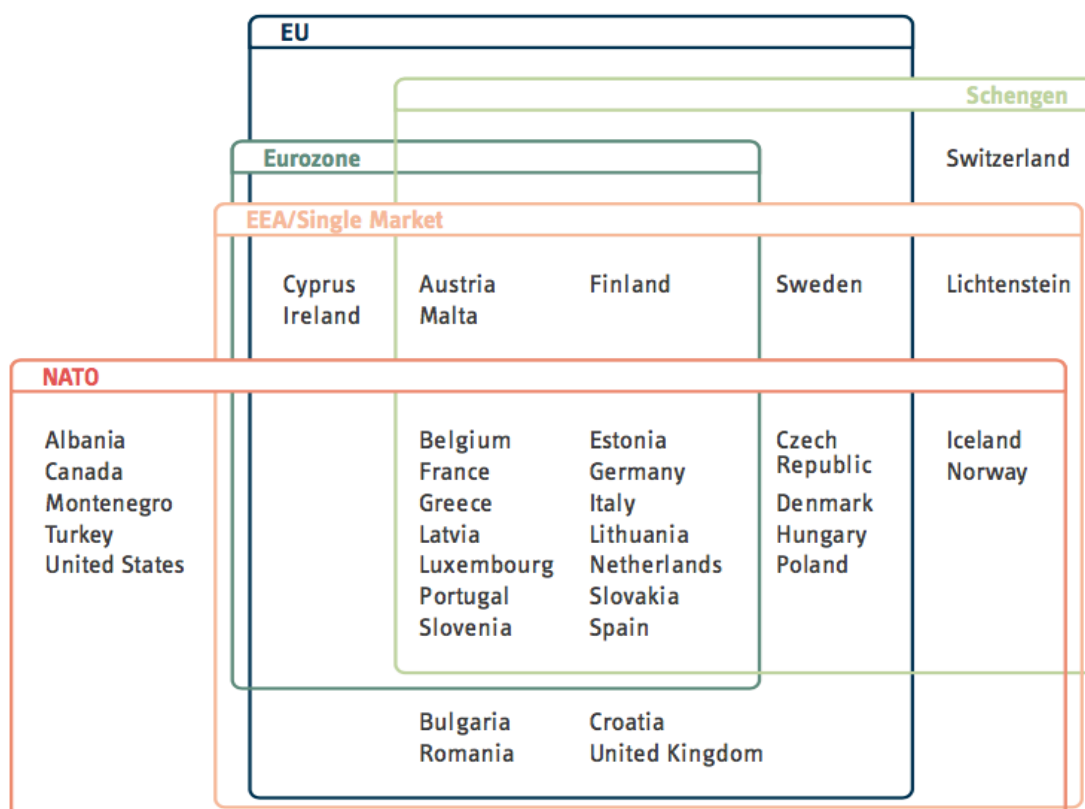
²⁷⁰ Ibid.

²⁷¹ Ibid.

²⁷² Sven Biscop, “EU60: Re-Founding Europe. The Responsibility to Propose,” *IAI*, February 6, 2017, <https://www.iai.it/en/ricerche/eu60-re-founding-europe-responsibility-propose>, (accessed February 18, 2019).

²⁷³ “State of the Union 2017,” *European Commission*, November 07, 2017, https://ec.europa.eu/commission/priorities/state-union-speeches/state-union-2017_en (accessed April 21, 2019).

Figure 2: Overlapping Europes



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.²⁷⁴ ²⁷⁵ Only fourteen EU countries belong to all these configurations.²⁷⁶ In an increasingly convoluted Union, marked by different levels of ambition, each Member State has its own security perception and consequently different strategic priorities.

²⁷⁴ Figure 2.3, “Overlapping Europes”, chart, Daniel Fiott, and Antonio Missiroli and Thierry Tardy, “Permanent Structured Cooperation: What’S In A Name?,” *European Union Institute For Security Studies*, November 13, 2017 https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf (accessed March 02, 2019), 15.

²⁷⁵ Daniel Fiott, and Antonio Missiroli and Thierry Tardy. “Permanent Structured Cooperation: What’S In A Name?,” *European Union Institute For Security Studies*, November 13, 2017, https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf (accessed March 02, 2019), 10-15

²⁷⁶ Ibid.

Figure 3 The priority profiles diagram



Although dated back to 2017, the following stylised diagram offers a representation of the different priority profiles existing in the Bloc.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.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.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.²⁸⁰

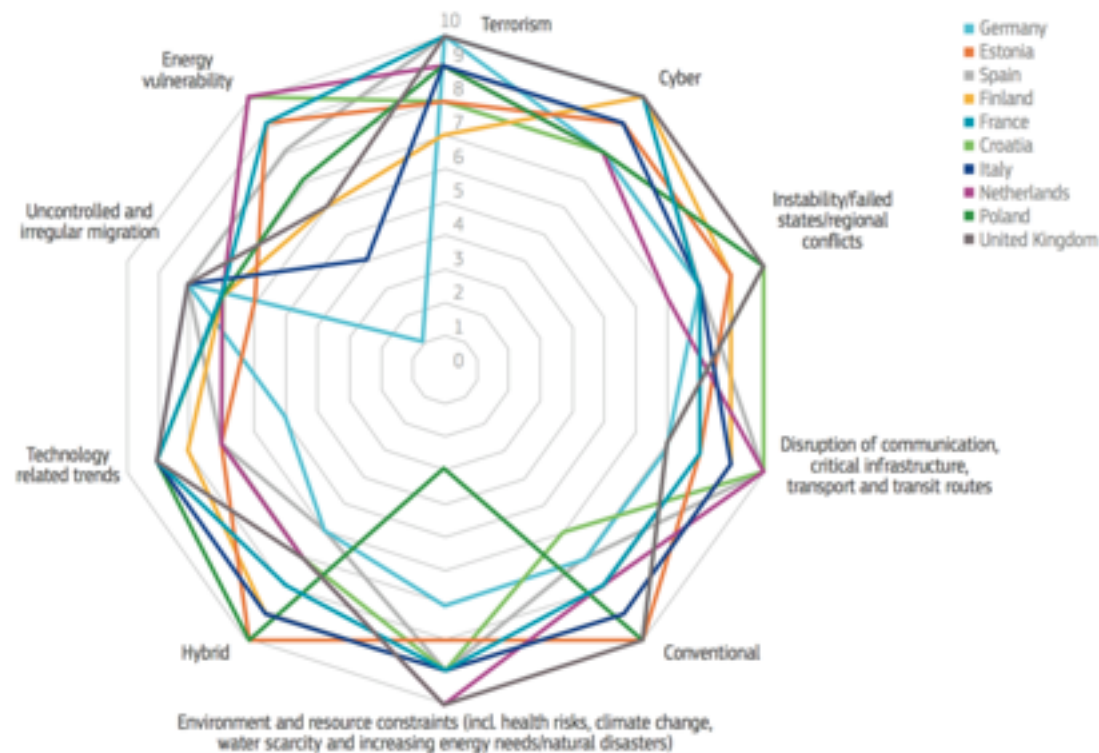
²⁷⁷ Figure 2.4, “The priority profiles diagram”, diagram, Margriet Drent, Eric Wilms, and Dick Zandee, “Making Sense of European Defence,” *Clingendael*, December 2017, <https://www.clingendael.org/publication/making-sense-european-defence> (accessed April 29, 2019).

²⁷⁸ Margriet Drent, Eric Wilms, and Dick Zandee, “Making Sense of European Defence,” *Clingendael*, December 2017, <https://www.clingendael.org/publication/making-sense-european-defence> (accessed April 29, 2019).

²⁷⁹ Ibid.

²⁸⁰ Figure 2.5, “The same key threats on Member States’ security radars”, graph, “EPSC Brief: Joining Forces The Way Towards the European Defence Union,” *Ec.europa.eu*, February 14, 2019, https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf (accessed February 17, 2019).

Figure 5: The same key threats on Member States' security radars



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.²⁸¹

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.²⁸²

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.²⁸³

²⁸¹ Pawel Zerka, "Are Spheres of Influence Still In? The EU and External Security," *ECFR*, August 10, 2018, https://www.ecfr.eu/article/commentary_spheres_of_influence_eu_external_security (accessed February 6, 2019).

²⁸² "EPSC Brief: Joining Forces The Way Towards the European Defence Union," *Ec.europa.eu*, February 14, 2019, https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf (accessed February 17, 2019).

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

²⁸⁴ "Permanent Structured Cooperation (PESCO) – Factsheet," *EEAS*, November 19, 2018, https://eeas.europa.eu/headquarters/headquarters-homepage/34226/permanent-structured-cooperation-pesco-factsheet_en (accessed March 16, 2019).

²⁸⁵ Alice Billon-Galland, and Yvonne Stefania Efstathiou, "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).

²⁸⁶ "Permanent Structured Cooperation (PESCO)," Permanent Structured Cooperation, <https://www.eda.europa.eu/what-we-do/our-current-priorities/permanent-structured-cooperation> (accessed April 18, 2019).

²⁸⁷ "Permanent Structured Cooperation (PESCO) First collaborative PESCO projects – Overview", *Consilium*, <https://defencereview.gr/wp-content/uploads/pesco-overview-of-first-collaborative-of-projects-for-press-1.pdf> (accessed April 18, 2019).

²⁸⁸ Christian Mölling, and Claudia Major, "PESCO THE GERMAN PERSPECTIVE," *Iris-france.org*, February 2019, <http://www.iris-france.org/wp-content/uploads/2019/02/Ares-36.pdf>, (accessed April 04, 2019).

²⁸⁹ "Permanent Structured Cooperation (PESCO)," Permanent Structured Cooperation, <https://www.eda.europa.eu/what-we-do/our-current-priorities/permanent-structured-cooperation> (accessed April 18, 2019).

²⁹⁰ "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).

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 yields 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

²⁹¹ "Council Recommendation of 6 March 2018 concerning a Roadmap for the Implementation of PESCO," *Council of the European Union*, March 06, 2018, <http://data.consilium.europa.eu/doc/document/ST-6588-2018-REV-1/en/pdf> (accessed April 21, 2019).

²⁹² Sven Biscop, "EU60: Re-Founding Europe. The Responsibility to Propose," *IAI*, February 6, 2017, <https://www.iai.it/en/ricerche/eu60-re-founding-europe-responsibility-propose> (accessed February 18, 2019).

²⁹³ "Council Decision (CFSP) 2017/2315 of 11 December 2017," EUR-lex, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017D2315> (accessed April 19, 2019).

²⁹⁴ *Ibid.*

²⁹⁵ Alice Billon-Galland, and Yvonne Stefania Efstathiou, "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).

²⁹⁶ Figure 2.6, "Table 1: 2018 EU capability Development Priorities vs PESCO Projects", table, Alice Billon-Galland, and Yvonne Stefania Efstathiou, "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).

Table 1: 2018 EU Capability Development Priorities vs PESCO Projects

2018 EU Capability Development Priorities	PESCO Projects	
	Round 1	Round 2
Enabling capabilities for cyber responsive operation		
Cyber cooperation and synergies	<ul style="list-style-type: none"> Cyber Rapid Response Teams and Mutual Assistance in Cyber Security Cyber Threats and Incident Response Information Sharing Platform 	None
Cyber R&T	None	None
Systems engineering framework for cyber operations	<ul style="list-style-type: none"> Cyber Rapid Response Teams and Mutual Assistance in Cyber Security Cyber Threats and Incident Response Information Sharing Platform 	None
Cyber education and training	None	None
Specific cyber defence challenges in the air, space, maritime and land domain	None	<ul style="list-style-type: none"> Integrated Unmanned Ground System (UGS) Electronic Warfare Capability and Interoperability Programme for Future Joint Intelligence, Surveillance and Reconnaissance (JISR) Cooperation
Space-based information and communication services		
Earth observation	None	None
Positioning, navigation and timing	None	<ul style="list-style-type: none"> EU Radio Navigation Solution (EURAS)
Space situational awareness	None	<ul style="list-style-type: none"> European Military Space Surveillance Awareness Network (EU-SSA-N)
Satellite communication	None	None
Information Superiority		
Radio spectrum management	None	<ul style="list-style-type: none"> Electronic Warfare Capability and Interoperability Programme for Future Joint Intelligence, Surveillance and Reconnaissance (JISR) Cooperation
Tactical CIS	<ul style="list-style-type: none"> European Secure Software defined Radio (ESSOR) 	None
Information management	<ul style="list-style-type: none"> Strategic Command and Control (C2) System for CSDP Missions and Operations 	<ul style="list-style-type: none"> Geo-meteorological and Oceanographic (GeoMETOC) Support Coordination Element (GMSCE)
Intelligence, Surveillance and Reconnaissance (ISR) capabilities	<ul style="list-style-type: none"> Harbour & Maritime Surveillance and Protection (HARMSPRO) 	<ul style="list-style-type: none"> Electronic Warfare Capability and Interoperability Programme for Future Joint Intelligence, Surveillance and Reconnaissance (JISR) Cooperation European High Atmosphere Airship Platform (EHAAP)- Persistent Intelligence, Surveillance and Reconnaissance (ISR) Capability One Deployable Special Operations Forces (SOF) Tactical Command and Control (C2) Command Post (CP) for Small Joint Operations (SJO)- (SOCC) for SJO Integrated Unmanned Ground System (UGS)
Ground combat capabilities		
Upgrade, modernize and develop land platforms (manned/unmanned vehicles, precision strike)	<ul style="list-style-type: none"> Armoured Infantry Fighting Vehicle/ Amphibious Assault Vehicle/ Light Armoured Vehicle Indirect Fire Support (EuroArtillery) 	<ul style="list-style-type: none"> Integrated Unmanned Ground System (UGS) EU Beyond Line of Sight (BLOS) Land Battlefield Missile Systems
Enhance protection of forces (CBRN, CIED, individual soldier equipment)	<ul style="list-style-type: none"> Armoured Infantry Fighting Vehicle/ Amphibious Assault Vehicle/ Light Armoured Vehicle 	<ul style="list-style-type: none"> Chemical, Biological, Radiological and Nuclear (CBRN) Surveillance as a Service (CBRN SaaS) Counter Unmanned Aerial System (C-UAS)

2018 EU Capability Development Priorities	PESCO Projects	
	Round 1	Round 2
Enhanced logistic and medical supporting capabilities		
Military Mobility	<ul style="list-style-type: none"> Military Mobility Armoured Infantry Fighting Vehicle/ Amphibious Assault Vehicle/ Light Armoured Vehicle 	None
Enhanced logistics	<ul style="list-style-type: none"> Network of Logistic Hubs in Europe and support to Operations Energy Operational Function (EOF) 	<ul style="list-style-type: none"> Co-basing
Medical support	<ul style="list-style-type: none"> European Medical Command 	None
Naval manoeuvrability		
Maritime situational awareness	<ul style="list-style-type: none"> Upgrade of Maritime Surveillance 	<ul style="list-style-type: none"> Deployable Modular Underwater Intervention Capability Package (DIVEPACK)
Surface superiority	<ul style="list-style-type: none"> Maritime (semi-) Autonomous Systems for Mine Countermeasures (MAS MCM) 	None
Power projection	None	<ul style="list-style-type: none"> Co-basing Deployable Modular Underwater Intervention Capability Package (DIVEPACK)
Underwater control contributing to resilience at sea		
Mine warfare	<ul style="list-style-type: none"> Maritime (semi-) Autonomous Systems for Mine Countermeasures (MAS MCM) Harbour & Maritime Surveillance and Protection (HARMSPRO) 	None
Anti-submarine warfare	None	None
Harbour protection	<ul style="list-style-type: none"> Harbour and Maritime Surveillance and Protection (HARMSPRO) 	None
Air Superiority		
Air combat capability	None	None
Air ISR platforms	None	<ul style="list-style-type: none"> European Medium Altitude Long Endurance Remotely Piloted Aircraft Systems- MALE RPAS (Eurodrone) Electronic Warfare Capability and Interoperability Programme for Future Joint Intelligence, Surveillance and Reconnaissance (JISR) Cooperation European Attack Helicopters TIGER Mark III European High Atmosphere Airship Platform (EHAAP) – Persistent Intelligence, Surveillance and Reconnaissance (ISR) Capability
Anti-Access Area Denial (A2/AD) capability	None	None
Air-to-air refuelling	None	None
Ballistic Missile Defence (BMD)	None	None
Air Mobility		
Strategic air transport	None	None
Tactical transport including air medical evacuation	None	None

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

²⁹⁷ Alice Billon-Galland, and Yvonne Stefania Efstathiou, “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).

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.³⁰⁰

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.³⁰¹ 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.

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*

³⁰² “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).

³⁰³ Alessandro Marrone, “PeSCo: The Italian Perspective,” *IAI Istituto Affari Internazionali*, September 20, 2018, <https://www.iai.it/en/pubblicazioni/pesco-italian-perspective> (accessed February 19, 2019).

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).

³⁰⁶ Alessandro Marrone, “PeSCo: The Italian Perspective,” *IAI Istituto Affari Internazionali*, September 20, 2018, <https://www.iai.it/en/pubblicazioni/pesco-italian-perspective> (accessed February 19, 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.

³⁰⁷ Janne Haaland Matlary, *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018), 3-6.

³⁰⁸ "White Paper: For International Security and Defence," *difesa.it*. July 2015. https://www.difesa.it/Primo_Piano/Documents/2015/07_Luglio/White_book.pdf (accessed March 04, 2019), 21-43.

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 world 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.

³¹² Alessandro Marrone, "PeSCo: The Italian Perspective," *IAI Istituto Affari Internazionali*, September 20, 2018, <https://www.iai.it/en/pubblicazioni/pesco-italian-perspective> (accessed February 19, 2019).

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 Rivière and Arno Husson in a policy paper for the Institut Jacques Delors

³¹⁴ Michela Ceccorulli, and Fabrizio Coticchia, "Stick to the plan? Culture, interests, multidimensional threats, and Italian defence policy," *Cambridge Core*, July 05, 2017, https://www.cambridge.org/core/services/aop-cambridge-core/content/view/20C150DCDF6D73D75674466A47662F77/S0048840217000041a.pdf/stick_to_the_plan_culture_interests_multidimensional_threats_and_italian_defence_policy.pdf (accessed May 01, 2019)

³¹⁵ Daniel Fiott, and Antonio Missiroli and Thierry Tardy, "Permanent Structured Cooperation: What's In A Name?," *European Union Institute For Security Studies*, November 13, 2017, https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf (accessed March 02, 2019).

³¹⁶ Francesco Bussoletti, "Italia, Le Principali Minacce Alla Sicurezza Nazionale Secondo L'Intelligence," *difesaesicurezza*, February 20, 2018, <https://www.difesaesicurezza.com/difesa-e-sicurezza/italia-principali-minacce-alla-sicurezza-nazionale-secondo-intelligence/> (accessed May 01, 2019).

³¹⁷ Pawel Zerka, "Are Spheres of Influence Still In? The EU and External Security," *ECFR*, August 10, 2018, https://www.ecfr.eu/article/commentary_spheres_of_influence_eu_external_security (accessed February 6, 2019).

³¹⁸ Ibid.

Hence, the Italian priorities focuses 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 Secondly, notwithstanding the current reduction in the migrant flows, in the past years Italy has

³¹⁹ Ibid.

³²⁰ “Il Documento Programmatico Pluriennale per La Difesa 2017,” *flpdifesa*, September 19, 2017, <https://flpdifesa.org/2017/09/il-documento-programmatico-pluriennale-per-la-difesa-2017-2019-le-esigenze-operative-delle-forze-armate-lelenco-dei-programmi-darmamento-con-i-relativi-costi-e-lo-stato-di-previsione-della-spesa/> (accessed April 29, 2019).

³²¹ “Annex to the annual report to the Parliament” in “Relazione sulla politica dell’informazione per la sicurezza 2018”, February 28, 2019, <https://d110erj175o600.cloudfront.net/wp-content/uploads/2019/02/Relazione-2018.pdf> (accessed May 01, 2019), 11-14.

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.)

³²⁵ “Annex to the annual report to the Parliament” in “Relazione sulla politica dell’informazione per la sicurezza 2018”, February 28, 2019, <https://d110erj175o600.cloudfront.net/wp-content/uploads/2019/02/Relazione-2018.pdf> (accessed May 01, 2019), 11-14.

³²⁶ Lorenzo Vidino, and Francesco Marone, “The Jihadist threat in Italy: a primer,” *Ispionline.it*, November 2017, https://www.ispionline.it/sites/default/files/pubblicazioni/analisi318_vidino-marone.pdf (accessed April 30, 2019).

³²⁷ Ibid.

received a massive influx of migrants, most of whom from Muslim majority countries and conflict areas.³²⁸ 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.³²⁹ 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.³³¹ 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.³³² Overall, it is no coincidence that the threat of jihadism is considered “absolute priority” for national intelligence.³³³

Notwithstanding these factors, Italy has not faced challenges from jihadist terrorism, except for a couple of minor incidents that were prevented or failed.³³⁴

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.³³⁵

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.³³⁶

³²⁸ “Operational portal refugee situations,” data2.unhcr, <https://data2.unhcr.org/en/situations/mediterranean/location/5205> (accessed May 02, 2019)

³²⁹ Lorenzo Vidino, and Francesco Marone, “The Jihadist threat in Italy: a primer,” *ISPI*, November 2017, https://www.ispionline.it/sites/default/files/pubblicazioni/analisi318_vidino-marone.pdf (accessed April 30, 2019).

³³⁰ Ibid.

³³¹ Ibid.

³³² Ibid.

³³³ Samuele Dominioni, and Francesco Marone, “Rischio Cyber E Terrorismo: La Situazione Dell'Italia,” *ISPI*, March 01, 2019, <https://www.ispionline.it/it/pubblicazione/rischio-cyber-e-terrorismo-la-situazione-dellitalia-22417> (accessed April 14, 2019).

³³⁴ Lorenzo Vidino, and Francesco Marone, “The Jihadist threat in Italy: a primer,” *ISPI*, November 2017, https://www.ispionline.it/sites/default/files/pubblicazioni/analisi318_vidino-marone.pdf (accessed April 30, 2019).

³³⁵ 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.

³³⁶ 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.³³⁷

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.³³⁸ In other words, the prevailing idea is that PESCO projects should concentrate on capability development.³³⁹

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.^{340 341} 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).³⁴²

Notwithstanding this intense focus on capability development, Italian authorities are fully aware that capabilities are not merely material.³⁴³ 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.

³³⁷ "Permanent Structured Cooperation (PESCO) Updated List of PESCO Projects – Overview," *Consilium.europa*, November 19, 2018. Accessed April 21, 2019. <http://www.statewatch.org/news/2018/nov/eu-table-pesco-projects.pdf>.

³³⁸ Alessandro Marrone, "PeSCo: The Italian Perspective," *IAI*, September 20, 2018, <https://www.iai.it/en/pubblicazioni/pesco-italian-perspective> (accessed February 19, 2019).

³³⁹ Ibid.

³⁴⁰ Ibid.

³⁴¹ Respectively: the Harbour & Maritime Surveillance and Protection (HARMSPRO) and the Armoured Infantry Fighting Vehicle / Amphibious Assault Vehicle / Light Armoured Vehicle, in "Permanent Structured Cooperation (PESCO) First collaborative PESCO projects – Overview", Consilium, <https://defencereview.gr/wp-content/uploads/pesco-overview-of-first-collaborative-of-projects-for-press-1.pdf> (accessed April 18, 2019).

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).

³⁴³ Alessandro Marrone, "PeSCo: The Italian Perspective," *IAI*, September 20, 2018, <https://www.iai.it/en/pubblicazioni/pesco-italian-perspective> (accessed February 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.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.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”.³⁴⁶ Besides, even the Italian White Paper betrays the Europeanization of defence policy by proposing a differentiation between “sovereign” and “collaborative” technologies.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.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.

3.2 Exogenous factors

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.³⁴⁹

³⁴⁴ Ibid.

³⁴⁵ Ibid.

³⁴⁶ “More Europe: More from Europe, More to Europe,” *More Europe on Defence*, 2013

http://www.difesa.it/Primo_Piano/Documents/2013/More%20Europe%20final.pdf, (accessed May 01, 2019), 10.

³⁴⁷ 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.

³⁴⁸ Ibid.

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.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.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 and 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.^{352 353}

354

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.^{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.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.³⁵⁹

³⁵⁰ Ibid.

³⁵¹ Ibid.

³⁵² Antonio Calcara, "Ue/Italia: Pesco, non è tutto oro quel che luccica," *affarinternazionali*, April 06, 2018, <https://www.affarinternazionali.it/2018/04/ue-italia-difesa-europea-pesco/> (accessed April 27, 2019).

³⁵³ Steven Erlanger, "U.S. Revives Concerns About European Defense Plans, Rattling NATO Allies," *The New York Times*, February 18, 2018, <https://www.nytimes.com/2018/02/18/world/europe/nato-europe-us-.html> (accessed April 27, 2019).

³⁵⁴ Georgi Gotev, "US Offer First Reaction to EU Defence PESCO Pact," *Euractiv.com*, February 28, 2018, <https://www.euractiv.com/section/politics/news/us-offer-first-reaction-to-eu-defence-pesco-pact/> (accessed March 13, 2019).

³⁵⁵ Alessandro Marrone, and Alessandro Riccardo Ungaro, "Relations between the United States of America and Italy in the Post-Cold War Period," *IAI*, May 16, 2014, <https://www.iai.it/en/node/2337> (accessed May 01, 2019), 157-181.

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.

³⁵⁷ Finmeccanica is an Italian high-tech company specialised in the aerospace, defence and security.

³⁵⁸ Antonio Calcara, "Ue/Italia: Pesco, non è tutto oro quel che luccica," April 06, 2018, <https://www.affarinternazionali.it/2018/04/ue-italia-difesa-europea-pesco/> (accessed April 27, 2019).

³⁵⁹ Alessandro Marrone, and Alessandro Riccardo Ungaro, "Relations between the United States of America and Italy in the Post-Cold War Period," *IAI*, May 16, 2014, <https://www.iai.it/en/node/2337> (accessed May 01, 2019), 157-181.

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.³⁶⁰ After the formal announcement, the acquisition was successfully completed in October 2008, for the total value of this operation was \$5.2 billion.³⁶¹

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.³⁶² ³⁶³ 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.³⁶⁴ 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.³⁶⁵ Moreover, at the FACO, Leonardo builds the wings for the F-35 partners and foreign military nations.³⁶⁶ 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 1998.³⁶⁷

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.³⁶⁸ 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.³⁶⁹ 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

³⁶⁰ Ibid.

³⁶¹ “Finmeccanica Completes Acquisition of DRS Technologies for 5.2 billion U.S. dollars”, *Defense Aerospace*, October 22, 2008, <http://www.defense-aerospace.com/page/archives.html> (accessed May 02, 2019).

³⁶² Alessandro Marrone, and Alessandro Riccardo Ungaro, “Relations between the United States of America and Italy in the Post-Cold War Period,” *IAI*, May 16, 2014, <https://www.iai.it/en/node/2337> (accessed May 01, 2019), 157-181.

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.

³⁶⁴ “F-35 JSF: More than a fighter jet,” *Leonardo*, <https://www.leonardocompany.com/products/f-35-jsf> (accessed April 28, 2019)

³⁶⁵ Ibid.

³⁶⁶ “Creating Jobs; Strengthening the Economy,” F-35 Lightning II Lockheed Martin, <https://www.f35.com/global/participation/italy-industrial-participation> (accessed May 01, 2019).

³⁶⁷ Alessandro Marrone, and Alessandro Riccardo Ungaro, “Relations between the United States of America and Italy in the Post-Cold War Period,” *IAI*, May 16, 2014, <https://www.iai.it/en/node/2337> (accessed May 01, 2019), 157-181.

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 to 90

³⁶⁹ Chiara Rossi, “Leonardo-Finmeccanica e Lockheed Martin, tutte le turbolenze fra Usa e Italia sugli F-35,” *Startmag*, <https://www.startmag.it/mondo/leonardo-finmeccanica-f-35-usa-italia/> (accessed May 02, 2019).

commitments it had signed, thus pressing the coalition to proceed with the payments of the agreements already concluded.³⁷⁰

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.³⁷¹ 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.³⁷² 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.³⁷³ 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.³⁷⁴ 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.³⁷⁵ 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.

³⁷⁰ Gianluca Zappa, "F35, ecco come Mattarella straton Difesa e governo," *Startmag*, <https://www.startmag.it/mondo/f35-ecco-come-mattarella-straton-difesa-e-governo/> (accessed May 02, 2019).

³⁷¹ 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).

³⁷² Gianandrea Gaiani, "L'asse con Trump e la collocazione strategica dell'Italia," *AnalisiDifesa*, August 01, 2018, <https://www.analisdifesa.it/2018/08/lasse-con-gli-usa-e-la-collocazione-strategica-dellitalia/> (accessed April 29, 2019).

³⁷³ Ibid.

³⁷⁴ 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).

³⁷⁵ "Ministeriale Unione Europea: il Ministro Trenta a Bruxelles," *Ministero Della Difesa*, May 14, 2019, https://www.difesa.it/Primo_Piano/Pagine/ministeriale-unione-europea-ministro-trenta-a-bruxelles.aspx (accessed May 15, 2019).

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 [...]."³⁷⁶ The provocative words used by the Prime Minister explicitly called for a brand re-engagement with Moscow.³⁷⁷ 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.³⁷⁸

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.³⁷⁹ ³⁸⁰

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.³⁸¹ 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.³⁸² 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.

³⁷⁶ "Giuseppe Conte chiede la fiducia al Senato il discorso integrale," *byoblu*, <https://www.youtube.com/watch?v=rY8SzSOqxz8> (accessed May 04, 2019).

³⁷⁷ **Tom Kingon**, "Italy splits with allies and demands end to Russia sanctions," *The Times*, June 06, 2018, <https://www.thetimes.co.uk/article/italy-splits-with-allies-and-demands-end-to-russia-sanctions-b3p80kkb2> (accessed May, 03, 2019)

³⁷⁸ "Le Relazioni Tra Italia E Russia," *Parlamento.it*, November 2018, http://www.parlamento.it/application/xmanager/projects/parlamento/file/repository/affariinternazionali/osservatorio/approfondimenti/PI0144_App.pdf (accessed April 12, 2019), 3-5.

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.

³⁸² "Schede Paese/ Russia," *Ministero dello Sviluppo economico*, December 12, 2018, https://www.mise.gov.it/images/stories/commercio_internazionale/osservatorio_commercio_internazionale/schede_paese/europa/Russia_18_12_2018.pdf (accessed May 05, 2019).

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 2013.³⁸³ ³⁸⁴ 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.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.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 2013.³⁸⁷

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.³⁸⁸ On his last official business to Moscow, also

³⁸³ "40th Anniversary Of Russian Gas Supplies To Italy," *Gazprom*, December 10, 2009, <http://www.gazprom.com/about/history/events/italy40/> (accessed May 07, 2019).

³⁸⁴ "Le Relazioni Tra Italia E Russia," *Parlamento.it*, November 2018, http://www.parlamento.it/application/xmanager/projects/parlamento/file/repository/affariinternazionali/osservatorio/approfondimenti/PI0144_App.pdf (accessed April 12, 2019), 3-5.

³⁸⁵ Equal to 43 percent in 2017

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

³⁸⁷ "Russia, con le sanzioni l'Italia perde 3 miliardi all'anno," *Coldiretti*, April 13, 2018, <https://www.coldiretti.it/economia/sanzioni-russia-italia-perde-3-miliardi-anno> (accessed April 12, 2019).

³⁸⁸ "Sanzioni alla Russia, Moavero: strumento, non obiettivo," *Asknews*, October 08, 2018, https://www.asknews.it/esteri/2018/10/08/sanzioni-alla-russia-moavero-strumento-non-obiettivo-pn_20181008_00787/ (accessed May 06, 2019)

Giuseppe Conte insisted that the economic penalties are not an end but an instrument.³⁸⁹ On March 8, of this year, the Prime Minister reiterated this position by asserting that Italy is intended to lift the sanctions.³⁹⁰

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.³⁹¹

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.³⁹²

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.³⁹³ Vincenzo Camporini, a former Italian Chief of the Defence General Staff argued, in fact, that the prospects for an enhanced European collaboration appeared

³⁸⁹ “Conte invita Putin: “Ma non ho chiesto aiuto sui Btp. Il presidente russo: “Economia italiana solida,” *la Repubblica*, October 24, 2018, https://www.repubblica.it/politica/2018/10/24/news/conte_invita_putin_in_italia_manca_da_troppo_tempo_-209843875/ (accessed May 06, 2019).

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-try-to-end-sanctions-against-russia-idUSKCN1QP221> (accessed May 08, 2019)

³⁹¹ Tom Kington, “Russian ‘advocates’: Italy’s new government unnerves Western allies,” *DefenseNews*, June 07, 2018, <https://www.defensenews.com/global/europe/2018/06/07/russian-advocates-italys-new-government-unnerves-western-allies/> (accessed May 01, 2019)

³⁹² Jeremy Ghez, et al., “Defence and Security after Brexit: A Snapshot of international perspectives on the implications of the UK’s decision to leave the EU,” *RAND*, March 05, 2017, https://www.rand.org/content/dam/rand/pubs/perspectives/PE200/PE225/RAND_PE225.pdf (accessed May 06, 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.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.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.³⁹⁶ For instance, in 2000, Leonardo acquired the avionics sector of what was then Marconi Electronic Systems.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.³⁹⁸ Secondly, the helicopter sector continues to represent a vital playing field on which to strengthen bilateral cooperation between Italy and the UK.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.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.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.⁴⁰² Given that

³⁹⁴ Tom Kington, "Former Italian General Calls for European Army After Brexit Vote," *Defense News*, August 26, 2016, <https://www.defensenews.com/global/europe/2016/08/25/former-italian-general-calls-for-european-army-after-brexit-vote/> (accessed May 05, 2019).

³⁹⁵ Paola Sartori, "Europe's Defence Industry after Brexit: What Role for Britain?," *Atlantic Community*, March 18, 2019, <https://atlantic-community.org/europes-defence-industry-after-brexit-what-role-for-britain/> (accessed May 08, 2019).

³⁹⁶ *Ibid.*

³⁹⁷ Paola Sartori, Alessandro Marrone, and Michele Nones, "Looking Through the Fog of Brexit: Scenarios and Implications for the European Defence Industry," *IAI*, July 04, 2018, <https://www.iai.it/sites/default/files/iai1816.pdf>, (accessed May 08, 2019).

³⁹⁸ *Ibid.*

³⁹⁹ *Ibid.*

⁴⁰⁰ Tom Kington, "Despite Brexit, Leonardo Sees a Way the UK Tempest Fighter Could Win EU Funding," *Defense News*, August 03, 2018, <https://www.defensenews.com/global/europe/2018/08/03/despite-brexit-leonardo-see-a-way-the-uk-tempest-fighter-could-win-eu-funding/> (accessed May 07, 2019).

⁴⁰¹ Antonio Villafranca, "Brexit: gli effetti del 'no deal' sull'Italia," *ISPI*, December 13, 2018, <https://www.ispionline.it/it/pubblicazione/brexit-gli-effetti-del-no-deal-sullitalia-21769> (accessed May 01, 2019).

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.

⁴⁰⁴ Paola Sartori, Alessandro Marrone, and Michele Nones, “Looking Through the Fog of Brexit: Scenarios and Implications for the European Defence Industry,” *IAI*, July 04, 2018, <https://www.iai.it/sites/default/files/iai1816.pdf>, (accessed May 08, 2019).

⁴⁰⁵ Ibid.

⁴⁰⁶ Ibid.

⁴⁰⁷ Dominic Ponattu, “Brexit to cost EU citizens up to 40 billion euros annually,” *Bertelsmann-stiftung*, March 21, 2019, <https://www.bertelsmann-stiftung.de/en/topics/latest-news/2019/march/brexit-to-cost-eu-citizens-up-to-40-billion-euros-annually/> (accessed May 04, 2019).

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.⁴¹⁰

Europe seems to be further and further depleted, despite possessing resources and industries with relevant technical capabilities and technologies of avant-garde.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.^{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.^{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.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

⁴¹⁰ Pietro Batacchi, "Nuova Europa Della Difesa: Le Opportunità per L'industria," *ISPI*, October 19, 2016, <https://www.ispionline.it/it/pubblicazione/nuova-europa-della-difesa-le-opportunita-lindustria-15857> (accessed March 13, 2019).

⁴¹¹ Mario Arpino, "Come Leonardo-Finmeccanica e Fincantieri possono andare d'amore e d'accordo per conquistare i mercati esteri," *Startmag*, December 18, 2018, <https://www.startmag.it/economia/leonardo-finmeccanica-fincantieri/> (accessed April 07, 2019).

⁴¹² Ibid.

⁴¹³ France, Germany, England, Italy, Spain and Sweden

⁴¹⁴ Valerie Insinna, "French Air Force Chief: France and Germany Working on Export Controls for Future Fighter," *Defense News*, February 08, 2019, <https://www.defensenews.com/global/europe/2019/02/08/french-air-force-chief-france-and-germany-working-on-export-controls-for-future-fighter/> (accessed May 11, 2019).

⁴¹⁵ Tom Kington, "Taking Sides: Italian Defense Industry Rep Attacks Franco-German Fighter Deal," *Defense News*, February 15, 2019, <https://www.defensenews.com/global/europe/2019/02/15/taking-sides-italian-defense-industry-rep-attacks-franco-german-fighter-deal/> (accessed April 30, 2019).

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.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.^{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.^{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.^{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.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.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 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.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".^{427 428}

⁴¹⁷ Ibid.

⁴¹⁸ Jean Pierre Darnis, "France, Italy and the Reawakening of Historical Rivalries," *IAI*, August 28, 2017, <https://www.iai.it/en/publicazioni/france-italy-and-reawakening-historical-rivalries> (accessed March 18, 2019).

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.

⁴²⁰ Hans Von Der Burchard, "Macron and Merkel's treaty tests European nerves," *Politico*, January 2019, <https://www.politico.eu/article/emmanuel-macron-and-angela-merkel-franco-german-aachen-treaty-tests-european-nerves/> (accessed May 13, 2019).

⁴²¹ The Elysée Treaty is a highly symbolic post-war accord of friendship signed in 1963.

⁴²² Ibid.

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.

⁴²⁴ Elie Perot, "The Aachen Mutual Defence Clause: A Closer Look at the Franco-German Treaty," *Egmont Royal Institute for International Relations*, No. 105, February 2019, <http://www.egmontinstitute.be/content/uploads/2019/02/SPB105.pdf?type=pdf> (accessed May 12, 2019), 1-2.

⁴²⁵ Ibid, 5.

⁴²⁶ Nicholas Dungan, "The New Treaty of Aachen: More Than Just a Symbol?," *Atlantic Council*, January 23, 2019, <https://www.atlanticcouncil.org/blogs/new-atlanticist/france-germany-treaty-of-aachen> (accessed May 14, 2019).

⁴²⁷ Ibid.

⁴²⁸ Hans Von Der Burchard, "Macron and Merkel's treaty tests European nerves," *Politico*, January 2019, <https://www.politico.eu/article/emmanuel-macron-and-angela-merkel-franco-german-aachen-treaty-tests-european-nerves/> (accessed May 13, 2019).

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 [...]”.⁴²⁹

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.^{430 431} 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.⁴³² 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.⁴³³ 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.⁴³⁴

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.

⁴²⁹ Tom Kington, “Taking Sides: Italian Defense Industry Rep Attacks Franco-German Fighter Deal,” *Defense News*, February 15, 2019, <https://www.defensenews.com/global/europe/2019/02/15/taking-sides-italian-defense-industry-rep-attacks-franco-german-fighter-deal/> (accessed April 30, 2019).

⁴³⁰ Fincantieri, Leonardo-Finmeccanica, Oto Melara, Iveco, the Avio group of Colleferro, et cetera.

⁴³¹ Pietro Batacchi, “Nuova Europa Della Difesa: Le Opportunità per L’industria,” *ISPI*, October 19, 2016, <https://www.ispionline.it/it/pubblicazione/nuova-europa-della-difesa-le-opportunita-lindustria-15857> (accessed March 13, 2019).

⁴³² Ibid.

⁴³³ Ibid.

⁴³⁴ Domenico Giovinazzo, “Difesa comune, le aziende italiane temono di essere schiacciate da quelle francesi e tedesche”, *EUnews*, October 10, 2017, <https://www.eunews.it/2017/10/10/difesa-ue-aziende-italiane-temono/94533> (accessed April 28, 2019).

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.⁴³⁵ ⁴³⁶ 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.⁴³⁷

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.⁴³⁸

Regrettably, however, Italy is not heading in the right direction.

On 15 October 2018, Elisabetta Trenta delivered its Pluriennial 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 2018.⁴³⁹ 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 2020.⁴⁴⁰ 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.⁴⁴¹ Consequently, such defence cuts

⁴³⁵ "Italy, a Steady Supporter of European Defence," *Clingendael*, November 06, 2017, <https://www.clingendael.org/publication/italy-steady-supporter-european-defence> (accessed May 04, 2019).

⁴³⁶ Andrea Aversano Stabile, and Paola Sartori, "Italy's Defence Expenditure: What Impact on EU Defence Cooperation?," *IAI*, December 17, 2018, <https://www.iai.it/en/pubblicazioni/italys-defence-expenditure-what-impact-eu-defence-cooperation>, Accessed April 17, 2019.

⁴³⁷ Tom Kington, "Taking Sides: Italian Defense Industry Rep Attacks Franco-German Fighter Deal," *Defense News*, February 15, 2019, <https://www.defensenews.com/global/europe/2019/02/15/taking-sides-italian-defense-industry-rep-attacks-franco-german-fighter-deal/> (accessed April 30, 2019).

⁴³⁸ "Il Documento Programmatico Pluriennale per La Difesa 2017," 2017, <https://www.forzearmate.org/il-documento-programmatico-pluriennale-per-la-difesa-2017-2019-le-esigenze-operative-delle-forze-armate-lelenco-dei-programmi-darmamento-con-i-relativi-costi-e-lo-stato-di-previsio/> (accessed April 27, 2019), vii.

⁴³⁹ "Documento Programmatico Pluriennale per La Difesa per il triennio 2018-2020," *difesa.it*, 2018. http://www.difesa.it/Content/Documents/DPP/DPP_2016_2018.pdf (accessed March 23, 2019), 95.

⁴⁴⁰ Aversano Stabile, Andrea, and Paola Sartori, "Italy's Defence Expenditure: What Impact on EU Defence Cooperation?," *IAI*, December 17, 2018, <https://www.iai.it/sites/default/files/iaicom1868.pdf> (accessed April 21, 2019).

⁴⁴¹ Ibid.

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 spending 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-funding 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.

⁴⁴² Galaxy Henry, “Italy Seeks Changes to NATO Defense Spending Rules,” *Politico*, February 11, 2019, <https://www.politico.eu/article/italy-seeks-changes-nato-defence-spending-rules/> (accessed May 04, 2019).

⁴⁴³ Aversano Stabile, Andrea, and Paola Sartori, “Italy’s Defence Expenditure: What Impact on EU Defence Cooperation?,” *IAI*, December 17, 2018, <https://www.iai.it/sites/default/files/iaicom1868.pdf> (accessed April 21, 2019).

⁴⁴⁴ “Protocol (No 10) on permanent structured cooperation established by Article 42 of the Treaty on European Union,” *Lex Access to European Union Law*, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12008M/PRO/10> (accessed April 21, 2019).

⁴⁴⁵ “Council Decision (CFSP) 2017/2315 of 11 December 2017 Establishing Permanent Structured Cooperation (PESCO) and Determining the List of Participating Member States,” *Council of the European Union*, (OJ L 331, 14 December 2017), <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017D2315> (accessed April 19, 2019).

⁴⁴⁶ Alessandro Marrone, “PeSCo: The Italian Perspective,” *IAI*, September 20, 2018, <https://www.iai.it/en/pubblicazioni/pesco-italian-perspective> (accessed February 19, 2019).

⁴⁴⁷ Documento Programmatico Pluriennale per La Difesa per il triennio 2018-2020,” *difesa.it*, 2018, http://www.difesa.it/Content/Documents/DPP/DPP_2016_2018.pdf (accessed March 23, 2019), 9.

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.⁴⁴⁸ 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.⁴⁴⁹ 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.⁴⁵¹ 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”.⁴⁵² 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.⁴⁵³

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

⁴⁴⁸ 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).

⁴⁴⁹ 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-difesa-europea-edidp-industria/> (accessed April 07, 2019).

⁴⁵⁰ Piedmont, Liguria, Lombardy and Lazio.

⁴⁵¹ “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-mani-straniere_c283efd8-167b-4e29-944f-2247d9b5d69e.html (accessed May 06, 2019).

⁴⁵² “REPORT on the Proposal for a Regulation of the European Parliament and of the Council Establishing the European Defence Industrial Development Programme Aiming at Supporting the Competitiveness and Innovative Capacity of the EU Defence Industry,” *Europarl.europa.eu*, February 26, 2018, http://www.europarl.europa.eu/doceo/document/A-8-2018-0037_EN.html (accessed May 10, 2019).

⁴⁵³ *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.”

PESCO, in line with Article 46.4 TEU.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.

⁴⁵⁴ “Letter from Valdis Dombrovskis and Pierre Moscovici to Giovanni Tria, Minister of Economy and Finance,” October 28, 2018, https://ec.europa.eu/info/sites/info/files/economy-finance/18_10_18_commission_letter_to_italy_en_0_1.pdf (accessed May 19, 2019).

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.⁴⁵⁵ 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.⁴⁵⁶

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.⁴⁵⁷

⁴⁵⁵ Monika Sus, "The Future of European Defence Depends on the Commitment of Member States," *Dahrendorf Forum Debating Europe*, December 14, 2017, <https://www.dahrendorf-forum.eu/the-future-of-european-defence-depends-on-the-commitment-of-member-states/> (accessed May 15, 2019).

⁴⁵⁶ Sven Biscop, "EU60: Re-Founding Europe. The Responsibility to Propose," *IAI*, February 6, 2017, <https://www.iai.it/en/ricerche/eu60-re-founding-europe-responsibility-propose>. (accessed February 18, 2019).

⁴⁵⁷ Jean-Pierre Maulny, and Livia Di Bernardini, "Moving PeSCo Forward: What Are the next Steps?," *IRIS*, May 21, 2019, <https://www.iris-france.org/wp-content/uploads/2019/05/ARES-39.pdf>. (accessed May 25, 2019).

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.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.⁴⁵⁹ ⁴⁶⁰ Likewise, German defence spending notably increased to 46192 million USD in 2018 from 45382 million USD in 2017.⁴⁶¹ For what concerns Italy, instead, military spending decreased to 26082 million dollars in 2018 from 26448 million dollars in 2017.⁴⁶² 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

⁴⁵⁸ "A wide and deep partnership, "A tailor-made and complicated partnership" or "Open Competition"

⁴⁵⁹ "Defence Expenditure of NATO Countries (2011-2018)." *NATO*. July 10, 2018.
https://www.nato.int/cps/en/natohq/news_156770.htm. (accessed March 16, 2019).

⁴⁶⁰ "France Military Expenditure," *Tradingeconomics*, <https://tradingeconomics.com/france/military-expenditure> (accessed May 07, 2019).

⁴⁶¹ "Germany Military Expenditure," *Tradingeconomics*, <https://tradingeconomics.com/germany/military-expenditure> (accessed May 07, 2019).

⁴⁶² "Italy Military Expenditure," *Tradingeconomics*, <https://tradingeconomics.com/italy/military-expenditure>. (accessed May 07, 2019).

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.⁴⁶³ 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.

⁴⁶³ Michele, Nones, "Difesa: Spesa Militare Italiana All'1%, Scherzando Col Fuoco," *Affarinternazionali*, February 16, 2019, <https://www.affarinternazionali.it/2019/02/difesa-spesa-italiana-fuoco/> (accessed April 24, 2019).

III. BIBLIOGRAPHY

- “About PESCO.” *Pesco.europa.eu*. <https://pesco.europa.eu/about/>. (accessed April 23, 2019).
- Angelini, Lorenzo. “[Opinion] Brexit Is an Opportunity for EU Defence Policy.” *Euobserver*. July 8, 2016. <https://euobserver.com/opinion/134256>. (accessed March 30, 2019).
- “Annex to the annual report to the Parliament” in “Relazione sulla politica dell’informazione per la sicurezza 2018.” February 28, 2019. <https://d110erj175o600.cloudfront.net/wp-content/uploads/2019/02/Relazione-2018.pdf>. (accessed May 01, 2019).
- “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-mani-straniere_c283efd8-167b-4e29-944f-2247d9b5d69e.html. (accessed May 06, 2019).
- Arbatov, Alexey. “Russian Foreign and Security Policy.” *Carnegie Moscow Center*. June 21, 2016. https://carnegie.ru/2016/06/21/russian-foreign-and-security-policy-pub-63860_ (accessed March 01, 2019).
- Arpino Mario. “Come Leonardo-Finmeccanica e Fincantieri possono andare d’amore e d’accordo per coinquistare i mercati esteri.” *Startmag*. December 18, 2018. <https://www.startmag.it/economia/leonardo-finmeccanica-fincantieri/>. (accessed April 07, 2019).
- Aversano Stabile, Andrea and Paola Sartori. “Italy's Defence Expenditure: What Impact on EU Defence Cooperation?.” *IAI*. December 17, 2018. <https://www.iai.it/en/pubblicazioni/italys-defence-expenditure-what-impact-eu-defence-cooperation>. (accessed April 17, 2019).
- Batacchi Pietro. “Nuova Europa Della Difesa: Le Opportunità per L'industria.” *ISPIL*. October 19, 2016. <https://www.ispionline.it/it/pubblicazione/nuova-europa-della-difesa-le-opportunita-lindustria-15857>. (accessed March 13, 2019).
- Béraud-Sudreau, Lucie, and Bastian Giegerich. “NATO Defence Spending and European Threat Perceptions.” *IISS*. July 16, 2018. <https://www.iiss.org/publications/survival/2018/survival-global-politics-and-strategy-augustseptember-2018/604-08-sudreau-and-giegerich>. (accessed February 19, 2019).
- Béraud-Sudreau, Lucie. “On the Up: Western Defence Spending in 2018.” *IISS*. February 15, 2019. <https://www.iiss.org/blogs/military-balance/2019/02/european-nato-defence-spending-up>. (accessed February 22, 2019).
- Billon-Galland, Alice and Yvonne Stefania Efstathiou. “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).
- Billon-Galland, Alice, and Martin Quencez. “Can France and Germany Make PESCO Work as a Process Toward EU Defense?.” *The German Marshall Fund of the United States*. October 06, 2017. <http://www.gmfus.org/publications/can-france-and-germany-make-pesco-work-process-toward-eu-defense>. (accessed March 13, 2019).
- Bindi, Federiga. “Why Trump and Brexit Will Lead to a Stronger EU Security.” *Carnegie Endowment for International Peace*. November 26, 2018. <https://carnegieendowment.org/2018/11/26/why-trump-and-brexit-will-lead-to-stronger-eu-security-pub-77775>. (accessed March 23, 2019).
- “Binding Commitments.” *PESCO*. <https://pesco.europa.eu/binding-commitments/> (accessed April 21, 2019).
- Biscop, Sven. “EU60: Re-Founding Europe. The Responsibility to Propose.” *IAI*. February 6, 2017. <https://www.iai.it/en/ricerche/eu60-re-founding-europe-responsibility-propose>. (accessed February 18, 2019).
- Biscop, Sven. “Letting Europe Go Its Own Way.” *Foreignaffairs.com*. July 6, 2018. <https://www.foreignaffairs.com/articles/2018-07-06/letting-europe-go-its-own-way> . (accessed February 20, 2019).
- Blockmans, Steven. “The EU’s modular approach to defence integration: an inclusive, ambitious and legally binding PESCO?.” *ceps.eu*, 2018. <https://www.ceps.eu/system/files/Publication-Journal-20181122-StevenBlockmans-PESCO.pdf> (accessed April 28, 2019).

- Brussels, Jon. "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).
- Bussoletti Francesco. "Italia, Le Principali Minacce Alla Sicurezza Nazionale Secondo L'Intelligence." *difesaesicurezza*. February 20, 2018. <https://www.difesaesicurezza.com/difesa-e-sicurezza/italia-principali-minacce-alla-sicurezza-nazionale-secondo-intelligence/>. (accessed May 01, 2019).
- -
- Calcara, Antonio. "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).
- Calcara, Antonio. "Ue/Italia: Pesco, non è tutto oro quel che luccica." *affarinternazionali*. April 06, 2018. <https://www.affarinternazionali.it/2018/04/ue-italia-difesa-europea-pesco/>. (accessed April 27, 2019).
- Catalano, Claudio. "La politica industriale nel settore della Difesa con particolare riferimento ad un quadro completo e sistematico dell'industria italiana dell'Aerospazio e Difesa quale assetto strategico nazionale di primaria importanza per le capacità operative delle Forze Armate." *Difesa.it*. November 2016. https://www.difesa.it/SMD/_CASD/IM/CeMiSS/DocumentiVis/Rcerche_da_publicare/AI-SA-27_La_politica_industriale_nel_settore_della_Difesa.pdf. (accessed April 11, 2019).
- Ceccorulli, Michela and Fabrizio Coticchia. "Stick to the plan? Culture, interests, multidimensional threats, and Italian defence policy." *Cambridge Core*. July 05, 2017. https://www.cambridge.org/core/services/aop-cambridgecore/content/view/20C150DCDF6D73D75674466A47662F77/S0048840217000041a.pdf/stick_to_the_plan_culture_interests_multidimensional_threats_and_italian_defence_policy.pdf. (accessed May 01, 2019)
- "Creating Jobs; Strengthening the Economy." *F-35 Lightning II Lockheed Martin*. <https://www.f35.com/global/participation/italy-industrial-participation>. (accessed May 01, 2019).
- "Conte invita Putin: "Ma non ho chiesto aiuto sui Btp. Il presidente russo: "Economia italiana solida." *la Repubblica*. October 24, 2018. https://www.repubblica.it/politica/2018/10/24/news/cont_e_invita_putin_in_italia_manca_da_troppo_tempo_-209843875/. (accessed May 06, 2019).
- "CONV 461/02 WG VIII 22 Final Report of Working Group VIII." *European-convention.europa.eu*. December 16, 2002. <http://european-convention.europa.eu/pdf/reg/en/02/cv00/cv00461.en02.pdf>. (accessed March 17, 2019).
- "Coordinated Annual Review on Defence (CARD)." *European Defence Agency*. [https://www.eda.europa.eu/what-we-do/our-current-priorities/coordinated-annual-review-on-defence-\(card\)](https://www.eda.europa.eu/what-we-do/our-current-priorities/coordinated-annual-review-on-defence-(card)) (accessed March 30, 2019).
- "Council conclusions on security and defence in the context of the EU Global Strategy-14190/17." *Council of the European Union*. November 13, 2017. <https://www.consilium.europa.eu/media/31520/ccs-on-security-and-defence.pdf> (accessed April 27, 2019).
- "Council Decision (CFSP) 2017/2315 of 11 December 2017 Establishing Permanent Structured Cooperation (PESCO) and Determining the List of Participating Member States." *Council of the European Union*. (OJ L 331, 14 December 2017). <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017D2315>. (accessed April 22, 2019).
- "Council Recommendation of 6 March 2018 concerning a Roadmap for the Implementation of PESCO." *Council of the European Union*. March 06, 2018. <http://data.consilium.europa.eu/doc/document/ST-6588-2018-REV-1/en/pdf> (accessed April 21, 2019).
- Darnis, Jean Pierre. "France, Italy and the Reawakening of Historical Rivalries." *IAI*. August 28, 2017. <https://www.iai.it/en/pubblicazioni/france-italy-and-reawakening-historical-rivalries>. (accessed March 18, 2019).
- "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).
- "Defence data 2016-2017." *Eda.europa.eu*. September 7, 2018. https://eda.europa.eu/docs/default-source/brochures/eda_defencedata_a4. (accessed February 19, 2019).
- "Defence Expenditure of NATO Countries (2011-2018)." *NATO*. July 10, 2018. https://www.nato.int/cps/en/natohq/news_156770.htm. (accessed March 16, 2019).

- De France, Oliver 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).
- Documento Programmatico Pluriennale per La Difesa per il triennio 2018-2020." *difesa.it*. 2018. http://www.difesa.it/Content/Documents/DPP/DPP_2016_2018.pdf (accessed March 23, 2019).
- Dominioni, Samuele and Francesco Marone. "Rischio Cyber E Terrorismo: La Situazione Dell'Italia." *ISPI*, March 01, 2019, <https://www.ispionline.it/it/pubblicazione/rischio-cyber-e-terrorismo-la-situazione-dellitalia-22417>. (accessed April 14, 2019).
- Drent, Margriet, Eric Wilms, and Dick Zandee. "Making Sense of European Defence." *Clingendael*. December 2017. <https://www.clingendael.org/publication/making-sense-european-defence> (accessed April 29, 2019).
- Dungan Nicholas. "The New Treaty of Aachen: More Than Just a Symbol?." *Atlantic Council*. January 23, 2019. <https://www.atlanticcouncil.org/blogs/new-atlanticist/france-germany-treaty-of-aachen>. (accessed May 14, 2019).
- "EPSC Brief: Joining Forces The Way Towards the European Defence Union." *Ec.europa.eu*. February 14, 2019. https://ec.europa.eu/epsc/sites/epsc/files/epsc_brief_defenceunion.pdf. (accessed February 17, 2019).
- Erlanger Steven. "U.S. Revives Concerns About European Defense Plans, Rattling NATO Allies." *The New York Times*. February 18, 2018. <https://www.nytimes.com/2018/02/18/world/europe/nato-europe-us-.html> (accessed April 27, 2019).
- "EU and NATO Cooperation to Expand to New Areas, including Counter-terror; Military Mobility; Women, Peace and Security." *EEAS*. December 6, 2017. https://eeas.europa.eu/delegations/mali/36854/eu-and-nato-cooperation-expand-new-areas-including-counter-terror-military-mobility-women_zh-hans (accessed March 20, 2019).
- "European Council Conclusions, 28 June 2018." *Consilium*. June 29, 2018. <https://www.consilium.europa.eu/en/press/press-releases/2018/06/29/20180628-euco-conclusions-final/>. (accessed February 18, 2019)
- "EU Counter-terrorism Strategy." *Consilium*. October 2005. <https://www.consilium.europa.eu/en/policies/fight-against-terrorism/eu-strategy/>. (accessed March 17, 2019).
- "European Defence Fund Delivers New Pan-European Research Projects." *European Commission*. February 16, 2018. http://europa.eu/rapid/press-release_IP-18-763_en.htm (accessed March 22, 2019).
- "European Defence Fund: Statement by Commissioner Bieńkowska on the European Parliament's Vote." *European Commission*. April 18, 2019. http://europa.eu/rapid/press-release_STATEMENT-19-2170_en.htm (accessed April 19, 2019).
- "European Security and Defence Policy: The First Ten Years (1999-2009)." October 19, 2009. https://www.iss.europa.eu/sites/default/files/EUISSFiles/ESDP_10-web_0.pdf .(accessed February 18, 2019).
- "F-35 JSF: More than a fighter jet." *Leonardo*. <https://www.leonardocompany.com/products/f-35-jsf>. (accessed April 28, 2019)
- "Finmeccanica Completes Acquisition of DRS Technologies for 5.2 billion U.S. dollars." *Defense Aerospace*. October 22, 2008. <http://www.defense-aerospace.com/page/archives.html> (accessed May 02, 2019).
- Fiott, Daniel, and Antonio Missiroli and Thierry Tardy. "Permanent Structured Cooperation: What'S In A Name?." *European Union Institute For Security Studies*. November 13, 2017. https://www.iss.europa.eu/sites/default/files/EUISSFiles/CP_142_ONLINE.pdf . (accessed March 02, 2019).
- "France Military Expenditure." *Tradingeconomics*. <https://tradingeconomics.com/france/military-expenditure>. (accessed May 07, 2019).
- "Franco-British St. Malo Declaration (4 December 1998)." June 22, 2015. https://www.cvce.eu/content/publication/2008/3/31/f3cd16fb-fc37-4d52-936f-c8e9bc80f24f/publishable_en.pdf.(accessed March 17, 2019).
- Freedman, Lawrence. *Strategy: A History*, (Oxford: Oxford University Press, 2013), quoted in Karen E. Smith, "A European Union Global Strategy for a Changing World?." *SpringerLink*. May 02, 2017. <https://link.springer.com/article/10.1057/s41311-017-0041-0>.(accessed March 19, 2019).
- Gaiani, Gianandrea. "L'asse con Trump e la collocazione strategica dell'Italia." *Analisisidifesa*. August 01, 2018. <https://www.analisisidifesa.it/2018/08/lasse-con-gli-usa-e-la-collocazione-strategica-dellitalia/>. (accessed April 29, 2019).

- Galaxy, Henry. "Italy Seeks Changes to NATO Defense Spending Rules." *Politico*. February 11, 2019. <https://www.politico.eu/article/italy-seeks-changes-nato-defence-spending-rules/>. (accessed May 04, 2019).
- Gates, Robert M. "The Security and Defense Agenda (Future of NATO)." *United States Department of Defense*. June 10, 2011 <http://archive.defense.gov/Speeches/Speech.aspx?SpeechID=1581>. (accessed February 12, 2019).
- "Germany, France Present New Military Aircraft Plans in Berlin | DW | 26.04.2018." *DW.COM*. April 26, 2018. <https://www.dw.com/en/germany-france-present-new-military-aircraft-plans-in-berlin/a-43554242> (accessed March 11, 2019).
- "Germany Military Expenditure." *Tradingeconomics*. <https://tradingeconomics.com/germany/military-expenditure>. (accessed May 07, 2019).
- Ghez, Jeremy et al. "Defence and Security after Brexit: A Snapshot of international perspectives on the implications of the UK's decision to leave the EU." *RAND*, March 05, 2017, https://www.rand.org/content/dam/rand/pubs/perspectives/PE200/PE225/RAND_PE225.pdf (accessed May 06, 2019).
- Giovinazzo, Domenico. "Difesa comune, le aziende italiane temono di essere schiacciate da quelle francesi e tedesche." *EUnews*. October 10, 2017. <https://www.eunews.it/2017/10/10/difesa-ue-aziende-italiane-temono/94533> (accessed April 28, 2019).
- "Giuseppe Conte chiede la fiducia al Senato il discorso integrale." *byoblu*. <https://www.youtube.com/watch?v=rY8SzSOqxz8>. (accessed May 04, 2019).
- Gotev, Georgi, "US Offer First Reaction to EU Defence PESCO Pact." *Euractiv.com*. February 28, 2018. <https://www.euractiv.com/section/politics/news/us-offer-first-reaction-to-eu-defence-pesco-pact/>. (accessed March 13, 2019).
- Grigoryan, Astghik. "Global Legal Monitor. Estonia: Government Boosts Defense Spending in 2019 Budget Bill." *Global Legal Monitor*. November 14, 2018 <http://www.loc.gov/law/foreign-news/article/estonia-government-boosts-defense-spending-in-2019-budget-bill/>. (accessed February 12, 2019).
- Hopher, Tim. "France and Germany to Develop New European Fighter Jet." *Reuters*. July 13, 2017. <https://www.reuters.com/article/us-france-germany-defence/france-and-germany-to-develop-new-european-fighter-jet-idUSKBN19Y1FJ>. (accessed March 14, 2019).
- Herszenhorn, David M. "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).
- "High Representative Mogherini Presents EU Global Strategy for Foreign and Security Policy." *EEAS*. June 28, 2016. https://eeas.europa.eu/topics/eu-global-strategy/7337/high-representative-mogherini-presents-eu-global-strategy-foreign-and-security-policy_en. (accessed March 7, 2019).
- Holpuch, Amanda, et al., "Trump-Putin Meeting Reactions: 'Russia Is Not Our Ally', Says Paul Ryan – as It Happened." *The Guardian*. July 17, 2018. <https://www.theguardian.com/us-news/live/2018/jul/16/trump-putin-summit-helsinki-russia-live>. (accessed February 27, 2019).
- "Il Documento Programmatico Pluriennale per La Difesa 2017." *flpdifesa*. September 19, 2017. <https://flpdifesa.org/2017/09/il-documento-programmatico-pluriennale-per-la-difesa-2017-2019-le-esigenze-operative-delle-forze-armate-lelenco-dei-programmi-darmamento-con-i-relativi-costi-e-lo-stato-di-previsione-della-spesa/>. (accessed April 29, 2019).
- "Implementation of the Lisbon Treaty Provisions on the Common Security and Defence Policy (CSDP): European Council Briefing." *European Council Briefing - Think Tank*. [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI\(2016\)573285](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2016)573285). (accessed March 20, 2019).
- "Implementing the Global Strategy: EU Delivers on Security and Defence." *EEAS*. June 27, 2018, https://eeas.europa.eu/topics/eu-global-strategy/47517/implementing-global-strategy-eu-delivers-security-and-defence_en (accessed March 24, 2019).
- "In Defence of Europe: Defence Integration as a response to Europe's Strategic Moment." *European Commission*. June 15, 2015. https://ec.europa.eu/epsc/sites/epsc/files/strategic_note_issue_4_en.pdf. (accessed February 13, 2019).
- Insinna Valerie. "French Air Force Chief: France and Germany Working on Export Controls for Future Fighter." *Defense News*. February 08, 2019. <https://www.defensenews.com/global/europe/2019/02/08/french-air-force-chief-france-and-germany-working-on-export-controls-for-future-fighter/> (accessed May 11, 2019).

- “Italy, a Steady Supporter of European Defence.” *Clingendael*. November 06, 2017. <https://www.clingendael.org/publication/italy-steady-supporter-european-defence>. (accessed May 04, 2019.)
- “Italy Military Expenditure.” *Tradingeconomics*. <https://tradingeconomics.com/italy/military-expenditure>. (accessed May 07, 2019).
- “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-try-to-end-sanctions-against-russia-idUSKCN1QP221>. (accessed May 08, 2019)
- “Joint Declaration on EU-NATO Cooperation by the President of the European Council, the President of the European Commission, and the Secretary General of the North Atlantic Treaty Organization.” *NATO*. July 08, 2016. https://www.nato.int/cps/en/natohq/official_texts_156626.htm. (accessed March 15, 2019).
- “Joint Declaration on European Defense Integration.” *Center for Strategic and International Studies*. August 19, 2004. <https://www.csis.org/analysis/joint-declaration-european-defense-integration>. (accessed February 17, 2019.)
- Kagan, Robert. “Power and Weakness.” *Hoover Institution*. June 1, 2002. <https://www.hoover.org/research/power-and-weakness>. (accessed March 18, 2019).
- Keohane, Daniel. “EU Military Cooperation and National Defense.” *The German Marshall Fund of the United States*. January 15, 2018. http://www.gmfus.org/publications/eu-military-cooperation-and-national-defense_ (accessed February 19, 2019).
- Kington, Tom. “Despite Brexit, Leonardo Sees a Way the UK Tempest Fighter Could Win EU Funding.” *Defense News*. August 03, 2018. <https://www.defensenews.com/global/europe/2018/08/03/despite-brexit-leonardo-see-a-way-the-uk-tempest-fighter-could-win-eu-funding/>. (accessed May 07, 2019).
- Kington, Tom. “Former Italian General Calls for European Army After Brexit Vote.” *Defense News*. August 26, 2016. <https://www.defensenews.com/global/europe/2016/08/25/former-italian-general-calls-for-european-army-after-brexit-vote/>. (accessed May 05, 2019).
- Kington, Tom. “Italy splits with allies and demands end to Russia sanctions.” *The Times*. June 06, 2018. <https://www.thetimes.co.uk/article/italy-splits-with-allies-and-demands-end-to-russia-sanctions-b3p80kbb2>. (accessed May 03, 2019)
- Kington Tom. “Russian ‘advocates’: Italy’s new government unnerves Western allies.” *DefenseNews*. June 07, 2018. <https://www.defensenews.com/global/europe/2018/06/07/russian-advocates-italys-new-government-unnerves-western-allies/>. (accessed May 01, 2019)
- Kington, Tom. “Taking Sides: Italian Defense Industry Rep Attacks Franco-German Fighter Deal.” *Defense News*. February 15, 2019. <https://www.defensenews.com/global/europe/2019/02/15/taking-sides-italian-defense-industry-rep-attacks-franco-german-fighter-deal/>. (accessed April 30, 2019).
- Kissinger, Henry. *World Order*. (New York: Penguin Press, 2014), quoted in Matlary, Janne Haaland. *Hard Power in Hard Times: Can Europe Act Strategically?* (Cham, Switzerland: Palgrave Macmillan, 2018).
- Koenig, Nicole and Marie Walter-Franke. “France and Germany: spearheading a European security and defence union?” *Delorsinstitut*. July 19, 2017 http://www.delorsinstitut.de/2015/wp-content/uploads/2017/07/20170719_FR-D-EU-Security_Koenig-Walter.pdf. (accessed March 31, 2019).
- Koenig, Nicole. “Security and Defence: A Glass Half Full.” *Jacques Delors Institut – Berlin*. July 2018. <https://www.delorsinstitut.de/en/all-publications/security-and-defence-a-glass-half-full/>. (accessed January 21, 2019)
- Koutrakos, Panos. “The Origins and Evolution of CSDP.” In *The EU Common Security and Defence Policy*, edited by OUP Oxford, 5-19. Oxford: Oxford University Press, 2013.
- Kupchan, Charles A. *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, Switzerland: Palgrave Macmillan, 2018).
- “Le Relazioni Tra Italia E Russia.” *Parlamento.it*. November 2018. http://www.parlamento.it/application/xmanager/projects/parlamento/file/repository/affariinternazionali/osservatorio/appfondimenti/PI0144_App.pdf (accessed April 12, 2019).

- “Letter from Valdis Dombrovskis and Pierre Moscovici to Giovanni Tria, Minister of Economy and Finance.” October 28, 2018. https://ec.europa.eu/info/sites/info/files/economy-finance/18_10_18_commission_letter_to_italy_en_0_1.pdf. (accessed May 19, 2019).
- “Lex Access to European Union Law.” *EUR-LEX* <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017D2315> (accessed April 18, 2019).
- “Macron Calls for 'real European Army' to Defend against Russia and US.” *The Local*. November 06, 2018. https://www.thelocal.fr/20181106/macron-calls-for-real-european-army-to-defend-against-russia-and-us_ (accessed February 18, 2019).
- “Macron Defends the Idea of European Sovereignty | News | European Parliament.” *Europarl.europa.eu*. April 17, 2018. <http://www.europarl.europa.eu/news/en/press-room/20180411IPR01517/macron-defends-the-idea-of-european-sovereignty>. (accessed March 20, 2019).
- Major, Claudia and Christian Mölling. “PeSCo THE GERMAN PERSPECTIVE.” *Iris-france.org*. February 14, 2019. <http://www.iris-france.org/wp-content/uploads/2019/02/Ares-36.pdf>. (accessed March 12, 2019).
- Marrone Alessandro, and Alessandro Riccardo Ungaro. “Relations between the United States of America and Italy in the Post-Cold War Period.” *IAI*. May 16, 2014. <https://www.iai.it/en/node/2337>. (accessed May 01, 2019).
- Marrone Alessandro. “PeSCo: The Italian Perspective.” *IAI*. September 20, 2018. <https://www.iai.it/en/pubblicazioni/pesco-italian-perspective>. (accessed February 19, 2019).
- Marrone, Alessandro. “Permanent Structured Cooperation: An Institutional Pathway.” *IAI*. 2017. <http://www.iai.it/sites/default/files/iaicom1726.pdf> (accessed April 21, 2019).
- Maulny, Jean-Pierre and Livia Di Bernardini. “Moving PeSCo Forward: What Are the next Steps?.” *IRIS*. May 21, 2019. <https://www.iris-france.org/wp-content/uploads/2019/05/ARES-39.pdf>. (accessed May 25, 2019).
- Mehta, Aaron. “US Warns against 'protectionism' with New EU Defense Agreement.” *Defense News*. February 14, 2018. <https://www.defensenews.com/smr/munich-security-forum/2018/02/14/us-warns-against-protectionism-with-new-eu-defense-agreement/>. (accessed March 19, 2019).
- “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).
- “Ministeriale Unione Europea: il Ministro Trenta a Bruxelles.” *Ministero Della Difesa*. May 14, 2019. https://www.difesa.it/Primo_Piano/Pagine/ministeriale-unione-europea-ministro-trenta-a-bruxelles.aspx. (accessed May 15, 2019).
- Mölling, Christian and Claudia Major. “PESCO THE GERMAN PERSPECTIVE.” *Iris-france.org*. February 2019. <http://www.iris-france.org/wp-content/uploads/2019/02/Ares-36.pdf> (accessed April 04, 2019).
- “More Europe: More from Europe, More to Europe.” *More Europe on Defence*. 2013. http://www.difesa.it/Primo_Piano/Documents/2013/More%20Europe%20final.pdf. (accessed May 01, 2019).
- “NATIONAL THREAT ASSESSMENT 2019.” *Vsd.it*. February 05, 2019. <https://www.vsd.it/wp-content/uploads/2019/02/2019-Gresmes-internetui-EN.pdf>. (accessed March 13, 2019).
- “NATO Members' Promise of Spending 2% of Their GDP on Defence Is Proving Hard to Keep.” *The Economist*. March 14, 2019. <https://www.economist.com/special-report/2019/03/14/nato-members-promise-of-spending-2-of-their-gdp-on-defence-is-proving-hard-to-keep>. (accessed March 30, 2019).
- “News. Hungary and the Czech Republic Renew Their Focus on Defence, Pledging Their Commitment to Attaining the Alliance's Benchmark for Defence Spending.” *NATO PA*. October 11, 2018. <https://www.nato-pa.int/news/hungary-and-czech-republic-renew-their-focus-defence-pledging-their-commitment-attaining>. (accessed February 19, 2019).
- Nones, Michele. “Difesa: Spesa Militare Italiana All'1%, Scherzando Col Fuoco.” *Affarinternazionali*. February 16, 2019. <https://www.affarinternazionali.it/2019/02/difesa-spesa-italiana-fuoco/>. (accessed April 24, 2019).
- “Notification on Permanent Structured (PESCO) to the Council and to the High Representative of the Union for Foreign Affairs and Security Policy.” *Consilium.europa.eu*. <https://www.consilium.europa.eu/media/31511/171113-pesco-notification.pdf> (accessed April 27, 2019).

- Nováky, Niklas. "The EU's Permanent Structured Cooperation in Defence: Keeping Sleeping Beauty from Snoozing." *SAGE Journals*. 2018. <https://journals.sagepub.com/doi/full/10.1177/1781685818764813>. (accessed January 13, 2019).
- "Operational portal refugee situations." *data2.unhcr*. <https://data2.unhcr.org/en/situations/mediterranean/location/5205>. (accessed May 02, 2019)
- "Permanent Structured Cooperation (PESCO)." *Eda.europa.eu*. <https://www.eda.europa.eu/what-we-do/our-current-priorities/permanent-structured-cooperation> (accessed April 28, 2019).
- "Permanent Structured Cooperation (PESCO) - Factsheet." *EEAS*. November 19, 2018. https://eeas.europa.eu/headquarters/headquarters-homepage/34226/permanent-structured-cooperation-pesco-factsheet_en. (accessed March 16, 2019).
- "Permanent Structured Cooperation (PESCO) First collaborative PESCO projects – Overview." *Consilium*. <https://defencereview.gr/wp-content/uploads/pesco-overview-of-first-collaborative-of-projects-for-press-1.pdf> (accessed April 18, 2019).
- "Permanent Structured Cooperation (PESCO) Updated List of PESCO Projects – Overview." *Consilium.europa*. November 19, 2018. <http://www.statewatch.org/news/2018/nov/eu-table-pesco-projects.pdf>. (accessed April 21, 2019).
- Perot, Elie. "The Aachen Mutual Defence Clause: A Closer Look at the Franco-German Treaty." *Egmont Royal Institute for International Relations*. No. 105. February 2019. <http://www.egmontinstitute.be/content/uploads/2019/02/SPB105.pdf?type=pdf>. (accessed May 12, 2019).
- Pioppi Stefano. "La difesa comune e gli interessi dell'industria italiana al Parlamento europeo (con Tajani)." *Formiche*. February 21, 2018. <https://formiche.net/2018/02/parlamento-difesa-europea-edidp-industria/> (accessed April 07, 2019).
- Pioppi Stefano. "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).
- Ponattu Dominic. "Brexit to cost EU citizens up to 40 billion euros annually." *Bertelsmann-stiftung*. March 21, 2019. <https://www.bertelsmann-stiftung.de/en/topics/latest-news/2019/march/brexit-to-cost-eu-citizens-up-to-40-billion-euros-annually/>. (accessed May 04, 2019).
- "President Jean-Claude Juncker's State of the Union Address 2018." *European Commission*, http://europa.eu/rapid/press-release_SPEECH-18-5808_en.htm. (accessed May 06, 2019)
- "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).
- "Protocol (No 10) on permanent structured cooperation established by Article 42 of the Treaty on European Union." *Lex Access to European Union Law*. <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12008M/PRO/10> (accessed April 21, 2019).
- "REPORT on the Proposal for a Regulation of the European Parliament and of the Council Establishing the European Defence Industrial Development Programme Aiming at Supporting the Competitiveness and Innovative Capacity of the EU Defence Industry." *Europarl.europa.eu*. February 26, 2018. http://www.europarl.europa.eu/doceo/document/A-8-2018-0037_EN.html. (accessed May 10, 2019).
- Roser, Max, Mohamed Nagdy, Hannah Ritchie. "Terrorism." *Our World in Data*. January 2018. <https://ourworldindata.org/terrorism>. (accessed March 29, 2019).
- Rossi Chiara, "Leonardo-Finmeccanica e Lockheed Martin, tutte le turbolenze fra Usa e Italia sugli F-35." *Startmag*. <https://www.startmag.it/mondo/leonardo-finmeccanica-f-35-usa-italia/>. (accessed May 02, 2019).
- "Russia, con le sanzioni l'Italia perde 3 miliardi all'anno." *Coldiretti*. April 13, 2018. <https://www.coldiretti.it/economia/sanzioni-russia-italia-perde-3-miliardi-anno> (accessed April 12, 2019).
- Sandford, Alasdair. "NATO Military Spending Continues to Dwarf That of Russia." *Euronews*. May 03, 2018. <https://www.euronews.com/2018/05/02/nato-military-spending-continues-to-dwarf-that-of-russia>. (accessed April 07, 2019).

- “Sanzioni alla Russia, Moavero: strumento, non obiettivo.” *Asknews*. October 08, 2018. https://www.asknews.it/esteri/2018/10/08/sanzioni-alla-russia-moavero-strumento-non-obiettivo-pn_20181008_00787/. (accessed May 06, 2019)
- Sartori, Paola, Alessandro Marrone, and Michele Nones. “Looking Through the Fog of Brexit: Scenarios and Implications for the European Defence Industry.” *IAI*. July 04, 2018. <https://www.iai.it/sites/default/files/iai1816.pdf>. (accessed May 08, 2019).
- Sartori, Paola. “Europe's Defence Industry after Brexit: What Role for Britain?” *Atlantic Community*. March 18, 2019. <https://atlantic-community.org/europes-defence-industry-after-brexite-what-role-for-britain/>. (accessed May 08, 2019).
- “Schede Paese/ Russia.” Ministero dello Sviluppo economico. December 12, 2018. https://www.mise.gov.it/images/stories/commercio_internazionale/osservatorio_commercio_internazionale/schede_paese/eur opa/Russia_18_12_2018.pdf (accessed May 05, 2019).
- Šešelgytė, Margarita. “PeSCo: THE LITHUANIAN PERSPECTIVE.” *Iris-france.org*. September 2018. <http://www.iris-france.org/wp-content/uploads/2018/09/Ares-29.pdf> (accessed February 12, 2019).
- “Shared Vision, Common Action: A Stronger Europe.” *EEAS*. June 02, 2016. http://eeas.europa.eu/archives/docs/top_stories/pdf/eugs_review_web.pdf (accessed March 20, 2019).
- Sharkov, Damien. “Fearing Russia, Poland Will Now Increase Its Army by 50 Percent.” *Newsweek*. October 24, 2017. https://www.newsweek.com/fearing-russia-poland-increases-army-50-percent-691369_ (accessed February 19, 2019).
- Simón, Luis. “European Defence: Can the Industrial and Strategic Elements Be Brought Together around a Coherent Vision?” *Defence Matters*. July 12, 2017. <https://www.defencematters.org/news/european-defence-can-industrial-strategic-elements-brought-together-around-coherent-vision/1258/>. (accessed March 28, 2019).
- Sloan, Stanley R. “Don't Count on Germany to Save the West.” *War on the Rocks*. June 06, 2017. <https://warontherocks.com/2017/06/dont-count-on-germany-to-save-the-west/> (accessed March 15, 2019)
- Smith, John. “European Public Prosecutor's Office.” *European Anti-Fraud Office - European Commission*. February 27, 2019. https://ec.europa.eu/antifraud/policy/european_public_prosecutor_en (accessed March 12, 2019).
- Smith, Karen E. “A European Union Global Strategy for a Changing World?” *SpringerLink*. May 02, 2017. https://link.springer.com/article/10.1057/s41311-017-0041-0_ (accessed March 19, 2019).
- Sokolsky, Richard. “The New NATO-Russia Military Balance: Implications for European Security.” *Carnegie Endowment for International Peace*. March 13, 2017. <https://carnegieendowment.org/2017/03/13/new-nato-russia-military-balance-implications-for-european-security-pub-68222>. (accessed March 05, 2019).
- “Special Eurobarometer 464b: Europeans' Attitudes towards Security.” *Data.europa.eu*. http://data.europa.eu/euodp/en/data/dataset/S1569_87_4_464B_ENG. (accessed February 25, 2019).
- “Speech by HR/VP Federica Mogherini at the NATO Parliamentary Assembly Meeting.” *EEAS*. February 19, 2019. https://eeas.europa.eu/headquarters/headquarters-homepage/58382/speech-hrvp-federica-mogherini-nato-parliamentary-assembly-meeting_en. (accessed March 1, 2019).
- “Speech by President Jean-Claude Juncker at the Defence and Security Conference Prague: In Defence of Europe.” *European Commission*. June 09, 2017. http://europa.eu/rapid/press-release_SPEECH-17-1581_en.htm. (accessed January 30, 2019).
- “Statement by René Pleven on the Establishment of a European Army (24 October 1950).” *CVCE.EU* by UNI.LU. July 05, 2016. https://www.cvce.eu/en/obj/statement_by_rene_pleven_on_the_establishment_of_a_european_army_24_october_1950-en-4a3f4499-daf1-44c1-b313-212b31cad878.html. (accessed March 16, 2019).
- “State of the Union 2018: A Reinforced European Public Prosecutor's Office to Fight Cross-border Terrorism.” *European Commission - PRESS RELEASES*. September 2018. http://europa.eu/rapid/press-release_IP-18-5682_en.htm. (accessed February 27, 2019).
- “State of the Union 2017.” *European Commission*. November 07, 2017. https://ec.europa.eu/commission/priorities/state-union-speeches/state-union-2017_en (accessed April 21, 2019).
- “State of the Union 2018: New Commission Proposal for a Reinforced EU Asylum Agency.” *EUROPEAN ASYLUM SUPPORT OFFICE*. September 15, 2018. <https://www.easo.europa.eu/news-events/state-union-2018-new-commission-proposal-reinforced-eu-asylum-agency> (accessed March 15, 2019).

- Stewart, Heather and Daniel Boffey. "May Asks for Brexit Extension to 30 June as Tusk Offers up to a Year." *The Guardian*. April 05, 2019. <https://www.theguardian.com/politics/2019/apr/05/donald-tusk-will-tell-eu-to-back-brexit-flexextension-for-uk>. (accessed April 06, 2019).
- Stokes, Bruce. "NATO's Image Improves on Both Sides of Atlantic." *Pew Reserach Center*. May 23, 2017. <https://www.pewglobal.org/2017/05/23/natos-image-improves-on-both-sides-of-atlantic/>. (accessed February 17, 2019).
- Sus,Monika. "The Future of European Defence Depends on the Commitment of Member States." *Dahrendorf Forum Debating Europe*. December 14, 2017. <https://www.dahrendorf-forum.eu/the-future-of-european-defence-depends-on-the-commitment-of-member-states/>. (accessed May 15, 2019).
- Terlikowski, Marcin. "DEFENCE AND INDUSTRIAL POLICY IN POLAND: Drivers and Influence." *Iris-france.org*. July 2017 http://www.iris-france.org/wp-content/uploads/2017/07/Ares_Defence_Industrial_Policy_in_Poland_July_2017.pdf. (accessed February 17, 2019).
- "Terrorism Cost the EU €180 Billion Between 2004 and 2016." *RAND Corporation*. June 6, 2018. <https://www.rand.org/news/press/2018/06/06.html>. (accessed March 3, 2019).
- "The Bratislava Declaration." *Consilium*. September 16, 2016. <https://www.consilium.europa.eu/en/press/press-releases/2016/09/16/bratislava-declaration-and-roadmap/>. (accessed March 20, 2019).
- "THE DEFENCE STRATEGY OF THE CZECH REPUBLIC." *Army.cz*. March 13, 2017. <http://www.army.cz/assets/en/ministry-of-defence/strategy-and-doctrine/defencestrategy2017.pdf>. (accessed February 22, 2019).
- "The Fight against Terrorism - Think Tank." *The Fight against Terrorism - Think Tank*. May 17, 2018.[http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU\(2018\)621817](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_STU(2018)621817). (accessed April 02, 2019).
- "The French Perspective." *Iris-france.org*, February 2019. <http://www.iris-france.org/wp-content/uploads/2019/02/Ares-37.pdf> (accessed April 20, 2019).
- "THE MILITARY STRATEGY OF ROMANIA." *Eda.europa.eu*. 2016. https://www.eda.europa.eu/docs/default-source/Defence-Procurement-Gateway/ro_milstrategy.pdf. (accessed February 21, 2019).
- "THE NATIONAL DEFENCE CONCEPT." *Mepoforum.sk*. May 24, 2016. <http://mepoforum.sk/wp-content/uploads/2017/01/Latvia-national-defence-concept-2016-en.pdf>. (accessed February 15, 2019).
- "The Rome Declaration." *Consilium*. March 25, 2017. <https://www.consilium.europa.eu/en/press/press-releases/2017/03/25/rome-declaration> (accessed April 24, 2019).
- "The Security and Defense Agenda (As Delivered by Secretary of Defense Robert Gates, Brussels, Belgium, June 10, 2011)." *The Washington Post*, June 10, 2011. https://www.washingtonpost.com/world/the-security-and-defense-agenda-as-delivered-by-secretary-of-defense-robert-gates-brussels-belgium-june-102011/2011/06/10/AGqlZhOH_story.html?utm_term=.0b9027a01ada_ (accessed February 13, 2019).
- "Timeline: European cooperation in the area of security and defence." *EEAS*. https://eeas.europa.eu/sites/eeas/files/timeline-final_1.pdf .(accessed March 26, 2019).
- "Towards a Stronger EU on Security and Defence." *EEAS*. November 19, 2018. https://eeas.europa.eu/headquarters/headquartershomepage_en/35285/Towards%20a%20stronger%20EU%20on%20security%20and%20defence .(accessed March 15, 2019).
- "Una Giornata Storica per L'Unione." *Federica Mogherini*. November 13, 2017. <http://www.federicamogherini.net/giornata-storica-lunione/>. (accessed February 02, 2019).
- Vidino, Lorenzo and Francesco Marone. "The Jihadist threat in Italy: a primer." *ISPI*. November 2017. https://www.ispionline.it/sites/default/files/pubblicazioni/analisi318_vidino-marone.pdf .(accessed April 30, 2019).
- Villafranca, Antonio. "Brexit: gli effetti del "no deal" sull'Italia." *ISPI*. December 13, 2018. <https://www.ispionline.it/it/pubblicazione/brexit-gli-effetti-del-no-deal-sullitalia-21769>. (accessed May 01, 2019).

- Von Der Burchar, Hans. "Macron and Merkel's treaty tests European nerves." *Politico*. January 2019. <https://www.politico.eu/article/emmanuel-macron-and-angela-merkel-franco-german-aachen-treaty-tests-european-nerves/>. (accessed May 13, 2019).
- "White Paper on Defence of the Slovak Republic-2016." *Mosr.sk*. 2016. <https://www.mosr.sk/white-paper-on-defence-of-the-slovak-republic-2016/>. (accessed February 25, 2019).
- "White Paper: For International Security and Defence." *difesa.it*. July 2015. https://www.difesa.it/Primo_Piano/Documents/2015/07_Luglio/White_book.pdf (accessed March 04, 2019).
- "White Paper on German Security Policy and the Future of the Bundeswehr." *The German Marshall Fund of the United States*. September 23, 2016. <http://www.gmfus.org/publications/white-paper-german-security-policy-and-future-bundeswehr>. (accessed March 30, 2019).
- Williams, M. J. *NATO, Security and Risk Management: From Kosovo to Khandahar* (London: Routledge, 2008), quoted in Matlary, Janne Haaland. *NATOs European Allies: Military Capability and Political Will* (Basingstoke: Palgrave Macmillan, 2013), 3.
- Zerka, Pawel. "Are Spheres of Influence Still In? The EU and External Security." *ECFR*. August 10, 2018. https://www.ecfr.eu/article/commentary_spheres_of_influence_eu_external_security. (accessed February 6, 2019).

Books

- Bonaiuti, Chiara, Debora Dameri, and Achille Lodovisi. *L'industria militare e la difesa Europea: Rischi e prospettive*. Jaca Book, 2008.
- Dickens, Charles. *A Tale of Two Cities*. Essex: Pearson Education, 2008.
- Koutrakos Panos, "The Origins and Evolution of CSDP", in *The EU Common Security and Defence Policy*, edited by OUP Oxford, 5-19. Oxford: Oxford University Press, 2013.
- Matlary, Janne Haaland. *Hard Power in Hard Times: Can Europe Act Strategically?* Cham, Switzerland: Palgrave Macmillan, 2018.
- Matlary, Janne Haaland. *NATOs European Allies: Military Capability and Political Will* Basingstoke: Palgrave Macmillan, 2013.
- Schütze, Robert. *European Union law*. Cambridge: Cambridge University Press, 2015.

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 concomitanti 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 scomparso 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 verranno 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 precedente 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 offrirebbe 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 cooperazioni con il Regno Unito ma la questione dell'ammissibilità 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 sembri 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.