

How Italian Military Expenditure Reveals Rome's Defence Strategy

WRITTEN BY FRANCESCO ADRIANI

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By Francesco Adriani

Introduction

At the end of July 2022, the Italian Ministry of Defence presented to the Parliament the yearly Documento Programmatico Pluriennale (DPP), a policy paper outlining both the provisional and final defence budget for the 2022 fiscal year and the 2022-2024 triennia. The document offers insight into the activities involving the Ministry of Defence, as it defines the political priorities that the Ministry's technical and administrative apparatus must implement through the management of the allocated financial resources.

Where is Italy going: The General Direction of the National Defence Strategy

The contents of the DPP reflect Italy's commitment to achieving long-established objectives and responding to new inputs. In this regard, the Russian invasion of Ukraine played a role in redefining strategies and priorities for the future, not only because it suddenly concretised the prospect of a conflict on European soil but also because the now-six months of warfare evidenced upcoming threats deriving from innovative technologies and methods of conducting war operations, which policymakers and military structures must inevitably address.

The general objectives of the Italian defence for the 2022-2024 triennia can be summarised in three "pillars": a) The improvement of the quality of the political debate on defence by developing a "defence culture" and through adopting strategic communication; b) An over-all increase of military expenditure, in line with the NATO obligations undertaken by Italy, which compels Member States to allocate a budget for an amount equal to 2% of national GDP to defence, and a general renewed commitment towards international missions both in the NATO and EU framework; c) The enhancement of military capabilities, by equipping defence structures with the cutting-edge technologies and through implementing effective and advanced doctrines and strategies, in order to address efficiently security and geopolitical challenges ahead.

The following paragraphs will individually focus on each of these pillars, explaining in detail the means that the Defence Ministry intends to employ to achieve the objectives set in the DPP through a quantitative and qualitative analysis of the investments envisioned.

Improving the Political Debate on Defence

The objectives stated in the DPP are both of technical and political nature. Concerning the latter, the Ministry declared the development of a “defence culture” as part of its primary strategy for the upcoming years. This means adopting efficient communications strategies and requires military institutions to get closer to the public community to be able to explain better the strategic value of defence and to shift the focus within the public debate from “costs” to “value.”

Of course, the realisation of the technical objectives is strictly consequential to the attainment of the political ones, as implementing an efficient defence policy, which is capable of achieving substantial results, inevitably increases its legitimacy, ultimately creating a virtuous circle where more legitimacy allows ever-improving policy making.

Getting Closer to NATO Expenditure Standards

From the objectives outlined in the DPP, it can be inferred that Italy's will to reaffirm and reinforce its positioning in the international security landscape by playing an active role within the relevant international organisations, which are the EU and the Atlantic Alliance. For this purpose, Italy has programmed further steps to take in order to meet NATO requirements on the defence budget.

For 2021, the Italian Government has increased its military expenditure by 5,58%, for an amount of €25,9 billion for F.Y 2022, amounting to 1,38% of the provisional GDP. This growth fits within a trend that has characterised Italy's defence budget for the past fourteen years, as military expenses have, although not always consistently, increased yearly, with a 22,8% difference between 2008 and 2022. However, as shown in the table below, for the years 2023 and 2024, the overall expenditure is presumed to deflate (respectively 1,30% and 1,22% of the expected GDP). However, as clarified in the DPP, this reduction is justified by the prices of raw resources and energy in the short term. Nonetheless, according to the 2022 Directive for National Military Policy, approved by the Minister of Defence, the 2% of GDP objective set by NATO will be fully achieved by 2028.

Year	Defence Budget (In € Millions)
2008	21.132,4
2009	20.294,3
2010	20.364,4
2011	20.556,9
2012	19.962,1
2013	20.702,3
2014	20.312,3
2015	19.371,2
2016	19.981,6
2017	19.771,1
2018	20.518,8
2019	20.965,0
2020	22.472,1
2021	24.583,2
2022	25.956,1
2023	25.492,5
2024	24.991,7

Source: Documento Programmatico Pluriennale 2022, Italian Ministry of Defence, p.160.

Although the overall increase of the budget in the last year might seem not particularly significant at first glance the composition of the expenses has substantially changed, revealing more than a focus solely based on the budget's total amount. Indeed, the defence investments sector witnessed a 34,3% growth in 2021, whereas the management expenses have decreased by 9%.

The decision to devolve a tremendous amount of the defence budget to the investments sector is an aspect of a generally renewed Italian commitment to international missions and projects in the framework of NATO, UN and EU. The DPP defines the programmes in which Italy will take part, adopting a systematic approach, dividing all the activities into regional areas:

Europe- Within the European area, Italy will join several missions in the NATO and EU framework. As far as the Atlantic Alliance is concerned, Rome will take part in the NATO Air-Policing Mission, an aerial space surveillance program involving Romania, Iceland and Poland, the NATO Enhanced Forward Presence Mission in Latvia, and the NATO Joint Enterprise in the Balkans. Regarding the European Union, Rome will be actively participating in EU-Lex Kosovo, which aims to provide assistance to the Kosovan judicial authorities, and in the public order maintenance mission in Bosnia EUforALTHEA.

Mediterranean- The Mediterranean region has always been of crucial geopolitical importance within the Italian foreign policy; thus, Rome plans to strengthen its role in the area through enhanced participation in different programs: NATO Framework for the South (F4TS), the NATO Sea Guardian Mission, the EUNAVFOR MED IRINI (Which substitutes the now-concluded SOPHIA operation), and the UN support missions in Libya, Cyprus, and Lebanon.

Africa- International cooperation in the African continent will witness Italy's engagement in different operations: The UN Mission for the Western Sahara Referendum (MINURSO), the UN Mission in Mali, the EU Troop Training Mission in Mali, Somalia, Central African Republic, and Mozambique the EU assistance missions for creating statal institutions in Mali, Niger, and Somalia, the EU Anti-piracy Mission in the Aden Gulf and the Indian Ocean (EU ATALANTA).

Middle East- Italy's involvement in the "Near East" includes participation in the NATO Mission in Iraq, the EU support operation for the security reform in Iraq, and the EU support program for the European Maritime Awareness in The Strait of Hormuz (EMASOH) Mission.

Besides these operations, the Russian invasion of Ukraine has led NATO to activate the Very High Readiness Joint Task Force (VJTF) established in 2014, to which Italy has contributed with 1350 military personnel and relative land and aeronaval combat units. The overall 2022 budget established for all international missions amounts to €1,49 billion (Milex.org, 2022), which is 3,86% of the total defence budget and an increase of 11,19% for the last year.

Enhancement of Military Structures and Capabilities

The third “pillar” of the Italian defence strategy for the upcoming three years is perhaps the most relevant one, as it defines the concrete measures that the Italian government will be implementing to accomplish Italy’s security objectives both on the domestic and international plane. Indeed, mere participation in international missions and programmes does not suffice to secure a primary role in European and Atlantic security where such participation is not performed with the proper technical means. According to the DPP, this objective must be pursued in three different directions: a) Operativity and deployment of the military; b) The modernisation of instruments; c) Governance improvement, organisation rationalisation, and improvement of the human resources management.

As mentioned before, the budget for the investments is the one which has been increased the most concerning 2021. For the next three years, the Italian Government seeks to implement 216 activities, 175 of which are already operative programs, whereas the remaining forty-six are soon to be launched (Credi, 2022). As far as the latter is concerned, the DPP envisions financing for €5,6 billion, amounting to 30% of the defence budget. The investments will cover all five domains of defence: Land, air, sea, cybersecurity, and space. The most relevant developments in these areas may be summarised as follows:

Land: Among the investments related to land forces, the modernisation project for the Ariete stands out, for which the MoD plans to deploy €848 Million for the 2022-2034 period. Another effective program involves the renewal of short-range air defence systems by equipping the Army with the Grifo artillery vehicle, which will be carrying “CAMM-ER” missiles.

Sea: Consistently with its objective of being a regional power in the Mediterranean, the Italian Government plans essential investments for the Navy. With this respect, the project for the modernisation of the offshore patrol vessel fleet is notable for the volume of the investment (€2,2 Billion) and will allow the Italian Navy to step up its participation in the European Patrol Corvette (EPC) within the CSDP framework. Another crucial project is the modernisation programme for the Navy EH101 helicopters, as it will help Italy to meet NATO standards in this respect. Last, a vital sum (respectively €1,05 and €1,2 Billion) will be destined for the supplying new mine countermeasure vessels and three new amphibious vehicles.

Air: In the aerial domain, Italy will invest €1,8 Billion in building a sixth-generation air-fighter in the framework of the TEMPEST project, a continuation of the Eurofighter F-2000 programme. TEMPEST will involve different countries, such as the UK, Sweden, and possibly Japan, and will be of great strategic relevance, as it is expected to increase the technological level of Italian air-fighters and to have an industrial impact.

Cyber-security: In line with the growing trend of cybernetic threats, the DPP provides for investments in the cyber-defence sector for €90 Million. The goals of the MoD are to modernise perimetrical protection systems, increase the storage and backup capabilities of data centres, and provide personnel with the most advanced knowledge and skills in the sector, including developing analytical skills for the protection against emerging threats.

Aerospace- The DPP tripled the investments in the aerospace domain, as it holds great strategic importance due to its connection with missile-related threats. The Italian strategy in the field includes improving satellite communications guaranteeing information flows even in areas lacking adequate terrestrial support developing the third generation of optical satellites and expanding of the Synthetic Aperture Radar Satellite fleet (COSMO SKY MED). About the aerial space defence, the MoD will continue to implement the Space Situational Awareness/Space Surveillance and Tracking (SSA/SST) Programme to increase the mapping and monitoring capabilities of aerial space.

Final Considerations

The amount and the composition of the defence budget envisioned by the DPP depict Italy's vision of security for the upcoming years. First, with the increase in investments and the decrease in management expenses, Italy will base progressively more its defence strategy on the employment of the latest technologies rather than on sheer human resources and numbers, a pattern that Italy seems to share with its NATO allies. Second, the massive investments in the Naval sector and the intense presence in the Mediterranean and the Balkans underpin Italy's commitment to function as a regional power in two areas historically important areas for the Peninsula. Third, the Italian Government confirms its positioning in the international security framework, which lies with NATO and the traditional Western allies.

The recent developments in Europe certainly impacted the general growth of the Italian (and NATO) military expenses. However, a bitter note is constituted by the cybersecurity sector, which albeit has benefitted from an increase in investments, is still generally under-funded if compared with the amounts spent by UK, France and Germany (Lazzarin, 2022).

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