

NATO ENLARGEMENT: AN ITALIAN PERSPECTIVE

A thesis presented to the Faculty of the U.S. Army
Command and General Staff College in partial
fulfillment of the requirements for the
degree

MASTER OF MILITARY ART AND SCIENCE

by

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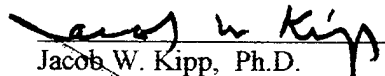
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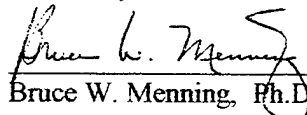
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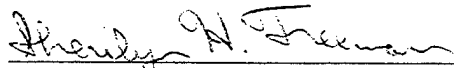
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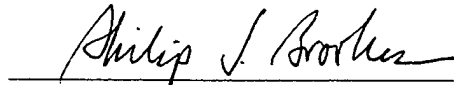
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The opinions and conclusions expressed herein are those of the student author and do not necessarily represent the views of the U.S. Army Command and General Staff College or any other governmental agency. (Reference to this study should include the foregoing statement.)

ABSTRACT

NATO ENLARGEMENT: AN ITALIAN PERSPECTIVE by MAJ Thomas A. Horlander,
U.S. Army, 105 pages.

This study examines NATO enlargement and its potential effects on the Republic of Italy. Initial emphasis falls on context, with stress on Southern Region security issues and NATO enlargement in general. The analysis extends to the likely impact of NATO expansion on Italy's foreign policy, its military, the domestic-political situation, and the Italian economy.

The conclusion is that NATO enlargement will affect Italy's foreign policy more than the other areas analyzed. The Italian military will make some contributions to new NATO missions resulting from expansion, mostly in the way of logistical support, but with some immediate and rapid reaction forces. Enlargement has the potential to influence the domestic-political situation as an issue which unites or divides political coalitions in Italy's government. NATO enlargement should have minimal impact on Italy's economy.

This study shows that the NATO enlargement initiative is complex and holds no easy answers. Much thought and study should precede the expansion of the Alliance. In the event that NATO enlargement actually occurs, the Republic of Italy will be affected, although the exact degree and nature of the impact remain to be determined.

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I have the great fortune of having a brother-in-law in the Italian Army, Major Francesco Ippoliti, who was relentless in his efforts to locate for me several key documents and Italian literature through both the defense and political channels in Rome. Without his help, my research might have fallen short of the desired quality and quantity of material required to treat this issue in adequate detail.

My greatest thanks goes to my wife, who while expecting our first child, supported me whole-heartedly. What could have been a year of fun and more leisure activities was too often spoiled by my desire to write this thesis before the birth of my daughter. Thank you.

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LIST OF ABBREVIATIONS

ACE	Allied Command Europe
ARRC	ACE Rapid Reaction Corps
AFSOUTH	Allied Forces Southern Europe
APOE	Airport of Embarkation
C3I	Command, Control, Communication and Intelligence
CARL	Combined Arms Research Library
CASD	Centro di Alti Studi della Difesa (Defense Center for Higher Studies)
CBO	Congressional Budget Office
CEE	Central and Eastern Europe
CFE	Conventional Forces in Europe (Treaty)
CINCSOUTH	Commander in Chief, AFSOUTH
CIS	Commonwealth of Independent States
CJTF	Combined Joint Task Force
COFA	Comando Centralizzato delle Forze Aeree (Centralized Airforce Command)
COMAIRSOUTH	Commander, Allied Airforces Southern Europe
COMLANDSOUTH	Commander, Allied Land Forces Southern Europe
COMLANDSOUTHCENT	Commander, Allied Land Forces South-Central Europe (Greece)
COMLANDSOUTHEAST	Commander, Allied Land Forces Southeastern Europe (Turkey)
COMNAVSOUTH	Commander, Allied Naval Forces Southern Europe

COMSTRIKFORSOUTH	Commander, Strike Forces Southern Europe
CSCM	Conference on Security and Cooperation in the Mediterranean
EC	European Community
EFTA	European Free Trade Association
EMU	Economic and Monetary Union
ERM	Exchange Rate Mechanism
ESDI	European Security and Defense Identity
EU	European Union
5ATAF	Fifth Allied Tactical Airforce
FBIS	Foreign Broadcast Information Services
FSU	Former Soviet Union
GDP	Gross Domestic Product
GNP	Gross National Product
IFOR	International Forces
IGC	Intergovernmental Conference
IRF	Immediate Reaction Forces
IISS	International Institute for Strategic Studies
MBT	Main Battle Tank
MNC	Major NATO Command
MOOTW	Military Operations Other Than War
MPA	Maritime Patrol Aircraft
MSC	Major Subordinate Command
NACC	North Atlantic Cooperation Council
NATO	North Atlantic Treaty Organization
NEWA	NATO's Early Warning Aircraft

NMD	Nuovo Modello della Difesa (New Defense Model)
NSS	National Security Strategy
OSCE	Organization for Security and Cooperation In Europe
PfP	Partnership for Peace
PKO	Peacekeeping Operations
PSC	Principle Subordinate Command
RORO	Roll-on / Roll-off
RRF	Rapid Reaction Forces
SIPRI	Stockholm International Peace Research Institute
SPOE	Seaport of Embarkation
STANAVFORMED	Standing Naval Forces Mediterranean
START	Strategic Arms Reduction Treaty
SR	Southern Region
UN	United Nations
WEU	Western European Union
WEUCONMARFOR	WEU Contingency Maritime Forces
WMD	Weapons of Mass Destruction
WTO	Warsaw Treaty Organization

CHAPTER 1

OVERVIEW

NATO expansion . . . an ungrateful response to the moral position taken first by the Soviet Union and then by Russia as the first player to disavow confrontation with the West. It was not as a result of military defeat but out of a conscious choice that Russia voluntarily gave up its status as leader of the eastern bloc. And if admission of new members from among Central and Eastern European countries is the way NATO will show its "gratitude" this would mean only one thing--that the foreign policy of the West lacks any morality. Russia will make the appropriate conclusions, and after it overcomes its temporary difficulties, the West will have to reap the harvest of its near-sightedness.¹

Carlo Scognamiglio Pasini, Nezavisimaya Gazeta

One might expect that these words came from General Lebed or another Russian, nationalist politician seeking election while speaking to a Communist-majority electorate in a street rally in his hometown Moscow suburb. Actually, in early 1996, Carlo Scognamiglio Pasini of the Italian Lega Nord (Northern League) party and chairman of the Italian Senate made this assertion while addressing the Italian Parliament. While this statement is controversial and considered by some to be extreme, it illustrates just one of many attitudes found throughout the Republic of Italy with respect to NATO's anticipated enlargement, a problem with potentially momentous implications for the alliance and the countries of central and eastern Europe (CEE).

Enlargement as a concept is not what puzzles the NATO and Central and Eastern European countries' governments; it is the purpose of the expansion of the alliance that has Italian authorities and other countries questioning the emphasis on enlargement in Europe's new security environment. Is enlargement really about enhancing the defense capabilities of Europe and European security? Educated minds could easily argue the contrary. Should the argument not be

over where Europe ends and Asia begins? In Italian perspective, perhaps it is better to talk in terms of East and West. Understanding an Italian's definition of Europe is imperative to this study as Italians define Europe much differently than, for example, a Balkan Slav or a Russian from Siberia. Carlos Maria Santoro, Italy's authority on West European security, a former Italian Minister of Defense and the Director of L'Istituto per gli Studi di Politica Internazionale (Institute for International Political Studies) characterizes Europe as a fortress. He suggests that Europe should be defined in a historical context in which "Fortress Europe," territorially located in the western part of Asia, is a group of countries spread out and fragmented either by the uninterrupted territorial expansion of the Russian Empire in the nineteenth and twentieth centuries, or conversely, by the *Weltmacht* policy of Imperial and Nazi Germany. Santoro continues with his definition of Europe as an organized space that resulted from a permanent clash between the West and the East, a besieged "fortress" that came together as a means of survival and a response to an external threat. Others identify Europe in terms of cultures.² However Italians choose to view Europe and NATO's enlargement, it is these apparently very basic concepts that lie at the heart of the controversy surrounding NATO enlargement.

Numerous concerns have caused Italy and the alliance at large to take a step back and look at the issues more closely. In the interim, NATO has started to prepare the alliance and its potential candidates for the accession with the establishment of the North Atlantic Cooperation Council (NACC) and more importantly, the Partnership for Peace (PfP) initiative. While these developments have been quite successful and seem to indicate that the Alliance, as a collective body, wishes to proceed with expansion, there is little consensus among the member states about when, how, and to whom the alliance should extend an invitation for membership. These are questions few are prepared to answer, save, perhaps, the United States and Germany.

The Republic of Italy is among those members struggling with the uncertainties of expansion while searching for the right answers to balancing NATO's desires and its own national interests. Enlargement will have an impact either directly or indirectly on virtually every aspect of Italian life, and its outcome is therefore very important to Italy. Italy has a number of vital interests it will want to protect from any untoward consequences of NATO enlargement.

With no immediate threat to drive NATO expansion, Italy's security concerns are not focused on a Cold War enemy but on the Mediterranean region. Nevertheless, enlargement will make a significant impact on Italian national security. Italy depends greatly on NATO for its security and may find itself further down the pecking order as the Alliance focuses its resources eastward. Expansion of the alliance means changing missions for the Italian military. It will be asked to take part in and fund the more demanding missions in support of the new members. Enlargement might increase prosperity with new market opportunities as businessmen and international traders feel more confident about investing in parts of the east that are militarily "covered." Conversely, expansion could also create a greater economic burden on Italy, thereby aggravating its already woeful federal budget problems. The economy could suffer as cheap labor siphons off Italian jobs and the Italian public is asked to fund NATO expansion through tax increases. In view of the fragile stability inherent in Italian domestic politics, enlargement could become one of the issues that divides and unites its coalitions. This could create further turbulence in Italy's government and make NATO enlargement an electoral issue as well. Expansion promises to have a significant effect on Italy's international and foreign policies and on its diplomacy in Europe and across the Atlantic. Italy depends heavily on good relations with its allies and neighbors for both security and trade, and expansion will complicate those relations as some support and others oppose the enlargement.

Italy's position on enlargement is likewise important to NATO and Europe for a number of reasons. Article X of the North Atlantic Treaty requires a unanimous vote from all sixteen NATO member states before any potential candidate may be invited into the alliance and granted membership; Italy's vote could very well determine whether a candidate joins the Alliance. It is not likely that Italy would stand alone as an opposition force blocking expansion with a veto-vote. More probable is the understanding that Italy's attitudes towards the initiative or its participation in a collective position with other countries either supporting or opposing the issue could sway the agenda of the enlargement issue. Although it is not likely that Italy will oppose the NATO majority especially with the United States and Germany so well aligned for first-round accessions, the impact will be more apparent in the implementation and changing role Southern Europe will play. Although the Southern Region (SR) is not the focal point of NATO enlargement, Italy's importance and influence on the expansion will be more evident in the missions resulting from the expansion and subsequent activities in NATO's new territories.

These issues surrounding enlargement are difficult, and their solutions elusive to both NATO and the Republic of Italy. This thesis will explore these issues in more detail and answer why NATO expansion is so important to the Republic of Italy. It will treat this question by analyzing how enlargement impacts on four of Italy's national interests or instruments of power: (1) Italian foreign policy, (2) its military, (3) domestic political stability, and (4) Italy's economy.

This thesis has several assumptions built into its analysis in order to limit the range of possibilities and responses Italy might have to NATO expansion. They are: (1) Italy will remain a member of the NATO alliance and participate fully in its enlargement and the subsequent missions resulting from it; (2) NATO will expand eastward: Poland, Hungary, the Czech Republic, and perhaps Slovakia are the countries most likely to be the first-round candidates to be invited into the alliance in the near future; (3) NATO will look to expand its membership within

the next five years; (4) The positions of the different states, security institutions, and domestic political parties will not vary significantly between now and actual enlargement of the alliance; and (5) Expansion may continue beyond a first-found accession; yet for this analysis, enlargement of the alliance will end after the first round.

In conducting this analysis, it was necessary to focus the definition of enlargement to the expansion of NATO's membership to the four strongest candidates, those most likely to be invited into the Alliance: the Visegrad Four--Poland, Czech Republic, Hungary and Slovakia (Slovakia is considered to be the weaker of the four candidates). This does not mean that this study rejects the idea that other states are viable candidates for accession; certainly, many of the Central and Eastern European states have made successful progress towards the enlargement standards. Although these criteria have not been established in a fixed or rigid list of criteria,³ the yardstick used for evaluating candidates is their ability to contribute to the collective defense of NATO's members per Article V and degree of commitment to the Washington Treaty's basic principles:

1. Unite their efforts for collective defense and for the preservation of peace and security;
2. Contribute to the development of peaceful and friendly international relations; and
3. Share roles, risks, responsibilities, costs and benefits.

Furthermore, states which have ethnic, external or external territorial disputes, including irredentist claims or internal jurisdictional disputes, must settle them by peaceful means in accordance with Organization for Security and Cooperation in Europe (OSCE) principles. Resolution of such disputes would be a factor in determining whether to invite a state to join the Alliance.⁴

Why the Visegrad Four and not some other countries? Several qualities in addition to their geostrategic importance set them apart from other future candidates. These states have strongly participated in both the PfP and NACC initiatives with favorable results. Poland,

Hungary and the Czech Republic have won credit with NATO by helping its Implementation Force (IFOR) in Bosnia--the Czechs and the Poles with troops, the Hungarians with logistical support. These candidates have solid democratic credentials, including a firm civilian grip on the armed forces. Initially, there were some concerns about Poland, as to whether the communists might regain power of the state, but last year's election results proved to be less momentous than previously anticipated. Generally speaking, these countries are enthusiastic about joining the alliance as long as the financial costs do not impose an excessive burden on their economies and as long as they do not become geopolitical pawns and stationing areas for NATO's nuclear weapons (a highly unlikely possibility). Lastly, and militarily, these countries have taken steps to acquire command and control systems and some weapons compatible with NATO's systems, although existing members themselves have not yet totally reached this standard.⁵ In view of these considerations, limiting a consideration of near-term NATO enlargement to these four countries seemed both realistic and expedient and should provide for a credible evaluation of the problem.

A major objective of this study is to provide additional breadth and depth for a larger discussion of NATO and the enlargement initiative. Chapter 2 affords the reader a methodology and resource base. Chapter 3 sketches a broad picture of Italy in NATO since the Treaty of Washington in 1949 and Italian security and defense issues and policies since World War II. Subsequent chapters will examine the impacts that NATO's proposed enlargement might have on Italy, focusing on the key areas of Italian foreign affairs, military, politics and its economy.

The intent of this study is not to recommend how Italy should position itself for the proposed forthcoming enlargement of the alliance. It is, rather, to provide some insight as to the issue's complexity from an Italian perspective and its importance to Italy as a NATO member and as a European state that will feel the impacts of accession of new members into the alliance. The

contention is that NATO enlargement will greatly affect Italy's foreign policy and, to a lesser degree, its military. Italy's political parties will have yet another consideration to contend with when conducting domestic politics and forming coalitions that largely fail due to discord among their partners. Lastly, the contention is that Italy's economy will probably be the least affected yet should not be discarded as a concern given its normally sad state of affairs and recent tax initiatives to fund Prime Minister Prodi's commitment to complying with the European Union's (EU) Economic and Monetary Union (EMU) criteria.

This study is the culmination of an extensive amount of research and analysis based on data found through numerous sources in both the United States and the Republic of Italy. In the following chapter, this thesis will present in detail the research methodology used in this study and the major sources of information that supported the analysis of the problem.

¹Aleksandr Knonvalov, Andrey Kortunov, and Sergey Oznobishchev, "The Bankruptcy of NATOmania," Nezavisimaya Gazeta (20 Mar 96): 1.

²Carlo Maria Santoro, "Ethnopolitics and the Frontiers of Europe," European Security 4, no. 3, (Autumn 1995): 385.

³NATO Office of Information and Press, "Study on NATO Enlargement," NATO Home Page (August 1996).

⁴Ibid.

⁵"NATO Enlargement: Take Three," The Economist (29 June 96): 47-48.

CHAPTER 2

METHODS AND SOURCES

A significant amount of research and study has been conducted on the enlargement of the NATO Alliance. Volker Ruehe, Germany's Defense Minister, introduced the initiative to NATO in the Spring of 1993,¹ and a plethora of research and publications quickly followed from several communities that shared an interest in the problem. Like NATO itself, these literary contributions are heavily focused on the central and eastern European countries and Russia. Historians, academicians, international politicians, and journalists for the most part approached the issue from a Cold War perspective.

A void exists and becomes readily apparent when one researches this topic from an atypical perspective, that is to evaluate the problem from a nontraditional NATO position. This unique approach is the strength and justification of this thesis. When asking why is NATO enlargement important to the Republic of Italy, this study begins to plow new ground and treat a lacuna that has not been previously explored comprehensively in written form. A multitude of literature exists on expansion, the economics of enlargement, the considerations of the key players (the United States, Germany, Russia, France, and the possible candidates) in the process, and the general impact on the European Community. Its impact on the southern region and specifically on Italy has not enjoyed as much attention from the security studies and literary communities and is not as well documented in comparison to NATO's traditional areas of concern.

In post Cold War Europe, NATO's Southern Region has taken on a new importance to the Alliance. Whereas the greatest threat to NATO during the Cold War was a communist attack in

Central Europe, today, one of the gravest threats to NATO is found in the complexity and uniqueness of the Southern Region. Given the vulnerabilities and instability of NATO's "soft belly" Southern Region, this topic begs more attention from the research community.

At this point, it is critical to re-examine the research question and a necessary assumption made before conducting research on the topic. This thesis question is not, "Is NATO enlargement important to the Republic of Italy?" Instead, this thesis addresses the problem, "Why is NATO enlargement important to the Republic of Italy?" The implied assumption that NATO enlargement is important to the Republic of Italy rests upon the well-known, interdependent relationship of Italy and NATO. Furthermore, making this assumption allows for the exploration of all the different issues surrounding the problem rather than limiting it to answering a closed question where one takes a position and supports it, thus de-emphasizing any information that contradicts that position.

This thesis approaches the enlargement issue from an Italian perspective for several reasons. The Republic of Italy, as a unique member of NATO given the fragile stability in the Southern Region, is paramount to Europe's security. In light of the Alliance's activities and the growth of instability throughout the region, Italy is growing increasingly important to NATO in protecting its interests.

Personal perspective reinforces these and other assertions made throughout this study. Having spent six years (1988-1994) in Italy in a variety of NATO assignments, lastly as the aide-de-camp to the Commander, Allied Land Forces of Southern Europe (a four-star Italian General), and having been a graduate student of European security at the University of South Carolina qualifies me to treat the subject and bring some relevant professional experiences to the problem. Speaking several NATO languages including Italian and having established contacts in both

NATO and the Republic of Italy provided some advantages in conducting research on this issue. These were strong considerations in planning the research methodology used for this thesis.

Given this extensive NATO experience and study in West European security, the probability of having preconceptions about the issue was a key consideration as well. Wanting to avoid any biases acquired over the years, the methodology selected was intended to help prevent a skewed or biased analysis of the problem of NATO enlargement from an Italian perspective. After conducting research on the problem, this methodology could be best described as a three step process: (1) research on NATO enlargement at large, (2) research on NATO expansion related issues from an Italian perspective, and (3) merging of the two efforts to conduct the analysis.

Existing research relevant to the topic question can be divided into two categories: (1) general information--material about NATO, enlargement, the North Atlantic Cooperation Counsel (NACC) and the Partnership for Peace (PfP) initiatives, and European security; and (2) focused information--material about NATO's Southern Region, the Republic of Italy, and its military, politics, economy, and international activities. This general subdividing of materials, while seeming superficial, provides for a logical analysis of the research materials available and relevant to this thesis.

In the early stages (Step 1) of researching this thesis, the focus was to gain a fundamental understanding of NATO enlargement as an issue in itself. This included a comprehensive query of all the available databases found in the Combined Arms Research Library (CARL) and a dusting off of the collection of literature accumulated while studying at the University of South Carolina in 1995-1996. This initial effort provided a wealth of literature on NATO's Partnership for Peace program, NATO's and the security community's research studies on the enlargement initiative, and general information surrounding the expansion issue. It also introduced the

numerous positions and considerations of other countries to be affected by the enlargement. It was this initial research effort and the extracting of pertinent information and ideas from several readings that provided the direction for the second stage of this research methodology--where to focus energy when addressing the problem from an Italian perspective.

General information as defined earlier provided the foundation upon which to apply the more focused information and build the thesis. As previously stated, there is a multitude of work done on the greater issues of NATO enlargement. NATO has published an extensive study on enlargement² which provides the "bigger picture" from an institutional point of view. Richard L. Kugler of the Rand Corporation published a thorough study of NATO enlargement from a Russian perspective³ which really illustrates the complexity of the problem and all the competing ideas and considerations that surround the issue. Kugler's study also provided some ideas for the framework of this research and analysis. Doctor Carlos Santoro's article entitled "Ethnopolitics and the Frontiers of Europe" in the European Security journal⁴ was particularly helpful for its insightful explanation of Europe as a Western concept in which the risks to European security are best explained in a historical and cultural context. The English periodical, The Economist has consistently featured articles on NATO and its expansion. Of particular value in conducting this research was the June 1996 article "The Future of NATO: A New Kind of Alliance,"⁵ which provided a very comprehensive roadmap of NATO's future and its challenges, including expansion.

Whereas the Partnership for Peace (PfP) initiative is considered by most as the precursor to NATO enlargement, several articles on the subject were particularly helpful. Michael Ruhle and Nicholas Williams, both planners in the Policy Planning and Speechwriting Section of the Political Affairs Division of NATO Headquarters, do an excellent and comprehensive job of discussing the PfP initiative in their article entitled "Partnership for Peace: A Personal View from

NATO" published in the Winter 94-95 issue of Parameters.⁶ Edward Whalen, a European planner on the U.S. Joint Staff, in his article "EuroNATO: An Alliance for the Future"⁷ analyzes the PfP from the position of several NATO member states (not Italy), the ex-Warsaw Pact nations and Russia, providing insight and some issues which warrant Italy's consideration. The article "'Partnership For Peace' and European Peacekeeping Operations: A Step Backwards,"⁸ written by R. F. Driscoll, Military Assistant to the Commander in Chief, Allied Forces Southern Europe (CINC, AFSOUTH), and published in the European Security journal, was also particularly valuable as it provided credible and valid arguments for opposing the PfP program and NATO's involvement in the CEE and Russian security process.

Having studied the problem from a general perspective, these and other treatments suggested that the thesis be divided (Step 2) into four manageable units. Two of the units were combined into one chapter, hence the three chapters of this analysis: Foreign Policy Issues, Military Concerns, and Socioeconomic Considerations. A broad understanding of the impacts of NATO expansion in these areas allowed for the development of criteria to conduct the analysis. I then set off to research and gather information that could both help to establish arguments and support and contradict these arguments.

Relevant materials with more focused information specific to Italy and the Southern Region are not as abundant as the general information on enlargement and the PfP. In addition, much of the current information on developments in the Republic of Italy is still not readily accessible through U.S. channels. Within these selected areas of the analysis, information was more readily accessible and available on Italy's military, its relationship with NATO, and its foreign relations throughout Europe and NATO. A thorough query of CARL's databases was quite productive yet not completely adequate for this analysis. To acquire more current, Italian-specific information, several personal and professional sources in Italy were fortunately able to

acquire more focused literature and pertinent information which helped immensely on Italian/NATO military operations and current defense developments and on Italy's diplomatic activities and considerations relevant to expansion of the Alliance. The majority of this information was found in Italian defense and foreign relations journals available to the public in most Italian libraries.

In analyzing Italy's foreign policy concerns regarding NATO enlargement and the positions of the different Italian political parties, the best sources were located through the Foreign Broadcast Information Services (FBIS) where several articles written by Italian journalists and published in major Italian newspapers were available. Several of these articles were in interview format, which provided for first-hand information from different political party leaders. Two articles entitled "Per Una Politica Estera Piu Nazionale" (Towards A More Nationalized Foreign Policy) written by Paolo Pansa Cedronio, a former Vice-Secretary General of NATO and Italian Ambassador to Chile, Canada, and the United States,⁹ and "La NATO e la Politica Estera Italiana" (NATO and Italian Foreign Policy) written by Marco Giaconi of the University of Zurigo¹⁰ were particularly valuable in defining Italy's national security interests and its foreign policy. In addition to these two articles, a roundtable discussion published by Giovanni Orfei,¹¹ conducted at Centro di Alti Studi della Difesa (CASD) (Center for Advanced Defense Studies), explored four positions on NATO enlargement held by several Italian authorities on NATO and the expansion initiative.

When analyzing the effects that NATO expansion has on the Italian military, many key articles written by senior NATO and Italian leaders in the NATO Sixteen Nations publication^{12 13} proved critical to understanding the SR/Italian military situation and the threat. NATO's Handbook¹⁴ together with several government publications provided much needed current force structure information and other relevant data. Lastly, the article, "Eternally in Transition . . .

Italian Defense Policy” by Filippo Andreatta and Christopher Hill from the London School of Economics¹⁵ on Italian defense policy was very useful for the analysis of Italy’s military considerations in light of NATO enlargement.

Research materials on NATO enlargement’s impact on Italian domestic politics and the economy came almost exclusively from reference manuals available here in the United States and from newspaper and magazine articles found through both the Foreign Broadcast Information Services (FBIS) and the Italian media. These two issues have not been treated as extensively as the previous two, and therefore the amount of detailed information desired for their analysis was not available. Nevertheless, this research provided enough material to make some arguments and support them with documented data.

Current newspaper articles, located through FBIS¹⁶ and The Economist’s weekly magazine,¹⁷ provided for the majority of the analysis of the social and domestic political situation in Italy. Giuseppe Caforio, a retired Italian general and now Vice President of the Italian Interuniversity Center for Historical and Military Studies, and Marina Nuciari, a professor of military sociology at the Italian Naval Academy, published an article in Philippe Manigart’s book on the Italian public’s view of the military. It was quite helpful in analyzing the attitudes of the Italian people towards the military and its involvement in enlargement-related missions.¹⁸

In researching the economic impacts of enlargement on the Republic of Italy, relevant sources were mainly reference manuals¹⁹ and publications²⁰ that provided historical information on Italy’s economy. Through an analysis of the historical data, the author could surmise how enlargement might affect Italy’s budget, trade and prosperity, unemployment problems, and other economic issues. Furthermore, a large part of this analysis of enlargement’s economic impact on Italy was a continuation of the Rand Corporation’s study²¹ on enlargement presented in The Economist in August 1996.

Step 3 in this methodology consisted basically of conceptualizing arguments supported by the research conducted and establishing a logical equation for an analysis of the different issues. The author then merged the knowledge acquired in Steps 1 and 2 to establish some arguments and draw certain conclusions about the problems associated with NATO expansion. With these arguments and conclusions developed, research efforts continued where there appeared to be voids in the analysis in order to ensure that both sides of these arguments were well presented; this enabled the thesis to do what was originally intended - to provide a thorough analysis of why NATO enlargement is important to the Republic of Italy.

This research attempted to exhaust all possible sources in order to provide a complete analysis of the problem. As the problem and subproblems of this thesis have never been treated before in comprehensive written form, the research and analysis of the issue is original and unique, providing for a complete study and a valuable contribution to the academic community. This study can not only make a contribution to a field of international studies, but can also serve NATO as it considers the enlargement issue and its effects on NATO members. Furthermore, this thesis could lay a foundation for new research, perhaps an analysis of NATO enlargement from a larger Southern Region perspective or that of another NATO member.

While the research conducted was very thorough given the resources available, there were both strengths and weakness in this methodology. The majority of the analysis was current, based upon recent statistical reports and current publications available through both the United States and Italy. Fluency in the Italian language was a definite advantage as much of the material used was first-hand and yet to be translated and made available to the non-Italian public. Several sources were documented interviews with public officials and roundtable discussions vice someone's interpretation of an official's speech or position on different issues. Perhaps the

greatest strength of this methodology is its commitment to researching and presenting a balanced view of the different arguments surrounding an issue.

Had time and resources permitted, the author would have liked to mitigate the absence of first-hand information collected by interviewing NATO and Italian officials about expansion and its related issues. Although this research provided for some relevant material that addressed the points of view of Italy's political and military authorities, it was only on one occasion (an informal discussion with General Cesare Pucci, COMLANDSOUTH²²) that an interview was conducted with a credible, interested authority on the problem. On several occasions, it would have been helpful to interview some political party leaders and military officials. Having spoken with them could have provided some further insight and prompted questions that were not previously considered. Although this weakness does not render this thesis invalid or inaccurate, the opportunity to talk first hand with these officials would have enabled the author to conduct an even more thorough analysis of the problem.

While this approach to researching and treating this problem was quite logical and structured, it provided adequate, relevant information, a means to process that information, and the flexibility to respond to any unforeseen developments during this analysis. The methodology chosen for this thesis is quite commonplace in the research community and practical for this type of research, especially considering the limited resources available and the time constraints imposed on this project. Combining the traditional library research with efforts in Italy proper to collect relevant materials pertaining to NATO's enlargement and Italy's perspective on the issue, the author is confident that he has conducted a thorough, credible and accurate analysis of the problem and has contributed some original work to NATO and the security studies community on an issue that is currently the centerpiece of debate in NATO, Europe, and neighboring countries.

¹Peter Rudolf, "The Future of the United States as a European Power: The Case of NATO Enlargement," European Security 5, no. 2, (Summer 1996): 176.

- ²NATO Office of Information and Press, "Study on NATO Enlargement," NATO Home Page, (August 1996).
- ³Richard L. Kugler, "Enlarging NATO: The Russia Factor," Rand Home Page (1996).
- ⁴Carlos Maria Santoro, "Ethnopolitics and the Frontiers of Europe," European Security 4, no. 3, (Autumn 1995): 383-392.
- ⁵The Future of NATO, A New Kind of Alliance?, The Economist (1 June 1996): 19-21.
- ⁶Michael Ruhle and Nicholas Williams, "Partnership for Peace: A Personal View from NATO," Parameters, US Army War College, (Winter 1994/5): 66-75.
- ⁷Edward Whalen, "EuroNATO: An Alliance for the Future," European Security 3, no. 3, (Autumn 1994): 441-462.
- ⁸R. F. Driscoll, "'Partnership for Peace' and European Peacekeeping Operations: A Step Backwards," European Security 3, no. 4 (Winter 1994): 691-710.
- ⁹Paolo P. Cedronio, "Per Una Politica Estera Più Nazionale (Towards A More Nationalized Foreign Policy)," Affari Esteri (from the Minister of External Affairs) (1st Trimester, 1996): 56-64.
- ¹⁰Marco Giaconi, "La NATO e La Politica Estera Italiana (NATO and Italian Foreign Policy)," Affari Esteri (from the Minister of External Affairs) (2nd trimester 1996): 347-355.
- ¹¹Giovanni Orfei, "Allargare la NATO corrisponde al nostro interesse nazionale? (Does NATO Enlargement Correspond to our National Interests?)," LIMES Rivista Italiana di Geopolitica (10 January 1996): 12-14.
- ¹²Jeremy M. Boorda, "The Southern Region - NATO Forces in Action," NATO's Sixteen Nations, no 2/93: 8.
- ¹³Italian Chief of Navy Staff, "Maritime Links and Barriers in the Central Mediterranean," NATO's Sixteen Nations, (No 1/92): 43.
- ¹⁴North Atlantic Treaty Organization, NATO Handbook (Brussels, BE: NATO Office of Information and Press, 1995).
- ¹⁵Filippo Andreatta and Christopher Hill, "Eternally in Transition...Italian Defence Policy," The International Spectator XXX, no. 2, (April - June 1995): 71-86.
- ¹⁶Piero Ignazi, "Parties Not Worlds Apart," Il Sole - 24 Ore (12 April 1996): 7.
- ¹⁷"Clever Clown," The Economist (14 September 1996): 4.
- ¹⁸Giuseppe Caforio and Marina Nuciari, "Military Profession and Defense Issues in the Italian Public View", Future Roles, Missions and Structures of Armed Forces in the New World Order: The Public View, editor: Philippe Manigart (Commack, NY: Nova Science Publishers, Inc., 1996), 75-79.
- ¹⁹Stockholm International Peace Research Institute (SIPRI), SIPRI Yearbook 1995, Armaments, Disarmament and International Security (London, Oxford University Press, 1995).

²⁰Gale Research, Inc., Worldmark Encyclopedia of the Nations (Europe) (New York, NY: An International Thomson Publishing Company, Eighth Edition 1995).

²¹"NATO Enlargement: Affordable?" The Economist (3 Aug 1996): 42.

²²Author's informal discussion with General (Italian) Cesare Pucci, Commanding General, Allied Land Forces of Southern Europe (COMLANDSOUTH), at Fort Leavenworth, KS, 24 October 1996.

CHAPTER 3

CONTEXT

In the spring of 1993, Germany's Defense Minister Volker Ruehe started his campaign to open the North Atlantic Treaty Organization and proposed the issue of enlargement of the alliance to its sixteen members.¹ Given the initial enthusiasm of NATO leadership and the Central and Eastern European countries that longed to be a part of Western Europe and its renowned security alliance, expansion appeared well on its way to becoming reality. Russia, in an attempt to save some remnants of its superpower past while struggling with the strange, new concepts of democratization, privatization, a free market economy, and relations with the newly formed Commonwealth of Independent States (CIS), seemed likely to pose no major objections. In 1993, with Russia pursuing a pro-Western foreign policy often dubbed "Atlanticism," President Yeltsin and his country appeared an unlikely foe of NATO's expansion. The stage was set for NATO to move east and embark on its journey into the Visegrad countries and beyond, creating a new European order which would guarantee Europe's security for generations to come.

Enlargement did not happen right away. After the initial euphoria and excitement of the proposition had passed, European statesmen and the security community began to question the initiative and consider its impact on the continent's stability and security environment. Is expansion really a wise move? Who should be invited and when? If the Soviet threat is really dead, why enlarge the alliance? For that matter, why have a NATO at all? Governments have assembled and debated the issue at length, searching for a position that would support NATO in its quest for enhanced European security while promoting each country's national interests.

In the three and one half-years since the introduction of the expansion initiative, the situation has evolved from its initial euphoric state to one of uncertainty on the part of NATO's members. The greatest challenge looming over the future success of NATO expansion is the Russia factor. Russia's attitude towards the enlargement has changed dramatically since the outset with near consensus on the opposition to NATO enlargement. Its government is characterized by instability and a lack of consensus on most major issues which is further aggravated by President Yeltsin's failing health and detachment from his cabinet and the everyday responsibilities of his government. Russia has gravitated to a different foreign policy--"statism"--which is focused on promoting its pragmatic national interests through the traditional mechanisms of diplomacy and power.² This factor alone significantly complicates the enlargement initiative and has great potential to be counterproductive. Instead of enhancing the security and stability of Europe, further enlargement could redraw an east-west boundary and re-establish Cold-War tensions. A negative Russian response to enlargement could be fatal to Europe's quest for security. Enlargement could prompt Russia to intensify its reintegration efforts within the Commonwealth of Independent States (CIS), thereby threatening the progress of democratization and stability in the region. The Kremlin could choose an even more radical response and opt to discontinue its adherence to arms reduction agreements per the Conventional Forces in Europe (CFE) Treaty and nuclear nonproliferation treaties like the Strategic Arms Reduction Treaties (START) I and II (The START II treaty has not yet been ratified by the Duma, Russia's lower house of parliament). In light of these prospects, NATO expansion if not properly managed could easily create for Europe a deteriorated security environment and an instability far more degenerated than that of the Cold War.

Cold War Italy

The Republic of Italy is one of the twelve original signatory member states of the NATO established on 4 April 1949 in Washington, D.C. The alliance's purpose was simple: safeguard the freedom and security of its member states by political and military means in accordance with the principles of the United Nations charter. More specifically, the NATO Alliance sought to preserve a strategic balance in Europe, to provide for the collective defense of its members, and serve as a transatlantic forum to coordinate efforts in areas of common concern.³ In the bipolar world of the Cold War, NATO's mission was clear: stop a Soviet attack into Western Europe and halt the spread of communism. Italy's role in this mission was paramount to the defense and security of NATO's Southern Region (SR). Its primary contribution was to provide for the defense of the Mediterranean and Adriatic Seas and their adjacent waters with naval and air forces. NATO's focus on the Italian mainland was to stop an attack into Northeast Italy (through an area known as the Gorizia Gap) with conventional and nuclear forces.

During the Cold War, Italy's government identified its vital interests as maintaining a strong commitment to NATO and its objectives of providing for the security and collective defense of the member states of the alliance. It was not until 1985 that the Italian Ministry of Defense acknowledged specific national security interests as distinct from those associated with Italy's commitment to NATO. They included the defense of Southern Italy, maintenance of a free flow of oil to the region, and providing for the protection of Italian nationals abroad.⁴

The Cold War and the threat of a nuclear holocaust provided for both tension and stability in Europe between World War II and 1989. The Warsaw Pact and NATO entered into a costly arms race that would eventually contribute to the demise of the Soviet Union and the fall of the Berlin Wall in November 1989. During this period of more than four decades, NATO's southern region was relatively peaceful with some isolated exceptions. These included the downing of an

Italian commercial airliner in Ustica and Libya's launching of missiles across the Mediterranean Sea towards the Italian island of Sicily (actually hitting the tiny island of Lampedusa) as a response to the U.S. bombing of Tripoli in 1986.

During the Cold War, NATO's primary efforts were focused on central Europe and defense against a Soviet attack in the Fulda Gap in Germany. This made the Southern Region a secondary concern of the Western powers, and Italy did not receive the resources and attention that Germany enjoyed during this period. Nevertheless, Italy established itself and remained the pinnacle of reliability in the region throughout the duration of the Cold War.

Italy has been the most reliable member and staunch supporter of NATO in the Southern Region since the alliance was established in 1947. Spain did not join the Alliance until May 1982, and its commitment to NATO is still limited. Portugal is an original member of the Alliance but due to its size, population, and geographic location is unable to play a key role in NATO. In 1967, Charles DeGaulle angrily withdrew France from the integrated military structure of NATO, and France until recently remained outside the military structure of the Alliance. Greece and Turkey both joined the Alliance in 1952 but tensions between the two countries have cast a shadow over their reliability should they be called upon to fight together.

For the above reasons, NATO has chosen to make Italy the hub of activity in the Southern Region. Italy is the home of NATO's Major Subordinate Command (MSC) for the Southern Region, the Allied Forces of Southern Europe (AFSOUTH) located in Naples, Italy, and four of its six Primary Subordinate Commands (PSCs) (see figure 1). COMAIRSOUTH and COMSTRIKFORSOUTH are also located in Naples while COMNAVSOUTH is located in nearby Gaeta and COMLANDSOUTH has its headquarters in Verona. Greece and Turkey each have a land component PSC (COMLANDSOUTHEAST in Izmir, Turkey, and COMLANDSOUTHCENT in Larissa, Greece) in their respective countries.

Italy's geographic location is critical to NATO operations in the southern region. The southern region is the largest of NATO's regions with north-south and east-west axes of over 2,000 kilometers and 3,600 kilometers, respectively, encompassing over two-thirds of the total NATO European land area. Given its proximity to North Africa and the Middle East, Italy's importance to the stability of the region cannot be denied. With over 4,800 kilometers (3,015 miles) of coast line, Italy has numerous seaports on the Mediterranean and Adriatic Sea which serve as seaport of embarkation (SPOE) where NATO can stage supplies and launch ships and maritime forces. Italy also has several key airports of embarkation (APOE) throughout its territory that have proven invaluable platforms from which NATO air forces have operated.

By virtue of its geostrategic location in the Mediterranean, Italy is pivotal to the prosperity and economic well being of Europe and enlargement of the alliance to the Visegrad countries. The sea lines of communication and the Suez Canal are potential choke points to trade and remain invaluable to the stability of the area. The flow of oil through the region is critical to the economies of not only the Mediterranean's littoral countries, but also to Central and Eastern Europe as well. In fact, 40 percent of all oil imported into Central Europe passes through the Southern Region.⁵

While Italy brings much to the Alliance, it was and still is heavily dependent on NATO for its defense and security. During the Cold War and still today, the U.S. Sixth Fleet provides naval forces to the region. In addition to Italy's eighteen army brigades, U.S. land forces comprised of an airborne infantry battalion and augmentation forces from the continental U.S. were dedicated to the defense of mainland Italy. The V Allied Tactical Air Force (5ATAF) provided air capabilities to Italy from several different NATO members. Throughout most of the Cold War, NATO provided Italy nuclear capabilities with tactical surface-to-surface nuclear warheads which remained in the custody of U.S. artillery units until their withdrawal in 1992.

Post Cold War Italy

After 1989, the face of Europe changed dramatically and at an accelerated pace. Germany reunited. The Warsaw Pact disintegrated in record time. The Soviet Union withdrew its forces from Central and Eastern Europe (CEE). Warsaw Pact countries, Azerbaijan, the Baltic states and the eleven states known as the Commonwealth of Independent States (CIS) of the Former Soviet Union (FSU) emerged, declaring their independence. Czechoslovakia split peacefully. Yugoslavia crumbled in violence and hatred. Of foremost importance, the Soviet Union, which had been an internationally recognized superpower that could wield its mighty influence throughout Eurasia, ceased to exist.

Outside Europe, several countries to include some of NATO's members joined together to deal with another problem--Saddam Hussein and the Persian Gulf War. Italy joined the coalition. Its contribution to the Gulf War was paramount to the success of several NATO Allies who participated in the conflict as over 90 percent of the equipment coming from Europe passed through Italian seaports and airports.⁶ Although Italy's contribution to the actual combat forces was minimal, the strategic importance of Italy was glaringly evident. With Southwest Asia's instability and the potential of several Arab aggressor states to cause substantial damage to the security interests of NATO allied partners, Italy's logistics bases would be critical to a NATO-European response to the region.

These events and others resulted in a turbulent change in Europe's balance of power and left a sudden void of uncertainties that caught NATO and the world by surprise. The euphoric feeling the West experienced after this sudden turn of events was short lived. The forces that once provided for stability and regulated the tensions in the different areas in Europe were no longer present. Without these regulators in place, conflict and crisis were soon to follow. Historical antagonisms, suppressed by decades of authoritarian government, were freed to find expression.

NATO's southern region was to be the stage for the post-Cold War debut of violence as historical rivalries and hatred amongst the Croats, Muslims, and Serbs of Former Yugoslavia once again brought war to Italy's doorstep.

Maintaining its Cold War posture, NATO left the crisis in Bosnia-Herzegovina to the United Nations (UN) and the European Union (EU) and focused its efforts on the problem of maintaining peace and stability in Central Europe. NATO continued to focus its energy on engaging the Former Warsaw Treaty Organization (WTO) and CIS countries. As early as July of 1990, NATO had already proposed the establishment of formal diplomatic relations between NATO and CEE countries and by December of the following year, NATO's efforts led to the establishment of the North Atlantic Cooperation Council (NACC) with sixteen NATO and nine CEE countries.⁷ Later in January 1994, the Partnership for Peace (PfP) initiative, which provides for a series of bilateral agreements between signatory states and NATO members and what many saw as a precursor to enlargement of the Alliance, was established. As had been the case during the Cold War, the southern region once again took a back seat to Central Europe. Italy and the member states of the southern region actively participate in the NACC and PfP initiatives, yet the focus was and is eastward towards Central and Eastern Europe.

As the UN proved incapable of dealing with the Bosnia-Herzegovina crisis, pressures mounted for NATO to intervene and bring peace to the region. NATO's *raison d'etre* was being seriously questioned, and people asked if NATO had outlived its purpose and was nothing more than a "Cold War dinosaur."

Italy played a key role in the NATO response to the crisis. NATO's air forces conducted Operation DENY FLIGHT and humanitarian aid operations from Italy's Aviano and Dal Molin (Vicenza) airfields. In Operation SKY MONITOR, NATO's Early Warning Aircraft (NEWA)

operating from both Trapani and Aviano Air Bases have assisted Maritime Patrol Aircraft (MPA) in Adriatic operations since July 1992.⁸

In the Spring of 1992, NATO activated the Standing Naval Forces Mediterranean (STANAVFORMED) command with its headquarters in Naples, Italy. With naval forces from eight countries including Italy, STANAVFORMED provided a continuous maritime presence in the Mediterranean and participated in NATO's Operation MARITIME MONITOR monitoring sanctions against the former Yugoslav Republics of Serbia and Montenegro.⁹ Under the command of COMNAVSOUTH, an Italian Admiral, Operation MARITIME GUARD replaced Operation MARITIME MONITOR, and NATO naval forces began halting all ships bound to or from the territorial waters of Serbia and Montenegro to inspect and verify their cargo and destination.

Land operations in Italy were minimal yet, in the earlier planning stages, Italy's SPOE were identified for use as staging areas for NATO ground troops, equipment, and resupply. With the decision in late 1995 to deploy 60,000 ground forces into Bosnia-Herzegovina to enforce the Dayton accords, NATO arrived in force into Bosnia through Hungary. The operational considerations of transporting supplies and equipment across the Adriatic and the proximity of the areas that NATO forces would occupy to the PODs that would receive IFOR's forces were responsible for NATO's decision not to use Italy's mainland as a staging area for the deployment.

NATO's importance to Italy after the Cold War is no less than that during the Cold War. Italy depends heavily on the alliance, especially the United States, for its security as Italian forces, equipment and its defense budget are by comparison inferior to those of other NATO members. As the threat to the Southern Region has increased with the resurgence of violence and irredentist activities in neighboring Yugoslavia, instability in Israel and North Africa, and the increased

activity and freedom of movement of terrorist and extremist groups throughout the region, Italy has continued to embrace NATO as its primary security guarantor.

Present Day Italy

Italy's vital security interests today are similar to those during the Cold War. Like many of NATO's members, however, Italy is now focused less on communism and more on establishing and maintaining relations with countries both in and out of the NATO Alliance and promoting security and stability throughout Europe and Northwest Asia.

As Italy's participation in the Gulf War and NATO's operation in Bosnia-Herzegovina has been critical to the success of both, it has validated itself as a vital part of the alliance. Still, the focus of enlargement is on securing stability and peace in Central Europe with less talk about how to enhance security in the southern region. NATO labeled the Libyan missile attack on Italy in 1986 as a national aggression and an "out-of-area" issue not requiring NATO intervention. NATO seemed willing to take a similar stance regarding former Yugoslavia, calling it a civil war within the boundaries of a nonmember state not requiring NATO intervention, had it not been for the political pressure brought upon it by the UN and the world community. NATO eventually elected to intervene and deployed combat power to the region not out of concern for the security of its SR Alliance partners but rather to solidify its existence as Europe's premier security institution and enforce the Dayton Peace Accords. There appears to be some disparity between the proven critical importance of Italy to NATO's out-of-area operations and NATO's willingness to respond to threats to the security of the Republic of Italy. In light of this perceived imbalance, Italy has been active in pursuing a Mediterranean security alliance entitled the Conference on Security and Cooperation in the Mediterranean (CSCM) which has been met with mixed results.

Italy is also a participating member in the Western European Union (WEU), the European Union (EU), the Organization for Security and Cooperation in Europe (OSCE), and, of course, the

United Nations (UN). While the charters of these different security institutions may seem redundant and are all directed towards maintaining regional stability, their roles in serving the community are different and have evolved from a competitive relationship with NATO to a more complementary one. Prime examples of this are the two concurrent maritime operations in the Adriatic Sea: Operation MARITIME MONITOR under NATO (STANAVFORMED) in which the U.S. participated and Operation SHARP VIGILANCE under the WEU (WEU Contingency Maritime Forces (WEUCONMARFOR)), which fell under the same C3 arrangements yet included different forces. Eventually in July 1993 NATO and the WEU unified the efforts, merging all the maritime assets into a single operation under a unified NATO/WEU chain of command, named SHARP GUARD¹⁰ again commanded by an Italian admiral. This is but one example of the complicated international operational environment that Italy and many of its neighbors find themselves in today.

Perhaps Italy could do little to change its position and the status of the Southern Region within NATO, but Italy is not without fault in creating this situation. In 1994, Italy spent 34,179,000 million Italian Lire (US \$21.3 billion), 2.1 percent of its annual GDP on defense. By spending 1.2 percent less than the NATO average of 3.3 percent,¹¹ Italy enjoyed some relatively cheap security provided primarily by the United States under the auspices of NATO's collective defense principles. Despite the absence of a yardstick to justify a certain level of defense spending, this is much less than its European counterparts and damages Italy's credibility with its neighbors. Its government is poisoned with corruption and changes hands, on the average, every fifteen months providing for little stability and consistency to its NATO partners. Furthermore, Italy's hierarchy has also yet to resolve the constitutional issue concerning the military chain of command during crisis situations.¹² Like many other countries, its military is downsizing and becoming dangerously hollow. Still ranked in the top seven countries in the world in terms of

industrial production, its state economy is sliding deeper and deeper into debt. Although Italy is an original member of the European Community (EC), it is among the farthest away from meeting the criteria for Economic and Monetary Union (EMU) that the fifteen member European Union (EU) plans to implement in 1999.

Even with this multitude of problems that plague it, Italy's current government is an unwavering supporter of NATO and, to a lesser degree, its enlargement as NATO and predominantly the United States serve to lessen Italian security dilemmas. Furthermore, Italy's defense policy making is in ruins. It has allowed its dependence on NATO to grow to unhealthy proportions, leaving Italy no better option than to follow NATO's lead in security matters. With no short-term fix to this situation, the viewpoints of the different political parties vary yet are largely in favor of NATO expansion if managed properly with appropriate consideration given to Russia.

Italy actively participates in the NACC and the PfP initiative and supports NATO's efforts in engaging the different CEE countries to enhance stability in the region. Not only does this serve to strengthen Italy's position within the alliance but, as opinions vary amongst Italy's security and political communities as to whom should initially be invited into the alliance and when and how, these initiatives provide both NATO and the Italian leadership with more tools to better evaluate the enlargement initiative and its candidates. Today, Italy is still deeply involved in the Bosnia-Herzegovina peacekeeping operations under the NATO flag. It continues to provide air and naval support and leadership to SHARP GUARD (2 FFGs) and DENY FLIGHT APOE operations and will remain engaged in all SR security missions in the immediate future.

The Risks to Italy and Southern Region Security

As the military threat in Central Europe has diminished, NATO officials have been forced to come to grips with the vulnerabilities and importance of its "soft belly," the southern region. As

a result, Italy has assumed a greater importance in NATO. While Italy and NATO's Southern Region face a multitude of challenges that challenge its security, NATO's expansion does nothing to combat these threats. On the contrary, with NATO wanting to pour its resources into Central Europe with its first post Cold War accession to the alliance, the southern region will have fewer resources to combat these threats unless one chooses to argue that the Visegrad countries have combat-ready militaries that can mobilize and head south in response to aggression in the SR. Despite the success of these candidates in the PfP and joint training exercises, it does not appear that this is a likely possibility in the near term. Therefore, although the alliance is quite aware of these heightened threats, it has yet to account for them in its enlargement planning. Regardless, these threats warrant discussion to better illustrate Italy's security concerns and how they might affect Italian attitudes towards NATO expansion

The Mediterranean is a region of great contrasts and interdependence. Standards of living vary significantly throughout the numerous Mediterranean countries. Between EU and North African countries, the ratio of per capita income is seven to one.¹³ This creates great tension between neighbors and domestically as well. Population movement from poorer to richer countries is increasing and threatens the internal stability and infrastructure of NATO's members as well as that of its immediate neighbors. Albania, for example, is still recovering from the outburst against its extreme poverty which in 1993 prompted Albanian nationals to sail to the Italian mainland seeking relief from the despair of their homeland.

In the southern region, there are extreme cultural differences among the resident nations which cause difficulties and threaten the stability in the area. Slavs, Africans, Muslims, etc., all of which are involved in redefining their frontiers and spheres of influence, share borders and are faced with tolerating each others' differences no matter how extreme. Several countries within the region and beyond have chosen to pursue irredentist activities to reunite with their detached

populations. For many countries in the region, the ethnic cleavages caused by centuries of war and population movement in Europe are detriments to stability and progress. Bosnia is the epitome of these countries destroyed by ethnic and cultural diversity and hatred that has escalated beyond the tolerance of its people.

Religious differences further complicate the region where much instability is based upon diverse philosophical and religious values. The Palestine issue, Algerian stability, and uncertainties in the Persian Gulf are aggravated by the radicalism of Islamic fundamentalists. The Balkan crisis is certainly a war as much about religious differences as it is about political, economic, and social differences. Other littoral states of the Mediterranean will also continue to be pressured by fundamentalist factions.¹⁴

Demographics of the area, particularly the "youth bulge" further threaten the stability of the region. With 20 percent of the population aged from 15 to 24 years' old, the EU's unemployment rate hovers at 11 percent as hundreds of thousands of young adults are competing for jobs, education, and other opportunities.¹⁵

Regional conflicts (see figure 2) in the Mediterranean persist and pose a threat to NATO and Italy. The Turkish-Greek contest continues to create friction between the two countries. In the Middle East, the Israelis and Palestinians quarrel, while the other Arab countries observe with caution and anxiety from the periphery. Libya is living a sort of crisis, trying to define its identity as a member of the international community and also as a revolutionary Islamic state. And finally, Algeria is on the verge of civil war as the French-supported military regime of the National Liberation Front continues to govern and refuses to allow a free election that the Islamic Salvation Front would surely win.

Stability in the region has been further aggravated by the proliferation of weapons of mass destruction (WMD) in several Mediterranean countries and further east to countries of the Middle

East. The NATO alliance has actively pursued the nonproliferation of WMD and has been moderately successful within Europe, yet less so with the Middle Eastern countries.

While these threats are in the immediate vicinity of the southern region, they are shared by NATO's non-SR members regardless and are of concern to Italy's government. Any outbreak of violence or instability in the area would bleed over into central and eastern Europe, and what was once an isolated conflict could become a problem that required NATO's intervention and resources. Italy, with its geopolitical and strategic importance to the Southern Region, would likely become an important ingredient of that response.

Having provided a broad background of the evolution of Italian security and the strategic environment within NATO and the SR, this thesis will now examine these concerns from a NATO enlargement perspective and how they influence Italy's attitude towards expansion of the Alliance. This analysis starts with an examination of the most important consideration for the Republic of Italy, its foreign policy, and the role that expansion plays in its development. This analysis continues with an examination of Italy's military concerns and then follows with the domestic and economic considerations.

¹Peter Rudolf, "The Future of the United States as a European Power: The Case of NATO Enlargement," European Security 5, no. 2, (Summer 1996): 176.

²Richard L. Kugler, "Enlarging NATO: The Russia Factor," Rand Home Page (1996): 2.

³North Atlantic Treaty Organization, NATO Handbook (Brussels, BE: NATO Office of Information and Press, 1995), 17.

⁴Fareth M. Winrow, "NATO and the Out-of-Area Issue: The Positions of Turkey and Italy," II Politico (1993): 638.

⁵Italian Chief of Navy Staff, "Maritime Links and barriers in the Central Mediterranean," NATO's Sixteen Nations, no 1/92: 42.

⁶*Ibid.*, 43.

⁷North Atlantic treaty Organization, NATO Handbook, (Brussels, BE: NATO Office of Information and Press, 1995), 322.

⁸Italian Chief of Navy Staff, "Maritime Links and barriers in the Central Mediterranean," NATO's Sixteen Nations, no 1/92: 43.

⁹Jeremy M. Boorda, "The Southern Region - NATO Forces in Action," NATO's Sixteen Nations, no 2/93: 8.

¹⁰Guido Venturoni, "The Italian Navy in Allied Adriatic Operations," NATO's Sixteen Nations, no 1/1994: 39.

¹¹North Atlantic Treaty Organization, NATO Handbook, (Brussels, BE: NATO Office of Information and Press, 1995): 358.

¹²Filippo Andreatta and Christopher Hill, "Eternally in Transition...Italian Defense Policy," The International Spectator XXX, no. 2,(April - June 1995): 83-84.

¹³Italian Chief of Navy Staff, "Maritime Links and Barriers in the Central Mediterranean," NATO's Sixteen Nations, no 1/92: 42.

¹⁴Jeremy M. Boorda, "The Southern Region - NATO Forces in Action," NATO's Sixteen Nations, no 2/93: 9.

¹⁵Italian Chief of Navy Staff, "Maritime Links and barriers in the Central Mediterranean," NATO's Sixteen Nations, no 1/92: 42.

CHAPTER 4

FOREIGN POLICY ISSUES

There exists a significant range of attitudes towards NATO enlargement not only in the Republic of Italy but throughout Europe, Asia, and the United States. At the heart of these diverse and sometimes extreme positions is not just the military, economic, or internal political questions to be answered but the greater question of how enlargement will affect the balance of Europe (and hence the world order) and the security and fragile stability of post Cold War European nations that are still learning to live with each other without walls. Virtually every West European, NATO, CEE, and CIS country is re-evaluating its foreign policy to ensure that its respective national security interests are protected while balancing its role in the ever-more complicated, new security environment of post-Cold War Europe. The question is no doubt complex and requires in-depth, collective planning and diplomatic efforts that promote cooperation throughout the entire community. This is no easy task, and Italy, like many of its counterparts, is struggling with its own foreign policy, searching for a position that will promote its national interests while maintaining strong relations with NATO, Russia, and a host of other neighbors. These factors are interrelated, and their conflicting and competing agendas cloud the issue and create friction in the process of Italian foreign policy making.

This section will analyze Italy's foreign policy in light of NATO enlargement. While it is impossible to isolate a discussion of foreign policy formulation from the other considerations surrounding NATO enlargement, emphasis falls on Italy's relations with other countries and

security institutions. Economic and domestic questions surrounding expansion of the alliance are discussed in detail in separate subsequent sections.

To completely understand the issues, we must first define what are the national interests that Italy must consider when elaborating a foreign policy. While the Italian government does not publish a national security strategy (NSS), these national interests are not difficult to identify. Paolo Cedronia in his article "Per Una Politica Estera Piu Nazionale" (Towards A More National Foreign Policy) suggests that the following are the primary national interests for the Republic of Italy:

1. Italy desires that its security provided by a collective defense system. Cedronia equates this to stability in Europe, where he specifically states that NATO enlargement towards the east is inevitable, and to world stability, which requires unique solutions to the problems of underdeveloped countries and the North-South relationship.

2. Italy must be organically integrated into Europe politically, economically, and socially, and this integration must be reinforced and harvested at every opportunity.

3. Italy must maintain and furthermore reinforce its relations with the United States.

Having the U.S. engaged and integrated into Europe provides for a means to keep Germany from becoming a hegemonic European power and deters a potential though not likely resurgent Russian threat. The U.S. provides Europe with an outsider that can arbitrate security issues with credibility and maintain stability which favors the security interests of the entire European community. Italy pursues a balance between Atlantic and European political and economic interests.¹

While these are the three primary vital interests, Cedronia further identifies other national interests that affect Italy's foreign policy. In no particular order, they are: establish and/or reinforce relations with Latin America; promote the development of Spain; maintain good relations with its eastern neighbors; reestablish good relations with Former Yugoslavia countries.²

If one chose to read no further, one could already identify the common thread in every national interest of the Republic of Italy which explains why NATO enlargement is so important to Italian foreign policy--Italy is heavily dependent on good relations with its neighbors and partners for its security and livelihood. It is this dependency which will largely determine where Italy will stand when it is time to vote on enlarging the NATO alliance. Since Italy depends on strong relations with countries that are both in favor of and opposed to the expansion, it is the weight of these dependencies that will tip the scales of Italy's stand for or against enlargement.

This does not mean Italy will follow blindly the country which it depends on most. If that were the case, Italy would probably join with the United States and Germany as the former provides for the defense of Italy and is its number one non-European trade partner, and the latter wields an unchallenged influence over the European economy to which Italy's economic prosperity is directly related. Italy may support the enlargement initiative, but numerous considerations will influence the degree of its commitment to the initiative and what it is willing to do if new members are invited into the alliance.

Italian authorities are divided as to what Italy's position should be on NATO enlargement. There are basically three schools of thought in Italy on how Europe could enhance its stability and security.

A common argument is that NATO should not enlarge its membership at all as Russian no longer poses a threat to Western Europe. Extending the Alliance eastward would only serve to repeat the same mistakes made at the Yalta Conference and redraw the east-west boundary, once again polarizing Europe by antagonizing Russia and creating a "haves and have-nots" situation. Subscribers to this position believe NATO enlargement would be counterproductive to enhancing security and stability in the region.

Other authorities subscribe to enhancing the security of Europe through other means. Some think Europe should deepen the Partnership for Peace initiative while others believe Europe should strengthen the Organization for Security and Cooperation in Europe or the Western European Union. Enhancing security through economic integration and extending membership of the European Union to the CEE, CIS, and Russia is yet another alternative to NATO enlargement.

The third approach to strengthening the security and stability of Europe which is also the focus of this thesis, is enlarging the NATO community by inviting candidates into the Alliance. Subsequent questions are: Who should be invited, when and to what degree should the Alliance extend its security guarantee to the new members? (Should Article V be modified and tailored to the new members?) Should enlargement be to a select number of countries or should NATO implement a mass expansion policy and invite the entire CEE community into the Alliance. Some have even suggested that NATO should extend an invitation to Russia.

These issues and others are the questions that will be addressed in this by-country analysis of Italian foreign policy in the wake of NATO enlargement. Realizing that this by-country method poses a risk of providing a skewed analysis of Italian foreign policy by isolating the relations Italy has with single countries, it was necessary to pursue this approach for practical purposes and to provide for intellectually manageable units. Despite the connotations of this methodology, this section will attempt to address all the factors that influence the issues regardless of the country in question.

Russia. Common to all approaches and positions on NATO enlargement is a deep concern not to alienate Russia from Western Europe and jeopardize Russia's progress towards stability, democracy, economic prosperity, and market development. Political reform could be seriously threatened by enlargement as rising nationalist, neo-communist sentiments could frustrate any developments toward strengthening east-west relations and cooperation between

Russia and NATO countries. Internationally, the strategy chosen for NATO enlargement must prevent the rebirth of a German-Russian rivalry. Furthermore, many believe that expansion eastward would humiliate Russia and create an atmosphere of disdain and mistrust between Russia and its neighbors, creating a new division of the European continent. Another concern of many is the impact enlargement will have on the compliance with several conventional and nuclear arms treaties and agreements between Russia and the West. These are the immediate concerns surrounding the fundamental problem of NATO expansion--Russia.

Russia's opposition to the enlargement of the Alliance is understandable and appeals to many including French and Italian foreign policy makers. Russia's concerns are due essentially to three considerations:

1. With the dissolution of the Soviet Union, Russia is geopolitically exposed from the point of view of its strategic interests on both European and Asian fronts.
2. Russia no longer enjoys the western buffer-zone that the Warsaw Pact's eastern European countries provided; the independence of the Baltic states further aggravates this issue by accentuating Russia's strategic, particularly maritime, vulnerability.
3. Russians fear a shifting of NATO nuclear forces and military power eastward, a shift which would tilt the whole balance in CEE.³ Russia is developing a strategy that eventually seeks a status of regional power in two geographical areas. In Eurasia, Russia looks to reintegrate the CIS to include the Ukraine and Belarus. In CEE, Russia aspires to have a East Central Europe that remains a neutral zone belonging to neither the West or Russia.⁴

Russian political leaders have been quite vocal about their opposition to NATO expansion to the east. In the absence of a healthy and active President Boris Yeltsin, Russian Foreign Minister Yevgeny Primakov and recently sacked national security adviser Alexander Lebed have repeatedly voiced their opposition to the initiative in a very adamant and sometimes quasi

threatening manner. As Russia's position on expansion of the Alliance has evolved somewhat with the realization that NATO expansion is inevitable, both men have toned down their positions. Minister Primakov, focusing on the "how" of expansion, stated in June 1996, "Russia could live with NATO's enlargement, though the deployment of its infrastructure on Russia's frontier is unacceptable."⁵ Several months later in September, Mr. Primakov expressed his position on expansion to NATO's Secretary-General Javier Solana, vowing to oppose an enlargement that failed to offer Russia political membership.⁶ The aggressive General Lebed has been more contradictory and harder to read on the issue. Identified by both fellow Russians and NATO as a probable successor to President Yeltsin should he pass away, Lebed's position on the issue is of great concern to NATO and the European security community. He has threatened expansion "with rockets" when addressing his countrymen in Moscow and declared to NATO in Brussels that "whatever NATO decides, Russia will not be going into hysterics."⁷ President Yeltsin's current position on expansion of the Alliance is less aggressive yet still opposing, and may prove to be irrelevant as his absentee presidency has left the country and foreign policy in the hands of Mr. Primakov and General Lebed's successor, Ivan Rybkin. It is this political instability and lack of unity of command in the Kremlin that significantly complicates the enlargement initiative for NATO officials. In the short term, Russian opposition should not threaten NATO's expansion to the east and European security. NATO's and Italy's strategy must ensure NATO officials consider the out-years when implementing its expansion. Remember, nobody expected Germany to reemerge as a military threat after World War I given the boundary lines drawn by the Treaty of Versailles. Nonetheless, World War II followed a short time thereafter to remind Europe that the victors of war must plan based upon their adversary's or the loser's capabilities, not their present attitudes towards military conflict and create a situation amenable to all.

Italian authorities are divided on the issue. Italy's Prime Minister in 1994 Beniamino Andreatta summed it up, "The problem is how to deal with two problems using the same instrument. On the one hand, it is necessary to reassure Russia and on the other it is necessary to protect the neighboring countries that feel threatened. In both instances, anxiety about security could block the democratic process, . . ."⁸ Concerning Russia, there are many arguments both supporting and opposing NATO enlargement. Supporters of the initiative generally believe that expansion, which must include consideration for Russia's interests, should proceed for several reasons. In a roundtable discussion hosted by the Italian Limes geopolitical magazine, Carlo Jean, the Director of the Italian Centro di Alti Studi della Difesa (Defense Center for Higher Studies) highlighted several key arguments supporting NATO expansion as it relates to Russia. The fact that Russia still has over 10,000 strategic and tactical nuclear weapons in its arsenal is of great concern to Italy and the entire NATO community. As a nonnuclear Italy steadily loses its U.S. security blanket and finds itself more dependent on other countries for security arrangements, the very existence of Russia's nuclear arsenal threatens Italy's security. Russia is politically weak and unstable and although selectively strong militarily, vulnerable to internal strife. In a personal discussion with General Cesare Pucci, the Commanding General of the Allied Land Forces of Southern Europe, he stated that the two challenges to NATO's enlargement are "who should be invited" and that "Russia is so hard to read on the issue because of its political instability."⁹ Furthermore, whereas opponents of the enlargement initiative fear a rebirth of communistic nationalism, Jean counters with the Russian parliamentary elections in which the Communist Party did not win the majority of seats in the Duma. Jean further explains that NATO expansion is favorable to Russia as it means that the U.S. will remain engaged in CEE and it is better "to have U.S. troops than European troops in Belorussia."¹⁰

In the same roundtable discussion, Ambassador Luigi Vittorio Ferraris argues that NATO expansion will have a less than favorable impact on Italian-Russian relations and is counterproductive to Italy's security and national interests. Italy has identified its relations with Russia as vital to its security and has identified Russia as the probable future supplier of a substantial amount of Italy's energy for the next thirty years.¹¹ Expansion could jeopardize this source of energy to Italy, leaving it dependent on an increasingly unstable North Africa and the Persian Gulf states. Along these same lines, Russia, which holds the largest reserve of unrefined oil in the world, could suffer economically from this lost market. Ambassador Ferraris submits that NATO should opt for a stable Russia versus a democratic Russia and that expanding NATO to the east would create more internal instability in Russia and thus in Europe. Ferraris further argues that letting Russia keep house west of the Caucasus will result in anti-European sentiments and hostility. During the round-table discussions, he stated, "We furthermore cannot forget the some 50 million Russians living in CEE and the FSU and how enlargement would complicate their lives and the relations with those host countries."¹² Italians are very sensitive about hosting strange cultures in their country and see enlargement as a precursor to the migration of unwanted eastern cultures. Although some believe that expansion will provide for regional economic prosperity, Ferraris sees these benefits as too futuristic and too costly to all Europeans.¹³ It is the fear of a short-sighted strategy and Russia's future activities that influence many Italians to oppose NATO's enlargement. This opposition is evident in Italy's parliament as the introductory quotation on page one illustrates.¹⁴

Common to the different camps are the strong reservations of Italy, together with France, about a quick expansion as Italy would like to strengthen its ties with Moscow. Foreign Minister Susan Agnelli in June 1995 cautioned, "Russia's opposition is very strong, and it is necessary to avert ruptures and to take our time."¹⁵ Italy's Defense Minister Cesare Previti when asked about

NATO enlargement responded, "We have to be more cautious here, even though a special relationship is being established with Russia." He suggested that enlargement must happen gradually once the international scenario has stabilized.¹⁶

Whichever position Italy takes on the issue, one thing is certain. Russia has Italy's attention, and the Italian government considers it strongly when conducting foreign policy. To commit to what Italy's position will be in light of Russia's aversion to NATO expansion would be inappropriate and perhaps inutile as NATO has not determined the how, when, and to whom of its expansion (although it has an idea); and the Italian government will probably change hands several times between now and then. In any case, if there is a middle-of-the-road position, Italy will likely find it and follow it.

United States. Italy shares a special relationship with the United States. The United States is NATO's security provider to Italy. Walking through the halls of any NATO Southern Region Command, one sees Italian and U.S. military working together with a mere sprinkle of perhaps British or French officers providing liaison to their respective countries. While this relationship has been somewhat strained and challenged by the diminishing resources of both countries, changing political policies and national security objectives, and minor trade disagreements, it still remains a valid and irreplaceable security arrangement for the Republic of Italy. Italy does not want to risk relations with the United States. With the U.S. at the helm of NATO enlargement, Italy is sensitive to the desires of the American leadership in NATO.

On the campaign trail of the 1996 presidential elections, President Clinton was quite vocal about U.S. desires to expand the alliance by the organization's 50th anniversary in 1999. He underscored the U.S. interests and commitment to Europe in his remarks to the people of Detroit that,

"... the United States [was] in the post-Cold War era 'the indispensable nation,' and that NATO was the bedrock of our common security. Nowhere are our interests more engaged

than in Europe. When Europe is at peace, our security is strengthened. When Europe prospers, so does America.”

He also reconfirmed U.S. intentions in Europe and its southern region stating, “The United States will continue to take the lead in NATO, especially in the southern region where the most immediate threats to peace exists.” In typical campaign rhetoric, President Clinton took full credit for proposing NATO’s enlargement and the success of the Partnership for Peace initiative stating, “At the first NATO summit I attended in January of 1994, I proposed that NATO should enlarge--steadily, deliberately, openly. And our allies agreed . . .” President Clinton further alluded to an expansion beyond Central Europe, “. . . NATO’s doors will not close behind its first new members. NATO should remain open to all of Europe’s new democracies. . .” Not forgetting Russia’s opposition to NATO expansion, he urged Russia “to put aside the Cold War prism,” and to “look again” at the Alliance. Mr. Clinton is not alone on the issue. In his speech, he thanked “both Houses of Congress [for passing] a NATO Enlargement Facilitation Act.” and said he “looked forward to working with Congress to ratify the accession of new members and provide the resources we need to meet this commitment. . .”¹⁷ How much of this is attributable to the presidential election and Mr. Clinton’s penchant to strike a chord with European-Americans and how much is sincere commitment to European security and NATO is debatable. Regardless, America’s determination to enlarge NATO’s community appears incontestable.

As the U.S. shares the leadership role with Germany in pursuit of NATO enlargement, Italy and Europe stand to gain much by supporting this initiative. As do many other Europeans, Italians see enlargement as a medium for keeping the U.S. engaged in Europe. The U.S. brings to the Alliance and to European security things that many member states cannot. The protection afforded by the United States allows Italy and NATO members to limit their armed forces, thus providing enhanced security and a domestic and economic benefit to Europeans. In particular, U.S. commitment obviates any German need to acquire a nuclear capability,¹⁸ “keeping Germany

down” as the original North Atlantic Treaty intended. The U.S. nuclear capabilities provided comfort and security in the Cold War era and are today still critical to maintaining a stable environment. The U.S. has repeatedly proven its importance to European stability and the Alliance as the American PFP initiative has seen great success and as 20,000 U.S. troops deployed to Bosnia in 1995 to take part in a NATO peacekeeping operation (PKO) where previous attempts without the U.S. failed. U.S. disengagement could trigger a renationalization of security policy in which Germany could be no exception, a thought that has many Italians shuddering with memories of the horrors of World War II. NATO has provided the transatlantic community with a common bond and a collaborative climate that would otherwise disintegrate as economic and trade relations are increasingly strained between European states and the United States. Europe enjoys in the United States the leadership of a geographically dislocated, extracontinental party that is perceived as the only country powerful enough to play an internal balance role without stirring fears of military domination. Without U.S. leadership in NATO, mutual suspicions would be high among other member states and instability would likely result.

Whereas the primary argument for NATO enlargement with respect to the U.S. is keeping the United States engaged in Europe, this is the same foundation upon which opponents to NATO enlargement regarding the U.S. have built their argument. Without the establishing of the European defense pillar which gave NATO a European “defense identity” that the U.S. could endorse,¹⁹ NATO enlargement could easily be destined to failure. Many Europeans and some Italians advocate a European Security and Defense Identity (ESDI) that would establish a European security environment without American intervention. They argue that U.S. leadership inhibits the development of a strong and stable Europe as Europeans surrender themselves to dependence on the U.S. as is the case with Italy. Furthermore, if the U.S. decides that a certain security situation does not require NATO or U.S. intervention because it does not serve its

national interests, Europeans have historically been forced to follow suit. Bosnia is a prime example of where a select few countries within NATO, to include the U.S., decided that Former Yugoslavia was initially not a threat to European security and let the disaster unfold until pressures to act became too great. Opponents to NATO enlargement and U.S. presence in Europe hold that the U.S. is indirectly making foreign policy for its European allies by dominating the Alliance's military leadership positions and setting NATO's agenda to promote its own interests. Their convictions are not totally unfounded; the Helms-Burton Act penalizes countries including U.S. allies in NATO that trade with Cuba, and many argue that the U.S. is using its NATO leadership as leverage to enforce the Act.

Italian foreign policy towards the U.S. is likely not to change because the U.S. wants to push forward with expansion of the Alliance. Although Italy is likely to seek a more neutral, noncommittal position towards enlargement, Italian leaders will not likely jeopardize U.S.-Italian relations. Italy is a West European state and cannot deny its identity. It shares more than just a security arrangement with the United States. (Let's not forget that the United States hosts more than four million Italian-American U.S. citizens in New York alone.) As one journalist put it, "I see no other place for Italy and Europe than in a West led by the United States of America: a geopolitical combination in which common values and institutions dynamically regulate difference in interests and perceptions."²⁰

West European Powers. Italy is not a major West European power although its GDP and membership in the G7 may indicate otherwise. Unfortunately, it wields little influence when Germany, France, and Great Britain sit down to talk security. In fact, on several occasions in 1996, these three countries have conducted talks at the Scheveningen meeting and more recently, preceding a WEU Council meeting in Birmingham²¹ in the absence of other WEU and NATO members. Italy's exclusion reminds us of which European countries have the lead in the security

arena in Europe and furthermore how these countries consider Italy's national interests--they don't. Not only does Italy's exclusion at these planning meetings serve to anger Italian governments and create negative feelings towards the situation, it creates suspicion as to the true motives of these countries. Exclusion also forces Italy to establish relationships with particularly France and Germany that are agreeable to both the Chirac and Kohl governments, making Italian security interests secondary to the security making process within NATO and the WEU.

Germany is perhaps the more intimidating to Italy of the two countries discussed in this section. Its pro enlargement position and aversion to a leadership role in the process (much to the dismay of President Clinton who wants Germany to lead the initiative) combined with Chancellor Helmut Kohl's dogmatic position on the implementation of the EU's Economic and Monetary Union (EMU) should convince Italians and other Europeans that Germany wants an interdependent security arrangement in Europe. Germany's hopes are that NATO enlargement and the EMU will prevent any one country from becoming too powerful. It is only natural for Germany to be more influential and tend to guide NATO and European security choices in a direction which will emphasize its own role given the post Cold War developments in Germany and CEE. Because of this, many Italians and their neighbors are still not ready to completely trust a Germany that is unified, economically powerful, and wielding hegemonic influence in virtually every facet of European life. Latent distrust supports the position held by many Italians that expansion is inevitable because Germany wants it and therefore must be executed under the European security umbrella of either the NATO or EU flag or both (as will likely be the case) to ensure Germany remains engaged in European security institutions and continues to look west as well as east.

Italian foreign policy towards Germany, considering NATO enlargement or not, will seek to keep Germany deeply embedded in Europe's security institutions. It will further seek to

establish and maintain strong ties with Germany's western neighbor, France, in order to leverage the balance of power in Western Europe. Many Italians see France as the European answer to an otherwise unchallenged German hegemony throughout Europe.

France shares the same concerns about Germany as Italy does and has taken several important steps to strengthen its leverage in Europe's security environment. With the decision to participate in the military structure of NATO and transform its military to an all-volunteer force, France has positioned itself to counter an otherwise unchallenged Germany. France, as mainland Europe's only nuclear power, is better positioned to influence the enlargement issue than most NATO allies. France places a high priority on transformation of the alliance, not enlargement.²² French leaders recognize the irreplaceable role of Russia in keeping Germany honest and feel some gratitude towards Russia's efforts in disintegrating the Warsaw Pact and agreeing to the 2+4 negotiations on German unification.

The French position on NATO enlargement is somewhat more agreeable to most Italians as it still seeks to embed Germany deeply in European security institutions while considering Russia's concerns. The French position creates some friction and controversy for Italian officials as immediate expansion of the Alliance is not part of the French game plan, and this directly contradicts the U.S. and German positions. Furthermore, France has now sought to use the enlargement initiative as a bargaining tool with the U.S., threatening to block expansion if the Americans do not turn over the AFSOUTH command billet to a French admiral. This issue complicates the Italian-French alignment on the enlargement. Italian foreign policy has increasingly tried to garner strong diplomatic relations with France, and NATO's enlargement should test these ties as NATO officials meet to talk about expansion.

Security Institution. NATO enlargement poses several problems to the numerous security institutions in Europe, and Italy is a card-carrying member of all of them. Some of the problems

already exist yet stand to be further aggravated as NATO enlarges its membership. As these different institutions assume different roles in Europe's security-making process, there is also an ever growing need for all NATO members to be full-fledged members of the other clubs also: the Western European Union, the European Union, and the Organization for Security and Cooperation in Europe depending upon the situation. To ensure that these diverse security institutions become more complementary and less competitive, Europeans must strive for a common membership in the various institutions especially in the EU, WEU, and NATO. The OSCE should at a minimum continue to have all the NATO, EU, and WEU members on its rolls. Figure 3 shows the different and overlapping memberships of the different institutions. Add the PfP members and the NACC and the menagerie is enough to confuse even the most adept students and scholars of European security.

These institutions have had sporadic pasts, some lying dormant and then resurfacing as the need arose. Europe has lately established and redefined the roles of these institutions into a complementary relationship with NATO. Such was not the case several years ago. Europeans now have the best of all worlds with a U.S.-endorsed European defense pillar within NATO, the WEU with its recognized peacekeeping role, an EU that pursues nondefense and nonmilitary security matters such as the EMU, and U.S. resources, though limited and questionable, to support the security initiatives of the different clubs.

As NATO expands, Italians and all Europeans need to manage the process carefully and look to pursue a nearly simultaneous NATO/EU/WEU enlargement of membership to avoid a disjunct, uncomplementary security framework that does not fully enhance the security of the new members. A likely result of NATO enlargement is the simultaneous or subsequent expansion of EU membership. Many argue that to enlarge one community without enlarging the other could drive a wedge between the different security institutions thus complicating the cooperation

between the different organizations and their member states. A NATO with the Visegrad countries as members and an EU without them could cause friction between the two that could make the entire process counterproductive. Fortunately, the EU recognizes this potential and has placed expansion on its 1996 Intergovernmental Conference (IGC) agenda for this reason and others.

As NATO's membership grows bigger, the potential for inefficiency increases; voting rules within the organization may need modification to facilitate the larger membership. In a conversation with General Pucci, NATO's COMLANDSOUTH, he warned that NATO expansion could turn the alliance into a European UN. He further suggested that its membership would become so cumbersome as to render it ineffective as a provider for collective defense and making it more of a forum for discussion and decision making.²³ Lastly, as security organizations become larger and more Europeanized, Italy will want to ensure the U.S. does not become an "only-NATO" member and an outsider to the remaining security making institutions. The U.S. has proved increasingly willing to disengage from European security; the presently planned American contingent in Europe will comprise only about 7 percent of all active U.S. forces, in contrast to some 15 percent in the late 1980s.²⁴ Italy will want to protect the U.S. status in Europe as the United States has provided the key to peace in Europe during the last half of the twentieth century.

As this chapter has illustrated, NATO enlargement poses many challenges to Italy's foreign policy and its relations with its allies. Ultimately, where Italy stands on the initiative will not please some of its friends. Italy's leaders face some tough decisions in the near future and will eventually have to take a stance on NATO's expansionary ambitions. Perhaps the determining factor will be the timing of the enlargement and who in Italy's government will make the decisions and cast the vote when the time comes. Regardless of who is in the driver's seat when expansion

is decided, Italians will weigh heavily Italy's status with its neighbors and how the enlargement will affect the Italian interests in those countries.

¹Paolo P. Cedronio, "Per Una Politica Estera Piu Nazionale," Affari Esteri (from the Minister of Internal Affairs) (1st Trimester, 1996): 56-64.

²Ibid.

³Franco Servello, "Italy: NATO Expansion," Secolo D'Italia (7 August 1996): 8.

⁴Richard L. Kugler, "Enlarging NATO: The Russia Factor," Rand Home Page (1996): 2.

⁵"NATO acquires a European Identity," The Economist (8 June 1996): 52.

⁶"NATO: Russia snarls," The Economist (5 October 1996): 2.

⁷"Russia's loose howitzers," The Economist (12 October 1996): 51.

⁸Bernardo Valli, "Andreatta Views 'Ambiguities' of NATO Pact," La Repubblica (9 Jan 1994): 7.

⁹Author's discussion with Generale Cesare Pucci, Commanding General, Allied Land Forces of Southern Europe (COMLANDSOUTH), Fort Leavenworth, KS, 24 October 1996.

¹⁰Giovanni Orfei, "Allargare la NATO corrisponde al nostro interesse nazionale?," LIMES Rivista Italiana di Geopolitica (Gen. 10, 1996): 13.

¹¹Ibid.

¹²Ibid., 16.

¹³Ibid., 12-14.

¹⁴Aleksandr Konovalov, Andrey Kortunov, and Sergey Oznobishchev, "The Bankruptcy of NATOMania," Nezavisimaya Gazeta (20 March 96): 1.

¹⁵Franco Venturini, "Europe, 1999: Italy Will Be There," Corriere Della Sera (25 June 95): 8.

¹⁶"Keeping an Eye on the Mediterranean," Panorama (14 October 1994): 100.

¹⁷William J. Clinton, Transcript: Remarks to People of Detroit, 22 October 1996.

¹⁸John S. Duffield, "NATO's Functions after the Cold War," Political Science Quarterly 109, no. 5 (1994-5): 777.

¹⁹"NATO acquires a European Identity," The Economist (8 June 1996): 51.

²⁰Lucio Caracciolo, "Europe Has No Alternatives to Europe and the Alliance with the United States," Il Foglio, Milan (22 Mar 1996): 2.

²¹Gian Giacomo Migone, "Which NATO for Europe?," L'Unita (14 May 1996): 1.

²²Aleksandr Konovalov, Andrey Kortunov, and Sergey Oznobishchev, "The Bankruptcy of NATOMania," Nezavisimaya Gazeta (20 Mar 96): 4.

²³Author's discussion with Generale Cesare Pucci, Commanding General, Allied Land Forces of Southern Europe (COMLANDSOUTH), Fort Leavenworth, KS, 24 October 1996.

²⁴John S. Duffield, "NATO's Functions after the Cold War," Political Science Quarterly 109, no. 5 (1994-5): 785.

CHAPTER 5

MILITARY CONCERNS

Undoubtedly NATO enlargement will have a most significant impact on Italy's military and defense policy. While NATO enlargement will definitely influence Italy's foreign policies and diplomatic efforts as well as its economy and domestic politics, it is Italy's military and defense ministry that have already been forced to react to this new post-Cold War security arrangement. This is evident from its efforts (largely unsuccessful) to pursue other security arrangements outside of NATO and its participation in numerous international operations, the PfP and NACC initiatives, and multinational training exercises. This section presents the three critical factors that influence Italy's military and defense responses and its interests in relation to the enlargement equation: (1) Italy's military capabilities and its defense policy, (2) NATO's military strategies for enlargement, and (3) the status of the militaries of the Visegrad Four. After analyzing these three factors, this chapter will present what Italy's possible contributions and concerns (from a military and defense policy perspective) could be when and if NATO enlarges its membership.

Italy's Military

As discussed in chapter 3, the Italian military suffers from some definite ailments that prevent it from establishing itself as a viable force, capable of providing combat power commensurate with Italy's security needs. This analysis must first include the constraints and limitations that affect Italy's ability to contribute militarily to NATO enlargement.

Subordination Of Italian Defense Policy. Italy's military has been hamstrung by an inefficient, corrupt government that lacks continuity in its defense policy and has created an environment that hampers any initiatives to better the military and frustrates defence policymaking process. With more of a *laissez-faire* approach to policy making and content to follow the United States and NATO's lead on defense issues, Italian governments have remained inactive on defense and have sought to keep it off of the political agenda until recent years. Filippo Andreatta and Christopher Hill attribute the vacillating political/defence policy process of the Italian government as the primary cause for allowing Italy to become a consumer more than a producer of security. Although this criticism may seem harsh, its supporting arguments are well founded. Italian defense policy has been characterized by a low profile and scarce attention to the technical preparedness of the armed forces. Italy has preferred to rely on international alliances for its protection rather than to face the financial costs of building up its own military capabilities.¹ Italian free riding with its partners on the grounds of internal weaknesses has cast a dark, elongated shadow on Italy and its ability to wield even minimal influence in the decision-making circles of Europe's security institutions.

Downsizing The Military. Italy too, like many of its neighbors, has taken the opportunity with the end of the Cold War to downsize its force structure, cutting all too deeply into the bone of the Italian military. To accommodate this downsizing, a "Nuovo Modello della Difesa (New Defense Model (NMD))" was presented to Parliament in September 1995 to underline the defense policy the government intends to follow. The force reduction is significant and will have an important impact on Italy's ability to contribute militarily to NATO's enlargement. For example, where Italy once had nineteen army brigades, it now has thirteen and at endstate, there will be only eight active brigades in the Italian Army. In total, forty regiments from all branches of the army will be inactivated. The size of the army is still too large with respect to its relatively low defense

budget, and quality therefore suffers.² The Italian navy is no better off. Without a clear investment program in the Italian fleet, the Navy will be obsolete under the NMD.³ The Italian Air Force command structure is being overhauled as well, centralizing the three regional commands under one centralized air force command. The commander of the Centralized Air Force Command (COFA) is dual-hatted, commanding NATO's Fifth Allied Tactical Air Force (SATAF) also.

Figure 4 illustrates the status of the major elements of Italy's military in comparison to the NMD targets and CFE limits. After studying it, one might arrive at the conclusion that perhaps the force structure is too land oriented whereas Italy's maritime operation should merit a greater priority; Italy's navy is the smallest service and yet is the most crucial to the security of Italy given the preponderance of sea operations in which it has been involved in past years and its littoral geography.

An Inadequate Defense Budget Although at a lesser rate of acceleration than many of its NATO neighbors, Italy is cutting back on its defense spending. Its defense budget for 1996 of 31,392 billion lire (about US \$15.8 billion) is down from the 1994 defence budget of 34,179 billion lire (about US \$17.2 billion).⁴ In the last two years, Italy, looking to cut its budget deficit to meet the EU's Economic and Monetary Union's (EMU's) criteria without crippling its social programs, has reduced its military budget by 8.2 percent, a significant amount in light of the new economic demands of the post-Cold War European security arrangement. This is even more important considering the extra costs that Italy might be burdened with as NATO enlarges. Other NATO allies have made similar budget cuts, but the thorn in Italy's side is the fact that it already spends considerably less than the NATO average (see figure 5).

Although NATO's average for defense expenditures is 3.3 percent of GDP, Italy spent in 1994 only 2.1 percent of its GDP on defense. In 1994, NATO estimated that the average per

capita defense expenditure for all NATO members was US \$435 and for European NATO members, it was \$201. Italy's defense expenditure per capita (US \$173) was 60 percent less than the NATO average and 14 percent below the European NATO average.⁵ These figures do a great disservice to Italy in terms of political credibility and cause resentment among other NATO partners.

The actual distribution of Italy's defense budget is not much different than the NATO average with the exception of its personnel expenses, which exceeded the NATO average by 12.7 percent in 1994. Figure 6 reflects the distribution of Italy's military expenditures for 1994 as compared to the NATO average. Taking into account that Italy's conscript force is incredibly inexpensive (an Italian conscript receives 4,000 lire (U.S. \$2.50) per day), this deviation from the NATO average is considerable. What these figures further demonstrate is Italy's rigidity and lack of flexibility in funding the new initiatives and programs associated with NATO's enlargement as a substantial shift in spending would be possible only if personnel costs were reduced.

Public Support As alluded to earlier, Italy's dependence on NATO and the U.S. is destabilizing to Italy's military. Not only is its defense spending program inferior, but Italy also lacks the public and political support that is critical to the success of the military of a democracy. Giuseppe Caforio and Marina Nuciari in Philippe Manigart's book Future Roles, Missions and Structures of Armed Forces in the New World Order: The Public View surveyed the Italian public and detailed, through a series of surveys, the general public's lack of support for the Italian military. They show that only 28 percent of Italians surveyed believe that the armed forces are a necessary instrument for Italian foreign policy. They furthermore conducted a series of questions concerning the attitudes towards conscription. Roughly 48 percent of the population surveyed were against the draft, calling it a waste of human resources.

What merits some discussion in this thesis are the attitudes of the Italian public towards the new security missions, which could cast some light on how the Italian public may or may not accept the role of its military in new NATO missions created by the enlargement of the Alliance. These attitudes confusingly contradict the lack of public support for using the military as an instrument for conducting foreign policy. Briefly:

1. Seventy percent of the sample surveyed agreed the military should be used for national defense.
2. Seventy five percent were in favor of using the military in arms control operations.
3. Lastly, eighty percent supported the use of Italian soldiers, airmen, and sailors in NATO peacekeeping operations, yet marginally less (75 percent) were in favor of using the military in non-NATO peacekeeping operations.⁶

Although Caforio and Nuciari's survey has demonstrated some public aversion to the use of its military in combat operations, the government has retained much freedom of action in this area. The influence of the public is low because its general lack of interest is only episodically punctuated by emotional outbursts.⁷

Weaponry. Just studying the numbers, one could easily believe that Italy has a sufficient amount of weapon systems to enable it to be a viable military force. In fact, in many cases, Italy exceeds the CFE ceilings imposed on it. The problem here is twofold: obsolescence and sufficiency. The type of equipment in Italy's military and its capabilities are obsolete and in some cases, there is not a sufficient number of weapon systems in the inventory. Marco Giaconi, in his article "La NATO e la Politica Estera Italiana" identifies three initiatives for technological advancements that are necessary for Italy to modernize its forces so as to provide it the capability to contribute to NATO enlargement: precision munitions, stealth technology, and ballistic missile defense.⁸ In addition, there are other equipment shortfalls that should be considered:

1. Armored Tank Forces. Just recently, Italy has withdrawn its M-60 tanks from the inventory and has 920 Leopard 1s that need to be modernized (one fleet will be modernized with surplus German A5 turrets). The Leopard, representing 1960-70's German technology, has been surpassed by several of its competitors that have a more accurate gun, stronger body armor, greater speed, and enhanced mobility. Italy has recognized the diminishing effectiveness of its tank force and after much delay, trying to preserve its national arms industry, the program for the ARIETE main battle tank (MBT) has finally been launched with an order for 200 vehicles that the Italians believe will help to modernize the force. Italy has produced positive results in some cases and anachronism in others, such as the ARIETE MBT with its 1980s technology and crippling research and development costs. Without a full-force modernization program using state-of-the-art technology, Italian armored forces cannot adequately participate in the kind of joint and combined arms operation which the Ace Rapid Reaction Corps (ARRC) requires of its brigades.

2. Helicopters. Of the 353 helicopters in the Italian military's inventory, only 57 are attack helicopters while the remaining 296 are utility or transport aircraft. These numbers hinder Italy's ability to contribute air power to a joint land operations.

3. Transport Aircraft. Italian transport aircraft include thirty-five G-222s (a small plane manufactured by Alenia, a Finmeccannica Company, mainly used for troop transport and airborne operations) and twelve C-130 Hercules. It is the limited payload capacity of these aircraft (restricted to troop and small equipment) that prevents Italy from projecting military power outside its immediate areas without the help of friendly transport planes.

4. Air-capable Cruisers. Italy currently has two ships capable of maritime air operations; the *Vittorio Veneto* is a helicopter carrier (under the NMD, it will be replaced by a fixed-wing aircraft carrier) and the *Giuseppe Garibaldi*, the only ship in the Italian navy with fixed-wing capabilities (eighteen Atlantic fighters maintained under the air force). This again severely limits

Italy's ability to conduct substantial maritime operations without depending on the maritime air assets of another country.

5. Command, Control, Communications, and Intelligence (C3I) Systems. In the case of C3I systems, Italy has chosen to collaborate in a pan-Western framework, given the pivotal role of American technology and leadership in this area.⁹ This is costly and competes for funding against the other much-needed modernization and investment programs that Italy's NMD proposes.

In short, Italy has not been able to overcome its technical impasse and is ill-equipped to participate in the rapid and immediate reaction force environment and conduct operations outside its borders without significant help from its allies. In fact, the Italian land forces have not been sent to a combat zone in the past forth-nine years.¹⁰ Several factors contribute to this, but one should not refute the substandard military capability of the Italian army as one of them.

NATO's Military Strategies for Enlargement

This analysis of how Italy will contribute militarily to NATO's enlargement and the importance of the expansion to Italy's military is founded on the three military strategies available to NATO for achieving a proper balance as proposed by the Rand Corporation: new member self-defense, power projection, and forward presence.

The new member self-defense option calls for NATO to provide C3I and logistic support to its new allies. This approach has significant drawbacks of providing inadequate security because the militaries of the Visegrad Four lack the strength and force structure to manage the variety of contingencies that threaten their security--primarily aggression from their eastern neighbors.

The second strategy provides NATO, in a crisis, combat forces that are stationed primarily in Western Europe during peacetime. Power projection is the most probable and logical approach to the military role in NATO expansion. It can meet NATO's security needs, is

affordable, and would signal collective defensive intent which acts as a deterrent to would-be aggressors. According to the Rand Corporation, this strategy will require a serious ten-year defense program aimed at upgrading new-member forces, developing a better military infrastructure in Eastern Europe, and preparing NATO's forces to project eastward in a crisis.¹¹ Furthermore, with the establishing of the ARRC and the organizational evolution of the combined joint task force (CJTF) concept, NATO is well postured to pursue this strategy for its military operations. As a side note, this strategy is particularly appealing to the U.S. as it reinforces NATO's dependence on U.S. force projection capabilities, thus solidifying the U.S. leadership role in the alliance.

The forward presence strategy, perhaps the most unlikely and threatening to Russia, is placing NATO forces on new members' soil in peacetime.¹² Not only is this strategy the most demanding and costly, but it redraws the east-west boundary, provoking a probable undesirable response from Russia and running the risk of casting Europe back into Cold War polarization that it fought so hard to emerge from for more than four decades.

The Militaries of the Visegrad Four

The third factor that must be considered in the equation is the status of the Visegrad Four (Recently, Slovakia has been excluded as a candidate for the proposed upcoming accession). The discussion is limited here to general comments about the four countries' armed forces considering only those issues that relate to the NATO enlargement question.

Poland. Poland has 278,600 active duty personnel in its armed forces and still exceeds the CFE cap by 30,000.¹³ Poland's army accounts for 67 percent (188,200) of its total personnel with eleven divisions equipped with old Soviet weapons and equipment. It has a small navy of 17,800 personnel and a small naval aviation force of 35 combat aircraft and 12 armed helicopters.

The air force has 412 combat aircraft and 30 attack helicopters, all vintage Soviet, Cold War aircraft.

Hungary. Hungary's armed forces are one-fourth the size of Poland's with only 70,500 active duty personnel (well below the CFE cap of 100,000¹⁴). Its army has three divisions equipped with Soviet weapons and its air force has 147 combat aircraft.

Czech Republic: The Czech Republic's armed forces are slightly larger than those of Hungary with an army of 37,400 personnel equipped with Soviet vehicles and weaponry and an air force of 18,500 personnel (also well below the CFE cap of 93,333¹⁵) flying 224 combat aircraft and 36 attack helicopters (both Soviet made).

Slovakia: Slovakia's armed forces are the smallest of the Visegrad Four with only 47,000 personnel (CFE limit--46,667¹⁶) divided amongst a Soviet-equipped army of 33,000 soldiers and an air force of 14,000 personnel flying 111 combat aircraft and 19 attack helicopters (all Soviet-made).

All four of these candidates have increased their defense budgets in past years, with Slovakia the most aggressive as measured by its defense expenditure to GDP ratio of 6.5 percent in 1994. The Visegrad Four average investment expenditures are 14 percent of the total defense budget with the Czech Republic investing 25 percent of its total defense budget in equipment (see figure 7). All four countries have been staunch participators in PfP training exercises and (except Slovakia) NATO's IFOR peacekeeping operations in Bosnia-Herzegovina.

Italy's Military Contribution

Although Italy's military has some serious challenges and obstacles to overcome before it realizes its full capacity and establishes some credibility as a viable force capable of making significant contributions to NATO's new, post-Cold War security missions, it can still play an

active role in NATO's enlargement. Barring any monumental developments in the security climate of Central and Eastern Europe and changes in Russian foreign policy, NATO's power projection strategy is the most probable course for implementing NATO's enlargement for those reasons previously discussed.

Italy already has taken the initiative in restructuring its armed forces to complement NATO's new force structure, characterized by different levels of operational readiness. Italy's high readiness forces, like NATO forces, are subdivided into immediate reaction forces (IRF) and rapid reaction forces (RRF). Italy's main defense forces will perform complementary tasks in support of RRFs, and its augmentation forces will be formed for national and allied defense in the event of a protracted emergency.

Since Italy's IRF land force contribution is limited to an army Alpine regiment dedicated to the Cuneense Contingent, it is through its contribution to the ARRC that Italy can contribute most to the NATO's missions resulting from enlargement of the alliance. Italy has assigned five all-volunteer brigades to the ARRC's multinational divisions. According to Claudio Virgi, these volunteers are not available and most likely will never be available in the number called for under the NMD.¹⁷ Although these commands and their contingencies are focused primarily on the SR, they can be called upon to perform JCTF and ARRC missions both in and out of area, hence in a new member's area of operations as well. It is through combat support that Italy will probably make the greatest contribution to NATO's RRFs outside the SR. This includes several army units and air force fighter squadrons and numerous vessels and maritime air assets in support of NATO's maritime RRFs.¹⁸ Although these forces may be proportionately smaller than what some of the other alliance members contribute, they serve to synergize the force and demonstrate Alliance cohesion .

Italy's commitment to the new and changing missions and related training exercises resulting from NATO enlargement should not be questioned. Given the right international and diplomatic climate, Italy could continue to contribute to the training missions that will be needed to prepare new NATO members for accession and future military operations. In addition to those operations (primarily UN) listed in figure 8, Italy has participated in several PfP/NACC peacekeeping training maneuvers to include Co-operative Bridge 94 in Poland and Co-operative Venture 94 in the North and Norwegian Seas.¹⁹

Italy could also be relied upon to perform compensatory military operations, substituting for those forces that are committed to other operations in NATO. In fact, during Operations DESERT STORM and DESERT SHIELD, Italy conducted compensatory military operations in eastern Turkey, providing aircraft to the ACE-Air Mobile Force (AMF) as NATO determined that Turkey was under threat of an Iraqi attack from out of area.²⁰ Italy could conduct compensatory military operations in the future by providing a small part of maritime forces and air forces to NATO's traditional area of operations while other allies are conducting out-of-area operations or military training operations in new member countries. Conducting passive, compensatory military operations, vice direct involvement in NATO's "new missions" military operations, may not gain Italy the respect and consideration it wants and needs from the international and NATO communities. It may be more palatable to the Italian public, however, and furthermore serve to not ruffle the feathers of a non-NATO member, such as Russia, keeping Italy in good stead with some Eastern European countries.

Italy has a well-established arms industry which could both benefit from NATO enlargement and support the expansion of the alliance by providing a military equipment and weapons market to new NATO members. This issue is treated as an economic consideration for the Republic of Italy and will be discussed in the economic analysis portion of this thesis.

Italy's geostrategic position and its developed economy and infrastructure are crucial to NATO's new force structure and the success of future military operations not only in the Southern Region but throughout continental Europe and beyond. This thesis has already discussed the significant contributions Italy has made to several military operations throughout the 1990s by providing airfield and seaport support to its NATO partners. Italy is well positioned to continue this support as it has numerous seaport facilities and airports from which to receive, stage, and deploy personnel, equipment, and supplies. As in the past, this infrastructure will likely be called upon to support NATO missions both in the SR and in other regions to include the new areas of operations resulting from the enlargement of the alliance. Figure 9 of Italy's seaports of embarkation (SPOEs) and airports of embarkation (APOEs) demonstrates not only the abundance of port facilities throughout Italy but also the balance of their distribution, which provides NATO with a flexibility critical to its force projection strategy. Its Roll-On / Roll-Off (RORO) seaports provide for a rapid delivery and deployment of military equipment to and from Italy via the sea, and its numerous developed airports are capable of theater and strategic airlift operations suitable for C-130, C-141, and C-5 aircraft.

Lastly, where Italy can be expected to militarily support NATO's enlargement, its ability to contribute to the initiative is limited. It does not have the manpower nor will it have the manpower in the future to provide a substantial amount of personnel to the effort of integrating the new members into the alliance. Comparatively, the Visegrad Four's militaries are smaller, poorly trained, and equipped forces (Poland with its 278,600 active duty personnel compared to Italy's 315,000) which will require the commitment and sacrifice of manpower from the NATO countries. Italy is not well positioned to give up much of its personnel when one considers the hollow and diminishing state of its force structure and the public's aversion to sending its young men to a part of the world where the interests to Italy's security are not clear and where the

cultures are so diverse from its own that most Italians could not support nor accept involvement in the region.

Italy is also subject to the manpower limitations of the Conventional Forces in Europe (CFE) Treaty, for which it meets the mandate of having less than 315,000 Army and Air Force personnel but is still well above its NMD objective of 260,000 active duty military personnel. As seen previously, personnel costs already account for 62.7 percent of the defense budget, greatly exceeding the NATO average, and have in essence denied any flexibility to spend precious defense dollars on other much-needed modernization programs.

Furthermore, Italy will likely not deviate from its defense spending policy of past years, and the defense expenditure to GDP trend is likely to remain at a constant 2.0 to 2.3 percent. Spending more money on defense in order to integrate new members in the NATO alliance is not likely to find any support on the political agenda or in parliament. On the contrary, Italy is likely to spend less on defense and other programs as it looks to cut both the federal budget deficit and the public debt to meet the criteria of Economic and Monetary Union (EMU) set forth by the Treaty of Maastricht in 1993. Italian Prime Minister Prodi announced in the first week of October 1996 that Italy would cut its budget deficit by 62.5 trillion lire (\$41 billion) in 1997. This will be an aggressive step for Italy, yet regarded by many skeptics as almost impossible, unless Italy does some "creative accounting" to make the numbers fit.²¹

In summary, Italy has already taken steps to mold its military to fit into the CJTF concept and joint projection model. Economically, it is limited as to what it can contribute to NATO's enlargement ambitions. While this is of great concern to the Italian defense community, Italian politicians must continue to look abroad and ensure relations with Europe and NATO does not become further aggravated by Italy's military deficiencies. One measure to compensate for Italy's substandard military capabilities and to ensure that NATO enlargement does not cast a gray

shadow on Italy's security is its diplomatic efforts abroad. Much of this is driven by Italy's domestic social, economic, and political situation--one of Europe's most unstable, next to Bosnia, since the end of World War II.

¹Filippo Andreatta and Christopher Hill, "Eternally in Transition...Italian Defence Policy," The International Spectator XXX, no. 2, (April - June 1995): 72.

²Ibid., 79.

³Marco Giaconi, "La NATO e La Politica Estera Italiana," Affari Esteri (Minister of External Affairs) (2nd Trimester 1996): 349.

⁴North Atlantic Treaty Organization, NATO Handbook (Brussels, BE: NATO Office of Information and Press, 1995), 354.

⁵Ibid., 367.

⁶Giuseppe Caforio and Marina Nuciari, "Military Profession and Defense Issues in the Italian Public View," Future Roles, Missions and Structures of Armed Forces in the New World Order: The Public View, editor: Phillipe Manigart (Commack, NY: Nova Science Publishers, Inc., 1996), 75-79.

⁷Filippo Andreatta and Christopher Hill, "Eternally in Transition...Italian Defence Policy," The International Spectator XXX, no. 2, (April - June 1995): 86.

⁸Marco Giaconi, "La NATO e La Politica Estera Italiana," Affari Esteri (Minister of External Affairs) (2nd Trimester 1996): 348.

⁹Filippo Andreatta and Christopher Hill, "Eternally in Transition...Italian Defence Policy," The International Spectator (Vol XXX, No. 2, April - June 1995): 79.

¹⁰Ibid., 86.

¹¹Richard L. Kugler, "Enlarging NATO: The Russia Factor," Rand Home Page (1996): 7.

¹²Ibid., 6.

¹³Stockholm International Peace Research Institute (SIPRI), SIPRI Yearbook 1995, Armaments, Disarmament and International Security, (London: Oxford University Press, 1995), 777.

¹⁴Ibid.

¹⁵Ibid.

¹⁶Ibid.

¹⁷Claudio Virgi, "Italy Marginalized if NATO Expands to East Europe," Il Sole, 24 Ore (29 Mar 95): 6.

¹⁸Brigitte Sauerwein, "Italy implements NATO's new strategy," International Defense Review, (2/1993): 114-115.

¹⁹Stockholm International Peace Research Institute (SIPRI), SIPRI Yearbook 1995, Armaments, Disarmament and International Security (London: Oxford University Press, 1995), 279.

²⁰Fareth M. Winrow, "NATO and the Out-of-Area Issue: The Positions of Turkey and Italy," Il Politico (1993): 647.

²¹"Guess who's coming to EMU?" The Economist (5 October 1996): 47.

CHAPTER 6

SOCIETY AND ECONOMICS

Italian Domestic Politics

Presently, NATO enlargement is not the centerpiece of political debate in Italy's government. In fact, it is rarely talked about in parliament as the Italian government is so consumed with domestic problems that it has little energy or time for international issues on the political agenda.¹ Certainly the political parties have their definite positions on the issue and have not ignored the problem and the potential impacts it may have on Italy and its national interests. It is just that the issue has been largely left to Italy's international figures (foreign and defense ministers) and diplomatic representatives (NATO representatives) to deal with its complexity and competing agendas.

Although one cannot adequately address the positions of the numerous political groups which have representation in Italy's parliament (the number of political parties represented in the Italian parliament varies from ten to twenty parties depending upon the year), this chapter will briefly present the different attitudes towards NATO's expansion of the major political parties and coalitions that wield the most influence in Italy's government today. Having introduced the relevant positions, this chapter will continue with a discussion of the potential internal problems and the political domestic concerns that could result from either supporting or opposing enlargement of the alliance and the actual expansion of NATO membership in the future.

Foreign policy was not a major issue in the April 1996 Italian parliamentary election, nor did it play a large role in the establishing and stabilizing of the various alignments that formed the

competing coalitions. Roman Prodi of the Olive Tree Coalition (Olivo Coalizione) won the April 1996 elections and is currently the prime minister of Italy. His Olive Tree Coalition is composed of four political parties, of which two were historically Italy's Communist Party until it split with the founding of Italy's 2nd Republic. These two parties, the Democratic Party of the Left (Partita Democratica della Sinistra) headed by Massimo D'Alema, today professing itself a democratic party and more importantly, the Communist Renewal Party (Rifondazione Comunista) may threaten Prodi's coalition should issues, including NATO's enlargement, divide the different factions. As has been the trend of instability in Italian government known as *transformismo*² for the last half century, this government could fail tomorrow and leave Italy with a surrogate prime minister until another election is conducted. This was exactly the case for Silvio Berlusconi and his Forza Italia (Go Italy) victory in the 1994 election that established Italy's 2nd Republic since World War II. The Freedom Pole (Polo della Liberta') Coalition, of which Forza Italia was a part, was inactivated after a few short months by one of the coalition's parties, the Northern League (Lega Nord).

In any case, Mr. Prodi's attitude towards NATO enlargement has been largely agreeable to NATO and the other political parties in Rome, save one. Mr. Prodi supports an extension of the alliance to the east yet further adds that NATO and the EU should consider inviting some of their south European neighbors like Albania, also. He shares the concern of ensuring that Russia is not alienated and should be consulted and have some representation in the process. Like many of Italy's neighbors, especially France, Mr. Prodi subscribes to a greater European presence within the alliance and looks to giving Italy a greater role in NATO.³

Where Mr. Prodi may run into trouble on the issue is with the Communist Renewal party, which won 8 percent of the parliamentary election and is critical to the coalition maintaining a majority in the Italian Senate. The Communist Renewal party led by Francesco Bertinotti is

opposed to NATO altogether and also opposes the Maastricht (EU) treaty. The party that also opposes expansion of the alliance is likewise anti-NATO and furthermore supports a totally denuclearized Europe without professional armies.⁴ Although this potential for internal turmoil within the coalition does not appear to be taking the Olive Tree to its ruin, NATO enlargement could easily in the future complicate the coalition's delicate stability and, combined with other factors, disrupt the effectiveness of Mr. Prodi's prime ministership.

Italy's Freedom Pole (Polo della Liberta') coalition consists of Italy's media magnate Silvio Berlusconi's Forza Italia party and the National Alliance (Alleanza Nazionale) party headed by Gianfranco Fini, a former newspaper journalist. Its position on enlargement of the alliance is quite similar to that of Mr. Prodi's Olive Tree coalition. Berlusconi and his partners call for a reappraisal of Italy's foreign policy, supporting an even stronger NATO with a European pillar, and a complete inactivation of the Western European Union (WEU). They too subscribe to an expansion of the alliance and the EU looking southward as well as eastward and a greater Italian role in NATO. Given this marginal and insignificant difference in position on the issue and parliament's preoccupation with domestic problems, NATO enlargement should not play a large role in future elections or in day-to-day governing of the republic.

Perhaps the most extreme of Italian politicians is Umberto Bossi, the leader of the infamous, separatist Lega Nord (Northern League) party he founded in 1987. He loathes Roman, *transformismo* politics and is unrepentant in voicing his contempt towards the corrupt politicians and thieves who are robbing the Italian public and taxing northern Italians into bankruptcy in order to pad their portfolios and support a tax-evading southern Italy that is so culturally distinct that he calls it another country all together. For three days in late September 1996, Mr. Bossi rallied close to two million followers along the Po River, proclaimed in a public announcement in Venice, northern Italy's secession from the Republic, and declared "Padania" an independent and

sovereign republic.⁵ Mr. Bossi's absurd if not grotesque actions have prompted many Italians including President Oscar Luigi Scalfaro to vocally assert the unity of Italy. Although it already appears that secession has failed and most Italians including his once political allies of the Polo Liberta' coalition consider him ridiculous, reckless and dangerous, Mr. Bossi's plea for some control over northern Italian tax dollars does not go unnoticed and cannot be discarded.⁶

Northern Italy has strong ties with Germany, and the Northern League endorses a German federalist model as the desired type of government for Italy. Whereas Germany has taken a strong position on NATO enlargement, Mr. Bossi has been less than vocal on the issue. Although he may appear indifferent on expansion, he has stated that Europe should have an European Army and suggests that enlargement of either NATO or the EU should be to countries of similar traditions.⁷ Mr. Bossi's antics and acrimonious opinions have made him a persona non grata in Rome lately, but his politics may still affect Italy's position on NATO expansion. As he fights to gain control over northern Italy's economy and precious tax dollars, the Italian government may find itself with less and less of the budgetary flexibility required to fund NATO's expansion.

Italy's government has been so incredibly unstable in the last half century and even more so recently, as coalitions are dissolved more frequently, that if the past is any indication of the future, Mr. Prodi's government should fail in July 1997. On the average, Italian governments have lasted for fifteen months since the end of World War II. Italy has tried to reverse this trend in recent years, especially in 1993 by changing its electoral laws from a 100 percent proportional representation system to a 75 percent winner-take-all / 25 percent proportional representation system. Regardless of the form of government and the makeup of the current coalitions, this government's policies will probably not have much effect on NATO enlargement or on internal political developments as a result of NATO enlargement.

NATO enlargement could, however, play a very large role in future governments and the makeup of its coalitions. As coalition stability is everything in Italian politics, the positions, values, and beliefs of the parties forming future coalitions may be overshadowed by the numerous potential domestic problems resulting from NATO expansion of its membership. These problems could include budgetary problems aggravated by increased defense spending to accommodate the new CJTF and out-of-area missions that Italy will participate in or by an increase in NATO dues used to fund the accession and training of NATO's new members.

NATO expansion will undoubtedly affect Italy's domestic public support for the armed forces. As we have already seen in the previous analysis of public support of the military, Italians largely support using their military forces for peacekeeping operations and arms control,⁸ but how will the Italian public react when its young men are sent to fight under the NATO flag for an East European country some thousand miles away that shares no cultural, economic, or political ties with Italy? The Italian government will have quite a controversial dilemma in balancing its commitments to the alliance and its concerns for domestic stability and public support.

Lastly, as new members of both the NATO alliance and subsequently the EU become a part of the European community, immigration into Italy and its neighbors' territories will become a problem. Regardless of whether the migration is a result of conflict, oppression, or eastern Europeans feeling more comfortable moving abroad, an ethnically conscious Italian public will not approve. Italy's government will have to take a hard stance on the issue and not repeat what it did with the thousands of Albanians seeking refuge from the desperation and poverty of their homeland, arriving on boats across the Adriatic Sea only to be sent back home after a period of indecision on the part of the Italian government. In the long run, immigration from CEE would likely normalize as more stable democracies and market economies bring peace and prosperity to the region. In the near term, the potential for increased migration from those countries could

cause Italians to become intolerant of their new guest and prompt the public to question the value of NATO expansion to its security.

NATO's expansion will probably not have a significant impact on Italy's internal politics or domestic life before 1999, when NATO has projected its first accession may take place. Nonetheless, Italian political authorities and international representatives have rightfully begun to examine the issue. Although the initiative has been thoroughly weighed from a diplomatic perspective, Italians should start to ask about its impact on everyday Italian life. This study has only briefly touched upon its potential impacts on domestic politics. The issues deserve much more analysis by Italy's political community, and parties should lay the ground work now for NATO's eventual expansion. NATO enlargement should not be considered as only an international event. Its implementation will somehow touch the lives of all Europeans and Italians for many years to follow.

The Italian Economy

The net economic impact that NATO's enlargement will have on the Republic of Italy is next to impossible to quantify. If analysts could establish a credible answer expressed in annual budgetary terms, Italy's government may very well have a different view of the expansion. As NATO creeps closer to establishing in definite terms the "how, to whom, and when?" of its expansion, the economics of the initiative should be easier to identify. NATO authorities and several think-tank security research organizations have proposed the costs of the expansion, but few have been able to identify the economic benefits that members of the alliance may realize. To provide a fairer analysis of the expansion from a monetary perspective, the decision makers must consider the net impact on Europe's economy and their respective countries and not just the short-term effects on the national budget. Unfortunately, the questions are many, yet the answers are few.

Expansion of the alliance has NATO members and Europeans asking, "How much will this cost?" Without knowing for sure to whom an invitation will be extended and exactly how the accession will be conducted, it is difficult to address the issue in definitive terms. In the latest study conducted by NATO on enlargement, the alliance chose to address the economics surrounding the issue from a managerial approach. It briefly stated that enlargement will lead to new activities and the need for increased resources including additional office space at NATO headquarters, increased staffs, and greater operating and capital costs in the civil budget. Omitting any detailed discussions on the costs associated with the military, the study recognized that enlargement would also mean increases in the military budget, but the actual budgetary consequences will depend in large part on the new members' level of participation. The study further emphasized the importance of insuring that new members are fully aware that they face considerable financial obligations when joining the alliance.⁹

Regardless of who is invited and which method NATO chooses to provide for expansion, the costs associated with the future accessions are substantial. The Rand Corporation has tried to determine those costs in a general study it conducted on the affordability of NATO enlargement to the alliance. Who will carry those costs is still another issue to tackle in the future. The Rand analysis considered four possible options for enlarging NATO with the four Visegrad countries as probable candidates for the first accession, even though political instability of Slovakia has put it out of the running. Costing was based on NATO providing C3I and logistic support to the new members and each new country making its forces compatible with those of NATO and upgrading its weapons, something many present members have yet to do.

Briefly, in Option 1, NATO will provide support to the new members' efforts of self defense against a minimal threat. This is the cheapest of the four options, costing approximately \$17 billion over the next ten to fifteen years, with new members assuming the majority of the

costs. From a purely economic perspective, this option would be the most appealing, yet would send the wrong signal to both the new members and potential enemies. Both might associate this option with a dilution of Article V and a diminishing commitment on the part of NATO members unwilling to obligate their forces in new member territories.

A second option is "Air Projection." This alternative would cost an additional \$8 billion as NATO would purchase about 300 more aircraft over a 10-15 year time frame.

Option three, "Joint Projection" designed to combat a conventional force, includes the additional aircraft and sets aside five army divisions to protect new members. Total price of this option is estimated at \$42 billion, a one to two percent increase in the current members' defense budgets. Eastern European new members would pay 19 percent of the bill, existing members 61 percent, and the remaining 20 percent would be funded from NATO's infrastructure budget that all members finance.

The Rand Corporation's fourth option for expansion of the alliance is with forward forces present in new member states. This option considers a nuclear threat to its new allies and although not specified, given the costs of this option, would likely include forward-deployed nuclear missiles in its arsenal. The budget of this option would total approximately \$82 billion and would include establishing new NATO headquarters, training grounds, and bases. The Russians would surely oppose this prospect, possibly with an increased, threatening defense posture or aggression towards the alliance.

The U.S. Congressional Budget Office (CBO) estimated the cost of NATO enlargement in a study in 1996 at \$60 to \$100 billion for the accession of the Visegrad Four. This study was based on the Rand Corporation's fourth option and assumed that NATO would have to prepare to fend off Russia in the future.¹⁰

The most probable model to be used for expansion is the force projection option costing approximately \$42 billion over the next ten to fifteen years. It adequately provides for the security of the new members, is affordable, demonstrates a strong commitment to NATO, and is more palatable to Russia than a forward presence defense with NATO soldiers on the Polish-Czech-Hungarian-CIS border.

Economic benefits resulting from the expansion could be significant as well and merit consideration when analyzing the enlargement of the West European security community. Enhanced prosperity in Central and then Eastern Europe could overshadow the increased military capabilities realized by the enlargement as the key contributor to making Europe a more stable and secure place. Both NATO and potential new members alike stand to gain from the accession of new markets and trade partners into the alliance, as international businessmen may feel more confident investing in parts of the east that are a part of the NATO alliance. Economic prosperity in itself is on everybody's "Top Five" list of national security interests, and NATO's members will consider it strongly when acting on the enlargement initiative. Its net potential is the creation of a stronger international market with enhanced prosperity for European countries resulting in the increased security throughout the continent.

NATO expansion has many implications. The net economic result to Europe and NATO is mixed and hard to quantify. One thing seems certain: NATO members will be asked to spend more money to fund the enlargement. How much more remains to be determined. The burden may be more than justified, though, as enlargement provides several economic benefits to the members of the alliance as well.

As NATO members inject the fruits of capitalism and investment dollars into the economies of the new members, new markets will be opened to Europe's commercial and agricultural products. Furthermore, the need to produce and transport these goods to and from

these markets will create revenues and jobs for Europe's work force. Competition for these new markets will force Europeans to become more efficient and innovative with Europe's limited resources. The down side of the new markets is the potential for aggravating relations among NATO's members and creating a deeper trade imbalance among European members unless the EU regulates the markets with quotas, taxes, and custom fees. Some postulate that expansion will provide Germany yet another opportunity to increase its economic dominance throughout Europe.

As NATO expands, one can reason that so does the opportunity for cheap labour. European businessmen see this as an opportunity to decrease costs and increase profits. They would argue that they have sparked the economies of NATO's new members by creating jobs and putting money into the economy. Conversely, sending work abroad and hiring immigrants would not only create domestic problems as unemployment rises and social programs are further burdened, but it would aggravate both the north-south socioeconomic cleavages in Italy and the ethnic and racial tensions throughout Europe's community. This problem is not unfamiliar to Italy, as Noel Malcolm describes,

A model for the future of an economically unified Europe can be found in modern Italy, which united the prosperous, advanced provinces of the north with the Third World poverty of the south. After more than a century of political and economic union, huge disparities still remain between the two halves of Italy--despite (or indeed partly because of) all the subsidies that are poured into the south via institutions such as the Cassa del Mezzogiorno, the independent society established by the Italian government to help develop the south. As southern Italians have had the opportunity to discover, an economy based on subsidies unites the inefficiencies of state planning with almost limitless opportunities for graft and corruption. It is a sad irony that today, just as the leaders of "Europe" are preparing for unification, the politicians of Italy are seriously considering dismantling their country into two or three separate states.¹¹

Whereas Italy's experiences with its cultural and economic cleavages are domestic in nature, the tendency for Europe to have similar problems is even greater. Italians at least enjoy a common geographic boundary to help regulate the problem; many regard the countries of Poland,

the Czech Republic, and Hungary as having little in common with most Western Europeans to help smooth over the economic problems accompanying NATO enlargement.

As new NATO members start to enjoy a higher standard of living and enhanced prosperity that expansion could bring to their countries, NATO could find itself under greater pressure to enlarge its membership to the have-nots of Eastern Europe. This possibility could have a serious impact on Russia. Her aversion to NATO's expansion could be further intensified by these developments, making cooperation between Russia and the alliance more tenuous. Conversely, if Russia sees the benefits that prosperity and the stronger economies in CEE have on security and Russian interests, she could strengthen her ties with the West and pursue a stronger commitment to Western Europe and NATO.

Still another possible benefit realized from the enhanced prosperity resulting from NATO's expansion is a decrease in population movements from the CEE into Western Europe. As Central and Eastern Europeans start to enjoy a functioning economy that provides them with a better life, the motivation to leave their mother land will decrease, thus helping to stabilize cultures within their respective regions.

Although the impact of enlargement on Europe's national economies may be largely favorable, the debate begs the question of the capacity of the Visegrad countries to carry their weight and pay their share of the defense bill. Although credible research authorities like the London-based International Institute for Strategic Studies (IISS) concluded that NATO can easily afford to admit the Visegrad Four into the alliance,¹² there is still some concern about NATO overextending its budget should the new members prove unable to fund their portion of the enlargement. The Visegrad countries' dependence on NATO members for logistical support during PfP training exercises has not gone unnoticed by the members of the alliance.

Italy and its NATO partners want to know if Poland, Hungary, and the Czech Republic can afford to become NATO members? Using the budget proposed by the Rand Corporation's study for Option Three (Joint (Force) Projection)¹³ and spreading the costs in proportion to manpower strength among the Visegrad Four, Poland would need to pay \$488 million annually; Hungary, \$125M annually; and the Czech Republic, \$99.2M annually for the next ten years (in constant dollars) in order to fund their accession into NATO. For Poland, this equates to 19 percent of its 1995 defense budget of \$2.58 billion. Hungary is in a similar position as \$125M is 19.5 percent of its defense budget. The Czech Republic is in a somewhat more favorable position (if the enlargement budget is divided up per manpower strength ratios) as its slice of the budget would be only 10 percent of its \$1.025 billion defense budget. Excluding the benefits these countries may realize from the expansion, these gross increases are substantial, especially for Poland and Hungary, and concern the more skeptical critics of NATO's expansion.

Italy's portion of the enlargement bill, assuming again that NATO would divide it up proportionate to relative manpower strength (in 1994, Italy's armed forces accounted for approximately 9 percent of NATO forces) could total \$230 million annually plus its portion of NATO's infrastructure budget. With a 1996 defense budget of \$15.8 billion, this would mean an increase of 1.5 plus percent in future years defense expenditures. This may seem minimal (approximately \$4 per capita) but given the state of Italy's economy, may be considered substantial by an Italian Parliament searching to balance its budget and prepare its country for the EU's EMU scheduled for 1999.

The Visegrad countries are very dependent on their trade partners for various resources and commercial goods. Whereas these countries traded almost exclusively with Russia and former Eastern Block countries before 1989, this relationship has changed dramatically since the Cold War. Not only were the Visegrad countries free to trade with their western neighbors after

the disintegration of the Soviet Union, but the EC provided for special trade agreements in the early 1990s, lifting quotas on many exports while blocking the trade of some agricultural exports outside the EU. As these markets begin to mature and harvest the fruits of democracy and capitalism, trade between the Visegrad states and the EU could grow further. NATO's expansion has great potential to strengthen and promote these trade relations between the Visegrad countries and the new members of NATO and subsequently the EU.

Today, 59 percent of the Czech Republic's and Slovakia's foreign trade is with the EU and the European Free Trade Association (EFTA). Their most important trade partner, not surprisingly, is Germany, yet Italy conducts a substantial amount of business with the two countries also.¹⁴ Hungary and Poland have experienced similar trends. Germany is now Hungary's chief customer, with the former USSR second and still (in 1993) its chief supplier. Italy ranks fourth in the lineup yet conducts only one-quarter of the trade with Hungary that Germany does.¹⁵ Italy is not a principal trade partner with Poland; its customers and suppliers are primarily Northern European countries again with Germany at the top of list.¹⁶

Much of the market in these countries is still untapped, and Italy could realize greater prosperity as it seizes future trade opportunities indirectly created by NATO's enlargement. FIAT (Fabbrica Italiana di Automobili Torino), the fifth largest automobile producer in Western Europe in 1995, has already made progress in these new markets, capturing 51 percent of Poland's auto market. It has six auto plants in Poland and is investing \$2 billion for 90 percent of the Polish car maker FSM; the remaining 10 percent is held by the Polish government. FSM will manufacture the Cinquecento (500 in Italian), a new and very popular economy mini car based on the Fiat 500 model of the 1950s.¹⁷

Italy is a member of the G7 and in 1995 was ranked fifth in the world's gross national product (GNP) standings.¹⁸ Italian industry manufactures a large amount of production machinery

and equipment for which the Visegrad countries have a large demand, yet presently none of the countries are found on its list of seventeen principal trade partners.¹⁹

Trade opportunities with the Visegrad countries exist in the arms markets for Italy also. Italy is one of Europe's largest manufacturers of weaponry and is very protective of its arms industry. It produces almost every type of military weapon in Europe's arsenal with the exception of nuclear submarines. Italy claimed four of the world's top one hundred arms-producing companies in 1993 (see figure 10) and was the eighth-leading supplier of major conventional weapons between 1990 and 1994.²⁰

Despite its status in the arms market, Italy has not sold any weaponry, munitions, or equipment to Poland, the Czech Republic, or Slovakia and sold only six radar to Hungary in 1993.²¹ With the accession of NATO's new Visegrad members, force imbalances and equipment deficiencies could send Poland, Hungary, and the Czech Republic shopping for arms and military equipment . While Italy's weaponry, equipment, and vehicles cannot largely be classified as the industry's best, they are certainly adequate and more affordable than what the U.S. is asking. Although the Visegrad Four are equally as protective of their arms-producing industry, if they choose to modernize their forces with European weaponry, NATO's expansionary commitment to its new members may prove profitable to Italy's arm-producing industry and tip enlargement in Italy's favor.

With its economy struggling with a range of problems from political corruption, inefficient state-owned public services, unemployment, a faltering GDP, increasing debt, and a Europe pressuring its members to exercise monetary and budgetary discipline in the wake of the EMU in 1999, Italy hardly needs another challenge. Although NATO's expansion at a glance does not appear to have the potential of crippling Italy's economy, its impact may certainly be felt. The tougher question of how much will the enlargement hurt or conversely, help Italy's

economy will not be answered for many years to follow. Despite its elusiveness, the question warrants analysis and strong consideration by Italian and NATO officials and will wield its influence in NATO's enlargement planning and eventual movement east.

¹ Author's personal discussion with General Cesare Pucci, Commanding General, Allied Land Forces of Southern Europe, 23 October 1996, Fort Leavenworth, Kansas

² The concept known as "transformismo" (transformism) in which Italian political instability is explained by a frequent shifting of allegiances of coalition parties as the occasion demanded thus fragmenting the entire coalition system. Denis Mack Smith, ITALY, A modern History (Ann Arbor, Michigan: University of Michigan Press 1959), 107-109.

³ Piero Ignazi, "Parties Not Worlds Apart," Il Sole - 24 Ore (12 April 96): 7.

⁴ Ibid.

⁵ "Politics this Week," The Economist (21 September 1996): 4.

⁶ "Clever Clown," The Economist (14 September 1996): 49-50.

⁷ Piero Ignazi, "Parties Not Worlds Apart," Il Sole - 24 Ore (12 April 96): 7.

⁸ Giuseppe Caforio and Marina Nuciari, "Military Profession and Defense Issues in the Italian Public View", Future Roles, Missions and Structures of Armed Forces in the New World order: The Public View, editor: Philippe Manigart (Commack, NY: Nova Science Publishers, Inc., 1996), 75-79.

⁹ NATO Office of Information and Press, "Study on NATO Enlargement," NATO Home Page, (6 August 1996): Chapter 4,10.

¹⁰ "NATO Enlargement Affordable," The Economist, (3 August 1996): 42.

¹¹ Noel Malcolm, "The Case Against 'Europe'," Foreign Affairs (Agenda 1996): 155.

¹² "NATO Enlargement Affordable," The Economist, (3 August 1996): 42.

¹³ Ibid.

¹⁴ Gale Research Inc., Worldmark Encyclopedia of the Nations (Europe), New York, NY: AN International Thomson Publishing Company, Eighth Edition 1995: 105.

¹⁵ Ibid., 202.

¹⁶ Ibid., 331.

¹⁷ Standard & Poors, Standard & Poors NYSE Stock Reports, McGraw-Hill Companies, 7 October 1996: 878.

¹⁸ Dorian Kindersley, The Dorling Kindersley World Reference Atlas, London: Dorling Kindersley, 1995: 297.

¹⁹Europa Publications Limited, The Europa World Year Book 1995, Rome: Europa Publications Limited, 1995: 1630.

²⁰Stockholm International Peace Research Institute (SIPRI), SIPRI Yearbook 1995, Armaments, Disarmament and International Security, London: Oxford University Press, 1995: 485-493.

²¹*Ibid.*, 513-533.

CHAPTER VII

CONCLUSION

Uncertainty is definitely not a new concept for the Republic of Italy. In this century alone, two devastating World Wars and a fifty-year Cold War have been fought on Italian soil. Governments since the end of World War II have failed on the average every fifteen months. In recent years, over one-third of Italy's politicians have received an *avviso di garanzia* (notification that an individual has been accused of breaking the law and is under investigation) or been hauled off to jail for corruption.¹ Many talk of dividing the country in two or in thirds; Umberto Bossi's Lega Nord (Northern League) party even went so far as to declare Northern Italy (Padania) a separate state. Italy's economy is in a disastrous state with a runaway federal deficit and debt and a weak Lira which caused the EU to oust Italy out of the Europe's Exchange Rate Mechanism (ERM) four years ago.² Unemployment is at twelve percent. Although a tax increase seemed almost unimaginable to a work force that already pays an average of 48 percent in income tax, Prime Minister Romano Prodi and Italy's government voted in a one percent increase in an attempt to reduce the deficit and public debt that haunt Italy's chances of joining the EMU.

Outsiders are bewildered by Italy and what appears to be an almost chaotic state of affairs for a present day democracy that has existed for over fifty years. What is even more puzzling is the Italian's ability to live in such an environment. Oddly enough, Italy's experience with such instability will likely be to its advantage when preparing for NATO's forthcoming enlargement.

NATO enlargement will create many uncertainties for Italians. As this study has demonstrated, Italy's foreign relations stand to be the most affected by expansion of the alliance. In the short run, changes in Italy's foreign policy may be largely transparent to the majority of Italians. Future developments in Italy's foreign relations and changing relationships with its European and NATO partners resulting from NATO's expansion show great potential for impacting on Italian lives. Exactly how Italian everyday life will be affected by enlargement largely depends on how, when and to whom NATO extends an invitation into the alliance and how Italy's government reacts to the expansion.

Military missions for Italy's armed forces will continue to change in order to keep Italy engaged in the military structure of the alliance and to enable it to play a part in NATO's CJTF and joint projection concepts for military operations. Enlargement will create a greater demand on NATO's members to transition from a once forward defense posture to a more mobile, power projection operational concept. Italy's contribution to the alliance's military operations will be two-fold. Italy will increasingly provide its APOEs and SPOEs for logistical support in theater and it will perhaps contribute a small, professional military force as part of a CJTF operating in the SR and new AOs created by expansion of the alliance. Again, to most Italians, this will be transparent in their everyday lives. As is true with Italy's foreign policy, Italian support of future military operations resulting from NATO's expansion could potentially harm relations with Italy's neighbors and impact negatively on Italy's long-term security. Conversely, if Italy's contributions to these new military missions are perceived as less than acceptable by its NATO allies, relations with the alliance could suffer and further damage Italy's ability to influence Europe's security environment and promote its own security interests.

NATO's enlargement should not have much impact on Italy's economy. As illustrated in this thesis, the costs and benefits to Italy resulting from the expansion appear to be minimal yet merit consideration given the state of the Italian economy.

At present, NATO enlargement has little influence over the stability of Italy's fragile coalitions and is not an item for debate on Italy's political agenda. Its potential to be one is obvious. As the alliance approaches 1999, the year it plans to conduct its first post-Cold War accession, Italy's government will be pushed into taking a position on the issue. Already the political parties within Italy's governing coalition disagree on the initiative, and the debate has not even started yet. The issue is unavoidable and very capable of influencing Italy's domestic political stability. How much influence it will wield largely depends on when it is debated and the configuration of the different political coalitions within Italy's government.

What is significant about the outcome of this study is that it highlights the abundance of uncertainties surrounding the problem and illustrates how difficult it is to determine the impact that NATO enlargement will have on Italy. Although this thesis has attempted to address all the considerations that surround the initiative and the more probable outcomes resulting from the enlargement, it is impossible to determine with any accuracy what the impact of the expansion will be on the Republic of Italy. Italy's position on the initiative is not readily apparent and is likely to change. It now enjoys a latitude in its foreign policy making that it previously left to be wagoned by NATO and Cold War security arrangements. Today, Italy can choose to align itself in the international community based on interests other than security.

The multitude of factors that influence the different issues are changing constantly. Just in the past few months, several significant events have prompted a re-examination of this analysis. General Lebed was replaced as Russia's National Security Adviser--a significant development considering his popularity among the Russian electorate and his strong aversion to NATO's

enlargement. France has also threatened to block or delay NATO enlargement if the U. S does not give up its monopoly on NATO MNC and MSC command positions and concede the CINCSOUTH position in Naples to a European.³ By the time NATO and its members decide on the details of the enlargement and cast their votes, the landscape will most likely have changed dramatically.

While this study has provided a preliminary analysis of the problem, the need for further inquiry is evident. This thesis can serve as a platform to launch future studies into the problem of NATO enlargement from several different perspectives and provide a framework for future studies on the problem. This problem needs to be treated by the research community from an atypical perspective, that is to consider the issues from a Southern Region or nontraditional NATO country (outside CEE) perspective. Furthermore, as the initiative evolves and the situation develops, the problem should be re-examined to account for the changes that will occur throughout Europe and NATO. The research community should also conduct a post-enlargement study to analyze the impacts of the first accession of new members and furthermore to serve as an evaluation tool for subsequent accessions, realizing that the second post-Cold War accession will be quite different than the first. This thesis can help provide a direction for future efforts to study the problem.

Over time, NATO's expansion has the potential to emerge as the anathema of European security. It could create an imbalance or instability that threatens the entire European continent. While the probability of this happening might seem both distant and extreme given today's relatively stable security environment in Europe, NATO's enlargement could plant the seeds for future aggression among European countries and as the chairman of the Italian Senate said, "the West will have to reap the harvest of its near-sightedness."⁴

Europe's security environment has changed dramatically since the fall of the Berlin Wall and the Soviet Union just a few short years ago. These changes are quasi-revolutionary as a defense against an aggressive nation is no longer the number one security concern in Europe. This revolution for Europe means an evolution for the alliance. NATO, once the solid security institution held together by the common goal of providing for the collective defense of its members with forward-deployed forces ready to repel a Soviet attack, is plowing new ground. Today, it is still that solid security institution produced by the Cold War, but that common goal that held it together for over a half century no longer exists. For many, NATO is now a vehicle for promoting national security interests disguised as supranational security interests (not shared equally by all members). Providing for a collective defense is no longer enough to justify NATO's existence. Today's charter is to provide for peace and security throughout Europe's area of interest (an area defined differently by each European state) by maintaining a joint projection military force capable of deterring the aggression of would-be belligerents and conducting a host of military operations other than war (MOOTW) like peace-keeping operations in former Yugoslavia. While these military operations are significantly different from a decade ago, the desired endstate for NATO remains constant--a durable peace for Europe.

Statesmen, politicians, and NATO authorities must stay focused on the prize, that being peace and prosperity throughout Europe for years to come. The security community must ensure that the near-sightedness that the chairman of the Italian Senate is referring to does not blind Europe to the problems to be confronted in the distant future if NATO's expansion is not well planned and properly managed. Decision makers must keep the whole of Europe in their crosshairs when they take aim on European security. Their target audience is not Germany or Russia or the Visegrad Four but the entire continent of Europe. The future is not the next twenty years but the twenty-first century. And lastly, enlargement is not just a NATO issue or even a

European one. The fruits or spoils of the forthcoming expansion, for good or evil, could be felt throughout the world. One need only remember where the two World Wars of this century started to understand how NATO expansion could impact on global security.

NATO cannot let its enlargement become a gamble. The stakes are high, perhaps much higher than most people would consider. This thesis illustrates the importance of NATO's enlargement to the Republic of Italy, but its real contribution to this field of study is its illumination of the uncertainties surrounding the expansion of the alliance. These uncertainties must be explored and the issues resolved before NATO moves. Studies like this one must be conducted in much more detail and breadth. The players must show all their cards at the table before the accessions begin. Only then can NATO ensure that its enlargement will truly enhance Europe's security and stability and not become another Treaty of Versailles or Yalta Conference that bloodied Europe's countryside and divided it into an East and West with walls and missiles for most of the twentieth century.

¹A movement known as "Mani Pulite" (clean hands) headed by renowned magistrate turned politician Antonio Di Pietro to put corrupt politicians and businessmen behind bars because of their involvement in the Tangentopoli scandals (people in power receiving payoffs from wealthy business men in exchange for favors).

²"A Biggish Step," The Economist, (30 November 1996): 45. The EU voted to reinstate the Italian lira in the ERM in November 1996.

³"War Over Naples," The Economist, (30 November 1996): 46-47. If the two MSC of COMCENT and COMNORTHWEST are combined into one, the U.S. will hold three of the four MNC and MSC command posts in NATO. The French submit that the U.S. agreement to Europeanize NATO should also mean relinquishing some of the key military command positions to Europeans. The U.S. has basically and emphatically said, "No and if France can not live with this decision, then they can again withdraw themselves from the military structure.

⁴Aleksandr Knonvalov, Andrey Kortunov and Sergey Oznobishchev, "The Bankruptcy of NATOmania," Nezavisimaya Gazeta (20 March 1996): 1.

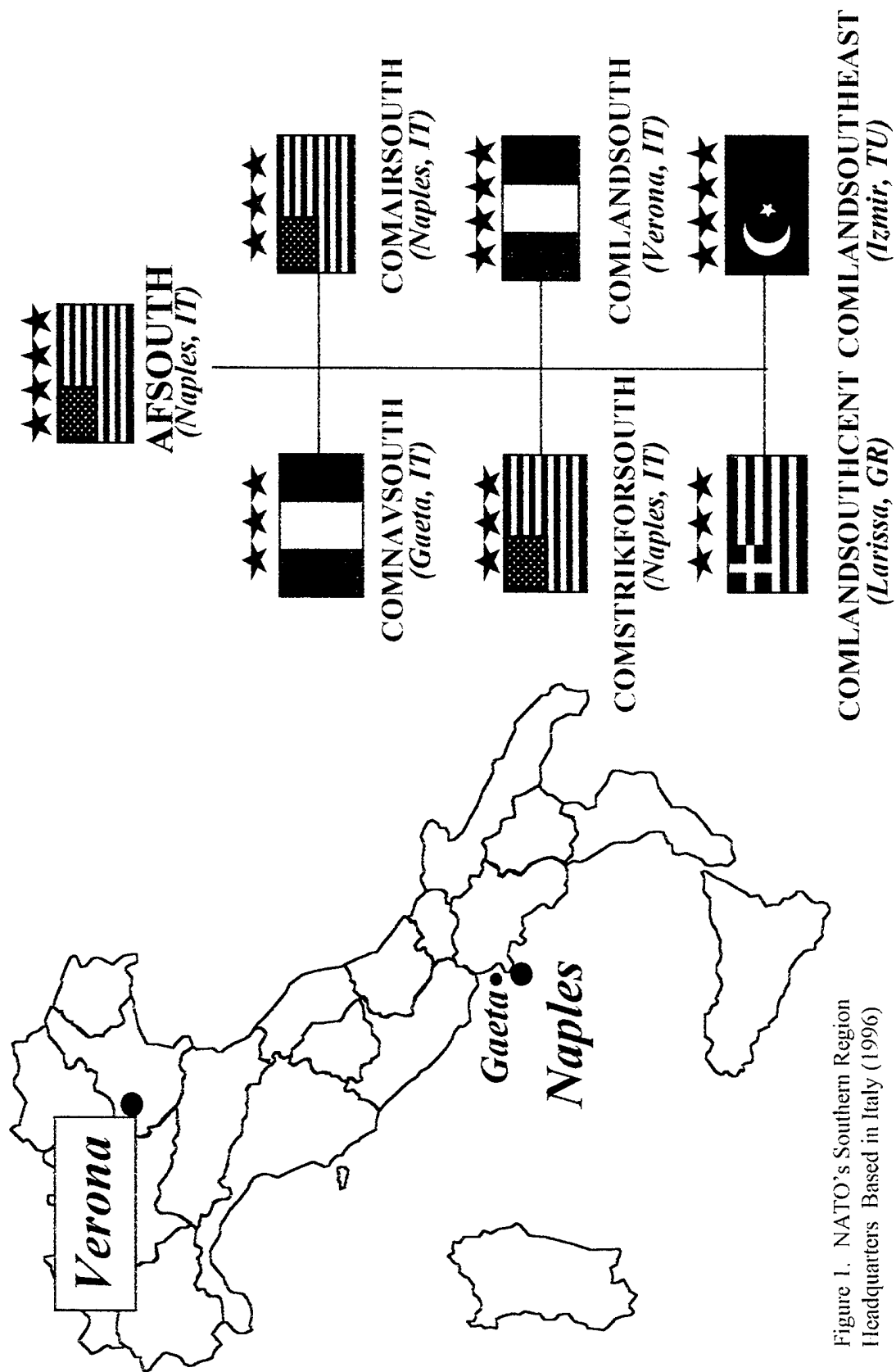


Figure 1. NATO's Southern Region Headquarters Based in Italy (1996)

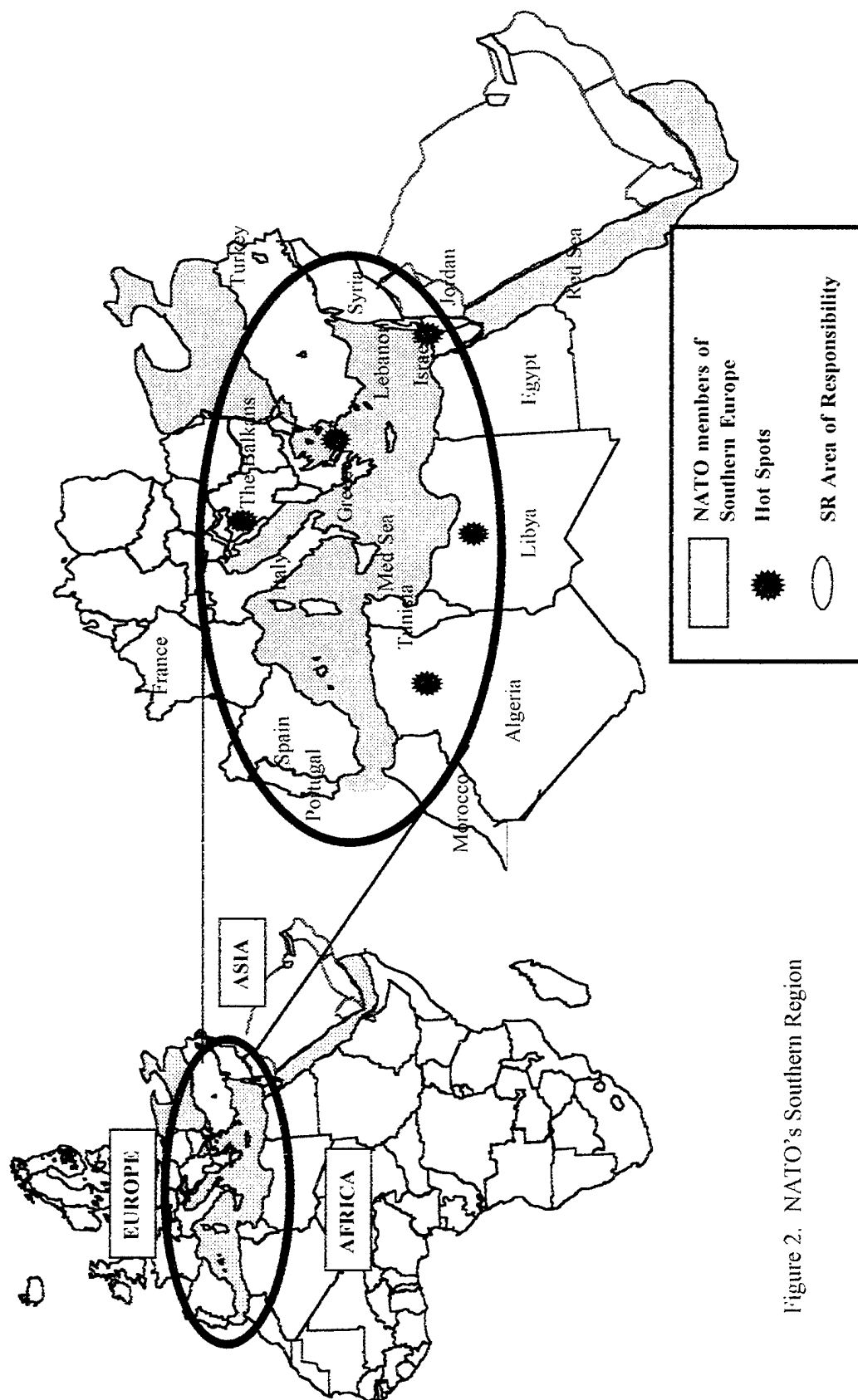
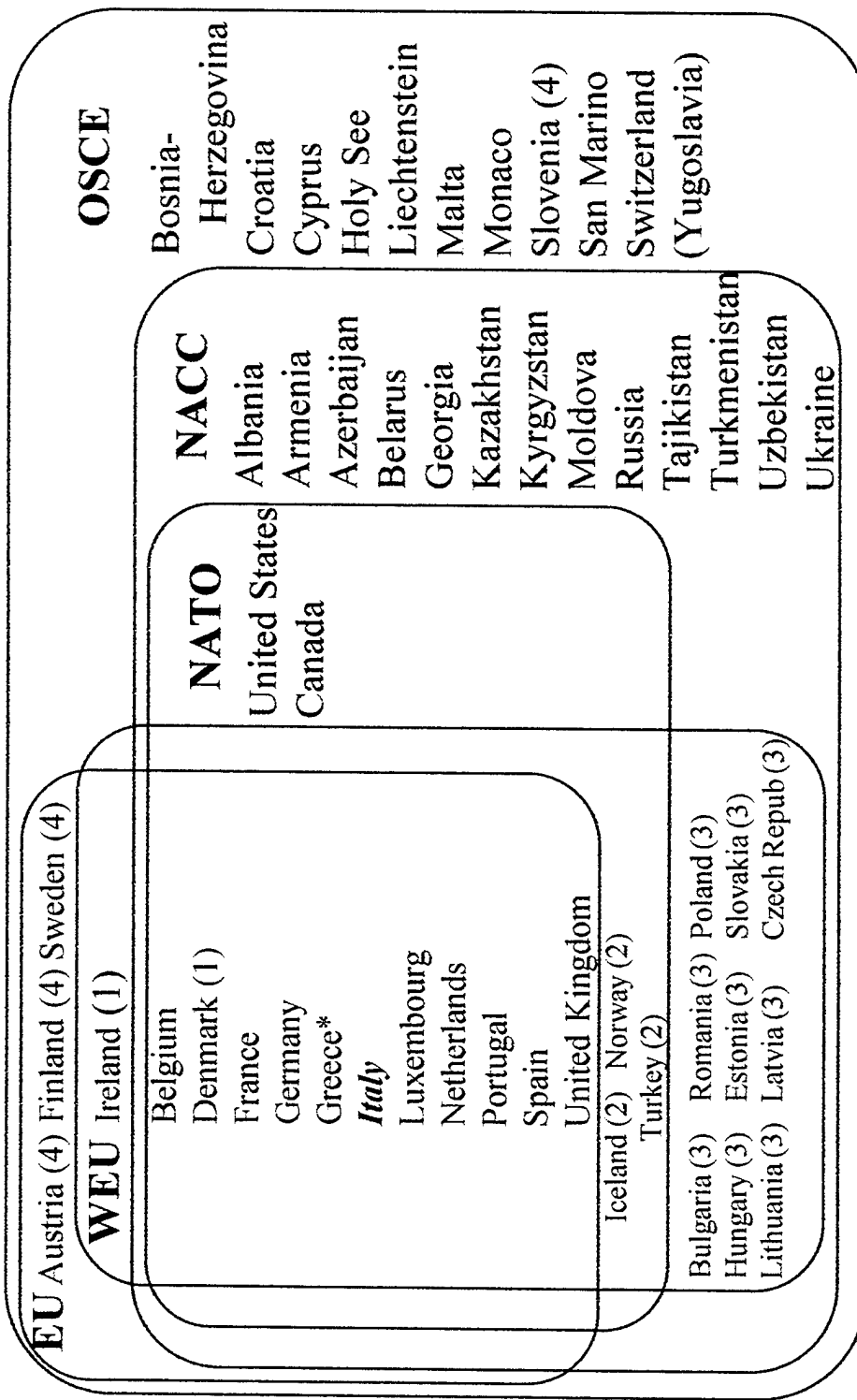


Figure 2. NATO's Southern Region



- (1): Observers
(2): Associated members
(3): Associated Partner
(4): Observer NACC
* : Pending ratification

Figure 3. The Framework of Security Institutions in Europe. Source: David M. Wood and Birol A. Yesilada, The Emerging European Union (White Plains, New York: Longman Publishers USA, 1996), 6.

Defense Personnel*

Current# / NDM # / CFE Limits

365,000 / 260,000 / 315,000**

L'Esercito Italiano (Army)

Personnel*	Force Structure	Equipment
<u>Current# / NDM # / CFE Limits</u>	<u>Current / NMD # (Brigades)</u>	<u>Current# / NDM # / CFE Limits</u>
224,700 / not specified / 315,000 minus AF personnel	18 / 13 (listed below) - 2 Armor - 4 Mech Inf - 2 Light Armor - 3 Alpine Inf - 1 Armored Cavalry - 1 Airborne	Tanks 1319* / 1348 / 1348 ACVs 3673 / 3339 / 3339 Artillery 1256 / ? / 1955 Helicopters 353 / ? / 142** * 1994 figures ** Armed helicopters

L'Aeronautica Italiana (Air Force)

Personnel*	Force Structure	Equipment
<u>Current# / NDM # / CFE Limits</u>	<u>(under NMD concept)</u>	<u>Current# / NDM # / CFE Limits</u>
75,000 / not specified / 315,000 minus Army #s	1 Centralised AF Command (Cdr dual-hatted as NATO SATAF Cdr) 1 Logistic Command 1 Training Command	Combat 150 / 130 / * Maritime 36 / ? / * Transport 82 / 98(-) / * * Total CFE ceiling - 650 aircraft

L'Marina Italiana (Navy)

Personnel*	Force Structure	Equipment
<u>Current# / NDM # / CFE Limits</u>	<u>(under NMD concept)</u>	<u>Current #s</u>
42,500 / not specified / N/A	1 Fleet Command (Cdr is dual-hatted as NATO COMEDCENT) 6 Regional Cmds	Air Capable cruisers 2 Destroyers 4 Frigates 17 Corvettes 10 Submarines 10 Mine Sweepers 12 Naval Aviation 100/18* Marines 1 Regt * Rotary/Fixed Wing

* Military & Civilian

** Applies to army & air force only

Figure 4. Italy's Military (1995-1996). Source: SIPRI, SIPRI Yearbook 1995, Armament, Disarmament, and International Security (London: Oxford University Press, 1995), 79. Military Technology, (The World Defense Almanac (1995-1996), (Netherlands: Miltech, 1995) 123-130.

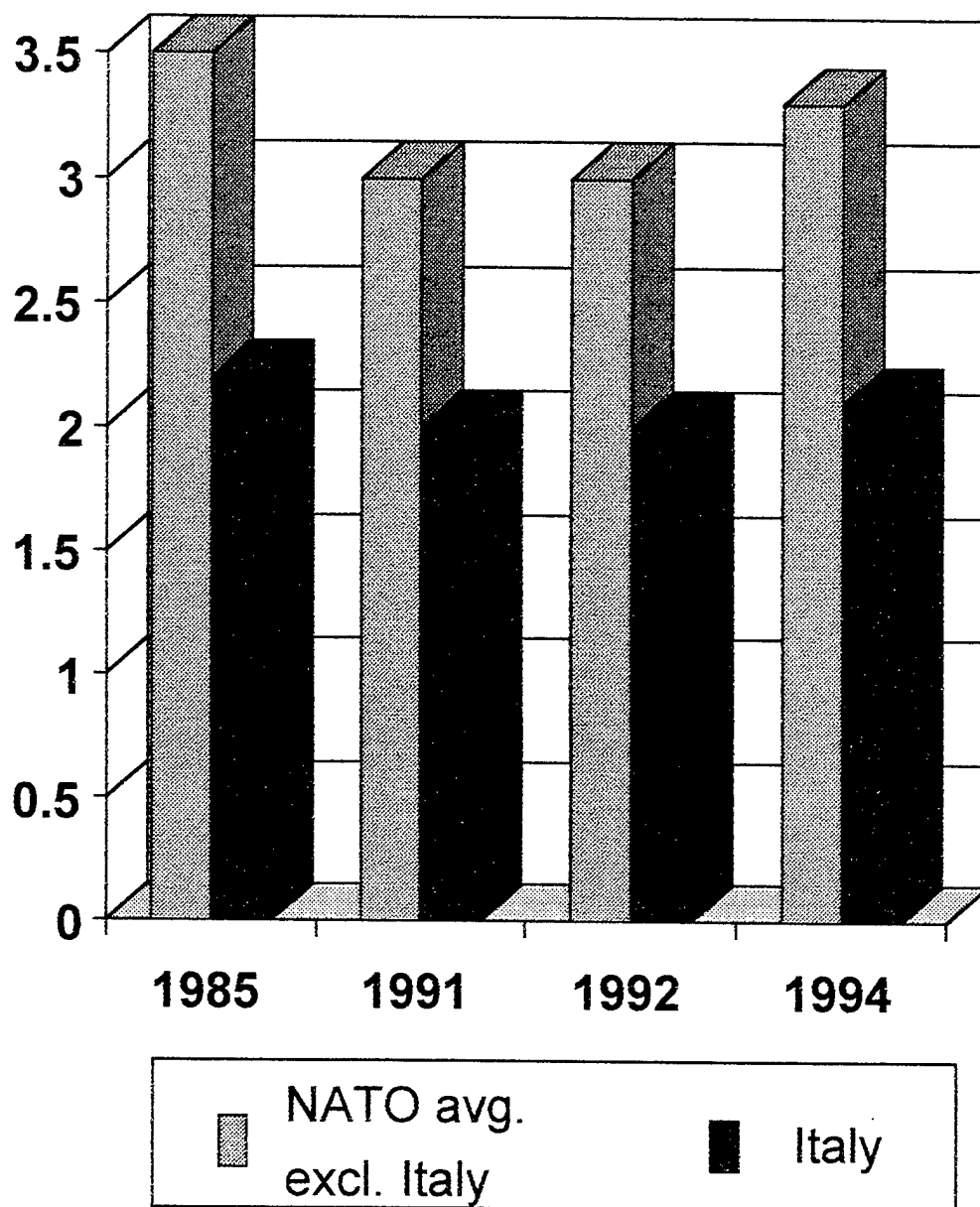
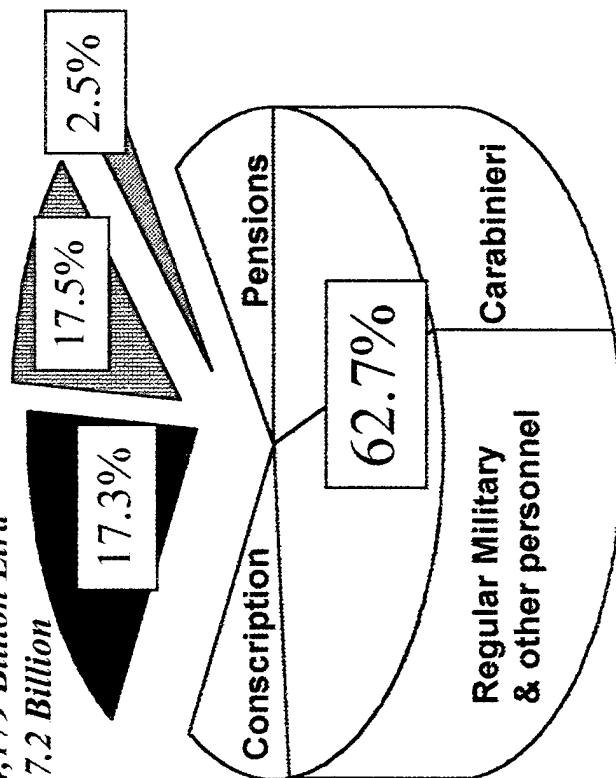


Figure 5. Defense Expenditure as Percentage of GDP. Source: International Institute for Strategic Studies, *The Military Balance* (London: Oxford University Press, 1995), 53.

ITALY

Total: 34,179 Billion Lira
\$17.2 Billion



NATO

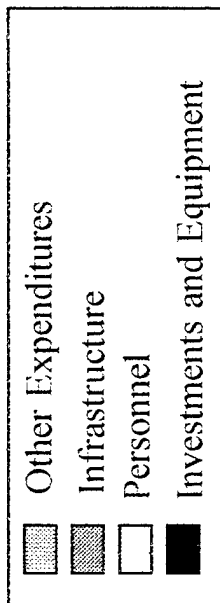
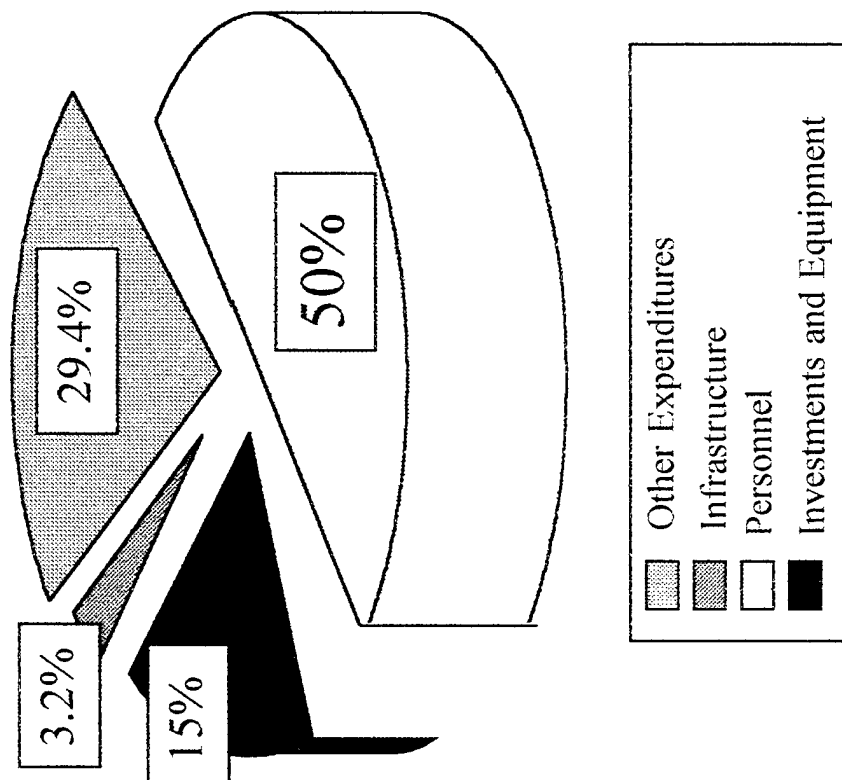


Figure 6. Italy vs NATO Average Defense Expenditure Distribution, 1994. Source: NATO, NATO Handbook, (Brussels, BE: Office of Information and Press, 1996), 353-366.

	1993			1994			1994 % / GDP
	Operating Costs	Investment Costs	TOTAL	Operating Costs	Investment Costs	TOTAL	
Poland	1,327.7	293.4	1,621.1	334.2	1,666.8	2,001	2.5
Czech Repub	656.7	137.3	794.0	719.9	236.2	956.1	2.5
Hungary	511.8	28.7	540.5	526.4	30	556.4	1.7
Slovakia	260.3	22.6	282.9	28.1	287.1	315.2	6.5

Figure 7. Visegrad Four's Defense Budget (\$M). Source: SIPRI, SIPRI Yearbook 1995, Armaments, Disarmament and International Security, (London: Oxford University, 1995): 390-451.

<i>Operations</i>	<i>Location</i>	<i>Personnel</i>
United Nations:		
UNTSO	Palestine	8
UNMOGIP	Kashmir	7
UNIFIL	Lebanon	49
ONUSAL	El Salvador	10
UNIKOM	Iraq	6
MINURSO	W. Sahara	6
UNTAC	Cambodia	75
ONUMOZ	Mozambique	1100
UNOSOM II	Somalia	2500
UNSCOM	Iraq	1
Others:		
MFQ	Sinai	80
SHARP GUARD	Adriatic	2 naval units
ECMM	former Yugoslavia	85
Italian Only Operations:		
Pellicano	Albania	650

Figure 8. Italian Participation in International Operations (1993-95). Source: International Institute for Strategic Studies, The Military Balance (London: Oxford University Press, 1995), 55.

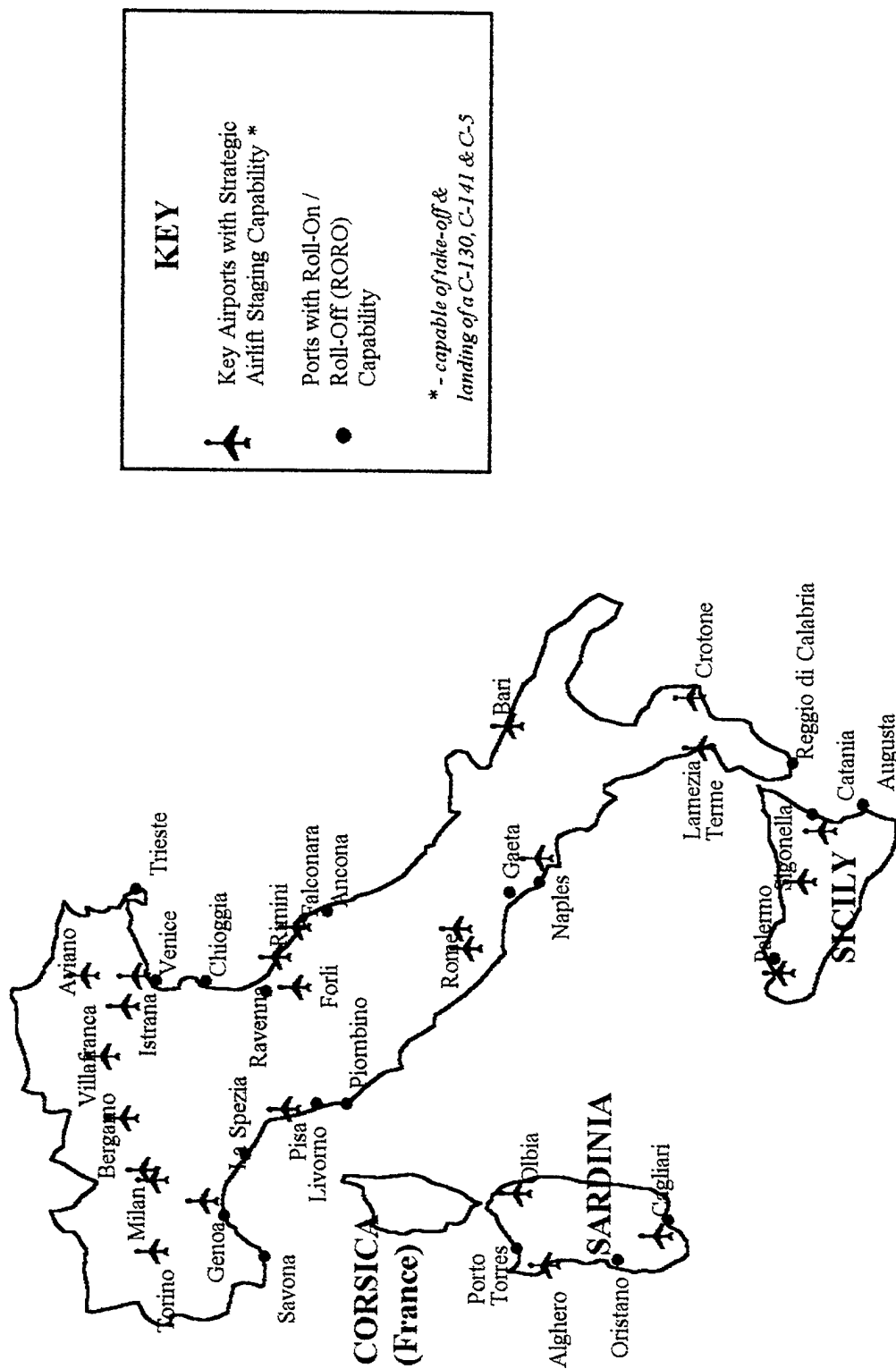


Figure 9. ITALY's APOEs and SPOEs. Sources: Department of U.S. Air Force (HQ, Air Mobility Command), Airfield Suitability Report, (Scott AFB, Illinois: USAF, 1 August 1996): 94-95. Lloyd's of London, Lloyd's Ports of the World 1994, (Essex: Lloyds of London, 1994): 46-47.

<u>COMPANY</u>	<u>INDUSTRY</u>	<u>ARMS SALES (\$M)</u>	
		<u>1992</u>	<u>1993</u>
IRI	Ac, El, Eng, Mi, Sh	2,930	2,090
Finmeccanica	Ac, El, Eng, Mi	2,730	1,930
Alenia	Ac, El, Eng, Mi	2,110	1,930
FIAT	Eng, MV	950	660

Key: Ac - Aircraft; El - Electronics; Eng - Engines; Mi - Missiles; Sh - Ships; MV - Mil Vehicles

Figure 10. Italian Arms-Producing Companies (in Top 100 Companies in OECD & Developing Countries, 1995) Source: SIPRI, SIPRI Yearbook 1995, Armament, Disarmament and International Security (London: Oxford University Press, 1995), 485-489.

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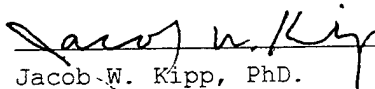
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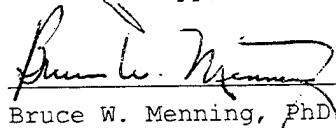
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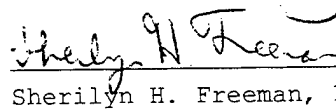
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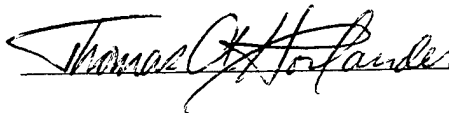
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