INTRODUCTION

No event in recent memory has the potential to transform the Italian military more than Defense Minister Carlo Scognamilgio’s legislative bill to end conscription, first presented to Parliament in 1999. This document, which was eventually passed by Congress in late 2000, calls for a fully volunteer force by the end of 2006, and a significant decline in the overall size from 280,000 to 190,000 soldiers. Out of the three military services, the Army is facing the most daunting challenges. It has historically relied on conscripts to a far larger extent than the Air Force and Navy. The planned elimination of draftees in five years implies that while its overall size will decrease (from roughly 180,000 to 112,000), the share of volunteers will have to increase dramatically. Steering the force through these changes presents a series of challenges that, if not met, could undermine the overall effectiveness of the Italian military.

I.1 RESEARCH OBJECTIVES AND APPROACH

The dissertation builds an analytical framework for understanding the key policy issues and tradeoffs affecting the Italian Army’s transition from a mixed conscript/volunteer model to an All-Volunteer Force. The analysis specifically focuses on the management of the enlisted and non-commissioned officer (NCO) force, and is driven by two specific research goals:

- assist the Army in identifying transition paths most likely to lead to a balanced force, taking costs into account, where the "balanced force" objective is related to how personnel are distributed by grade and YOS;
- provide guidance on force management processes such as recruitment and identify areas for improvement.

These objectives were pursued in two distinct phases. In the first phase a significant quantity of information was gathered on the Army’s personnel systems and processes—including the recruitment establishment, compensation and promotion, and the current experience
mix. Data were collected during a series of interviews and visits with Army and Ministry of Defense (MoD) officials. These were then combined with insights from the existing military manpower literature to generate hypotheses and preliminary conclusions.

A host of these hypotheses were then tested in Phase 2, which focused on modeling the Army's transition to an AVF. The second stage of research revolved around a simulation model of Army personnel dynamics, which tracks over the next three decades system behavior (e.g., size, grade and YOS distribution, exits, promotions) as a function of different policy assumptions and interventions. The model is used to identify alternative strategies designed to improve outcomes, which are then evaluated using a multi-attribute utility (scorecard) methodology. Using a multi-attribute approach recognizes that there are numerous factors that contribute to the notion of force "balance." Performance is tracked for multiple measures of effectiveness and costs; strategies are then ranked on the basis of their aggregate cost and effectiveness. The performance of a given alternative is ultimately judged on its robustness across a different set of assumptions of how much policy makers would value an outcome measure (or set of measures) over the rest.

I.2 OUTLINE OF NEXT CHAPTERS

This dissertation is divided into two main parts, reflecting the research sequence mentioned above. Part 1 lays out in four chapters the issues to be addressed, and considers past work in this area. Its contents include an in-depth examination of the key manpower policy areas such as enlistment, career force management, and force mix. The discussion of each major issue is accompanied by a literature review, an account of the Italian Army experience and plans in this area, and the identification of critical policy issues. After introducing the policy context and problem in Chapter 1, supply-side considerations are covered in Chapters 2 and 3. Chapter 2 is devoted to the enlistment process; the discussion here will focus on how the enlistment decision is

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1 The discussion of supply-side issues precedes that of demand-side requirements because they are currently the most salient in the Italian AVF debate, and possibly the least explored.
affected by a set of policy levers including compensation, human capital
development incentives, and the structure and strategies of the
recruiting establishment. Chapter 3 instead focuses on personnel that
has gone beyond the enlistment decision, examining the impact that
compensation and promotion policies have on their choices.

The discussion of demand-side factors is equally important; in
fact, Army supply-side efforts should be complemented with initiatives
focusing on how the Service’s demand could be modified to meet the AVF
objectives. Demand-side considerations are covered in Chapter 4 and
they primarily focus on the tradeoffs and impact that different quality,
grade and experience mixes have on the productivity and costs of the
force.

The model-based policy analysis is the focus of Part 2. Chapter 5
provides a discussion of the methodological approach that underpins the
modeling phase of the study by specifying the relevant policy objectives
and criteria used to evaluate outcomes. These draw upon the data and
insights presented in the previous four chapters. The model itself is
introduced in Chapter 6 by covering its basic features, the principal
modeling challenges, and the steps that were taken to ensure its
validity, verifiability, and accreditation. Chapter 7 begins the
exploration of results with more detail on the policy levers that were
manipulated during the simulation; running the model with each of these
levers on its default setting produced a baseline scenario, which
presents a "best guess" of how the system is likely to evolve over time.
The exploration of policy interventions and alternative transition paths
is instead covered in Chapter 8, which also explains how these were
identified, and how results were evaluated and compared.

Finally, Chapter 9 summarizes the principal policy implications of
the research, as well as the conclusions that can be drawn from these.
It focuses both on the outcomes from the modeling phase as well as on
the insights obtained from the examination of the current personnel
management processes in the earlier chapters. The last section concludes
with suggested avenues for future research.
PART 1. BACKGROUND AND RELEVANT POLICY ISSUES