

The war in Ukraine: consequences for the Bundeswehr and Germany's policy in NATO

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The Russian invasion of Ukraine has undermined the principle of German policy based on the notion that “the security of Europe can only be built with Russia, not against it”. Most German elites have come to understand that Putin's Russia is not only a challenge but also a threat to NATO, and that investments in national defence and bolstering collective defence are therefore necessary. However, when it comes to supporting Ukraine and raising the costs of the current war for Russia, the German government continues to factor into its calculations its own dependence on Russian oil and gas and the resistance of some in the SPD to supplying Kyiv with weapons. Berlin still fails to see that the Kremlin's defeat in this war is necessary to ensure long-term security in Europe.

Despite domestic political controversies, Germany plans to raise its defence spending to 2% of GDP. However, boosting the Bundeswehr's potential will depend not only on additional funds for modernisation, but also on broader reforms of this heavily bureaucratic organisation. In five to ten years' time, Germany will have more effective armed forces, but due to the limitations of its strategic culture, Berlin will not become a leader in European security policy. Germany is expanding its military involvement on the eastern flank and changing its stance in discussions about collective defence in NATO. Time will tell, however, to what extent it will politically and militarily support a substantial increase of NATO's presence in the region.

After the annexation of Crimea: lingering changes in Germany's security policy

After 2014, Russia began to be perceived in Germany as a challenge – but not a threat – to the European security order. At the same time, official strategic documents emphasised that the security and prosperity of Europe could not be shaped in the long term without cooperation with Moscow. Berlin therefore called for a combination of strengthening NATO's collective defence and elements of cooperative security and sectoral cooperation with Russia.¹ The prevailing attitude was a belief in diplomacy and the possibility of managing relations by working out compromise solutions – whether between Russia and Ukraine over the conflict in the Donbas, or in NATO-Russia relations. This attitude translated into Berlin's stance in the Alliance and its plans to develop the Bundeswehr.

¹ See 'Weißbuch 2016', Bundesministerium der Verteidigung, June 2016, p. 32, bmvg.de.



When it agreed to strengthen NATO's collective defence after 2014, Germany was guided by the belief that the deterrence strategy on the eastern flank should not be too confrontational and must be combined with dialogue with Russia. Berlin agreed to the NATO presence in 2016, while arguing for its limitation – in line with the 1997 NATO-Russia Founding Act. Adherence to the provisions of this document resulted in a restricted deployment of NATO forces, consequently allowing for only a rotational presence of units with a total size of less than a brigade in Poland and the Baltic states. The stationing of four battle groups in these countries became part of a broader NATO strategy; its other components included reforming and strengthening the NATO Response Force (NRF), improving military mobility, and stepping up exercises. The Bundeswehr contributed to each of these elements. Germany became the leading nation for the battle group in Lithuania, with around 600 soldiers, and committed to being on standby in the Very High Readiness Joint Task Force (VJTF) within the NRF in 2023. It also started taking part in military exercises in the Baltic states. Although this was a relatively minor involvement, Germany had nevertheless overcome its reluctance to participate in deterring Russia. However, major NATO manoeuvres on the eastern flank did not take place, partly due to Berlin's opposition.

In Germany itself, decisions were taken to change the direction of the Bundeswehr's development, but with a long-term perspective

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in mind. Since 2011 the German Armed Forces had been undergoing an advanced transformation into an expeditionary military force. As a result, the Bundeswehr was downsized, professionalised, reorganised and deprived of a large part of its arms and military equipment. Some changes to this posture were introduced as early as 2014, but it was only in 2018 that the Ministry of Defence adopted the new concept for the development of the armed forces, which put the defence of sovereign territory on a par with participation in crisis management operations.² In the Alliance, Berlin pledged to develop substantial capabilities for the NATO Defence Planning Process (NDPP) within 10–15 years.³ The German Army was fully subordinated to the implementation of NDPP goals. Germany committed itself to deploying one fully equipped brigade to the VJTF in 2023, one modernised division by 2027 and another two by 2031. The German Air Force will deploy four Air Task Forces, while the German Navy will provide 25 surface ships (15 frigates, 10 corvettes) and 8 submarines. The related plans also envisage increasing the size of the Bundeswehr to 203,000 soldiers in active service (up from 183,000 at present) and 90,000 in reserve service.⁴ However, the Bundeswehr's modernisation has been delayed in recent years by the difficulties of German industry in implementing a comprehensive national or multinational armaments programme, as a result of which the armed forces were supplied with weapons systems that required improvements and further upgrades (e.g. Puma, Boxer, Tiger, NH90, A400M, Eurofighter, K-130, F-125).⁵ This was compounded by inefficient management in the defence ministry and the armament agency, together with bureaucracy and problems in recruiting military personnel.

Moreover, the implementation of the adopted objectives has not been adequately funded. Germany began to increase its defence budget, which rose from €32.44 billion in 2014 to €46.93 billion in 2021 (according to NATO data, total German defence spending in 2021 was €53 billion, which represented

² 'Die Konzeption der Bundeswehr', Bundesministerium der Verteidigung, 3 August 2018, bmvg.de.

³ These commitments were included in the planning document for the development and modernisation of the Bundeswehr adopted in 2018 and updated in late 2020. See J. Dreifke, 'Das Fähigkeitsprofil der Bundeswehr – Planung 2018–2032', March 2021, reservistenverband.de; 'Fortreibung des Fähigkeitsprofils der Bundeswehr', Bundesministerium der Verteidigung, 18 December 2020, bmvg.de.

⁴ 'Die Modernisierung der Bundeswehr', Bundeswehr, bundeswehr.de.

⁵ Most of these systems are already recovering from their early problems and have an operational readiness of around 70%.

1.53% of GDP).⁶ Up to 2018, modernisation spending accounted for only 12% of this budget, then it gradually increased to 18.5% in 2021. Meeting NATO commitments to spend 2% of GDP on defence would mean having to provide around €20 billion a year more to the defence ministry at the expense of other spending. Perceiving no clear military threat, Berlin saw no reason in doing this. Moreover, it would not have secured public support for such an increase. It failed to inform the public about the changing paradigm of international relations and the consequences of this process for German security policy. In 2019–2021, former Defence Minister Annegret Kramp-Karrenbauer (CDU) tried to change the tone of the national debate and initiate structural changes. But she did not have broader support in the grand coalition. Chancellor Angela Merkel did not want to have much to do with defence policy during her rule. For the SPD-Green-FDP coalition that came to power in December 2021, it was not a priority either. The new ‘traffic light’ government essentially wanted to stay on the previous course, meandering between NATO commitments and financing priorities related to transformation of the energy, industrial, social and digital sectors.

Defence spending: towards 2% of GDP

It took the shock of the Russian invasion of Ukraine to bring about more far-reaching changes in Germany’s stance. In his address to the Bundestag on 27 February, Chancellor Olaf Scholz announced a hike in defence spending to 2% of GDP by combining the annual defence spending with €100 billion from a special off-budget fund for the modernisation of the Bundeswehr. The creation of this fund is set to be enshrined in the basic law and it will be financed through state loans, allowing this instrument to remain outside the restrictive fiscal discipline rules in Germany.⁷ On 16 March, the government adopted the draft federal budget for 2022 and financial plans until 2026, along with a draft law establishing the special fund. They are now awaiting approval by the Bundestag. The defence ministry’s budget for 2022 is set to rise to €50.3 billion (up from €46.9 billion in 2021). From 2023, the government plans to keep the annual defence budgets at the same level – €50 billion – until 2026.⁸ On top of this, the Bundeswehr will receive money from the modernisation fund. The total annual German defence spending in the near future will depend on the ability to absorb these additional funds. At the same time, off-budget financing will have to be high in the coming years if Germany wants to reach the target of 2% of GDP allocated to defence. This means that the modernisation fund will be exhausted within five to seven years, which in turn raises questions about the size of the defence ministry’s regular budget beyond that period.

The decision to set up the fund was taken by a handful of government officials – led by Chancellor Scholz and the FDP leader and finance

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minister Christian Lindner. Dissenting voices emerged soon afterwards within the SPD and the Green party among left-wing circles. However, left-wingers in the leadership of both parties pledged to support additional funding for the Bundeswehr and to bring their own MPs, members and voters on board. Enshrining the fund in the basic law requires a two-thirds majority in the Bundestag and thus also the support of the Christian Democrats. This has been conditionally announced by Friedrich Merz, the head of the CDU and the CDU/CSU parliamentary group in the Bundestag, in exchange for joint decision-making on how the funds are spent. It seems that the law establishing the fund

⁶ *Defence Expenditure of NATO Countries (2014–2021)*, NATO, 11 June 2021, nato.int. NATO’s figures probably take into account additional outlays from other sections of the federal budget.

⁷ ‘Sondervermögen Bundeswehr: Investitionen in unsere Freiheit’, Bundesministerium der Finanzen, 16 March 2022, bundesfinanzministerium.de.

⁸ *Eckwertebeschluss der Bundesregierung zum Regierungsentwurf des Bundeshaushalts 2023 und zum Finanzplan 2022 bis 2026*, Bundesministerium der Finanzen, March 2022, bundesfinanzministerium.de.

and amending the constitution will indeed be passed by the Bundestag. However, it will be necessary to ensure parliament's participation in the disbursement of larger sums from the fund (over €25 million) and to increase the effectiveness of the defence ministry and its subordinate armaments agency (BAAINBw). The increase in defence spending is generally supported by the German public. In early March, 65% of those surveyed approved of the fund's creation and 69% supported raising defence spending to 2% of GDP (up 47% from before the Russian invasion). Moreover, more than 80% of those voting for the Christian Democrats, FDP and SPD approve of allocating 2% of GDP to defence. 68% of Green voters, 51% of AfD supporters and 42% of the Left's voters are in favour of this decision.⁹

Discussions are ongoing in Germany on the allocation of additional funds for the Bundeswehr. The

” The effects of the investment boost will become apparent in the Bundeswehr within 5–10 years.

priority is to implement the existing modernisation plans based on NATO commitments. The aim is to ensure that the Bundeswehr is fully equipped – starting with basic equipment for soldiers, through upgrades of the available military equipment, to the provision of spare parts and appropriate ammunition stocks.¹⁰ According to press reports, the latter are currently enough for around three days of full-scale conflict. Such expenditure will continue to be funded from regular annual budgets of the defence ministry. Additional means from the off-budget fund will be allocated towards major purchases of off the shelf weapons systems and large-scale armaments programmes, spread over many years and implemented by German companies either independently or as part of multinational or EU cooperation. Given the enormous modernisation needs, the additional €100 billion will easily be disbursed in the years ahead. However, the effects will only be seen in five to ten years, unless Berlin chooses to significantly accelerate the whole process, which would also require the German and European arms industries to enhance their production lines.

Modernisation of the Bundeswehr

In the German Army, the priority will be to fulfil NATO commitments – by fully equipping and modernising three divisions and replenishing the previously reduced capabilities in the armoured, mechanised and artillery units. Until now, the plan was to reach the strength of 320 Leopard 2 tanks by 2023; in the longer term, all of them will be upgraded to the 2A7V version. The Bundeswehr is likely to purchase additional Puma infantry fighting vehicles (the existing plans provide for 560 units, up from the current 350). In addition, the Army has ca. 400 old but partially upgraded Marder infantry fighting vehicles. Other likely purchases include additional Boxer armoured personnel carriers (the current inventory is 405), new attack helicopters (due to major problems with the existing fleet of 51 Tiger helicopters) and additional artillery systems (for now, there are plans to have 108 PzH 2000 self-propelled howitzers and 38 MARS II rocket systems) – these have been drastically reduced over the past decades. Moreover, there are investments needed in modern communication systems. The German Army must also invest more in short-range and very short-range air defence. It has residual capabilities in this area, which have only been gradually enhanced in recent years. One long-term project is a new generation tank (MGCS) being jointly developed with France, which is expected to enter service with the Bundeswehr around 2035. It remains an open question whether Germany will choose to speed up the implementation of the above mentioned modernisation plans and expand them further, or whether new NDPP goals will be introduced in NATO. For the time being, the defence minister has announced an earlier date for the availability of a fully equipped and modernised division (it is now scheduled for 2025).

⁹ ARD-DeutschlandTREND März 2022, Infratest dimap, after: tagesschau.de.

¹⁰ Replenishing the ammunition stocks of all types of German Armed Forces in accordance with NATO guidelines would reportedly cost around €20 billion euros.

In the German Air Force, the most urgent need is to replace the old fleet of CH-53 heavy transport helicopters, which is largely grounded. Germany will now be able to quickly finance the previously planned off-the-shelf purchase of 40–60 US-made platforms. The fleet of 82 NH90 medium-sized transport helicopters will be upgraded. A long-delayed purchase of ammunition for the Bundeswehr Israeli-made drones (five Heron TP) will be completed. Another priority is to acquire successors to the Tornado jets capable of carrying nuclear weapons. Germany has finally decided to buy 35 F-35s for the nuclear sharing program and 15 more Eurofighter platforms to be adapted to electronic warfare. In 2020, Berlin decided to purchase an additional 38 Eurofighters, which between 2025 and 2030 will gradually replace the fighter jets from the first tranche of deliveries in 2004–2008 (the Bundeswehr currently has 143 Eurofighters). Around 2030, the German Air Force should operate 158 Eurofighters of varying capabilities. The Bundeswehr is also expected to take delivery of all of the 53 A400M transport planes it has ordered by 2026 (currently its fleet consists of 36 such aircraft). Three signals intelligence systems based on Bombardier Global 6000 aircraft will also be purchased by 2026 (following the failure of the Euro Hawk programme in 2013). The increase in modernisation expenditure is also likely to enable the continuation of the TLVS project – a new medium-range air defence system which has been under development for over a decade (the Bundeswehr currently operates 12 upgraded Patriot batteries). Additional investments in this area are possible. There have also been reports that Germany, due to additional funds for modernisation, is considering the acquisition of a land-based missile defence system to shoot down short-, medium- and intermediate-range ballistic missiles (the US-made THAAD or Israel’s Arrow 3). Long-term multinational projects include the Future Combat Air System (FCAS) – a sixth generation fighter jet being developed with France and Spain, scheduled for deployment after 2040, and the Medium Altitude Long Endurance Remotely Piloted Aircraft System (Eurodrone), with 21 units expected to enter service in 2029.

The needs of the German Navy are also substantial. In 2020, the Bundestag approved funding for the purchase of four F126 frigates,

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which are scheduled to enter service in 2028. The Navy currently has four F125 frigates, three F124 frigates, four F123 frigates and one F122 frigate. The Bundeswehr has already ordered five new K130 corvettes, which are scheduled to enter service by 2025; discussions are ongoing about upgrading or replacing the five such platforms currently in use. The Navy is also in the process of replacing its helicopter fleet. In 2020, a decision was taken to purchase 31 NH90 Sea Tigers for anti-submarine warfare, adding to the fleet of 18 NH90 Sea Lion naval frigate helicopters. In 2021, the Bundeswehr also ordered two new 212CD class submarines, which the Navy is scheduled to receive between 2032 and 2034, as part of a joint programme with Norway (six 212A submarines are already in service). In 2021, a decision was also taken to procure three new Class 424 signal intelligence and reconnaissance ships, which are due to enter service in 2027, to replace three old vessels. There are also plans to upgrade 10 mine destroyers which were manufactured in the mid-1990s. In addition, a partial decision was made in 2021 to replace the Navy’s auxiliary units. The Navy also wants to acquire five new P-8A Poseidon maritime patrol aircraft to replace the old P-3C Orions.

Additional money for modernisation will not solve all the problems. The Bundeswehr must be transformed from a bureaucratic organisation prepared to operate in peacetime into an army that is ready to wage war and defend NATO territory. The primary objective for the coming months and years should be to increase its operational readiness. Proposals in this respect were presented in May 2021 by the former defence minister, together with the inspector general of the Bundeswehr,

who is still in office.¹¹ They pointed to the need for changes in the planning and development of military capabilities, in the command structure, and in the organisation of the branches and operational areas of the armed forces. The key to accelerating the modernisation of the Bundeswehr is to shorten the process of planning and implementing acquisition programmes, and to introduce related changes in the management of armaments policy. In the years to come, the Bundeswehr will also have to deal with digitalisation and recruitment problems – in particular with regard to acquiring specialised personnel to operate technically advanced weapons systems. Attracting the specialists and new soldiers to the Bundeswehr will be a challenge as important as technical modernisation. The current Defence Minister, Christine Lambrecht, has put the implementation of some of these plans on hold, setting three goals for the time being: to speed up the modernisation of the armed forces by selecting available military equipment, to improve armaments policy management, and to carry out the modernisation process in consultation with the Bundestag. The Bundeswehr is supposed to focus on collective defence, but also participate in overseas operations (*Allround-Armee*), and further develop cooperation with smaller allies by integrating their capabilities into its structures (*Anlehungsarmee*).¹²

Germany in NATO

The aggression against Ukraine has undermined the principle hitherto followed by German politicians that “the security of Europe can only be built with Russia, not against it”. Berlin seems to understand that Putin’s Russia is not only a challenge but also a real threat to NATO’s security. In his speech on 27 February, Chancellor Olaf Scholz emphasised both the need to invest in the Bundeswehr and to provide German security guarantees to its eastern allies. At the same time, however, Berlin fails to recognise that the security of the eastern flank in the coming years may depend on the outcome of the current war in Ukraine. It continues to treat Russian aggression as a separate issue from the security of the Alliance and does not regard the ongoing war as a possible prelude to further Russian actions aimed at undermining the European security order. In doing so, it does not want to incur excessive economic costs associated with an immediate embargo on Russian gas and oil imports, although it is simultaneously taking steps to reduce its dependence in both areas. After reversing its position in the first days of the conflict, Berlin is also willing to provide military aid to Ukraine, but the arms deliveries – whether from the Bundeswehr’s stocks or purchased on the market – are still very limited.¹³ This is related to the prevailing conviction among some circles in the SPD that the war should not be prolonged and thus lead to more civilian casualties.

Nevertheless, an evolution of the German position is evident within the Alliance. Since the beginning of the year, and especially after

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the Russian invasion began, Germany has demonstratively joined NATO measures to reinforce allied presence on the eastern flank. Despite this, when taking into account Germany’s political and economic weight, the size of the Bundeswehr and the actions of other allies (the US, the UK), it does not amount to a major contribution. On the one hand, it stems from the current condition of the German Armed Forces and their low operational readiness,¹⁴ and on the other hand – perhaps also from a certain caution in taking more far-reaching steps that could spark domestic controversies. In February, 350 Bundeswehr soldiers (with PzH 2000 self-propelled howitzers) reinforced the NATO

¹¹ *Eckpunkte für die Bundeswehr der Zukunft*, Bundesministerium der Verteidigung, May 2021, bundeswehr.de.

¹² Ch. Lambrecht, ‘Mein Drei-Punkte-Plan für die Bundeswehr’, *Die Welt*, 12 March 2022, welt.de.

¹³ M. Gebauer, ‘Deutschland lieferte Ukraine bisher Waffen für 37 Millionen Euro’, *Spiegel*, 24 March 2022, spiegel.de.

¹⁴ An emotional statement by the inspector of German Army on the first day of the war pointed to the limited military support Germany could offer. It was a consequence of neglect in the Bundeswehr and an unwillingness to acknowledge changing international realities. See A. Mais, post of 24 February 2022, de.linkedin.com.

battle group in Lithuania, increasing the German contingent to 900 (out of 1,600). Berlin has also pledged to send a company equipped with Wiesel 2 Ozelot very short-range air defence systems to that country in the near future. Furthermore, the Bundeswehr has become involved (up to 700 soldiers) in establishing the NATO battle group in Slovakia and is responsible for air defence tasks there with two Patriot batteries. Germany's Eurofighters have reinforced patrols of Polish airspace (from a base in northern Germany) and Romanian airspace – here in cooperation with Italy (from a base in Constanta). According to a German Navy spokesman, 24 naval platforms were involved in NATO deterrence operations in the first half of March.¹⁵ Germany has also increased the readiness of its units assigned to the NATO Response Force (13,700 soldiers in total).

In the medium and long term, Berlin will take a greater part in NATO activities to strengthen collective defence. It is an open question as to what extent Germany will be politically and militarily ready to implement the new paradigm of confrontational relations between NATO and Russia. It is possible that sustained pressure will be needed to ensure that Germany is more militarily engaged. It is mainly the US and the eastern flank that will determine the direction of changes in NATO's collective defence posture, but Germany will also shape these discussions. For the time being, Berlin supports the changes in the allied strategy. The debate on the limitations of the NATO-Russia Founding Act concerning the size of forces deployed on the eastern flank and the nature of their stationing has been put aside. Beyond that, the issue of holding large-scale NATO military exercises on the eastern flank will re-emerge in the discussions. Until now, Berlin has regarded such exercises as provocative towards Russia – the question is whether it will now change its attitude. Another open question is whether and how Germany will raise the issue of arms control, which until recently was high on its agenda. More details of the new allied posture on the eastern flank¹⁶ will be known in June 2022 before the NATO summit in Madrid, where a new Strategic Concept will also be adopted.

In the next five to ten years, Germany will have greater military capabilities and a more effective Bundeswehr. However, due to the limitations of its strategic culture, Berlin will not be able to act as a leader of NATO's deterrence and defence policy in Europe. The US military presence – which ensures the conventional and nuclear deterrence of Russia – will remain indispensable.

¹⁵ L. Hemicker, 'Die Marine zeigt Flagge um jeden Preis', *Frankfurter Allgemeine Zeitung*, 15 March 2022, [faz.net](#).

¹⁶ 'Press conference by NATO Secretary General Jens Stoltenberg following the Extraordinary meeting of NATO Ministers of Foreign Affairs', NATO, 4 March 2022, [nato.int](#).