



ANALYSIS

GERMANY'S DEFENCE CONTRIBUTION

IS BERLIN UNDERPERFORMING?

| TONY LAWRENCE | GABRIEL WHITE |

JULY 2018

RKK
ICDS

RAHVUSVAHELINE KAITSEUURINGUTE KESKUS
INTERNATIONAL CENTRE FOR DEFENCE AND SECURITY
EESTI • ESTONIA

Title: Germany's Defence Contribution: Is Berlin Underperforming?

Author(s): Lawrence, Tony; White, Gabriel

Publication date: July 2018

Category: Analysis

Cover page photo: A German Panzerhaubitze 2000 (PzH 2000) during exercise Iron Wolf II in Lithuania. © NATO on Flickr, made available under an [Attribution-NonCommercial-NoDerivs 2.0 Generic \(CC BY-NC-ND 2.0\) License](#).

Keywords: Germany, NATO, defence spending, burden sharing

Disclaimer: The views and opinions contained in this paper are solely those of its author(s) and do not necessarily represent the official policy or position of the International Centre for Defence and Security or any other organisation.

ISSN 2228-2076

©International Centre for Defence and Security
63/4 Narva Rd., 10152 Tallinn, Estonia
info@icds.ee, www.icds.ee

“In particular, Germany must demonstrate leadership in the Alliance by addressing its longstanding shortfall in defense contributions. Germany has not contributed what it should be contributing, and it’s a very big beneficiary — far bigger than the United States, frankly.”

Donald Trump, May 2018¹

INTRODUCTION

Meeting NATO Secretary General Jens Stoltenberg in Washington DC in May 2018, Donald Trump returned to a favourite theme: NATO burden sharing and its alleged unfairness to the US. Noting that 20 Allies spend less than NATO’s target of 2% of GDP on defence, Trump nevertheless again singled out Germany for particular reproach. Trump has been critical of German defence spending since at least his first meeting with Angela Merkel in March 2017, when he reportedly presented the Chancellor with a multi-billion Euro bill for Germany’s defence underspend, later claiming on Twitter that Germany owed “vast sums of money to NATO and the United States must be paid more for the powerful, and very expensive, defense it provides to Germany.”²

In his attacks, Trump has repeatedly misunderstood, or deliberately misrepresented, the way in which NATO is funded and refused to acknowledge any benefits of the Alliance to the US. It is also likely that his focus on Germany is not just motivated by defence questions, but also by his belief that the EU, and its largest economy in particular, has spent many years taking economic advantage of the US. Putting these issues aside, is his criticism of German defence spending fair? In this analysis, written as a backgrounder for what will probably prove to be

a contentious NATO Summit in Brussels on 11-12 July, we examine Germany’s defence spending and defence posture.

1. SOME BURDEN SHARING INDICATORS

NATO’s target that Allies should spend 2% of GDP on defence is an unsophisticated measure of defence contribution – largely because it assesses input, rather than output or outcome. But it is an easily calculated and easily digestible indicator that will likely continue to command, political attention. The commitment that the Allies made in Wales in 2014 has three parts: that they should halt any decline in defence expenditure, aim to increase defence expenditure in real terms as GDP grows, and “aim to move towards the 2% guideline” by 2024.³ While Germany has succeeded in the first two – Figure 1 – it has made little progress on the third, even according to a very literal interpretation of the text of the agreement. Figure 2 illustrates that Germany is by no means the weakest performer in defence spending among Europe’s top five economies, either in terms of real expenditure or expenditure as a percentage of GDP. It is, however, by some margin, the lowest spender among the big three – France, Germany and the UK – who might be expected to shoulder greater responsibility for security in keeping with their larger economies and their claims to leadership of the continent.

To meet the 2% target, Germany would have to spend close to €70 billion

To meet the 2% target, Germany would have to spend close to €70 billion, more than one-and-a-half times current defence spending levels. The German government claims broad consensus that this is neither realistic, nor desirable.⁴

¹ The White House, “Remarks by President Trump and NATO Secretary General Stoltenberg Before Expanded Bilateral Meeting,” 17 May 2018, <https://www.whitehouse.gov/briefings-statements/remarks-president-trump-nato-secretary-general-stoltenberg-expanded-bilateral-meeting/>, accessed 23 May 2018.

² Bojan Pancevski, “Germany slams ‘intimidating’ £300bn White House bill,” *The Sunday Times*, 26 March 2017, <https://www.thetimes.co.uk/article/germany-dismisses-white-houses-intimidating-300bn-bill-for-defence-dl7dk629k>, accessed 25 May 2018; Donald J Trump, Twitter Post, 18 March 2017, 6:23AM,

<https://twitter.com/realDonaldTrump/status/843090516283723776>, accessed 24 May 2018.

³ NATO, “Wales Summit Declaration,” 5 September 2014, paragraph 14, https://www.nato.int/cps/ic/natohq/official_texts_112964.htm, accessed 18 June 2018.

⁴ Arthur Beesley, “German Foreign Minister Hits out at Tillerson’s Demand for more NATO Spending,” *Financial Times*, 31 March 2017, <https://www.ft.com/content/0f90d14d-474b-3290-ab96-561e4c61a5e1>, accessed 11 July 2018.

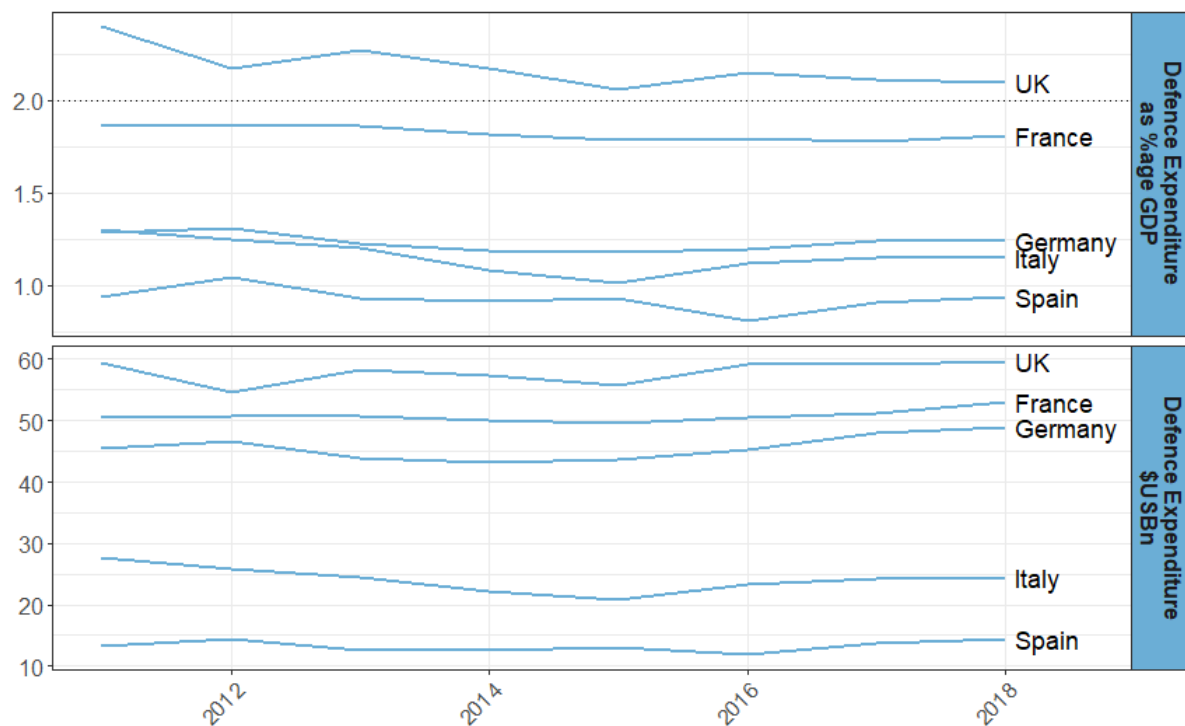


Figure 1. Historical Defence Expenditures, Constant 2010 Prices and Exchange Rates (2018 Estimates).⁵

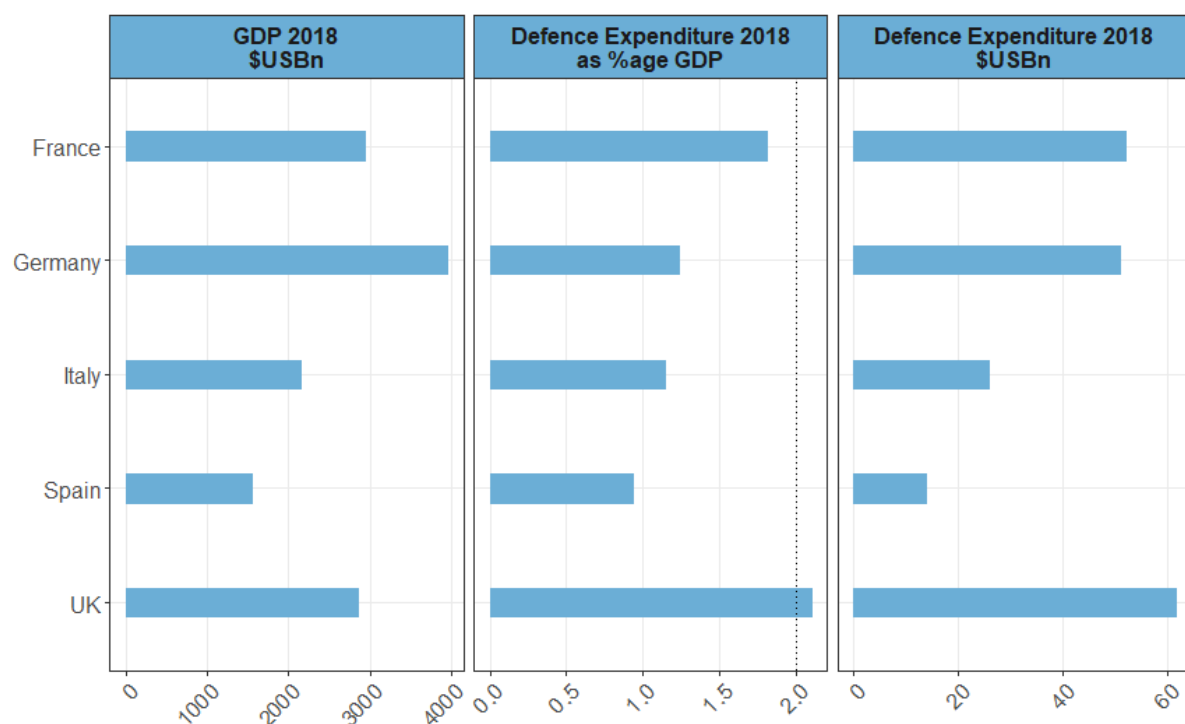


Figure 2. Estimated 2018 GDP and Defence Expenditures, 2010 Prices and Exchange Rates.⁶

⁵ NATO, "Defence Expenditure of NATO Countries (2011-2018)," Communiqué PR/CP(2018)091, 10 July, 7-8

⁶ Ibid, 7-9.

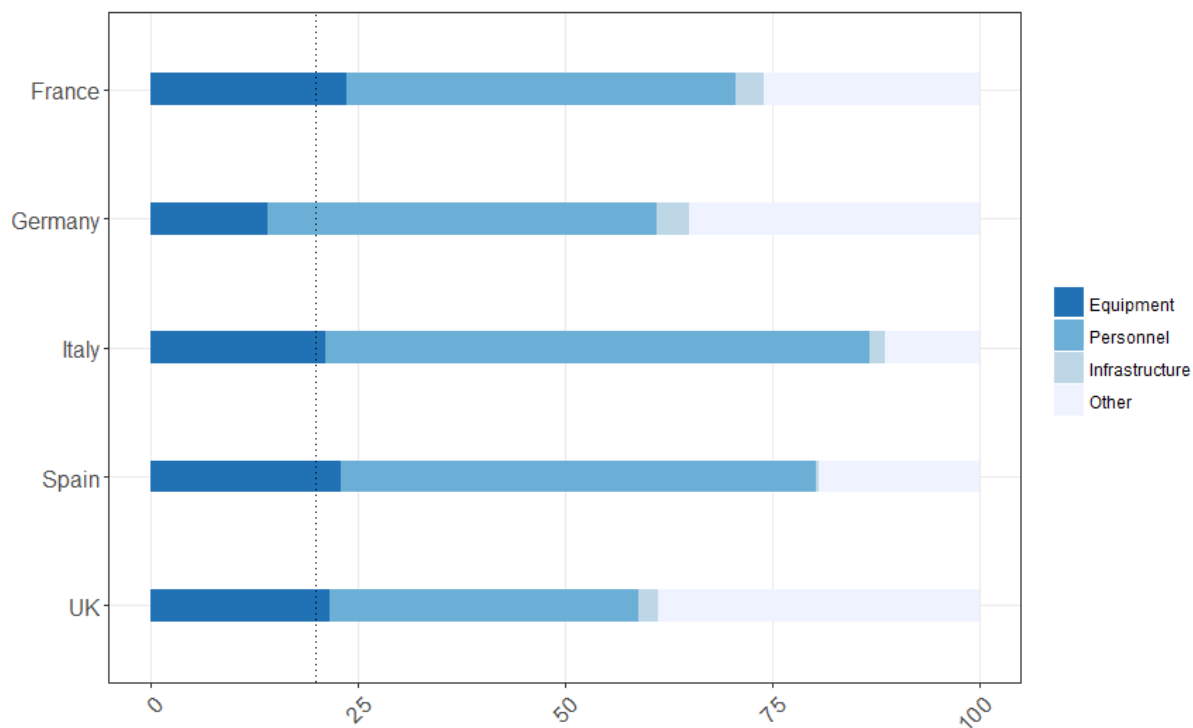


Figure 3. Defence Expenditure Breakdown (2018 Estimates).⁷

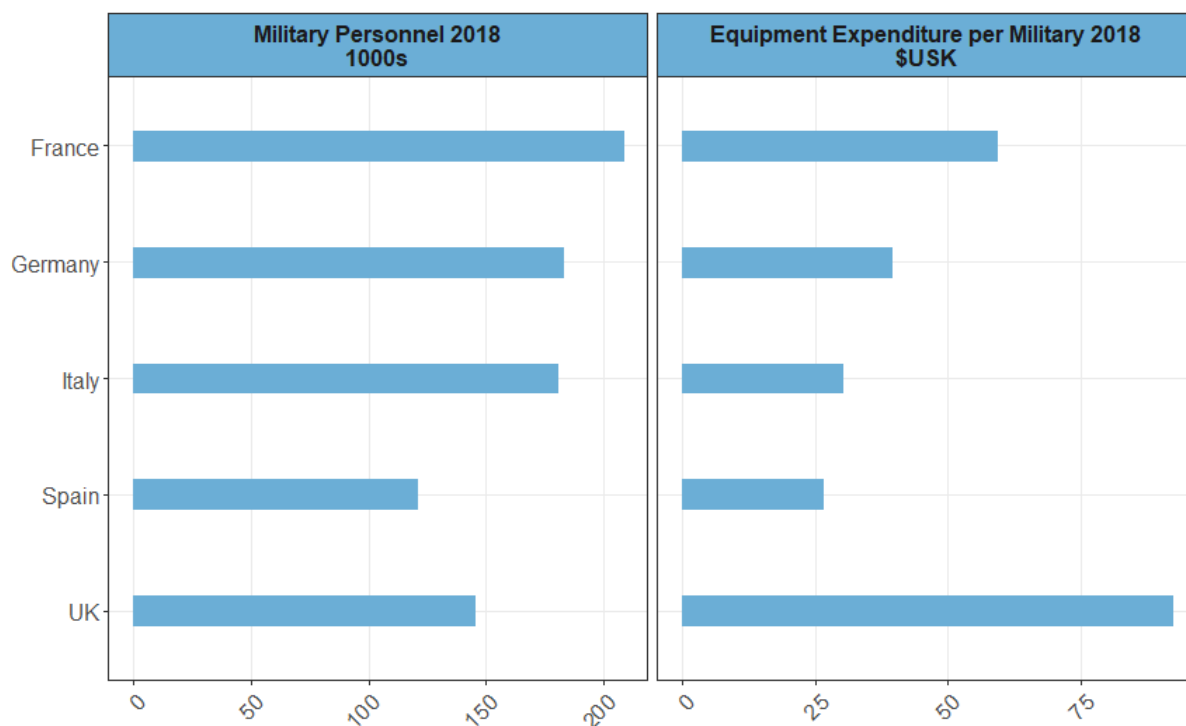


Figure 4. Military Personnel and Equipment Expenditure per Military (2018 Estimates), 2010 Prices and Exchange Rates.⁸

⁷ Ibid, 12-13.

⁸ Ibid, 7, 11.

Short term defence spending plans expect real annual defence expenditure to increase by around 15% compared to current levels by 2021, but to remain approximately constant in terms of GDP share at 1.2%. This would, according to Hans-Peter Bartels, Germany's Parliamentary Commissioner for the Armed Forces, "mean missing the targets agreed within NATO and among the PESCO nations in the European Union."⁹ More recently, Germany has announced a goal of reaching a level of 1.5% of GDP by 2024.¹⁰

Drilling deeper into defence expenditure statistics, Figure 3 illustrates that Germany also falls some way short of NATO's less well known Wales Summit defence expenditure target – that Allies should spend 20% of their defence budgets on equipment.¹¹ By this indicator, which is a better proxy for military capability than the 2% target, Germany is clearly lagging by comparison with the other large European states – it is the only one not expected to meet this target in 2018. Germany thus spends considerably less on equipment per military personnel than do France or the UK despite having armed forces of comparable size (Figure 4). Germany spends the largest proportions of its defence budget on personnel (although this share is not large by comparison with other big European Allies), and on 'other', which NATO defines as including operations and maintenance expenditure, other R&D expenditure and expenditure not allocated among the other categories.¹² While some analysts have suggested that Germany plans to meet the 20% investment goal by 2020, others, notably Hans-Peter Bartels, claim that the

defence ministry's present spending plans have no room for investment growth.¹³

Defending her ministry from Donald Trump's attacks, German Defence Minister Ursula von der Leyen has argued that defence spending against NATO targets is not the only indicator of defence contributions, and that participation in UN and other foreign missions and the fight against ISIS terrorism, for example, should also be taken into account.¹⁴ Others have suggested that defence is too narrow a measurement of a state's contribution to security and that a range of factors should instead be considered. Director of the Munich Security Conference, Wolfgang Ischinger, for example, has suggested that states should aim to spend 3% of their GDP for "crisis prevention, development assistance, and defense."¹⁵ Von der Leyen and others have defended Germany's record by pointing to less quantifiable factors such as its role as a

Germany has announced a goal of reaching a level of 1.5% of GDP by 2024

framework nation in the enhanced Forward Presence battlegroup in Lithuania, or its advocacy of the Framework Nations Concept as a tool to encourage military capability development in Europe.¹⁶

Figures 5 and 6 compare Germany's contributions in some of these areas with those of the other large European Allies. While Figure 5 presents only selected snapshots, and while it should be recognised that nations select the operations to which they will contribute according to their particular niches and strengths, Germany does not especially

⁹ Hans-Peter Bartels, "Information from the Parliamentary Commissioner for the Armed Forces. Annual Report 2017 (59th Report)," German Bundestag Printed Paper 19/700, 20 February 2018, 20. Available from <https://www.bundestag.de/en/parliament/commissioner>, accessed 25 June 2018.

¹⁰ Joshua Posaner, "German defense minister strikes back on NATO spending target," *Politico*, 4 July 2018, <https://www.politico.eu/article/german-defense-minister-ursula-von-der-leyen-strikes-back-on-donald-trump-nato-spending-target/>, accessed 9 July 2018.

¹¹ "Allies ... will aim, within a decade, to increase their annual investments to 20% or more of total defence expenditures."

NATO, "Wales Summit Declaration," paragraph 14. A parallel, albeit collective, 20% target also exists in the EU.

¹² NATO, "Defence Expenditure", 13.

¹³ Bartels, "Information from the Parliamentary Commissioner", 20.

¹⁴ Nicholas Vincour, "Trump handed Merkel 'outrageous' NATO bill: report," *Politico*, 26 March 2017, <https://www.politico.eu/article/donald-trump-handed-angela-merkel-outrageous-nato-bill-report/>, accessed 24 May 2018.

¹⁵ Wolfgang Ischinger, "More EU Foreign and Security Policy," Munich Security Conference, <https://www.securityconference.de/en/news/article/more-eu-foreign-and-security-policy/>, accessed 24 May 2018.

¹⁶ Posaner, "German defense minister strikes back."

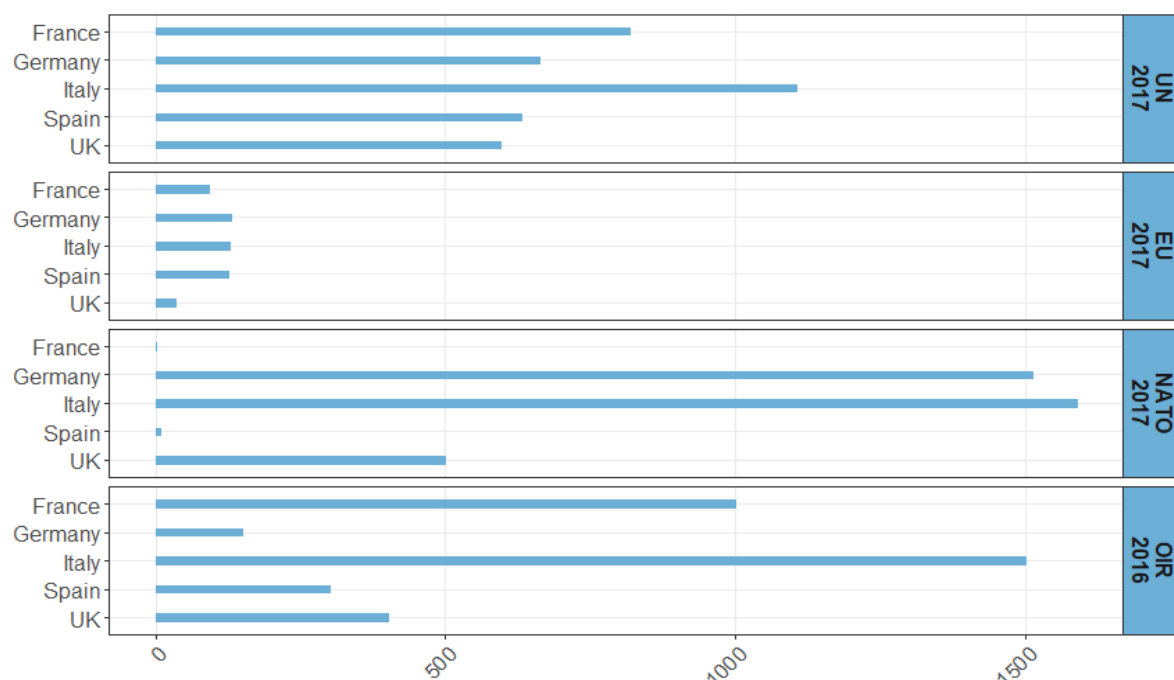


Figure 5. Selected Military Contributions, 2016-17.¹⁷

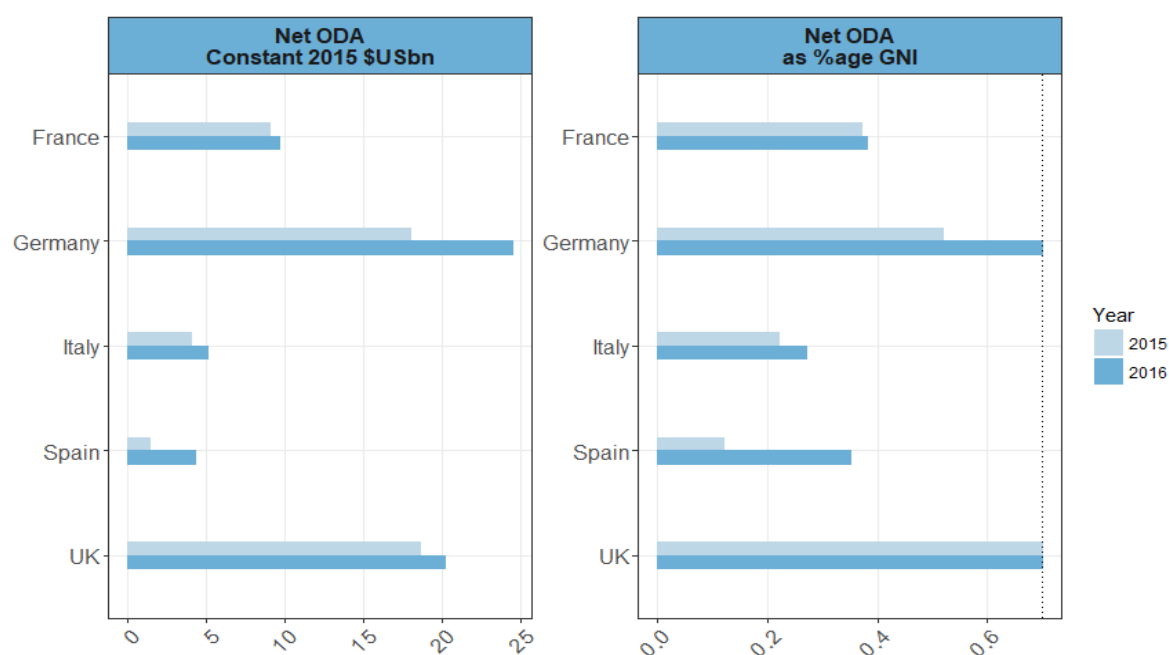


Figure 6. Official Development Assistance, 2015-16.¹⁸

¹⁷ UN: average troop contributions (International Peace Institute, "IPI Peacekeeping Database," <http://www.providingforpeacekeeping.org/contributions/>, accessed 28 June 2018). EU: contributions to EUTM Mali, EUTM RCA, EUTM Somalia and EUFOR Althea (International Institute for Strategic Studies, "The Military Balance 2017," (London: Routledge for the IISS), 115-6, 119, 131, 161, 174-5). NATO: average contributions to Kosovo Force and Resolute Support Mission (NATO, "Kosovo Force Key Facts and Figures", February 2017 and May 2017, https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2017_02/20170214_2017-02-KFOR_Placemat.pdf and https://www.nato.int/nato_static_fl2014/assets/pdf/pdf_2017_05/20170523_2017-05-KFOR-Placemat.pdf, accessed 29 June 2018; NATO, "NATO and Afghanistan. RSM Placemats Archive," January 2017, March 2017 and May 2017, available from <https://www.nato.int/cps/en/natohq/107995.htm>, accessed 29 June 2018). Operation Inherent Resolve: training and advising mission contributions (Kathleen J McInnis, *Coalition Contributions to Countering Islamic State* (Congressional Research Service R44135, 2016), 8-11, available from <https://www.everycrsreport.com/reports/R44135.html>, accessed 29 June 2018).

¹⁸ OECD, "Aid at a glance charts," <http://www.oecd.org/dac/stats/aid-at-a-glance.htm>, accessed 29 June 2018.

distinguish itself among the large European Allies in terms of military contributions to international operations. In addition to around 4,000 troops deployed on operations, some 4,700 German personnel are also assigned to positions within NATO, the EU, and the Organisation for Security and Cooperation in Europe (OSCE).¹⁹ To the raw numbers must be added the consideration that more than other Allies, Germany has sought to avoid casualties amongst the troops it deploys to operations by placing caveats on their movements.²⁰ This too is a burden sharing issue, albeit one that requires more sensitive handling.

In terms of Official Development Assistance (Figure 6) Germany's contribution is the largest among the large European Allies and, with the UK, it is one of the few states that meets the ODA/GNI target of 0.7% first agreed in 1970 and since repeatedly re-endorsed.²¹

2. GERMANY'S DEFENCE POSTURE

Germany's security and defence policy in the period since the end of the Cold War has tended to be anti-militaristic, multilateralist, and risk-averse. The strategic culture driving this policy may be traced back to Germany's defeat in the Second World War, its rejection of its militaristic past, and its desire to integrate into Western structures. Critics have suggested that Germany has used this as an excuse to not pull its weight, as Germany's own president acknowledged in 2014 when he noted that, "while there are genuine pacifists in Germany, there are also people who use Germany's guilt for its past as a shield for laziness or a desire to disengage from the world."²²

¹⁹ Lewis Sanders IV, "How does Germany Contribute to NATO?," *Deutsche Welle*, 9 March 2018, <http://www.dw.com/en/how-does-germany-contribute-to-nato/a-38033967>, accessed 10 July 2018.

²⁰ Judy Dempsey, "Germany: From Machine Guns to Broomsticks," *Carnegie Strategic Europe*, 27 February 2018, <http://carnegieeurope.eu/strategieurope/75653>, accessed 25 June 2018.

²¹ OECD, "The 0.7% ODA/GNI target - a history," <http://www.oecd.org/dac/stats/the07odagnitarget-ahistory.htm>, accessed 29 June 2018.

German strategic culture is evident in its strong advocacy of European military cooperation and also in the structures it has designed for such purposes. While France and the UK have built cooperative structures such as the European Intervention Initiative and Joint Expeditionary

Germany's security and defence policy has tended to be anti-militaristic, multilateralist, and risk-averse

Force for the employment of military force beyond their borders, Germany has focused on capacity building (and thus conflict prevention) abroad, for example through the Enable and Enhance Initiative, and on capability development in Europe, notably through the Framework Nations Concept, which aims to sustain Europe's military capability by locking partners into multinational arrangements.

The dichotomy of Germany's insistence on multilateral approaches while it remains considerably more cautious about the use of force than most of its multilateral partners has been a source of some tension.²³ There is also evidence that progress in the Framework Nations Concept, has been slowed by partners' concerns that their employment of 'pooled and shared' forces will be held hostage to Germany's more cautious security policy.²⁴

For a brief period around 2014, the year of NATO's Wales Summit, Germany seemed ready to take on greater international commitments. In apparently choreographed statements at the Munich Security Conference at the start of that year, Germany's President Joachim Gauck argued that, "Germany and its European partners must themselves assume greater responsibility for their security," Foreign Minister Frank-Walter Steinmeier stated that, "Germany must be willing to engage in foreign

²² Joachim Gauck, "Germany's role in the world: Reflections on responsibility, norms and alliances," Munich Security Conference, 31 January 2014.

²³ "No more shirking," *The Economist*, 10 February 2014.

²⁴ Claudia Major and Christian Mölling, "The Framework Nations Concept. Germany's Contribution to a Capable European Defence," *SWP Comment* 2014/C 52, December 2014, <https://www.swp-berlin.org/en/publication/the-framework-nations-concept/>, accessed 24 May 2018.

and security policy earlier, more decisively and more substantially”, while Defence Minister Ursula von der Leyen claimed that, “the Federal Government is prepared to enhance our international responsibility.”²⁵

However, just two years later, both government and opposition figures were criticising as financially unrealistic the proposals set out in the White Paper on German Security Policy and the Future of the Bundeswehr intended to implement this vision.²⁶ Two years further on, continuing arguments over financing mean that Germany is still no further forward in its promise to engage more substantially – if anything, the situation has worsened.

3. WHAT DOES GERMANY GET FOR ITS MONEY?

3.1 THE BUNDESWEHR

The German Armed Forces (Bundeswehr) currently includes some 176,800 active duty

The German military's poor readiness has made global headlines as all branches have grappled with underfunding

personnel (the third largest military among Europe's big five) and 27,600 reservists. The largest service, the Army (Heer), is built around the 1st and 10th armoured divisions, and the Rapid Forces Division (a joint German-Dutch unit). It possesses some 306 main battle tanks, 565 infantry fighting vehicles, over 1,000 armoured personnel carriers, and about 200

artillery units, including self-propelled howitzers and multiple-rocket launchers (MRLs).²⁷

The German Navy (Marine) is made up of two flotillas, headquartered in Kiel and Wilhelmshaven with about 65 vessels in total. The Airforce (Luftwaffe) is divided into eight tactical wings flying both Tornado and Eurofighter aircraft and three transport wings.²⁸

3.2 READINESS ISSUES

On paper, the Bundeswehr's strength may be formidable. In reality, the German military's poor readiness has made global headlines in recent years as all branches have grappled with underfunding. Problems ranging from a lack of spare parts to insufficient flight hours for pilot training have severely hindered the Bundeswehr's overall readiness and dramatically challenged the delivery of real defence capabilities. These problems are compounded by chronic undermanning - across the Bundeswehr some 21,000 positions above the level of the junior ranks were reported to be vacant at the end of 2017.²⁹

The Army's operational readiness has been challenged at every level from difficulties with small arms – principally the HK G36 assault rifle – to a lack of operationally ready Leopard 2 main battle tanks.³⁰

These and other difficulties threaten Germany's ability to fulfil its international commitments, including the capacity to take over the leadership of the NATO Very High Readiness Joint Task Force (VJTF) in 2019. For example at the end of 2017, the 9th Tank Brigade, which is to be assigned to the VJTF, had just nine

²⁵ Gauck, “Germany's role in the world”; Frank-Walter Steinmeier, “Speech on the occasion of the 50th Munich Security Conference,” 1 February 2014; Ursula von der Leyen, “Speech on the Occasion of the 50th Munich Security Conference,” 31 January 2014. Available from <https://www.securityconference.de/en/activities/munich-security-conference/munich-security-conference/msc-2014/speeches/>, accessed 3 July 2018.

²⁶ “Germany presents new 'military roadmap',” *Die Welle*, 13 July 2016, <https://www.dw.com/en/germany-presents-new-military-roadmap/a-19397153>, accessed 3 July 2018.

²⁷ International Institute for Strategic Studies, “The Military Balance 2017,” 117–118.

²⁸ *Ibid*, 118.

²⁹ Rainer L. Glatz and Martin Zapfe, “Ambitious Framework Nation: Germany in NATO,” *SWP Comment* 35, September 2017, <https://www.swp-berlin.org/en/publication/ambitious-framework-nation-germany-in-nato/>, accessed 10 July 2018; Bartels, “Information from the Parliamentary Commissioner”, 21.

³⁰ “Heckler & Koch G36: the rifle held in all the wrong places,” *Deutsche Welle*, 23 April 2015, <http://www.dw.com/en/heckler-koch-g36-the-rifle-held-in-all-the-wrong-places/a-18402772>, accessed 25 June 2018; Samuel Cranny-Evans, “Over half of Bundeswehr's Leopard 2 MBTs are not operationally ready,” *Jane's 360*, 17 November 2017, <http://www.janes.com/article/75790/over-half-of-bundeswehr-s-leopard-2-mbts-are-not-operationally-ready>, accessed 25 June 2018.

operational Leopard 2 main battle tanks of the 44 required to participate.³¹

In the Navy, the delayed delivery of the latest F125 (Baden-Württemberg) class Frigate has left Germany with only a small fleet of aging ships. The first F125 was scheduled to be delivered in 2017, however technical and structural issues resulted in it being returned to its manufacturer; meanwhile three additional ships of the class are still on order to replace the aging Bremen class.³²

Again these shortages potentially damage Germany's ability to operate with Allies and partners. Hans-Peter Bartels has warned against agreeing to new naval missions under NATO, the EU, or the UN due to a lack of serviceable ships.³³ Meanwhile a lack of spare parts and long service times forced all of the Navy's 212-A-Class submarines out of service in late 2017 along with two Berlin-class auxiliary ships that Germany had frequently deployed to maritime operations in the Mediterranean.³⁴

The Luftwaffe too has problems, including high rates of out-of-service aircraft. Almost the entire German fleet of Eurofighters was recently reportedly to have been grounded for technical reasons, while delays to the A400M transport aircraft programme meant that only 14 of 53 systems had been delivered by the end of 2017, and even then there were periods during which none were operationally ready.³⁵ Once again, shortages such as these have implications for international commitments.³⁶

Rectifying problems in existing capabilities would seem to be an obvious choice for

absorbing additional defence spending – the lengthy timescales of defence reform programmes often make it difficult for defence ministries to absorb rapidly increasing defence budgets. However, there are indications that the German MoD has structural problems in disbursing funds, including especially bureaucratic acquisition procedures – in 2014, for example, a record sum of €1.2 billion was left unspent at the end of the year.³⁷

3.3 INTERNATIONAL COMMITMENTS

Germany's principal contributions to international operations are in Afghanistan, Lebanon, Mali, Kosovo and Turkey (Operation Inherent Resolve).³⁸ Within NATO, Germany leads the Multi-National Corps Northeast, based in Szczecin Poland and is currently the enhanced Forward Presence (eFP) framework nation in Lithuania, where it contributes elements of the 10th Armoured Division. German fighter aircraft have also frequently participated in the Baltic Air Policing mission from both Šiauliai air base in Lithuania and Ämari air base in Estonia.

The Navy has been warned against agreeing to new missions under NATO, the EU, or the UN due to a lack of serviceable ships

Germany will also host NATO's new logistics command - the Joint Support and Enabling Command (JSEC) - in the southern city of Ulm.³⁹

³¹ Dempsey, "Germany: From Machine Guns to Broomsticks."

³² "Germany Returns Lead F125 Frigate to Builder, Report," *Naval Today*, 22 December 2017, <https://navaltoday.com/2017/12/22/germany-returns-lead-f125-frigate-to-builder-report/>, accessed 25 June 2018.

³³ "No more missions for Germany's navy," warns armed forces ombudsman," *Deutsche Welle*, 11 February 2018, <http://www.dw.com/en/no-more-missions-for-germanys-navy-warns-armed-forces-ombudsman/a-42535481?xtref=https%253A%252F%252Ft.co%252F8jhpptgeu%253Famp%253D1>, accessed 25 June 2018.

³⁴ Bartels, "Information from the Parliamentary Commissioner", 42.

³⁵ "Only 4 of Germany's 128 Eurofighter jets combat ready – report", *Deutsche Welle*, 2 May 2018, [http://www.dw.com/en/only-4-of-germanys-128-eurofighter-](http://www.dw.com/en/only-4-of-germanys-128-eurofighter-jets-combat-ready-report/a-43611873)

[jats-combat-ready-report/a-43611873](http://www.dw.com/en/only-4-of-germanys-128-eurofighter-jets-combat-ready-report/a-43611873), accessed 25 June 2018; Bartels, "Information from the Parliamentary Commissioner", 41.

³⁶ Christopher Woody, "Germany's fighter jets may not be fit for NATO service — and it's the latest setback in a wider problem," *Business Insider*, 3 April 2018,

<http://www.businessinsider.com/germany-military-lack-of-readiness-nato-operations-2018-4>, accessed 25 June 2018.

³⁷ Bartels, "Information from the Parliamentary Commissioner", 21.

³⁸ International Institute for Strategic Studies, "The Military Balance 2017", 119.

³⁹ "Germany chooses Ulm for Proposed NATO Logistics Command," *Reuters*, 20 March 2018, <https://www.reuters.com/article/us-nato-germany/germany-chooses-ulm-for-new-proposed-nato-logistics-command-idUSKBN1GW1QM>, accessed 3 July 2018.

3.4 PLANS

According to leaked concept papers reported by the *Süddeutsche Zeitung*, the German Defence Ministry is currently planning fundamental (and expensive) reforms in the Bundeswehr aimed at strengthening national and alliance defence, and focussing less on international operations. These reforms are partly driven by a recognition of the strain put on Germany's armed forces by their frequent participation in EU, NATO, and UN operations, but also by a belief that they will better allow the Bundeswehr to respond to the needs of Germany's allies.⁴⁰

Other sources report that the German Ministry of Defence is looking to spend around €450 million to fund 18 different key projects.⁴¹ These include:

- An increase of 20,000 in the size of the Bundeswehr by 2024, raising the total manpower across all services to 198,000. Parallel increases are planned for civilian staff, intended to number 61,000 also by 2024.
- Replacement of the Luftwaffe's 88 Tornado fighters after 2025. The platform faces a plethora of technical and logistics difficulties following the UK's abandonment of it in favour of the F-35.
- A joint procurement, with Norway, of four submarines, two to be delivered to each navy by the mid-2020s to 2030.
- Procurement from the US of four MQ-4C Triton Unmanned Aircraft Systems and relevant command centre equipment. The deal is valued at \$2.5 billion.
- The recall of 104 mothballed Leopard 2 main battle tanks, kept in private storage by Krauss-Maffei Wegmann (KMW). The tanks will undergo an

upgrade package to improve armour, armaments and technology before delivery in the period 2019-23. The project will cost €760 million.

4. THE HEART OF THE MATTER: THE DOMESTIC POLITICS OF GERMAN DEFENCE

Germany's most recent parliamentary elections were held on 24 September 2017. After months of failed talks, a CDU/CSU – SPD grand coalition government was finally formed in March 2018.⁴² Critical components of the coalition agreement included continued SPD control over the Foreign Ministry, which it has held since 2013, and over the much coveted Ministry of Finance, which had previously been held by the CDU/CSU. The Defence Ministry has been held by the CDU/CSU since 2005; current incumbent, Ursula von der Leyen, is a member of the CDU. The 2018 coalition agreement has been interpreted as a major compromise by Chancellor Merkel to allow her to hold on to power for a final term.⁴³

CDU/CSU politicians have pushed for more rapid growth in the defence budget

Whatever the Chancellor's motivations, one of the results has been a major struggle to agree a new budget.

CDU/CSU politicians have, with some, if not entirely enthusiastic, support from Chancellor Merkel, pushed for more rapid growth in the defence budget. Speaking to top military officers in May 2018, Merkel noted that,

"A narrative has arisen [suggesting] that this 2 percent, or this progression towards 2 percent, is something that could lead to a militarization

⁴⁰ Mike Szymanski, "Deutschland am Hindukusch verteidigen - das war einmal (Defend Germany in the Hindu Kush - once it was that)" *Süddeutsche Zeitung*, 4 May 2018, <http://www.sueddeutsche.de/politik/bundeswehr-deutschland-am-hindukusch-verteidigen-das-war-einmal-1.3965754>, accessed 3 July 2018.

⁴¹ Jefferson Chase, "German military draws up €450 million wish list", *Deutsche Welle*, 23 April 2018, <https://www.dw.com/en/german-military-draws-up-450-million-wish-list/a-43493661>, accessed 10 July 2018.

⁴² CDU/CSU – alliance of the Christian Democratic Union of Germany (CDU) and Christian Social Union in Bavaria (CSU); SPD – the Social Democratic Party of Germany.

⁴³ "Angela Merkel defends 'painful' compromises that kept her in power," *The Guardian*, 11 February 2018, <https://www.theguardian.com/world/2018/feb/11/merkel-defends-painful-compromises-that-kept-her-in-power>, accessed 26 June 2018.

of Germany... The people with proper expertise ... of course know that this 2 percent is not some kind of fetish that has nothing to do with our Bundeswehr. Rather, they know that such a sum is necessary to meet our international tasks and to provide domestic defence."⁴⁴

However, high ranking SPD members, including former Foreign Minister, Sigmar Gabriel, have questioned the necessity of meeting NATO's 2% defence spending pledge, suggesting that the money would be better spent on aid. The Green Party (Bundnis 90 Die Grünen) and the Left Party (Die Linke) are also not in favour of defence spending increases, while the right-wing Eurosceptic Alternative für Deutschland (AfD), which entered the German parliament this year with 12.6% of the vote, has generally called for improving troop readiness levels but has not weighed in on the 2% debate. More generally, leading AfD politicians have previously called for an end of NATO's open-door policy and for a dialogue with Russia.⁴⁵

Recent proposals from SPD Finance Minister Olaf Scholz have allowed for only short-term temporary increases to the defence budget, presumably to address some of the more critical shortfalls in the Bundeswehr.⁴⁶ The rift surrounding these proposals has demonstrated just how much money may be necessary to fix the Bundeswehr's problems: there is some indication that more than half of Scholz's proposed increase, which would amount to €5 billion by 2021 as compared to the Defence Ministry's stated requirement of an increase of €12 billion in the same time frame, would be spent on personnel cost increases alone.⁴⁷

⁴⁴ "Angela Merkel hints at increased military spending," *Deutsche Welle*, 15 May 2018, <http://www.dw.com/en/angela-merkel-hints-at-increased-military-spending/a-43784089>, accessed 27 June 2018.

⁴⁵ Alternative für Deutschland, "AfD-Bundestagsfraktion fordert Ausgleich mit Russland statt neuer Provokation (AfD parliamentary group calls for compensation with Russia instead of new provocation)," AfD, 12 December 2017, <https://afdkompakt.de/2017/12/06/afd-bundestagsfraktion-fordert-ausgleich-mit-russland-statt-neuer-provokation/>, accessed 27 June 2018.

⁴⁶ "Merkel calls for more German military spending, but SPD eyes tax cuts," *Reuters*, 9 May 2018, <https://www.reuters.com/article/us-germany-defence/merkel-calls-for-more-german-military-spending-but-spd-eyes-tax-cuts-idUSKBN1A1Q3>, accessed 27 June 2018.

Underlying the defence spending debate, German public opinion sits among the lowest rates in terms of supporting a military response to a Russian attack on a NATO Ally. Although 67% of German respondents had a favourable view of the organisation, 53% agreed with the statement that Germany should not respond militarily to a Russian attack on one of its (Russia's) neighbours who was a NATO Ally.⁴⁹

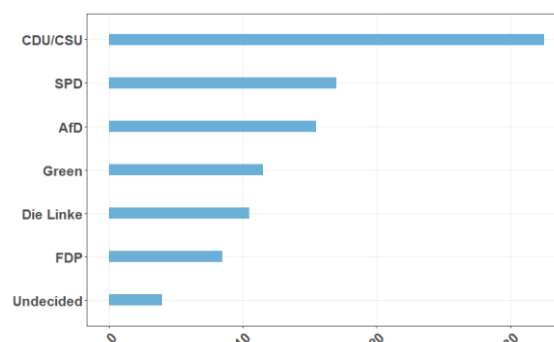


Figure 7. Party Support April/May 2018.⁴⁸

Support for Germany's political parties according to aggregated public opinion polling is shown in Figure 7. Compared to the 2017 election results, the SPD has lost some support in recent months, with all minor parties except

German public opinion sits among the lowest rates in terms of supporting a military response to a Russian attack on a NATO Ally

the FDP gaining. AfD has seen a notable increase of 3% since the September 2017 parliamentary elections.

⁴⁷ Sebastian Sprenger, "German Defense Budget Angers Critics – Including the Defense Minister," *DefenseNews*, 2 May 2018, <https://www.defensenews.com/global/europe/2018/05/02/german-defense-budget-angers-critics-including-the-defense-minister/>, accessed 27 June 2018.

⁴⁸ "Sonntagsfrage Bundestagswahl (Sunday Question Bundestag Election)," Wahlrecht, <https://www.wahlrecht.de/umfragen/>, accessed 9 May 2018.

⁴⁹ Bruce Stokes, "NATO's Image Improves on Both Sides of Atlantic," Pew Research Center, 23 May 2017, <http://www.pewglobal.org/2017/05/23/natos-image-improves-on-both-sides-of-atlantic/>, accessed 27 June 2018.

CONCLUSIONS

The burden sharing debate is a messy and emotional one. Allies each have their own national priorities and interests and there is a lack of agreement as to how the contributions to collective efforts to which they give rise should be compared. Statistics can be cherry picked or otherwise manipulated to bolster contributions, making it difficult to draw conclusions that cannot be challenged. The debate, at least in public, has been reduced to statistical mud-slinging. This does not help tackle the fundamental issues at stake, but the appeal of such rhetoric in a world of soundbite politics is clear.

Further, a lack of defence capability is a Europe-wide problem stemming from years of under investment following the end of the Cold War. During this period, a focus on expeditionary operations led to a decline in the capabilities for territorial defence now required to respond to Russia's military posture. These shortfalls cannot be addressed easily and quickly and too high an expectation has been placed on Germany that it alone holds the key to their solution. It is simply not the case that if Germany were to pull its weight, Europe's defence problem would dissolve. Germany may be under-performing in defence, but so too is the whole continent.

Nonetheless, Germany can be reasonably criticised on at least three grounds. First, the burden sharing indicators considered in this analysis demonstrate that Germany's contributions, while 'average' when compared to the five larger European nations, fall some way short when considered to those of France and the UK. It has long been an assumption within the Alliance that states should contribute to collective security according to their ability to do so, rather than to their need. France and the UK have shouldered this responsibility, while Germany, Europe's wealthiest state, has not. Somewhat ironically, Donald Trump's insistence that the US should consider contributing less to the Alliance, despite its overwhelmingly larger economy, undermines this assumption and thus his case that Germany needs to do more.

Second, despite the (not unreasonable) arguments of German politicians that defence burden sharing should be considered on a wider basis than the 2% of GDP target, the fact remains that this target (along with the 20% equipment pledge) is the one that all Allies – Germany included – have signed up to. The exact wording of the Wales pledge may be vague, but its intent is clear. Commitments to Allies must have meaning if NATO is to remain coherent and effective.

Third, Germany's armed forces are in dire need of greater investment. A lack of readiness across the board is testament to many years of inadequate resourcing. That Germany faces grave difficulties in meeting operational commitments – one of the measures that its politicians use to defend its defence record – ought to be a wake-up call. And here, it is not only German interests at stake. Smaller nations are becoming dependent on German defence capability through the flagship Framework Nations Concept and will be adversely affected if Germany cannot deliver on its own part of the deal.

Donald Trump has amplified a long-standing American complaint that the European Allies should do more for their own defence. The messenger may be unpalatable to Germany's politicians and people, but in the interests of the health of the Alliance from which Germany has greatly benefitted, the message can no longer be ignored.⁵⁰ Many German politicians and analysts have recognised that Germany is underperforming in defence, but Germany's strategic culture, built over decades and often reinforced by the Allies (NATO's first Secretary General, Lord Ismay, famously observed that NATO's objectives included keeping "the Germans down") remains a major obstacle to progress. As Germany's most recent debate on defence spending demonstrates, this culture will not be changed overnight.

⁵⁰ Confidence in US President: Germany 2016 – 86%; 2017 – 11%. Pew Research Center, "Global Indicators Database,"

<http://www.pewglobal.org/database/indicator/6/survey/all/>, accessed 10 July 2018.

FOLLOW US ON:



[FACEBOOK.COM/ICDS.TALLINN](https://facebook.com/ICDS.TALLINN)



[TWITTER: @ICDS_TALLINN](https://twitter.com/ICDS_TALLINN)



[LINKEDIN.COM/COMPANY/3257237](https://linkedin.com/company/3257237)

INTERNATIONAL CENTRE FOR DEFENCE AND SECURITY
63/4 NARVA RD., 10152 TALLINN, ESTONIA
INFO@ICDS.EE, WWW.ICDS.EE

