

German Military Planning: Aims and Trade-Offs

German security and defense policy faces considerable challenges. The armed forces are confronted with serious recruitment and financial issues, in addition to conflicts between political and military priorities.

By Alexander Feltes and
Niklas Masuhr

Immediately after the Russian invasion of Ukraine in February 2022, German Chancellor Olaf Scholz declared a “Watershed” (*Zeitenwende*) in German security and defense policy. Above all, this widely quoted term promised an upgrade of the armed forces’ (Bundeswehr) capabilities – an expectation that will seemingly only be partially fulfilled. On the one hand, a 100 billion EUR special fund has been created, reforms of procurement processes initiated, and financial priority given to the Bundeswehr’s operational capabilities. On the other hand, it is becoming apparent that the defense budget will not be increased in the long term to the extent promised and that current financial injections will start to diminish as early as 2027.

Armed forces planning always involves balancing conflicting aims. For example, readiness (training, ammunition, replacement parts) needs to be balanced against modernization (introduction of new weapon systems and technologies). In the German Army in particular, it appears that readiness is currently being prioritized. Moreover, the Federal Government has initiated a series of flagship projects that also address political objectives, which may tie up resources in the longer term and,



The Rheinmetall production plant of military equipment for the Bundeswehr in Kassel, Germany in July 2023. Kai Pfaffenbach / Reuters

therefore, jeopardize the (renewed) growth of the Bundeswehr across the board. One example is the decision to permanently station a Bundeswehr brigade in Lithuania.

Trade-offs are also unavoidable when it comes to questions of procurement. Military requirements need to be balanced against the viability of the domestic arma-

ments industry and available financial resources. Furthermore, in the German case, relationships with European and transatlantic partners frequently enter into the equation. However, before the Russian invasion of Ukraine in 2022, little consideration was given to military parameters. Changing course as part of the “Watershed” now carries political costs.

NATO's Level of Ambition

At the NATO summit in Madrid in June 2022, the allies agreed on a higher level of military ambition with a view to increasing available units and overall readiness. This puts greater pressure on national armed forces, including the Bundeswehr, to regenerate troops and make them available to the alliance.

Specifically, existing contingents of the enhanced Forward Presence (eFP) in Poland, on the southeastern flank, and in the Baltic states are already being upgraded from battalions to brigades in order to bolster the defensive capabilities of member states in those regions. In addition, NATO is already building up the capacity to make a total of 800,000 troops available within 180 days through the New Force Model. This involves keeping 300,000 soldiers in a state of high readiness to be ready for deployment within 30 days. While NATO's eastern presence after 2014 was frequently described as a mere "tripwire", the defence in the region should now become more sustainable.

Germany is to make a significant contribution to these efforts, aiming to contribute a fully equipped division, 65 aircraft, and 20 ships to NATO's high-readiness forces from 2025 onwards. Since NATO's response to the Russian annexation of Crimea in 2014, German forces have been assigned to Poland and Lithuania and will continue to do so in increased numbers. The Bundeswehr will continue to play a significant role in increasing interoperability as part of the Framework Nations Concept (FNC; see [CSS Analysis No. 218](#)), in which German units serve at the core of multinational formations. As a result, in April 2023, the operational elements of the Royal Netherlands Army were fully integrated into the Bundeswehr ground forces following decades of collaboration. Conversely, the German naval infantry is integrated into the Netherlands Marine Corps. In the future, there are similar plans to integrate Romanian and Czech units that currently are "associated" with German units.

On Land

The German Army in particular is in need of modernization. Already in 2018, four years after the initial Russian incursions into Ukraine, the Bundeswehr aimed to have two fully equipped mechanized divisions operational by 2027 and 2031/32, respectively. The Russian escalation in 2022 and the announcement of the "Watershed" resulted in these being moved forward to

2025 and 2027. Germany refers to this high-readiness status as a "cold-start capability," meaning that units earmarked for rapid deployment must permanently be equipped and manned at high levels. It is no longer an option to assemble equipment for task forces from other units, which was a common practice until now.

A preliminary force structure of the Army's operational forces published by the Reservist Association outlines a total of three divisions. The draft envisions two mechanized divisions, which are in a process of expansion and reorganization, complemented by the "Rapid Forces Division," which serves as a reservoir of lighter rapid reaction forces. Within this force structure, the Netherlands provides one brigade per division. Regarding the task, composition, and equipment of the mechanized / "armored"

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divisions, much of the current debate relates to medium forces equipped with armored wheeled vehicles, which aim to strike a compromise between survivability and mobility. As opposed to heavier, armored formations, which require transport via rail at long distances, such medium forces can be deployed via the road network. In the event of escalation, their role would center on bridging the gap between forward deployed and light reaction forces on the one hand, and heavier reinforcements on the other.

Regarding army procurement, the current main priority is to fill in gaps that have emerged as a result of chronic underfunding. The material support provided to Ukrainian forces has also had an impact on already limited stockpiles. As such, the near-term aim is to replenish the inventory of main battle tanks, self-propelled howitzers, munitions, and spare parts that were transferred to Ukraine. Besides filling gaps in the Army's force structure and inventories, the government has decided to permanently station a German brigade in Lithuania. Notwithstanding its political and strategic value, this decision could put major pressure on the Army in terms of logistics, material, and personnel, as well as impact its readiness. Recruitment and retention issues are also likely to further increase due to overseas stationings.

In the Air

In the air domain, the modernization of the Bundeswehr focuses primarily on the

replacement of the aging Tornado combat aircraft, a process that has experienced long delays for political reasons. According to the Ministry of Defense plans, the use of these aircraft is to cease at the end of 2030. Their withdrawal from service will lead to significant strategic gaps that must be filled in both the German and the NATO context. At the same time, conflicting aims of national, transatlantic, and European priorities are complicating Air Force development further. Similar considerations affect the joint European procurement project known as the European Sky Shield Initiative (ESSI).

The Tornados enable the Air Force to cover two key capabilities. Firstly, they provide the material basis for Germany to participate in NATO extended nuclear deterrence arrangements. Specifically, the Tornado is certified to carry US B61 nuclear weapons and thus enables nuclear sharing. Secondly, German Tornados have long played a major role in NATO's ability to suppress and destroy enemy air defenses. The Russian invasion of Ukraine has provided the necessary impetus for swiftly closing the impending nuclear gap. Hence, in March 2022, the Federal Government decided to purchase US F-35 Lightning II stealth multi-role combat aircraft. In addition to ensuring nuclear sharing remains viable, the F-35 is key to a series of NATO operational concepts, which they will continue to be for decades. Next to the acquisition of the F-35, the Eurofighter Typhoon is due to receive upgrades, which has previously been primarily operated in an air superiority role. Future modernization packages will provide the fleet with capabilities for air-to-ground strikes and electronic warfare suites, although the total number of Typhoons will only increase slightly.

ESSI, launched in the fall of 2022, serves as a prime example for post-"Watershed" flagship projects. The joint procurement initiative aims to address critical gaps in air and missile defense capabilities. Yet, questions have been asked regarding the Initiative's focus on ballistic missile defense (BMD). German Chancellor Olaf Scholz unveiled ESSI as Russia intensified its strikes on Ukraine's infrastructure. Accordingly, the program was presented as necessary to protect Europe's civilian population. In light of the war in Ukraine and its dynamics, there are indeed viable arguments in favor of expanded European air defense capabilities – since mitigating the impact of adversary

strikes influences their cost-benefit calculation and thus underpins credible deterrence. In the case of ESSI, however, “European” does not imply it is an EU or NATO project since it is a German-led multilateral procurement conglomerate.

Within the framework of ESSI, the aim is to expand existing air defense systems. Priority is given to multiplying and modernizing US-made Patriot medium- to long-range defense systems. Furthermore, the Initiative aims to jointly acquire medium- and short-range systems as close-in weapon systems. Lastly, ESSI includes plans to acquire US/Israeli Arrow 3 missiles, which are intended to intercept medium-range ballistic missiles at altitudes of up to 100 kilometers. However, it remains unclear how Arrow will be incorporated into NATO’s existing air defense and BMD networks. Furthermore, the concept of a “missile defense shield” – a term often used in the media – is highly questionable. Comprehensive defense against an adversary such as Russia – which has a wide-ranging and well-stocked arsenal – is not technically possible, as any network of defense systems can be saturated. This complicates matters, despite the reported success of Ukrainian Patriot systems in intercepting Russian medium-range ballistic missiles. It should be noted, however, that such operational results cannot presently be verified.

Accordingly, there are concerns that procuring Arrow will tie up resources that are needed elsewhere, specifically within the deployment spectrum from Patriot to shorter and close-in defense systems. During NATO’s commitment to the Afghan

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stabilization mission, air defense (alongside suppression of enemy air defenses) was deprioritized and accordingly severely cut back in terms of materiel and training. The Ukraine war starkly demonstrates the need to re-acquire these capabilities across the alliance, which, in the case of air defense, might be complicated by ESSI’s commitment to Arrow.

Furthermore, in parallel to the decision to acquire F-35 combat aircraft, ESSI strains Franco-German relations. Specifically, Paris views Germany’s acquisition of US

F-35 fighter jets as an obstacle to the joint Future Combat Air System (FCAS, see [CSS Analysis No. 291](#)) project. ESSI presents a similar problem, with France viewing the procurement decision in favor of US/Israeli missiles as a hindrance to the development of European strategic autonomy. In both cases, Berlin is prioritizing near-term military needs and longer-term NATO interoperability over Franco-German relations.

Reforming the Procurement System?

In addition to the underfunding of the armed forces, there are also major challenges in the area of military procurement. Armament projects have not been completed as intended and have instead suffered from long bureaucratic processes and cascading cost increases. In the years before the invasion of Ukraine, the political response to calls for a higher defense budget was often that Bundeswehr procurement would first have to eliminate inefficiencies before receiving more taxpayer money. The “Water-shed” also provided the necessary impetus for reform in this regard, culminating in the signing of the Federal Armed Forces Procurement Acceleration Act in July 2022 in order to streamline procurement procedures. Meanwhile, the Board of Academic Advisors to the Federal Ministry of Economic Affairs proposed shortening windows for appeals and curtailing the German parliament’s influence on defense procurement decisions.

There is also a consensus that not all capability gaps must be addressed through custom-tailored, “gilt-edged” technical solutions. Defense projects such as the A400M transport aircraft or the NH-90 helicopter serve as examples of excessively complex, Europeanized projects in which the European political component appears to have taken priority over military requirements. In the future, military purchasing will increasingly look for off-the-shelf options and prioritize field-tested systems. It seems that this approach is beginning to bear fruit – with examples including the navy’s procurement of a second-hand offshore tug and the introduction of the IRIS-T SLM air defense system. Though not previously used in the Bundeswehr, the latter is proving its effectiveness as part of Ukrainian defense efforts.

Personnel

In the summer of 2023, one focus of public discussion was the strained situation of

Further Reading

Lydia Wachs, [“Russian Missiles and the European Sky Shield Initiative: German plans to strengthen air and missile defence in the current threat environment,”](#) *German Institute for International and Security Affairs (SWP)*, 27.06.2023.

Christian Mölling / Torben Schütz / Sören Hellmonds, [“German Defense Spending: A Repeat of the Past Instead of a New Era,”](#) *German Council on Foreign Relations*, 15.06.2023.

Torben Arnold, [“Die Entscheidung zum Kauf von F-35-Kampffjets für die Luftwaffe: Herausforderung für die Integration und die Weiterentwicklung europäischer Luftkampf-systeme,”](#) *German Institute for International and Security Affairs (SWP)*, 27.03.2023.

Björn Müller, [“Neue Heeresstruktur weist den Weg in die Zukunft,”](#) in: *Loyal*, 08.08.2022.

Federal Ministry of Defense, [“17. Bericht des Bundesministeriums der Verteidigung zu Rüstungsangelegenheiten,”](#) (Berlin: Bundesministerium der Verteidigung, 2023).

Barry et al., [“The Future of NATO’s European Land Forces: Plans, Challenges, Prospects,”](#) *International Institute for Strategic Studies*, 27.06.2023.

Bundeswehr personnel. The armed forces are struggling not only with increasing demands but also a decline in applications. Although the number of vacant posts has decreased since 2016, the military is still around 20,000 soldiers short of its target of 203,000 service people. A mark that has already been pushed back to 2031. Naturally, the shortage of personnel is not evenly distributed. The Bundeswehr is falling particularly short of personnel targets for non-commissioned officers and key occupations, such as IT or aerial transport. As well as competing with the private sector, the armed forces must also contend with a high dropout rate of 30 per cent (at least in the Army, according to Defense Minister Boris Pistorius).

In this context, however, it is important to note that the German armed forces are not a special case. On the one hand, factors such as demographic change and labor market shortages – which cause problems for the Bundeswehr, as a volunteer military – also affect civilian sectors. On the other hand, allied militaries also have to contend with these problems. Some 10 per cent of posts in the Canadian Armed Forces remained vacant as of 2023, comparable to the Bundeswehr. In the British Armed

Forces, personnel numbers fell by around 3 per cent between 2021 and 2022, while recruitment dropped by almost 30 per cent in the same period (with an increasing number of discharges). Even the US Army is struggling, with recruitment efforts in 2022 falling short of the 60,000 target by a quarter.

Funding

Ever since NATO members agreed to devote 2 per cent of GDP to defense at the NATO Summit in Wales in 2014, Germa-

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ny has failed to meet this target. Forecasts for the 2023 fiscal year assume that the Federal Republic will spend approximately 64.1 billion EUR (some 1.57 per cent of projected GDP) on defense and, therefore, fall short of the target once again. For a long time, the 2 per cent commitment target was not regarded as binding in German politics. For example, a report by the Research Services of the Bundestag (German parliament) argued that the Wales Pledge could not be interpreted as a binding obligation. This changed with the promises made in the "Watershed" announcement, and the National Security Strategy in June

2023 provided further – albeit weakened – reinforcement. Now, the aim has been defined to achieve the 2 per cent target as an "average over a multi-year period."

However, there are doubts as to whether this increase is sustainable. Although the 100 billion EUR special fund will bring the German defense budget up to the 2 per cent target in 2024, the regular defense budget will only increase marginally from 50.1 billion to 51.8 billion EUR. Moreover, most of this fiscal bump will be consumed, covering increased personnel and operating costs. Without a sustained increase in the regular defense budget, it seems unlikely that Bundeswehr funding of 2 per cent of GDP will endure. In fact, current plans imply that there will be a financial shortfall

of 30 billion EUR below the 2 per cent target as soon as 2027. This shortfall is already putting the regeneration of the German armed forces at risk, as neither the Ministry of Defense nor the German armaments industry has the assurance to plan and launch required capability increases.

Conclusions

For years, Bundeswehr funding was politically neglected and protracted, which the "Watershed" has failed to resolve – although it has put the issue firmly on the agenda. Nevertheless, more money alone is unlikely to resolve conflicting aims and

trade-offs. Striking a balance between military capabilities, European strategic empowerment, transatlantic solidarity, and economic viability remains a difficult task. For years, military requirements have taken a back seat in such equations, but this supposed luxury has become untenable in the wake of Russia's invasion of Ukraine. This change of approach now carries political costs that are putting strain on relations with France in particular.

With regard to funding, it remains unclear – despite political commitments – how the armed forces will not only reach the 2 per cent NATO target as a one-off but also maintain it in the longer term. After all, the special fund is a short-term tonic and no substitute for a permanent increase in the defense budget. From 2027, the funding of the *Bundeswehr* is therefore uncertain. A lack of reliability for the armed forces and industry alike to plan will diminish Germany's reliability as a military partner.

For more on Military Doctrine and Arms Procurement, see [CSS core theme page](#).

Alexander Feltes is a Student Editor at the Center for Security Studies (CSS) at ETH Zürich.

Niklas Masuhr is a Senior Researcher in the Global Security Team at the CSS.