

Germany's Defence Spending, a Seismic Shift in European Defence?

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The Russian invasion of Ukraine has sparked outrage and economic reprisals from most of the international community and is bound to continue to drive the defence policy of the North Atlantic Treaty Organisation (NATO)'s members for the foreseeable future. While they are more pressing matters to address at the moment, and the full scale of the crisis remains to be determined, one facet of the West's response has the potential to have a long-lasting impact on European defence: Germany's decision to drastically increase its defence spending by €100 Billion (Noyan, 2022). This is a momentous development in the security policy of the European Union (EU), and its impact could have a transformative effect. Since the end of the Second World War, and to an even greater extent since the end of the Cold War, Germany has not been keen to increase its military spending, partly because of the decreased direct threat to its security and its population's desire for peace following the atrocities of the second world war (World Bank, 2020). This has led military spending to fall to 1.5% of its GDP, a fact that NATO allies have heavily criticised for falling short of the 2% obligation that the treaty specifies (Connolly, 2022). In fact, last year's budget for defence in the country had only reached €47 Billion in total, less than half of the proposed increase (Sheahan and Marsh, 2022). This is a monumental decision, which has the potential to revolutionise EU defence policy in several ways. First, it will revolutionise the military capability within the EU and thus have a boosting effect on the strategic autonomy of the bloc. Second, this decision may impact the political balance of the Council of the EU, which is responsible for steering the EU's military policy in all areas, as Germany might be stepping away from its approach of diplomacy and economic inclusion above all. Finally, such spending might have a sizable positive or negative impact on the interoperability of EU armed forces, depending on how the current funds are allocated and how Germany intends to treat defence spending in the future.

The first thing to note is that such spending on defence by Germany will enhance the EU's ability to defend itself independently from NATO. This is the case simply because having a more capable military within Europe naturally improves the assets available for the defence of the continent, regardless of its allies. Traditionally, France has been promoting this notion of strategic autonomy, while Germany has been warier of distancing itself from the alliance, with the goal of ensuring EU security in direct partnership with its closest allies. However, following the tragic developments in Ukraine, Europe's need to defend itself seems to have reached greater recognition in Berlin. An increase of spending of that magnitude will provide the EU with greater options for ensuring the defence of its interests and territorial integrity. This holds particularly true due to the nature of EU defence law, which prohibits the Union from having its own armed forces or purchasing such equipment for itself (article 42 of the treaty on European Union). In this context, it is forced to rely on the assets of its member states when engaging in security and defence activities, which directly ties the Union's ability to act with that of the member states. There is an immediate dimension to this, as Russia has sought to intimidate Sweden and Finland into not joining NATO, which puts the emphasis quite strongly on the EU's ability to defend itself in the absence of its allies (Tanner, 2022). It is clear that the EU's ability to act independently is being questioned quite heavily. Thus, it is essential for the member states to ensure that the common defence of the bloc goes beyond an ideal. This, in turn, requires that the member states allocate sufficient funds to their defence to remain competitive when confronted with aggression on the Union's borders. In a broader sense, this importance remains, as the EU's ability to attain strategic autonomy is essential to a number of its long-term security interests. Therefore, despite seeking a centralised answer to common problems, it remains critical that the member states develop their individual capabilities, of which this announcement is a welcome example.

However, this increase in capability, and thus in strategic autonomy, can only have an impact insofar as the political climate in the Council of the EU allows for its use. If no decision is reached there, the member states' efforts to improve their military have little effect on European defence. It is worth restating at this point that an overwhelming majority of decisions require the unanimity of the Council of the EU (Article 42 TEU). This German pivot towards defence has not changed that requirement, and the difficulties of aligning twenty-seven different agendas when it comes to defence remain a concrete obstacle to further developments in EU centralised defence. However, if Germany decides, alongside its increased spending, to pursue a more prominent role in the policy setting for the EU, it will have a defining impact on the role played by the EU in the global community. However, in the near future, it appears unlikely in the foreseeable future, as the German Chancellor has announced a focus on modernising their equipment and the capability of their armed forces rather than pursuing a more active role on the global stage. Thus, despite this consequential investment and shift towards the necessities of German defence, it does not appear to be a similar dedication to the development of a German doctrine of defence and security. Therefore, it seems that the political balance of the Council of the EU on the matter is not likely to be disturbed any time soon.

Finally, even if Germany intends to use this spending in a way that would boost the overall performance of EU defence, this is only truly beneficial if the equipment being purchased is able to function well in collaboration with that of other member states. Chancellor Scholtz has expressed an interest in updating its military hardware, which could have significant consequences for the interoperability of EU armed forces. As long as a European standard for military equipment has not been established, every new purchase poses a threat to the ability of European armed forces to function effectively together. There are two dimensions to this, immediate interoperability and the impact on the prospects of future interoperability. Present interoperability describes the ability of the member states to coordinate their armed forces and function together as a cohesive force. In that regard, the announcement is somewhat discouraging as Germany intends to purchase drones from Israel and F-35 fighter jets and Patriot air defence missile systems that originate from the US (Hille and Werkhauser, 2022). This purchase of non-EU equipment is likely to create a barrier to the EU's ability to effectively act together. It is thus a blow to the very notion of EU interoperability. It is notable that on its first major purchase in thirty years, Germany decides to ignore some European-made options, which would reduce the issue of interoperability substantially. However, what is far more important is that the EU develops common tools and commits to the development of a truly European catalogue of equipment. This is described as future interoperability, as it ensures that today's spending and helps create a more harmonised European future. Therefore, while it remains highly relevant what hardware Germany purchases in the coming months, it is necessary to consider the investment they are making into the cooperative development of European technology. In that case, the early reports are far more encouraging, as some of the top priorities of the current German administration seem to be adamant about creating cooperative projects in pursuit of common equipment, such as the next generation of aircraft and armoured vehicles. This partnership is to include France, which has been one of the largest producers of military equipment in the Union (Sheahan and Marsh, 2022). Because of that, likely, this partnership will effectively reduce the number of redundancies in EU projects and might entice other producing member states to join in on the cooperative approach. This is a very welcome development that has the potential to realise the promise of a truly cohesive and interchangeable community of armed forces. However, a cautionary approach to the issue must be taken as existing backlogs in spending will severely impair Germany's efforts to invest any of the original funding into future technologies. This is the result of decades of neglect, which have left numerous military endeavours to fall short of their original spending. There are reports of basic necessities being insufficient supplies, a gap in funding that will have to be covered by the 100€ Billion before future purchases of this magnitude can be made. Therefore, it seems unlikely that the initial increase in spending will be directed to improve the interoperability of EU forces. However, with a sustained commitment, it seems that this shift in tone has the potential to facilitate the creation of a new generation of European hardware, which could drastically limit the issues of interoperability of EU defence in the future.

Overall, it is far too early to predict what this increased spending will yield. However, the signs we have are encouraging, as this government seems keen to develop a European project and integrate its new-found interest in the matter through the Union. If this continues, it will bolster the ability of the EU to defend itself and play a more significant role on the world stage. However, it appears that the initial emphasis of this new spending is on upgrading its ageing military rather than seeking a more significant role in European defence. To this day, this spending remains entrenched in the defence of the EU's territorial integrity rather than a policy switch towards greater interventionism. Thus, the political dimension of EU defence is expected to remain largely unaffected by this decision.

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