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**German Defence Policy  
in 2014 and beyond:  
Options for Change**

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# Abstract

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The speeches made by several German leaders at the Munich Security Conference in early 2014, emphasized that Germany needs to be ready for greater international commitment, and without *a priori* excluding military instruments. While several elements seem to indicate growing awareness that change is needed, the nature of German contributions – especially in Africa – shows the long road ahead. A basic contradiction persists between the government's rhetoric that Germany should participate in international operations and the political limitation on its contributions toward training, advisory functions and logistical support. Apart from political support at the highest level, increased responsibility needs also to be supported by public opinion, which still lacks enthusiasm for what it often perceives as militarism. Similarly, German defence export policy is torn between the government's willingness to support industry in exporting and the negative feedback about these exports from the public.

Change may occur as a result of external developments, linked to NATO or the defence industry, but these impulses need to be taken up by national debate. It remains to be seen whether or not the direction taken will coincide with that outlined in Munich. The crisis in Ukraine must also be taken into account: it could have a catalytic effect, increasing Germany's visibility and engagement in NATO. Through this crisis, Germany is under pressure to intensify its engagement.

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# Introduction

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German foreign policy has, for many years, been a true incarnation of continuity: whatever the political party in power, the rules of the game hardly ever changed. However, since late 2013 a certain amount of change has been brought forth that may well prove to be long lasting. There seems to be a new melody in German foreign policy, with the most prominent symbol of this being the calls for greater a German commitment, made at the Munich Security Conference in January 2014.

The decisions and actions the German government will take over the next three years (before it switches back into election mode) will determine whether and to what extent these announcements will translate into a practical change.

Turning change into sustained policy is a momentous challenge for Germany. At this point, it is too early to judge the government on the results, for it has only been in office for several months. Thus, this paper focuses on ongoing and potential change. It concentrates on defence policy, a key area of foreign policy, which might be particularly concerned by the announced change. Five areas will be addressed within this realm: institutional frames, operations, capabilities, cooperation and defence industry. This analysis puts them into the international and domestic context, identify the scope and potential avenues for change, as well as the opportunities for external players to support a change towards a more engaged Germany.

# Is there a new German Defence Policy?

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The new government that took office at the end of 2013 revived hopes in many for significant changes in security and defence policy. Hope turned into hype during the Munich Security Conference 2014; where the German President Joachim Gauck, in close consultation with the Foreign and Defence ministers, outlined visions of German security and defence policy that considerably differed from what Germany's partners used to hear from Berlin.

## *Munich: New policy conception*

The three speeches by the President, Defence Minister Ursula von der Leyen and Foreign Minister Frank-Walter Steinmeier are now considered as the official milestone marking the (at least) rhetorical change in traditional German foreign, security and defence policy.<sup>1</sup>

The key messages conveyed that Germany must be ready for earlier, more decisive and more substantive engagement; that while Germany's traditional culture of military restraint remains valid, it must not become an excuse for staying on the sidelines. The officials also highlighted that Germany, in many ways the central European power, and a country deeply connected to global networks, must also be ready to do more to guarantee the security that others have provided it with for decades. Even if Germany will, in all likelihood, never

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<sup>1</sup> Bundespräsidialamt: "Germany's role in the world: Reflections on responsibility, norms and alliances", Speech by Federal President Joachim Gauck at the opening of the Munich Security Conference on 31 January 2014 in Munich; Bundesministerium der Verteidigung: "Speech by the Federal Minister of Defence, Ursula von der Leyen, on the Occasion of the 50th Munich Security Conference", 31.1.2014; Frank-Walter Steinmeier: „Speech by Foreign Minister Frank Walter Steinmeier at the 50th Munich Security Conference“, 1.2.2014, <[www.auswaertiges-amt.de/EN/Infoservice/Presse/Reden/2014/140201-BM\\_M%C3%BCSiKo.html](http://www.auswaertiges-amt.de/EN/Infoservice/Presse/Reden/2014/140201-BM_M%C3%BCSiKo.html)>.

support any purely military solution, Germany should also not say "no" on principle, nor should it say "yes" unthinkingly, if and when this last resort is discussed.

The Munich impulse is supported on the one hand by earlier comments by Gauck,<sup>2</sup> Steinmeier and von der Leyen, and on the other hand by existing German initiatives in the security and defence realm: the 2013 Framework Nation Concept (FNC), put forth in NATO, which offers a new model to develop partnerships centred on the development of capabilities within the Alliance; and the "Enhance and Enable" Initiative (E2I), launched in 2011, which puts German engagement in Africa under the headline of a new responsibility for regional partners.

Moreover, the new government has established the so-called "Rühe-Commission" (named after its chairman, former Defence Minister Volker Rühe). It is tasked to carry out a political and legal review in order to assess whether the Parliamentary Participation Act (which authorises military deployments) should be adapted, and the extent of any change to its mechanisms.<sup>3</sup>

Finally, the Foreign Minister has launched a Foreign Policy Review. The opening conference in May 2014 will be followed by a cycle of conferences in order to engage the public across the country on foreign policy issues.<sup>4</sup>

### ***The background: breaking with a bad track record***

While the Munich announcements may have come as a surprise for many in the national and international audience, these messages have been honed for quite a while in various circles in Berlin where

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<sup>2</sup> See particularly: Bundespräsidialamt: Speech by Federal President Joachim Gauck to mark the Day of German Unity Stuttgart, 3 October 2013,

<sup>3</sup> „Kommission zur Überprüfung und Sicherung der Parlamentsrechte bei der Mandatierung von Auslandseinsätzen der Bundeswehr“, see: <[www.bundestag.de/dokumente/textarchiv/2014/50513432\\_kw15\\_konstituierung\\_kommissions\\_auslandseinsaetze\\_bw/216896](http://www.bundestag.de/dokumente/textarchiv/2014/50513432_kw15_konstituierung_kommissions_auslandseinsaetze_bw/216896)>

<sup>4</sup> See „Review 2014 – A Fresh Look at German Foreign Policy“, <<http://www.review2014.de/en/topics.html>>.



administration, politicians, think tanks and journalists meet.<sup>5</sup> While Germany did and does not shy away from exercising leadership (not to everybody's liking though) in European politics, think of the Euro, it refrained so far from doing so in the security and defence realm. Awareness was growing among these loose networks that Germany's over-stressed self-restraint and lack of security policy thinking had not served it well over the last years.

It was mainly the abstention in the United Nations Security Council (UNSC) vote on Libya in 2011, which served as a key trigger to rethink German security and defence policy, as the vote revealed the immediate and long-term political costs that come with adopting such positions. Immediately after realizing the isolationist position it had put itself in, the government hectically corrected course: the decision by the government and Parliament not to deploy AWACS capabilities to Afghanistan - based on very principled reasons - was reversed. In fact, Berlin was looking to compensate for its non-participation in the NATO operation, as much as aiming to showcase its Alliance credentials after lining up with countries like China in the UNSC.

The Libya abstention symbolized the low point of Germany's poor track record on defence policy over the last decade. Not only has the country missed numerous opportunities to support its declared policy objectives and its allies in the European Union (EU) and North Atlantic Treaty Organization (NATO) by taking concrete action (notable examples: Chad 2008 or Ivory Coast 2011), but it seems that Germany has, on a more general level, developed a responsibility gap, whereby it denies to acknowledge the relationship with the context in which the country operates, and has thus given up the opportunity and responsibility to be the master of its own fate. This has been underlined, among many other examples, by a 2013 poll where roughly 55% of the Germans declared themselves in favour of a UN-backed military action in Syria; yet, the same amount of people opposed any German participation in such a mission. Finally, while Berlin overstressed its dedication to the EU, NATO, and the UN, its commitment shows a discrepancy between ambition and results. Berlin did launch the Ghent Initiative that provided the basis for pooling and sharing in the EU, but eventually did as little as the others to implement it.

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<sup>5</sup> See for example „New Power New Responsibility“, <[www.swp-berlin.org/en/projects/new-power-new-responsibility/the-project.html](http://www.swp-berlin.org/en/projects/new-power-new-responsibility/the-project.html)>

## Germany's weak defence identity

Turning change into sustained policy is a crucial challenge. The government is aware that the room for manoeuvre to redefine defence policy depends very much on obtaining public support. Change can only start from home, and has to be introduced carefully. There are three challenges that need to be tackled in order to create these permissive conditions:

- *Overcoming the weakness of German defence identity:* There is a low interest in defence in politics and society. Germans not only prefer not to know about what is going on in Afghanistan or in other theatres, but also tend to disregard the soldiers they have sent there.
- *Dealing with pacifism:* Opponents of a new course can easily evoke well-established images of pacifism: either a deeply ingrained and indeed well-founded argument that military means have not been useful and that civilian tools and prevention are more effective; or a kind of pacifism – or what comes along as such - buoyed by a “not my business” approach that circumvents the debate about taking responsibilities and the many ways to exercise them.
- *Bridging the gap between politics and military:* Most Germans still consider today that the military is a peculiar instrument, and certainly not a good or normal part of the government's toolbox. Politics are to tame armed forces– not to use them.

These challenges are underlined by a poll ordered by the Ministry of Foreign Affairs (MFA) within the Review process and published in May 2014: it revealed that while there is a keen interest in foreign policy, there is only lukewarm support for greater international involvement.<sup>6</sup>

Any change to German defence identity will only take place and be sustained if the political leaders can successfully explain the

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<sup>6</sup><[www.koerber-stiftung.de/fileadmin/user\\_upload/internationale\\_politik/sonderthemen/umfrage\\_aussenpolitik/Koerber-Stiftung\\_Umfrage\\_Aussenpolitik\\_Broschuere\\_EN.pdf](http://www.koerber-stiftung.de/fileadmin/user_upload/internationale_politik/sonderthemen/umfrage_aussenpolitik/Koerber-Stiftung_Umfrage_Aussenpolitik_Broschuere_EN.pdf)>.

need for more international engagement and show the utility of defence policy to the public. Currently, three channels exist that can help fulfil this goal:

- The ongoing foreign policy review can allow for a certain level of outreach to the general public. While this initiative will provide decision makers with valuable insights, a decision on a more systematic and sustained communication between the public and political leaders still remains to be made.
- The Ukraine crisis offers a prime opportunity to explain how the appropriate use of military instruments could at times help to create the conditions for the successful application of non-military means, such as diplomatic or development cooperation tools.
- The Rühle Commission provides the public with an inside view of the evolution of German thinking on a crucial component of its security and defence policy. It focuses primarily on procedures. Yet even debates about procedures will have to touch upon substantive arguments about the changes in the international environment and the necessity for more joint engagement. Public hearings and regular accounts of the commission's meeting can be part of the necessary outreach to the public mentioned above.

# **NATO & EU: Frames for action and operations**

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German security policy conceptions are often framed depending on the institutions to which they are applied. There is not so much of a unitary German security and defence policy, but rather a German policy for the EU's Common Security and Defence Policy (CSDP) and another one for NATO. This results from the traditional idea of using institutions to firmly integrate Germany into the West.

Germany has fashioned distinct policy approaches to these two frameworks, where NATO plays the role of classical defence and CSDP deliverables focus on crisis management and the use of civilian means. This ambivalence now takes another dimension as Germany is in soul-searching about how to deal with the bigger role it has received (and was given) in NATO and the EU. This uncertainty is compounded by the fact that Berlin is not entirely confident in the efficiency of new instruments that it is pushed to move to, and the weak ideological ground on which German defence policy stands at the moment. Added to the transitions that are taking place in NATO and EU leadership, German policy at the moment is more reactive to change than it is proactive.

## ***CSDP – Wait and implement***

CSDP has for a long time been a prominent tenet of German defence policy, but whose position has faded as of recently. The combination of the effects of the fiscal crisis (that shifted attention to other issues) and CSDP's marginal impact has jeopardized CSDP's attraction for Berlin. For ideological reasons, the last government has not supported CSDP's military dimension. Its preference for civilian CSDP and its extraordinary commitment to train and provide civilian experts has hardly translated into German leadership in the area.

Yet, the opportunity to re-energize CSDP is coming: the reform of the EU-institutions, new personnel for Commission, High

Representative and President of the European Council and the improving economic outlook of the Unions - all this can create the opportunity for a new deal for CSDP. However, instead of shaping the 2014+ CSDP agenda, Germany focuses on implementing the 2013 tasks that result from the EU Summit on defence.

Berlin prefers this incremental approach because it currently lacks a political vision of the future of CSDP and the role of the EU in security affairs. Germany has defined a triple lock that blocks the development of such a vision: progress in CSPD must not compromise sovereignty, neither should it demand new resources nor entail military engagement. The “Pooling and Sharing” initiative reveals the embarrassment that can result from such an approach. While Parliament and government have been calling for progress, the triple lock prevented any serious German commitment. Moreover, the triple lock risks disabling Germany to agree with its partners on joint CSPD priorities as joint proposals would include at least one of these three no-gos.

As the government finds itself not ready to initiate progress, this task may well fall to the German parliamentarians (MP). Social democrats have traditionally been much more in favour of CSDP than their conservative counterparts. However, the most important input of the last years has come from two conservative MP: the “Schockenhoff-Kiesewetter” paper.<sup>7</sup> Their suggestions have influenced the decision to set up the Rühle Commission and the framework nation concept. Both engage with the triple lock.

Germany’s only palpable CSDP initiative is its “Enhance and Enable” Initiative (E2I). E2I is meant to be a potential cure not only for the EU’s not fully working “Comprehensive Approach” but also for the security sector and the capacity problems of African regional and national actors. Yet, it not only lacks clarity, but also duplicates a similar EU initiative (“Train and Equip”). Despite having pushed the concept onto the EU level, Germany currently invests neither political leadership nor financial resources in its implementation. Results are nonetheless probable: The MFA is under pressure to deliver in part because E2I has received the chancellor’s backing. This fuels the suspicion that the purpose may more related to enabling for defence exports than for capacity building.

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<sup>7</sup> A. Schockenhoff et R. Kiesewetter, « Impulse für Europas Sicherheitspolitik », *Internationale Politik*, September-October 2012, pp. 88-97.

Overall, at this point, it is political ambitions that seem to be lacking the most. High hopes are placed in a new High Representative (to take office in 2014) that could incite Germany to play a bigger role in terms of political, material and operational commitment.

## ***NATO between Afghanistan and Ukraine***

Two tenets of German defence policy usually remain constant. First: NATO is the preferred framework for action, which is particularly true for the MOD. Second, within NATO, Germany is a status quo oriented power who followed a stable agenda throughout various governments, hence only marginal changes can be observed. Berlin's main objectives are:

- Anchor of the West: Germany perceives NATO as the key framework for political consultations in the West and values the power of its decisions because it binds 28 of the most powerful countries in the world.
- Cooperative and Common Security: A key priority, which is particularly supported by the MFA, is to ensure a constructive relationship between the Alliance and Russia. Security in Europe can only be achieved with, not without Russia. NATO Allies have always reacted to this neutrally or with a considerable amount of mistrust.
- Article V as the strategic rationale: only hesitantly has Germany accepted the shift of NATO towards crisis management and counterterrorism. It has taken a critical stance towards the ideas that make the Alliance a more global actor in terms of geography and functions.
- The key regions for German NATO engagement are Central and Eastern Europe (including Georgia). Yet, Germany has insisted on the necessity of not increasing military presence in Central and Eastern Europe, and on slowing down the enlargement to new members such as Georgia, instead aiming to increase cooperation and interoperability with these countries.

Change to German NATO policy is more likely to be induced from external factors than from domestic commitment. Whether this will be different with the “Framework Nation Concept” (see page 18) is still to be decided. The government prides itself of having successfully launched this initiative in NATO and considers it as a palpable contribution to increase the European role in the Alliance.

Pressure for change has been felt with the crisis in Ukraine, which touches upon all German NATO priorities. For the time being, Germany delivered its share of reassurance measures<sup>8</sup> but has taken a defensive stance towards proposals like permanent stationing of forces and increased defence spending. Moreover, with regards to the NATO Summit in September 2014, it aims for progress on some of the issues of the original summit agenda.

However, it is not only the NATO summit that will be influenced by this evolving crisis. It reopens questions of strategic rationale and its related means. Even if Germany aims to take the edge off of the tense current discussions, it will, down the road, have to deal with the key questions of how to establish deterrence and reassurance in the 21st century, which have resurfaced recently, but also about NATO’s role in defence, crisis management and cooperative security and how these three tasks can be translated into the political and military levels.

Foreign Minister Steinmeier has begun a subtle repositioning towards Russia, voicing his criticism in a more open way. Yet, Berlin may still remain far too sympathetic towards Russia in the eyes of some Europeans. At this point, Germany still aims to save the relationship with Russia and keep communication going, as it does not want to see a weak Russia whose revenge or fragility Europe would have to fear.

To sum up, the crisis in Ukraine could act as a catalyst to increase Germany’s visibility and commitment within NATO. The proposed initiatives, such as the FNC, but also the intention to save the relationship with Russia require more than the traditional “wait and see” attitude.

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<sup>8</sup> Germany is participating in 4 out of the 18 reassurance measures. This includes various commitments such as sending additional personnel to SHAPE and putting up to 6 Eurofighters at the disposition of the Baltic Air Policing.

## ***Will operations follow?***

It is the implementation that makes the force of a political statement. A metric of change will be the German contributions to operations, be it under the EU, NATO, UN or OSCE flag. Several elements seem to indicate a growing awareness that change is both needed and under way: in May 2014, the government adopted its new Africa Policy Guidelines.<sup>9</sup> E2I focuses on Africa and aims to embed the German commitment into the EU framework.

While greater commitment does not automatically read military deployment, the Munich statements have been followed by several decisions in this domain. First, Berlin decided to increase the number of its military instructors for the EU mission in Mali from 180 to 250. While it remains a small contribution compared to the 1400 French and 6000 African soldiers, it is considerable compared to the previous reluctance to deploy at all to Africa. Second, Germany supported the EU mission in Central African Republic with transport capacities. Although the supports remains limited, it was offered quicker and with far less fuss than in previous cases.

Yet, the nature of these contributions show the persisting preferences and red lines, and highlights how far removed any change seems: no combat forces were engaged, and instead, trainers and logistical support such as Air-to Air refuelling, MedEvac and transport capacities were made available. The latter, in the case of CAR, was not even delivered by the German armed forces but by a private contractor paid for by Germany. Even if the German contribution was crucial to kicking off the mission, this underlines the continued unwillingness to share the risks of such operations and use the vast resources to buy itself off the pressure to contribute.

Two structural elements work against a greater role of Germany particularly in Africa. First, there is a historical taboo. A famous example is then Defence Minister Rühle who refused in 1994 the French proposal to deploy the Eurocorps to Africa, claiming that it is not an Africa corps.<sup>10</sup> This normative taboo is reinforced by the fact that the political elite has struggled to define whether Germany has

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<sup>9</sup> Afrikapolitische Leitlinien der Bundesregierung, Berlin, 21 May 2014.

<sup>10</sup> „Kein Triumphgeheul“, Focus, 18.07.1994; <[www.focus.de/politik/deutschland/deutschland-kein-triumphgeheul\\_aid\\_147817.html](http://www.focus.de/politik/deutschland/deutschland-kein-triumphgeheul_aid_147817.html)>.



interests in Africa, and what these interests would be. Hence, the government has so far restricted itself to doing “something humanitarian or civilian”. Secondly, there is an ongoing competition between the MoD and the Ministry of Economic Cooperation on each other's competences in defining German policy towards Africa. The existing taboo forces the MoD into a defensive position, which however tries to keep its foot in.

Berlin is likely to support future missions, but will probably not suggest launching them. Given that Africa remains the main theatre for crisis management, future operations are likely to take place there. As Germany has not publicly identified and communicated its interests in the continent<sup>11</sup>, it faces a serious challenge to legitimize such operations. Berlin may thus continue to argue that it enters into operations in support of Paris and the Franco-German relationship (rather than to give security policy reasons). Commitments on the ground are most likely to take place in an EU framework, rather than in a NATO or UN one.

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<sup>11</sup> <sup>11</sup> Except some elements in the recently adopted guidelines of German's Foreign policy.

## Capabilities and cooperation

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In military terms, two developments symbolise the change that the German armed forces are currently undergoing. First, the outgoing Afghanistan mission has transformed the armed forces from the Cold War style army, namely a threat-focused army trained for a potential worst case (NATO's Art V) into an experienced and internationally recognized fighting force. Second, the ongoing defence reform will further adapt the national force structure to recent experiences and future roles that Germany envisages. This conception promotes the cooperation with its partners in NATO and EU.

However, these developments have not been backed by changes at the political level: the defence narrative, i.e. the why and how of having armed forces and employing them has still not been transferred from a threat-image to a narrative. As a result, while German armed forces have long left the Cold War period, the political rationale for having them and employing them remains fuzzy. The Ukraine crisis provides an additional external challenge to the process of political and military change.

### ***“Capabilities before Sustainability” – the ongoing Defence Reform***

In 2010 Germany launched the possibly most comprehensive defence reform since the Bundeswehr was established. To be fully implemented in 2017, the reform is designed to respond to the dramatic changes in the strategic environment, i.e. the fiscal crisis and the reaction of Germany's partners to it, namely to significantly cut down capabilities. As also the Bundeswehr was hit by budget cuts and expects even more to come, then Minister zu Guttenberg proposed a U-turn in defence planning: a “design to cost”- approach.

The reform shall lead to a Bundeswehr that focuses on the “more likely tasks of international conflict prevention and crisis managements” – i.e. stability operations, and puts a premium on

Germany's ability to act as a senior partner to its allies.<sup>12</sup> Therefore, Germany will aim to keep its current range of capabilities, and will instead accept to reduce its sustainability rate - i.e. the time span it can keep up the manpower and capabilities of a deployed force. This key tenet is reflected in the leitmotiv of the reform: Capabilities before Sustainability ("Breite vor Tiefe" – 'Breadth before depth').

The review envisages a lower level of ambition (LoA): while the former 2003 LoA envisaged 14.000 sustainably deployable soldiers out of 245.000, the Bundeswehr now aims to contribute up to 10.000 soldiers sustainably to operations out of 185.000, on top of its (rotating) contributions to NATO Response Forces, EU Battlegroups and the UN. Moreover, Germany will also aim to be ready to take the lead in two theatres as a framework nation.<sup>13</sup>

Equipment also went down by numbers due to the reform. However, worried about existing contractual obligations and the effects of cancelling existing orders on its defence industry, the MOD has maintained the ongoing procurement processes of the A-400M transporter, the NH-90 Helicopter, and the Eurofighter. Nonetheless, it also aims to reduce the number of units to be produced or to stretch contracts over longer periods of time.

In this context, the social democrats have been pushing for a "reform of the reform", expressing a desire to reassess the very concept of the reform and re-open the negotiations over existing contracts with the defence industry.<sup>14</sup>

Whether and where this well-equipped and highly trained force will be used remains to be seen. There seems to be a basic contradiction between the government's assumption that Germany will be more required to participate in international operations and the political limitation of contributions towards the areas of training, advisory functions and logistical support – all non-combat areas. This risk-averse approach has been implemented in all missions that Germany has participated in since 2006, including the recent support to operations in Mali and the Central African Republic. However, these priorities legitimize neither the current size nor the structure of

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<sup>12</sup> BMVg, Defence Policy Guidelines 2011, p. 14.

<sup>13</sup> BMVg, Defence Policy Guidelines 2011, p. 20-22.

<sup>14</sup> Arbeitsgruppe „Sicherheits- und Verteidigungspolitik“ der SPD-Bundestagsfraktion: Positionspapier „zum Nachsteuerungsbedarf der Bundeswehrreform“, „Nachsteuerung der Stationierungsentscheidungen“, 11th April 2014, Berlin.

the Bundeswehr. Hence, there is a growing gap between a military that is more capable and a government more hesitant to use this instrument in a way that mirrors the uses of its partners.

## ***International Cooperation: Framework Nation Concept and Strategic Partners***

The success of the domestic reform also strongly depends on international change: in fact, the national “Capabilities before Sustainability” paradigm is mirrored in the “Framework Nation Concept (FNC)”. An important step in this direction is made as NATO has just adopted the concept as a general guiding line.

The FNC aims to increase sustainability in multinational frameworks and to maintain key capabilities through better coordination and joint defence planning. Its core idea is to build clusters of smaller and bigger states that will coordinate the commitment of key equipment and forces to the cluster. The framework nation would offer the military backbone, into which smaller countries would plug their specific contributions. Potential partners for Germany can be found in the Visegrad-4 (Czech Republic, Hungary, Poland, Slovakia), Nordefco (Denmark, Finland, Norway, Sweden), and Benelux (Belgium, Netherlands, Luxembourg).

At this point, cooperation within the Weimar Triangle (Poland, Germany, France) for a FNC cluster seems less likely. While Weimar remains a format of choice for political cooperation -as shown by the joint commitment in Ukraine- it is less attractive for military cooperation. Although it would be highly capable, such a cluster would not fit the individual preferences of Germany and France. Their military bureaucracies have managed, during the last years, to water down any political tasking and sit out renewed multilateral cooperation initiatives, such as the one borne in the context of the 50th anniversary of the Elysée treaty. Examples like the Weimar Battlegroup remain but an exception. Overall, bilateral formats, such as the Franco-Polish or German-Polish ones, or multilateral formats, like Visegrad-4, prevail in achieving the most effects.

While the FNC is on the military level an attempt to deal with the structural problems that Europe’s 1.5 million soldiers have in organizing and equipping themselves, it points at the political level to the question that is at the root of these problems: how much dependence are countries - and especially Germany - willing to take

to ensure interoperability, extend sustainability and guarantee mutual access to core capabilities?

However, the FNC can only stop the ongoing downsizing and organize the specialisation of European armed forces that has been induced by the fiscal crisis if applied fast and boldly. For the time being, while European armies are seemingly locked into a crash course, Germany has only taken cautious steps to implement the FNC. Indeed, the MoD is not overambitious: it considers the FNC implemented when at least three countries cooperate, and at least one capability delivered.

Moreover, although the concept implies setting up multilateral frameworks with a clear top-down approach, the current implementation plans are based only on a disappointing combination of bilateral and bottom-up approaches: in order to showcase the validity of the concept, Germany seeks to build on existing bilateral cooperation, for example the integration of the Dutch airmobile brigade into the German command structure. Neither the definition of success nor the implementation so far demonstrate the feasibility of the FNC as a cooperation concept or its ability to significantly preserve capabilities.

Eventually, Germany's track record on defence cooperation mutes expectations of any deep change. While it constantly favours universal and inclusive cooperation schemes, it is reluctant in implementing and using them in operations. This is underlined by the long period of time envisaged for the implementation of the FNC and the state of the EU pooling & sharing initiative from December 2010 (Ghent framework), initiated by a German-Swedish paper.<sup>15</sup> This shows that commitments too often reflect the preference for institutional structures as symbols of multilateral integration, but lack the will to lead by example.

## ***The impact of the Ukraine crisis***

It is fairly safe to state that the Ukraine crisis affects the ongoing process of change – or attempted change. While it is too early to analyse the magnitude of the crisis' effects on European security, it is

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<sup>15</sup> "Pooling and Sharing", *German-Swedish initiative – Food for thought*, November 2010.

very likely that Europe will experience a decade of higher uncertainty in security politics. The US will not be able to compensate this uncertainty (e.g.: by re-basing forces in Europe). Its re-assurance is currently requested everywhere in the world because of the global impact of the Ukraine crisis. Thus, the Europeans will have to step up and provide the assurance to their continent.

In this case, Germany will be requested to do more, not only because it is one of the most capable allies, but also because it still enjoys the reputation of a land-focused army and maintains good relationships with Eastern European countries. Hence, the Ukraine crisis may spell out a role for the next decade for Germany that its partners would seriously honour: Being the Framework Nation for North and Eastern Europe. This may lead to a re-investment and rebalancing of related land-based capabilities and the provision of more support capabilities and enablers. Such a role could be also more acceptable to the German public: it would imply a focus on more classical defence missions which are closer to the old threat based narrative than the expeditionary operations many Germans dislike. However this would possibly disregard risks identified in other regions like Africa.

## ***Options for Change***

Change could emanate from two areas. First of all, the ongoing defence reform launched in 2010 might be given a new turn by the government, in order to create the rhetorical backing to support a greater German global commitment. This is, on the one hand, due to the (unfortunately) ongoing challenge posed by the fiscal crisis and the new uncertainties for European defence resulting from the Ukraine crisis. The lack of a clear path to address these challenges will contribute to creating the conditions of further uncertainty and may well foster a more chaotic style of changes in Europe, which may be in the German interest to prevent. On the other hand, the social democrats of the coalition government call for changes in the current course related to basing and procurement.

Second, cooperation with partners has already benefited from a new dynamic thanks to the FNC which, if implemented, would offer a considerable contribution to transatlantic burden-sharing, and would also mean that Berlin would be taking over responsibility in Europe and for its partners.

Any change of course will only be sustainable if there is political willingness to define the nature of this course. The political path currently followed offers no clear perspectives. This does not contribute to the impression of Germany being a reliable partner for long-term cooperation. Instead some voice the concern that Germany may lead the growing group of the unwilling and unable.

# Defence industry and armaments policy

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## *The State of German defence industrial base*

Economically speaking, the German defence industry is not a major player, as it generates only 1% of the GDP. Only 20.000 people work on what can be termed as classical defence industry (weapon systems, guns, ammunition). Including the indirect jobs, the overall security and defence business employs about 230.000 people. A comparison with the automobile industry, which generates 7% of the GDP and employs 740.000 people, is symbolic of the general impact of the defence industrial sector. This state of fact can be contrasted with the excellent reputation the German industry enjoys. Its strengths lie in the area of land warfare systems, littoral ships, submarines and specialized components such as sensors, fire control systems, engines or ammunitions.

The official defence industrial policy of the government aims to ensure the security of supply (SoS) of its armed forces through the support of national industries, while also supporting European integration and transatlantic trade and projects. The reality is slightly different: Germany is confronted with a growing loss of SoS and lacks the access to national or international suppliers that can manage a System of Systems architecture, one that can integrate and run various platforms and sensors from security services to achieve a common picture and effect. This critical situation is due to the fact that the German defence industrial policy operates de facto as support platform to individual companies, rather than seeking to ensure the existence of an industrial architecture that would allow Berlin to play a serious role in international defence.

The industry's political importance is illustrated by the jobs it provides locally and regionally, and the conviction that the defence industry contributes high tech know-how to the overall economy. Beyond those who profit directly from it, the defence industry is met



with suspicion in public; its export activities are regularly scandalized. While there is agreement within the political and industrial fields that “more Europe” in defence industry is on principle desirable, Germany has refrained – like all the other governments in the EU – from using the available EU instruments, such as those allowing for more cross-border competition in Europe and its positive effects: better quality or lower prices.

### ***Political industrial disconnect creates pressure for change***

Existing challenges result from a growing gap between the ever more global defence industrial production and markets in which German companies increasingly participate, and a domestic policy that runs and supports its national industry for industrial and structural reasons. In a context where the industry has to prepare for potential momentous change, the declining business opportunities in Europe will force companies to either shift into other markets in terms of destinations or into civilian sectors.

The government is not ready to respond to the growing risk that these developments present for its supply base. Despite the coalition parties having introduced the term of “Key Industrial Capabilities” into their government agreement, they have neither a precise definition of what those are, nor do they have a clear-cut picture on which industrial capabilities are available today and will be in 20 years time given the current changes. Instead of kicking off a debate on the issue, industry and government are working towards protecting the status quo.

While the government does not intent to deal with the growing and costly disconnect between political desires and industrial realities, it is increasingly forced to deal with the hick ups this dysfunctional setup generates in the areas of procurement and exports. Both have been used to German governments compensating for the growing inefficiencies within the decidedly national defence industrial base over the past decades, a practice that is now boomeranging back.

### **The review of the acquisition process**

Since spring 2014, the government has (again) engaged in a review of 15 major procurement projects that previous governments had

started (i.a. Eurofighter, A400M). The reason is that the MOD has over years systematically underestimated the financial risks and complexity related to those projects. Successive changes of the acquisition procedures, with the last one being adopted in 2011, did not enable the Ministry to effectively control its projects or allow it to properly advise its ministers and protect them from potentially harmful consequences. The mismanaged procurement of the Euro-Hawk surveillance drone in 2013 was only the most prominent example for these problems, almost forcing then Defence Minister Thomas de Maizière to resign.

This is what Minister von der Leyen seeks to avoid with the current review, on top of getting clarity on the financial and political risks of the ongoing projects. The review aims to deliver its results presumably by the end of 2014. The results it will yield are however already foreseeable: the 15 projects are badly managed, the contracts are not well negotiated, overrun in terms of time and money, and underperforming in terms of capability.

In the long run, the consequences that might follow from these results will be interesting to watch, and point in two directions. First, there could be a purely technical solution, whereby the Minister could be tempted to increase the independence of the acquisition agency (Bundesamt für Ausrüstung, Informationstechnik und Nutzung der Bundeswehr). This would on the one hand allow her to distance herself from this body (and its problems) while also reducing the interference of politics into the procurement processes, which is considered to be root of the procurement problems. Yet, a purely national solution would by definition be too small and incomplete, given that the majority of the procurement projects is international.

A second option consequently consists in organising and combining change at the national and international levels in order to assure a comprehensive reset of the conditions that govern international cooperation and acquisition. However, this option does not offer short-term effects (which the ministry might be looking for), especially because there are currently very few projects in the pipeline to which the new rules could be demonstratively applied. Moreover, the risk of failure remains high since other governments facing similar problems may not be keen in engaging in these thorny matters. Then, change may only be limited to technicalities, and would thus eventually be ineffective.

## Defence exports

The German defence industry currently creates 70% of its turnover abroad and therefore depends heavily on exports for its survival. While traditional export recipients in Europe still generate one half of this turnover, the export trend follows the general shift towards non-European markets. Still, German companies are lagging behind their European competitors concerning the shift to new markets, who already export the majority of their equipment outside the EU.

German defence export policy is torn between the government's willingness to support industry with exports and the negative feedback exports create in public. This is also reflected in the current practices: The 2000 Political guidelines on defence exports, a politically (but not legally) binding document severely restrict armament exports using a strong normative rhetoric. Yet, the practice of all governments since the early 2000s appeared to be quite the opposite: informal support was granted, and the government regularly used the option of exceptional authorisation to support exports, even to dubious clients.

However, with German exports shifting towards more suspect recipients (Saudi Arabia, Algeria, Indonesia, to name just a few), the government's permissive export policy has come under increasing pressure by the public. The options for change in this area are defined by the tension between the positions of the Ministry of Economics (who is in charge of organising the export authorisation) and the Chancellors' Office (who informally has the last word).

Merkel has responded with re-defining and therefore legitimizing exports as a crucial element to support strategic partners. These ideas are embodied in the "Enhance and Enable" Initiative (see above), which defines, inter alia, the provision of equipments as one mean to enhance regional partners to take care for their own security. Yet, the first decisions that the responsible minister under the new government made, the minister of economics, Mr. Gabriel - also Ms Merkel's peer in the coalition government - seem to announce a change: he has put many exports on hold and indicated that he is willing to follow through with this policy change. The fact that he also stopped the export of security technology could be seen as an indication that this policy change is real, given the fact that such exports were not subject to public debate but pose a real threat to the values the 2000 political guidelines are based on.

## German Defence Policy: chances for sustainability

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It is right now too early to judge the government and to assess whether the policy change outlined at Munich has been implemented. Yet, any analysis of German defence policy should not overlook the timid yet encouraging start that can be observed. Key members of the government have called for a greater commitment in international politics. While they clearly announced a break with the traditional approach of military restraint they still need to flesh out the details what a “greater commitment” entails for the different policy areas. This message needs to trickle down into operative politics: While this is starting to be the case in areas like capabilities (with the FNC), there is still not a coherent mainstreaming into the different areas. At the same time, change is going to happen as a result of external developments anyway, like in NATO or the defence industrial realm. Here, the only question is whether the government aims to channel developments into the direction outlined in Munich.

Change does not happen overnight. Germany will not, within one electoral cycle, take up a leadership role in defence policy. Yet, the conditions of change are clearly present; concretely, acting upon them will mean mustering the political will to make potentially uncomfortable positions which might be disputed domestically; to develop new concepts; to launch initiatives and implement them. A great challenge for Germany’s partners lies in supporting this process.

Berlin now needs to transfer this timid change into sustained politics. This depends on the interplay of four factors. First, it will require the support from the highest political level in Germany: the Chancellor. So far, Angela Merkel has not openly positioned herself, neither has she explicitly endorsed this new approach, even if it is certain, that none of her ministers would have laid out any new policy that would go against her line of thinking. Her typical approach of allowing the discussion to run its course without intervening gives her the opportunity to observe how things go, and to only make her

stance known in case the situation turns wrong (in order to distance herself) or good (to take credit for it).

Second, obtaining support from the population is crucial, particularly in Germany, where increased responsibility is often wrongly construed as militarism, and which goes at the very heart of the German comfort zone. Greater commitment increases the government's vulnerability because it might involve uncomfortable decisions. It requires the government to explain its security policy decisions, and to clearly state why defence matters, and how it may impact the population.

Third, the reactions of EU and NATO partners (among others), will be decisive. Berlin's new approach partly comes as an answer to the calls for a greater role for Germany that the partners have made over the last years. The German government and its citizens feeling that the country's commitment is valued may help build support for the domestic process of accepting a greater effort. Steinmeier's role in the Ukraine crisis (which can be considered an example of Berlin's new responsibility) has so far made him gain respect internationally and domestically. Yet, this role was mainly a diplomatic one. The EU sanctions on Russia have provided an interesting insight in the German population's thinking. It has voiced its dissatisfaction in using sanctions to uphold the values defended by German foreign policy, in part because of the fears of the consequences. This position has contributed to widening a gap between what partners expect from Germany in terms of commitment (that is, a lot), and what the German citizens are willing to support (far less), and has limited the government's room for manoeuvre.

Fourth, the further developments of the Ukraine crisis will affect both the population's support for Germany's policy and thus the government's willingness to engage in change. The crisis is indeed the ongoing real life stress test of this new foreign policy. Berlin can contribute significantly to a peaceful settlement, and the public assigning the right value to both the government's approach and the German role, might create the conditions for a more supportive and permissive approach to general greater German commitment. However, we are still a far cry from this happening: there is currently a considerable gap between the rather critical position of the government towards Russia and the rather understanding position of a majority of the population towards Russian policy. Such internal dissensions carry the risk of legitimizing the opinion according to which political elites are not in touch with their constituents.

It is too early to predict what kind of foreign and security policy the Grand coalition will be able to implement during its term. Yet, it is evident that a window of opportunity has opened for Germany to fulfil a greater role on the international scene.

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