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# AICGSPOLICYREPORT

**REINVENTING  
THE GERMAN MILITARY**

Stephen F. Szabo  
Mary N. Hampton

**AMERICAN INSTITUTE  
FOR CONTEMPORARY  
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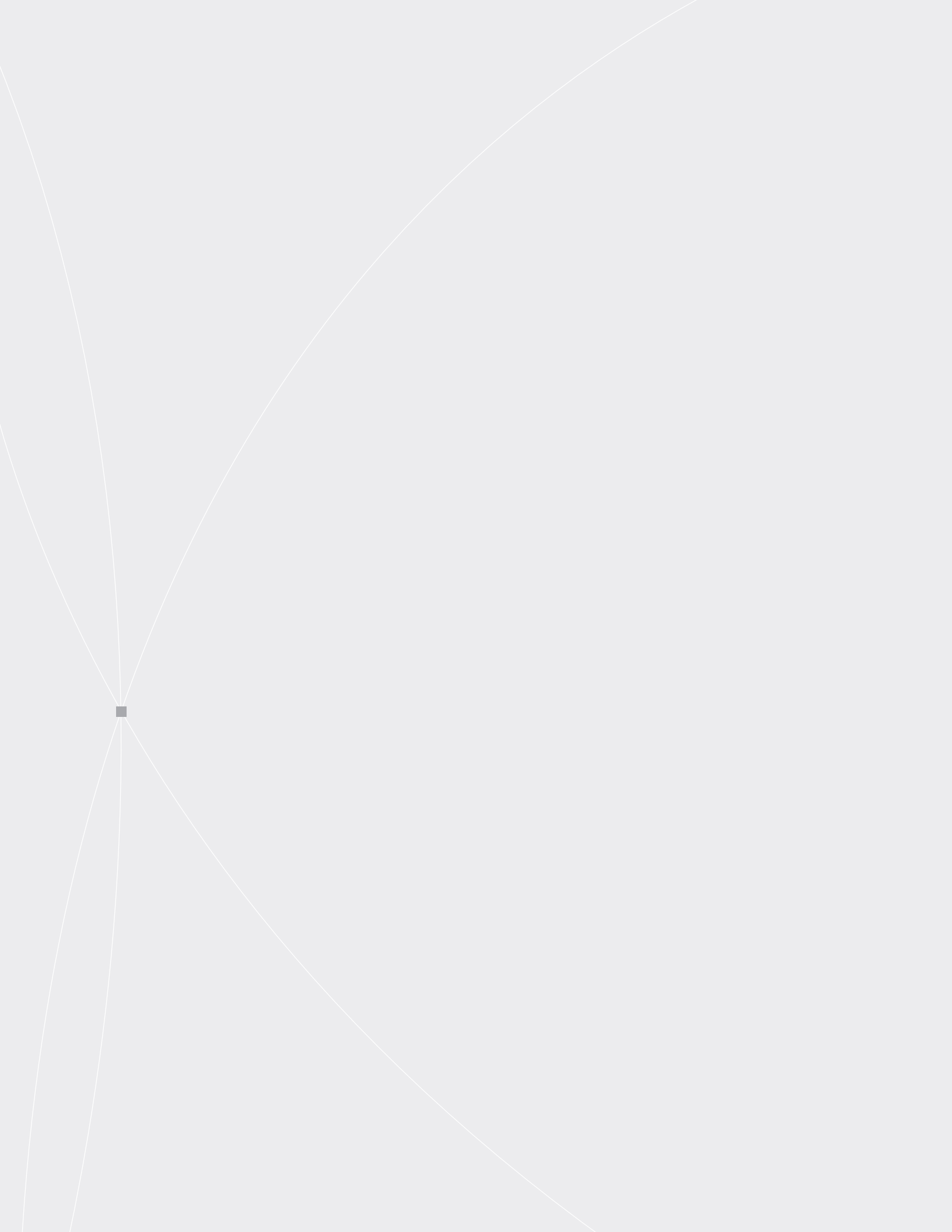
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## FOREWORD

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During the past decade, the transformation of Germany's military has been one of the most significant dimensions facing a unified Federal Republic of Germany. The definition of the threats Germany faces and the capabilities required to respond to them have been altered by the end of the Cold War, the impact of the Balkan wars, and, more recently, by the terrorist attacks of 9/11. Germany's military presence in Bosnia, Afghanistan, and Africa was unthinkable ten years ago. Yet the pace of change leaves Germany seriously lagging in many areas of its strategic policy. This report presents a candid assessment of the factors shaping the debate about the present and future of Germany's military capabilities. Stephen F. Szabo, Professor of European Studies at The Paul H. Nitze School of Advanced International Studies, The Johns Hopkins University, and Mary N. Hampton, Professor of National Security at Air Command and Staff College, examine the political and economic parameters within which Germany's decisions about its strategic position are being made. They also discuss the larger context of U.S. and European military cooperation and the problems that loom for NATO if a gap develops between the strategic cultures on either side of the Atlantic.

This report builds on an earlier AICGS study, (*Redefining German Security: Prospects for Bundeswehr Reform*, German Issues #25) authored by Stephen Szabo and Joachim Krause, Director of the Institute for Political Science at the Christian Albrechts University in Kiel, published in 2000. The latest report evaluates the initiatives and developments taken since then. Both the earlier study and this one conclude that, without a serious German defense capability, Europe and NATO will falter in the future.

We are grateful to the Smith Richardson Foundation for its generous support of these two reports.



**JACKSON JANES**  
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# INTRODUCTION

## REINVENTING THE GERMAN MILITARY

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The German armed forces have come a long way since the decision by the German Constitutional Court in 1994 to permit German deployments beyond the limits of territorial defense for the first time since 1945. Much of the evolution that has occurred has been treated in the first volume of this study, *Redefining German Security* (AICGS German Issues #25).

This report looks at what has happened to German military restructuring in the two years since the previous volume was published. In that time period, Rudolf Scharping, the Defense Minister who introduced the reforms, was replaced by his SPD colleague, Peter Struck, and a major crisis over the war in Iraq enveloped the German-American relationship. The Prague NATO summit in November 2002 reached important decisions regarding both the enlargement of the alliance and its restructuring to meet the new challenges posed by transnational megaterrorism. In the wake of the war in Iraq, Germany has agreed with France, Belgium, and Luxembourg to establish an EU defense planning cell separate from NATO, a decision that has deepened concerns in Washington about “old Europe” creating a counter-coalition to the United States. As one senior U.S. diplomat stated after learning of the agreement among Germany, France, and Great Britain to establish a military planning unit separate from NATO, “[T]his is what France always wanted. This is the steady rise of the EU and the slow decline of NATO.”<sup>1</sup>

These intervening years have witnessed a dynamic that, beginning with German unification, has continued to change German strategic culture in the post-Cold War period. This report will assess the new strategic culture that has developed in Germany in the last decade, particularly the complex interplay of domestic and foreign policy issues that influence the debate about the military and its role in Germany, Europe, and the world at large as it redefines itself in the face of new threats. It will also explore the prospects for European defense cooperation, force transformation, and the role of the German military in future military operations. In addition, Professor Mary Hampton will examine the extent to which strategic cultures in Germany and the United States are diverging.





# 01

CHAPTER ONE

## A NEW STRATEGIC CULTURE

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The German strategic culture has continued to be transformed by both external circumstances and domestic changes. The period between 9/11 and the war in Iraq have seen a continued expansion of German roles and responsibilities in defense. Close to 8,000 German troops are currently deployed in peace-keeping and peace enforcement operations in the Balkans, Afghanistan, and the broader Persian Gulf area. On May 21, 2003 Defense Minister Peter Struck issued new Defense Policy Guidelines, which, in 1994, would have been viewed as both utopian and unacceptable by the majority of his party.<sup>2</sup>

Building upon the foundation laid by both his Christian Democratic and Social Democratic predecessors, Minister Struck has clearly and decisively declared that crisis prevention and crisis management have replaced the mission of territorial defense. The Guidelines clearly state that, “there is no conventional threat to the German territory,” and go on to declare that “defense can no longer be narrowed down to geographical boundaries, but contributes to safeguarding our security wherever it is in jeopardy.” Struck has said in another context that German defense now begins at the Hindu Kush.

This new rationale for defense is compatible with the shift occurring in U.S., NATO, and EU doctrine toward a definition of the new threats as those associated with international terrorism and the proliferation of weapons of mass destruction as well as the threats posed by failed states and the problems that stem from those failures, namely, international criminal activity, terrorism, ethnic conflict, genocide, and the massive violation of human rights. Territorial defense and homeland defense will remain an important mission for German forces but will be based upon a strategy of reconstitution of forces, prepositioning of materials, and reserve mobilization, given the long political and military warning times.

Despite the recent reforms, there remain several obstacles to a speedy and successful transformation of the German defense forces. Some of the factors that are slowing the transformation process are: domestic public opinion, which recognizes the current threats to security—but is increasingly resentful of U.S. leadership and unwilling to accept higher levels of defense spending; Germany’s fiscal situation, which will not allow for any increases in defense spending in the next three years; the challenge of modernizing forces without an adequate defense budget; and the dilemma of whether to end conscription in favor of professional armed forces. The absence of strong political leadership is also an important factor. It is not surprising that a Red-Green coalition would be especially reluctant to push defense modernization and increased defense spending, and this has indeed been the case.

## Public Opinion

Public opinion recognizes the new threats to which the Bundeswehr is adjusting. The public sees the following as the **major threats facing Europe in the next ten years:**

### ■ INTERNATIONAL TERRORISM:

Extremely important 74%  
Important threat 23%

### ■ AMERICAN UNILATERALISM

Extremely important 40%  
Important threat 48%

### ■ NORTH KOREA WMD

Extremely important 35%  
Important threat 49%

### ■ ISLAMIC FUNDAMENTALISM

Extremely important 38%  
Important threat 47%

### ■ IRAN WMD

Extremely important 36%  
Important threat 46%<sup>3</sup>

The German public remains unconvinced, however, that Germany should do more in defense; in fact, it tends toward the contrary view. The German Marshall Fund's *Transatlantic Trends* survey conducted in June 2003 in Europe and the United States found that the Germans were the least supportive of any major nation in the West when it came to the question of defense spending. This and other surveys also revealed that the Iraq effect was far stronger in Germany than elsewhere in Europe or in the United States. While before the war 68 percent of Germans believed it desirable that the United States exert strong leadership in world affairs, only 45 percent held that view in the summer of 2003, and 50 percent found U.S. leadership to be undesirable. There was also a clear shift away from the pro-Atlantic stance of earlier years toward a more pro-European stance, as only 8 percent of all Germans responding to the survey believed the United States should be the only superpower, while 89 percent believed that the European Union should become a superpower, albeit as a partner rather than as a rival to the United States.<sup>4</sup>

Yet the European Union, both in its Constitutional Convention and the paper drafted for it by its High Representative for the Common Foreign and Security Policy, Javier Solana, have called for a more robust European military role<sup>5</sup> and a new strategic culture to support this new role. Polls show that the Germans are no more willing to spend money for European defense than they are for German or transatlantic missions.

## The Fiscal Context

Struck and his ministry face not only public apathy but also a fiscal and budgetary environment which they acknowledge will not allow for any real growth in defense spending for at least the next three years. Total German defense spending is at roughly 24.4 billion euros annually, making it the third largest defense budget in Europe and the sixth largest in the world, yet this represents only 1.5 percent of gross domestic product, low in comparison to the nearly 2.5 percent spent by France or the slightly more than 3 percent spent by the United Kingdom. More than half of the defense budget goes to salaries and benefits for civilian and military personnel, while only 13 percent goes to new equipment, well below the 30 percent that many specialists believe is needed to modernize the armed forces.<sup>6</sup>

The slow growth of the German economy combined with the demands of an aging population and an extensive social welfare state would be enough to create a guns-versus-butter choice unpalatable to politicians. Yet added to this are two other economic constraints—the reconstruction of eastern Germany and the fiscal constraints of the European Union's Growth and Stability Pact. Germany continues to transfer about 100 billion euros annually to eastern Germany, and there is no prospect that this burden will ease anytime soon. Along with France, Germany is also in flagrant violation of the debt limits it imposed on the rest of the European Union as its price for giving up the Deutschmark for the euro. The Schröder SPD-Green government barely survived a vote of confidence in October 2003 over its economic reform package, known as agenda 2010, and is unlikely to increase defense spending while it cuts the social benefits so dear to its core constituencies.

## The Defense Budget and Procurement Choices

This redefinition of security threats and the rationale of the armed forces have implications for force structure and defense procurement. Germany remains committed to only multinational operations with a clear international mandate. The German government understands the need to modernize its forces so that they will become more mobile and technologically agile and has identified the key priority areas as being: command and control; intelligence collection and reconnaissance; mobility; effective engagement; support and sustainability; and survivability and protection. Given the prospect of a zero increase in defense spending, the defense minister has emphasized the need for collaboration and pooling of resources with other European partners as well as the need for role specialization. He has also taken aim at the excessive proportions of the current budget, which go to personnel and operating costs at the expense of needed investment in equipment and in research and development. Research and development will receive 965 million euros in 2003 (up from 851 million the year before), while funds for procurement will rise from 3.5 billion euros to 4 billion.<sup>7</sup>

The German MoD is thus confronted with finding the means to modernize its forces for new missions without new money. It has announced the painful steps of closing 100 of the 530 army bases in Germany and has planned further reductions of 32,000 military personnel, down to a level of 250,000 by 2010. It will also cut 70,000 civilian jobs to a new level of 75,000. The MoD plans to find resources through efficiency measures, the better use of funds, and the elimination of out-of-date equipment. It hopes, as well, to improve cooperation with Germany's partners as a means of pooling resources to accomplish shared missions.

The opposition Christian Democrats have been critical of these measures, labeling them "security policy as fiscal policy." Yet it seems clear that a CDU-CSU government would not be able to do much more in the area of defense spending, given that they would also face the same constraints.

## Conscription

The planned reductions in military personnel mean the *Bundeswehr* will reduce the number of recruits by 15,000, down to a new level of 50,000. The time of active duty service draftees will be cut to nine months. This raises the question of the future of military conscription. The position of the MoD is that conscription will be maintained, mainly because it is the best pool for non-commissioned officers and longer-term soldiers. In addition, conscription has provided a pool of low paid workers for public service jobs by way of those draftees who choose civilian rather than military service. The end of the draft would undercut this source of personnel, thereby increasing the costs of medical and other social services. Finally, a major reason for conscription has been to provide for democratic control and participation in the military. Given the role of the General Staff in past eras of German history, many (especially in the Social Democratic party) have seen conscription as a means of ensuring civilian control and of preventing right wing extremists from overpopulating the military. This is still a residual concern but seems less relevant, given the stability of German democracy for over four decades.

Pressures to eliminate the draft are likely to overcome the preference of the MoD for maintaining conscription. Almost all modern militaries in the United States and Europe are moving in the direction of professional armed forces. Modern militaries are all becoming smaller, more mobile, and reliant on experienced and highly trained personnel. Shortening the draft to nine or perhaps six months means that conscripts will not have adequate training to handle the increasingly sophisticated demands of modern warfare and will be more of a nuisance than an asset. Furthermore, conscripts cannot be sent on peacekeeping or peace enforcement missions without specifically volunteering for them. As these will be the missions of the military in the near to medium term, the utility of conscripts is further diminished.<sup>8</sup> Finally, the reduction in the number of people drafted raises a political and equity question. Why should only a relatively small number have to bear this burden and thus fall behind others in terms of the job market and career enhancement?

Given the priority given to Crisis Reaction Forces, the *Bundeswehr* is already, in fact, a professional force. The formal elimination of conscription is likely to occur in this decade.



# 02

CHAPTER TWO

## THE CHANGING ALLIANCE CONTEXT

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### From Alliance to Coalitions of the Willing?

Germany emerged from the crisis over Iraq less certain of its Atlantic pillar and more European in its foreign and security policy orientation than at any time since the *Bundeswehr* was formed in 1955. The signals from the United States regarding NATO remained mixed and confused. On the one hand, leading officials including the Secretary and Deputy Secretary of Defense have stated that the mission now determines the coalition and not the reverse. *The National Security Strategy of the United States*, published in September 2002, has also shaken the foundations of NATO strategy, replacing containment and deterrence with preemption and U.S. preeminence.<sup>9</sup>

The Bush administration and a good part of the American public tend to see the new terrorism as fundamentally different from the terrorism Europeans have dealt with because of the nexus of terrorism with weapons of mass destruction, combined with the rise of transnational terrorist organizations. As Nicholas Burns, the U.S. Ambassador to NATO has put it, "The threats to peace come not from strong states within Europe but from unstable failed states and terrorist organizations far from Europe's borders."

In terms of strategy, the U.S. administration believes that time is not on its side, that preemptive actions are required and that not only non-state but also state actors are part of the threat if they have the potential for possessing WMD. While it understands that the longer-term strategy will include "nation-building" and development programs, it places great and immediate emphasis on the military instruments of state power and has adopted a strategy that places a premium on independent action and shifting ad hoc coalitions. Given the capabilities gap and its overwhelming military superiority, the United States prefers to conduct its military operations as independently as possible.

All of these developments have raised questions in Germany and in Europe about the American commitment to the alliance. The major enlargement of NATO in Prague was another indication that the alliance is seen in Washington increasingly as a political institution for regional collective security and less as a military alliance for collective defense. This view is deeply unsettling to Berlin, which wants NATO to remain the central security institution in Europe. As General Klaus Naumann, the former head of NATO's Military Committee, has written, "European allies see NATO as a collective defense and crisis management organization, whereas the United States no longer looks at the Alliance as the military instrument of choice to use in conflict and war."<sup>10</sup>

If Washington considers NATO a toolbox from which to draw upon in creating ad hoc coalitions of the willing to follow the U.S. lead and definition of interests and strategy, then the alliance will be in serious trouble. It will also increase incentives for "enhanced cooperation" on defense between those EU states that would like to create a serious European Security and Defense Policy (ESDP).

## The NATO Response Force

At Prague, the European members of NATO played down their concerns and endorsed the creation of a NATO Response Force (NRF) as a means of creating a new counter-terrorism role for the Alliance. The NRF is not designed to compete with the European Rapid Reaction Force (ERRF) set up by the EU. The NRF is designed for high intensity combat and expeditionary strike missions, while the ERRF will deal with peacekeeping and other Petersberg Tasks. However, most members did this less from conviction than from a sense of resignation that without such a commitment, the United States would simply act with those who were willing to follow. In the wake of the war in Iraq, the German government has begun to explore deeper European defense cooperation with France, Britain, Belgium, and Luxembourg in terms of a new European command and planning structure to be located near Brussels.

The signals on the future of the alliance are mixed. The proposal for the NRF has both great potential and great risks. If successful, it will be a means of both transforming European defense capabilities and for shaping a new coalition context for the United States. The October 2003 Colorado Springs NRF simulation was useful in revealing key questions and gaps in terms of capabilities and decision-making processes. German Defense Minister Struck returned to Berlin with a strong sense that the decision-making process for committing *Bundeswehr* forces had to be streamlined in order to allow for a rapid commitment of the NRF. The 1994 Constitutional Court decision permitting the foreign deployment of German military forces requires a majority vote by the Bundestag for any deployment. Minister Struck has called for a change in this *Parlamentsarmee* to one in which a parliamentary committee could authorize limited deployments, but Green and SPD parliamentarians have been critical of what they see as a dilution of parliamentary control.

NRF planning continues to proceed ahead of schedule. The signs have been generally positive, with the French making a substantial commitment of their forces to the project. Many obstacles remain, however, and if the Europeans do not follow up on their commitments to modernize forces, the United

States could lose whatever interest it still has in NATO as a serious military alliance.

The German contribution to the NRF will consist of the following elements:

- A *Tornado* unit which specializes in suppression of enemy air defenses;
- Two frigates and two minesweepers;
- An ABC defense unit.

Germany has already obligated 1,100 personnel for these tasks, and by 2006 the number of German personnel will climb to 5,000 when units from the German-Dutch Corps, the Eurocorps, and the multinational Corps Northeast are folded into the larger NRF. It is also planned that the *Bundeswehr* will take the lead function for the chemical, biological, radiological and nuclear battalions.

NATO has clearly taken on an "out of area" role by establishing the ISAF force in Afghanistan under NATO command and providing support for Polish and other European elements in Iraq. In fact, the MoD now refers to this as the end of out of area. Cooperation with the EU in Macedonia under the new Berlin Plus arrangements, which allow EU forces to operate with NATO assets and command arrangements, has worked well, and there are plans to extend this to Bosnia in 2004. Even in the case of the crisis over support for Turkey during the Iraq war, NATO, in the end, decided to provide the necessary support.

Yet large questions remain regarding the division of labor between the United States and its European partners. Is a division of labor in which the United States determines the strategy and conducts the military operations of war, leaving the Europeans to take charge of peacekeeping and nation-building (more accurately state-building), politically sustainable? Can there be agreement on a new post 9/11 strategy that incorporates issues such as preemption versus prevention, the role of international institutions and international law in providing a mandate for NATO actions, and criteria for intervention to prevent crises or in dealing with failed states? All of these could require a new NATO strategic discussion and consensus similar to that of the 1960s, which resulted in the Harmel Report and the new NATO strategy of defense plus détente.

### The Future of U.S. Bases in Germany

Of a more immediate concern is the issue of the future of the American military presence in Germany. Currently 80 percent of U.S. forces in Europe are stationed in Germany, and many are still of the heavy armor and infantry variety. This represents a decrease of 70 percent since the fall of the Berlin Wall. Prior to the beginning of the war in Iraq, there were 80,000 American military personnel (mostly U.S. Army) stationed in Germany. The U.S. Air Force has 35,000 personnel stationed at its European headquarters in Ramstein, in addition to forces in Spangdahlem. The U.S. Army V Corps has 42,000 soldiers based in Heidelberg, and the First Infantry and First Armored Divisions are largely based in Germany. These bases cost the United States about \$9 billion annually, with a German contribution of about \$1 billion annually. About 15,000 Germans are employed by the U.S. military. Indirectly, this means that tens of thousands benefit from the U.S. presence. During the Iraq war the United States was able to use the bases without any restrictions, and the German government provided security. The infrastructure is excellent and the bases are close to key ports of embarkation in Belgium and the Netherlands.

The Pentagon has been doing an assessment of its global presence and the need to adjust its basing structure to new technological and strategic realities. With the shift in the threat from large conventional forces poised to attack Europe from the east to the new mobile and global threat posed by megaterrorism, the Pentagon believes that the U.S. military will be more like the old U.S. cavalry, operating against marauders from a string of frontier forts around the world.<sup>11</sup> With regard to its bases in Europe, General James Jones, the current SACEUR, has already broached the idea of shifting some bases out of Germany and closer to the new theaters of operation in the greater Middle East, including Central Asia.

Specifically, smaller “lily pad” bases would be established in Poland, Romania, and Bulgaria, while the U.S. presence in Germany would be reduced to a hub around the Ramstein air base and a few other facilities. The First Armored Division (17,000 soldiers) will not return to Germany from Iraq, and the 35,000 Air Force personnel stationed at Rhein/Main air base

will also leave when that base is closed at the end of 2005. The remaining forces will be sharply reduced to around 40,000 and replaced by smaller forces further east, which will have prepositioned materials and to which larger forces could be moved from bases in the United States.

The impact of this reduced American military footprint in Germany is difficult to foresee. The economic impact in those areas in which American forces are stationed will be substantial. Overall, however, the German public seems relaxed about the prospect of these departures, with the general view that it is probably about time, given the disappearance of the old Soviet threat.<sup>12</sup> Not all the economic consequences will be negative. The Germans have long wanted the return of Rhein/Main as part of the expansion of the Frankfurt airport. Civilian complaints about the noise and environmental damage caused by low level flights and army maneuvers have been substantial. What is important is that these relocations not be viewed as punishment for German opposition to the U.S. war in Iraq but, rather, as a longer-term strategic readjustment. Here, extensive consultations by the U.S. side prior to the final decision are vital.

The bigger issue will have to do with the ability of the United States to conduct coalition warfare and in particular the impact on the U.S.-German military relationship. Over 12 million American military personnel and their dependents have lived and served in Germany since the 1950s. They have proved to be an important social, economic, and political link between the two countries. Their departure will not only lower the cultural affinity and aptitude of these forces but will make it more difficult for them to operate in a coalition warfare framework in the future. On the German side, the connection to other European forces is likely to grow and with it a tendency to work through a European as opposed to a transatlantic framework. Over time, this will erode perhaps the most Atlanticist element of the German strategic culture, the *Bundeswehr*.





# CHAPTER THREE

# 03

# THE TRANSFORMATION OF THE GERMAN ARMED FORCES

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## The Capabilities Gap

The Bush administration initiated a creative new approach on closing the capabilities gap by tying it to NATO's new mission. It decided to take a realist perspective on the political willingness and economic capability of its European allies to substantially increase defense spending. The problem is partially about the level of defense spending, but only partially.

The European members of NATO spend about 40 percent of what the United States spends. NATO Europe spends as much on defense (about \$160 billion) as Russia, China, and Japan combined. Britain, France and Germany rank fifth, sixth, and seventh, respectively, in total defense spending in the world. While no one else is in the same league with the Americans, these are nonetheless substantial forces.

The problem is that the Europeans get much less capability for their expenditures than do the Americans. European nations spend far greater proportions of their defense budgets on personnel costs than does the United States and spend only about one fourth of their budgets on research and development. Much of the problem is due to duplication and fragmentation of defense spending, as defense continues to be a national policy. The solution to this problem is clearly more European and NATO-wide coordination and consolidation of spending and production. A European Armaments Agency and an inclusion of defense within the Single Market would be important steps in this direction. There is no reason, for example, to have four different types of fighter aircraft in EU Europe or fifteen separate armies, navies, and air forces.

A key in trying to reconcile resources, ambitions, and capabilities is the concept of comparative advantage. In the old NATO, each nation was expected to contribute proportionately to alliance defense. Under the new approach, each nation will contribute what they do best, thus dividing the labor.<sup>13</sup> NATO formalized this principle in Prague with the idea of niche contributions. Major gaps exist in air transport, command, communications, and computers, reconnaissance, and precision guided weapons. For example, the United States has 250 heavy transport planes, while its European allies have a total of 11.

The Prague Capability Commitment is far more focused and realistic than the laundry list of the Defense Capability Initiative from the 1999 Washington summit. It offers the Europeans a way to enhance their capabilities in key areas at a minimal increase in costs. It was offered by the Bush administration as a way of partially bridging the capabilities gap, at least enough to allow the alliance to continue to operate together in a militarily meaningful way.

Given the severe constraints on defense spending, Germany, like all its European partners, has to focus on a few areas of excellence. It understands that it

cannot cover the entire spectrum of defense capabilities. German forces remain effective in a number of areas, including peacekeeping operations, special operations, mine clearing, quiet diesel submarines, and a strong medical corps. The *Bundeswehr* faces major deficiencies in airlift, precision guided munitions, and network centric command and control facilities. Its fleet of tanks and trucks is old and poorly maintained.

In Prague, Germany was asked to take the lead in the area of air transport and was asked to consider leasing C-17s for the remainder of this decade until the proposed new transport, the Airbus A400M, comes on line. The MoD decided to order 60 A400Ms (down from the originally planned 73). The first of these aircraft will not be delivered until 2009 (to Turkey) and not until 2010 to Germany. In the meantime a German-led group of NATO countries has agreed to lease Ukrainian Antonov-124s and Boeing C-17s. Germany has also reduced the number of the *Tiger* helicopters it ordered from 212 to 80. Struck is worried in general that too much of his budget is being absorbed by spending on aircraft. He is already constrained by contract to the purchase of Eurofighters, the number of which he cannot further reduce.

### Transatlantic Defense Cooperation

Part of the solution to the capabilities gap is to provide European defense industries with opportunities for cooperation both on a European and a transatlantic scale. The MoD is working with industry to develop ideas for cooperative projects. The key project areas include the EuroHawk, Unmanned Aerial Vehicles (UAVs), and the area of C4I. Cooperative defense projects with the United States have shrunk to essentially two: air to ground systems (AGS) and the Medium Extended Air Defense System (MEADS). This is an indication of the weak state of not only German-American defense industrial cooperation but of broader transatlantic cooperation in this area. In the mid-1970s and in the 1980s there were a number of German-American defense projects. Today's efforts are still a legacy of that period and are not being replaced by new ones.

Germany continues to be concerned about the U.S. export control regime and the lack of progress toward liberalization, which would allow more European contractors to get a share of the huge U.S. defense market. If anything, the tendency in the United States since the 9/11 attacks has been to tighten up on foreign access to the American defense market. Export regulations are now a core part of national security strategy. The administration has not made this a top priority, and the U.S. Congress has both an incentive and a proclivity to be protectionist in this area without strong executive branch leadership. Industry lobbying Congress will not bring a change without the executive branch working with Congress.

There is a need for common equipment but there is less common equipment today than there was a decade ago. This means the technology gap will not be closed and will, in fact, widen. If new cooperative programs were proposed, the reception would be cool in the United States, given the post-Iraq climate, as well as in Germany, given the constraints on defense spending. No other industrial sector is so regulated as the defense sector, and unless the U.S. government changes its attitude, not much is likely to happen.

In the European Constitutional Convention, an agreement has been reached to create a European defense procurement agency, which will coordinate such projects as the A400M. The success of the *Galileo*, *Helos*, and A400M projects along with the increasing consolidation of European defense industries may bolster the European defense industrial base. Without substantial growth in defense spending, however, European firms will be swimming against the tide.

## Toward Force Transformation

All of these factors are transforming and not simply reforming the *Bundeswehr*. Not only are new missions and tight budgets factors in the equation, but the impact of technology and globalization are important engines of the new force structure changes. A Transformation Roadmap based upon the Defense Policy Guidelines provides a vision for a new *Bundeswehr*, which will be able to deal with the challenges of global asymmetric warfare while incorporating the innovations of the information on the revolution in military affairs. This transformation will aim at providing a network-centric capability for selected forces, which will be engaged in crisis reaction operations.

These Crisis Reaction Forces will be part of both the NRF and the ERRF and will receive priority in terms of personnel, training and material. The overall reduction of the size of the forces is part of this, as are the procurement of capabilities, which will allow them to operate in multinational coalition operations at high levels of combat intensity.

The Army will downsize its central combat capability by restructuring away from its main battle tank force to a new mix of heavy, middle, and light forces. It will buy 80 additional *Tiger* helicopters but has cancelled a further 30 units which it had originally planned buying. The Air Force will disband its HAWK and *Roland* surface to air missile units, retire 90 *Tornado* strike aircraft, and decommission two fighter-bomber wing equivalents. The Navy will disband an air wing and turn over its *Tornado* aircraft to the Air Force, which will assume sea strike responsibilities. The Navy will also decommission 10 Fast Patrol Boats. All of this will be done by the end of 2005. In addition, the MoD will cut the number of *Meteor* missiles it will acquire from 1,488 to 600 and IRIS-T missiles from 1,800 down to 1,250, and it has reduced its purchase of A400M strategic transport aircraft from 73 to 60.<sup>14</sup>

The longer-term plan to transform the *Bundeswehr* will emphasize the importance of networking, that is, of participating in networked military operations with partner nations, which allow real-time information technology to be used for combined operations. This entails an emphasis upon six essential areas including:

- Command and control
- Intelligence Collection and Reconnaissance
- Mobility
- Effective Engagement
- Support and Sustainability
- Survivability and Protection

This will all take money and probably at least a decade to achieve, but the *Bundeswehr* clearly has a new vision that is compatible with the new challenges it will be facing in the post 9/11 world.



CHAPTER FOUR

04

## THE NEW ROLE OF GERMANY

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While the strategic reorientation of the German armed forces seems to be headed in the right direction, major questions remain about where Germany will go in the future. The reluctance of Germany to play any role in a war in Iraq offered a glimpse into what the new NATO might look like. Germany has played a central role in the alliance strategy since it entered NATO in 1955, and especially after the withdrawal of France from the integrated military command in 1966.

It was an indispensable partner to the United States in all major alliance policies and strategies, including: the adoption of the strategy of flexible response; the creation of the Nuclear Planning Group; the acceptance of the Harmel Report's modification of strategy to add the détente component to that of defense; the deployment of INF missiles in the 1980s; the enlargement of NATO in the 1990s; the NATO intervention in Kosovo; and the shaping of the new relationship with Russia. It has now opposed a major American policy initiative, although it has softened its opposition with the agreement to take command of ISAF in Afghanistan as well as its support of the NATO Reaction Force. But in the military field, Germany is falling further behind not only the United States, but also the UK and France. As the capabilities gap widens, so too will the influence gap.

This estrangement has created new opportunities not only for France to attract Germany into a new European defense concept, perhaps as a counterweight to the United States, but has given a chance to some of the new members, most clearly Poland and Romania, to now play a close supporting role for the United States in this new era. Whether NATO can really be effective if its major European partner is marginalized on the sidelines is a key question. If Germany decides to shift closer to the French view on NATO and the United States, this would also have substantial implications for the future of the U.S. role in Europe as well as for the prospects of a more independent European defense.

There is also the question of the future attitude and policies of the government of the United States. The United States may decide to pursue a policy of disaggregation in the future if it decides that a more unified European foreign and defense policy is directed against it. This leads to the larger question of whether the U.S. and German strategic cultures are diverging. Professor Mary Hampton's contribution, which follows, looks at this larger issue.



05  
CHAPTER FIVE

## DIVERGING STRATEGIC CULTURES?

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Current prescriptions for German military reform call for a high level of interoperability and compatibility with the EU and NATO. The direction of proposed military reform highlights some important issues.

First, the German attempt to accommodate both emerging EU military requirements and U.S. military security policy is problematic in light of limited financial resources. Second, at the level of political/strategic culture, the United States and Germany are diverging in very important and unprecedented ways. Political-strategic culture refers to the widely held beliefs among a society's elites and public concerning uses of force, threat assessments, and the legacies of historical experience in projecting power.<sup>15</sup> In previous periods of de-alignment, such as the 1950s, West German elites were able and willing to pull public opinion along and enforce organizational change in the military, thus applying pressure to the political-strategic culture to achieve compatibility with U.S. policy through NATO.<sup>16</sup> Today, the push for alignment and compatibility in U.S. and German military security policy and between political-strategic cultures comes less from political leaders and more from within the military organizational and elite structures, where loyalty to the transatlantic military security community is the strongest.<sup>17</sup> The interesting question is whether organizational reform pushed from that mid-level can succeed and can actually forge changes at the elite and public opinion levels to bring U.S.-German relations back into alignment.

German military reform is bi-directional. On the one hand, it is intimately tied to Washington's military reform program and to stated U.S. foreign and security objectives. On the other hand, German military reform, as proposed, is also directly linked to EU military-security goals, such as the Petersberg Tasks.

Yet, with shrinking rather than growing German defense budgets, is it realistic to proceed with military reform as it is being proposed? Equally problematic is whether it is possible to achieve reform that meets U.S. and EU requirements, since the respective policy objectives are starting to diverge in significant ways. Even if the two sets of reform requirements could be met in the abstract, it is unlikely that they both could be achieved in the current domestic political climate in Germany.

The first problem proposed military reform runs into is the under-funding already discussed in this report. The most important developments in the ESDP revolve around the Headline Goals that were articulated at the EU summit in Helsinki in 1999. Germany was projected to be the largest contributor, but has run into funding and allocation problems. The German government has attempted rhetorically to assume its share of responsibilities. In reality, however, it has always fallen short of proposed or promised financial contributions. Since 2002, as noted above, Germany has had to cut back its proposed orders of Airbus A400M military transport planes and *Meteor* advanced air-to-air missiles, both of which are critical components of current EU arms projects.<sup>18</sup> In short, the problem of under-funding is chronic and persistent.

To further meet EU requirements, recent and current military reforms have aimed at moving the German military posture away from territorial defense, as was relevant to cold war realities, and toward increased mobility and flexibility, as appropriate to the EU's rapid



deployment force scheme and as spelled out in NATO's 1999 Defense Capabilities Initiative (DCI),<sup>19</sup> Former Defense Minister Rudolf Scharping's set of reforms included a reduction in the overall size of the *Bundeswehr* with a reorientation "away from territorial defense and towards crisis management and crisis prevention operations outside of Germany."<sup>20</sup> EU troops are to be deployable in situations that were spelled out as the Petersberg Tasks in 1997 in Amsterdam. The tasks include humanitarian assistance, peacekeeping operations, crisis management and prevention, and peace enforcement operations. The tasks also advocate that the military instrument must be pursued as a last resort, and only as one piece of a broader approach to security that includes political, economic, and environmental concerns.

This approach has been called security governance, and has been evolving as the European Common Foreign and Security Policy (CFSP) matures within the context of the ESDP. The general commitment to an autonomous European security structure and identity, which ESDP advocates, has been growing since the British and French agreement at St. Malo in 1998. The emphasis is on the softer side of power projection and is a direct manifestation of the emerging European multilateral approach to security. German participation in peacekeeping and adherence to security governance principles have emerged as the best expression of what could be called Berlin's "power projection lite," where German power projection is now permissible but still constrained to eschew traditional hard power projection.<sup>21</sup>

To a large extent, European, and especially German, notions of security governance characterize the collective security approach to international relations. To the extent that the EU continues to pursue core objectives through security governance and crisis management, Germany's soft power approach, or its "power projection lite," will increasingly define what a "normal" German military security policy looks like. German Chancellor Gerhard Schröder reflected this approach succinctly in an April 2001 interview with the German weekly, *Die Zeit*: "Military skills and strength are featuring less and less prominently in twenty-first century European security programs." He

further averred: "The question of security cannot be left to the military."<sup>22</sup>

Financial problems notwithstanding, the Schröder government has made some huge changes in Germany's military profile. In 1998, there were approximately 2,000 German soldiers abroad in peacekeeping operations. As of 2002, there were about 8,000 German soldiers stationed abroad in various peacekeeping and peace enforcement operations.<sup>23</sup> The number of operations in which German troops are involved leads to questions of over-extension and to the disconnect between these proliferating missions and the inability of the current government to raise the funds necessary to maintain these operations into the future.<sup>24</sup>

Equally important, questions are also being raised about the nature of and reasons for German military intervention abroad. For example, the Schröder government has faced stiff opposition from his governing coalition over various German military interventions, even of the "soft" peace keeping kind. The voices of doubt about issues of military over-extension and under-funding grew throughout 2002. Shoring up support on the left was one reason for Schröder's outspoken resistance to Bush's Iraq war during the 2002 federal election campaign. The question was posed in *Der Spiegel*: "Why the hasty change to an intervention army that now numbers ten thousand and is pursuing all imaginable enemies in ten different countries?"<sup>25</sup>

In other words, echoes of the half century long political culture of reticence can still be heard and have grown louder since the U.S.-German impasse over war in Iraq. German support of NATO's Operation Allied Force in Kosovo needs some elucidation in light of the ongoing rift in the transatlantic security relations over Iraq. The Allied military intervention in Kosovo fit within the parameters of the newly emerging German domestic consensus of "never on our own" better than has the U.S.-led intervention into Iraq. Wolfgang Ischinger, German Ambassador to the United States and a former top Foreign Office official in the Kohl government, argues that the Kosovo intervention represented a break with past European wars that were based on geopolitical

power struggles. He observes that the multilateral intervention in Kosovo was based on, “the need to avert a humanitarian catastrophe. ... Instead of national interests, the international community pursued the goal of implementing the basic principles of law and humanity.”<sup>26</sup> Thus, Allied Force and the follow-on peacekeeping mission contained the ingredients that validated the new German approach to international power projection: it was multilateral; it was clearly in aid of a set of collective security goals; it was proof positive to the world that Germany was willing to take its place among the other responsible democracies to stop ethnic cleansing and punish the perpetrator; and it was carried out within NATO, the multilateral transatlantic security organization that has been directly tied to German democratic identity.<sup>27</sup> As has been covered thoroughly in press accounts on both sides of the Atlantic, the German public and elite classes were never persuaded by the Bush administration’s entreaty that war in Iraq fit within these parameters.

Interestingly, the voices of discontent concerning German military projection, but especially concerning U.S. and coalition bombing in Iraq, have grown louder with the recent and ongoing public controversy concerning the politically excavated history of Allied bombing in Germany during the Second World War.<sup>28</sup> The controversy unleashed by the publication of Jörg Friedrich’s *Der Brand* in November of 2002 both coincided with public rejection of the Bush administration’s war policy for Iraq and reinforced the growing rift in U.S. and German political-strategic cultures.<sup>29</sup>

In sum, German military reform is beset with multiple problems. Its budgetary woes continue, and consequently the ability to finance prescribed military reforms diminishes. Further, the increasingly divergent strategic-political cultures in the United States and Germany reveal an inclination on the part of German political elites to pursue the EU’s Headline Goals, but less willingness to realign U.S.-German military-security policies. The question that remains to be answered is whether organizational reform driven from inside the German military establishment can succeed and have an impact at the political elite level.

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06  
CHAPTER SIX

## CONCLUSION

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German defense policy is at a critical turning point. Many of its most fundamental assumptions have been drastically altered, if not destroyed, over the past two years and the pace of change is only likely to accelerate.

It will be pushed and pulled by the United States, NATO, and its EU partners to do more in the defense area at a time when its own strategic culture is being transformed and its leadership focused on domestic social and economic reform. The direction of military reform seems to be correct but the questions raised by the first AICGS report remain valid today as well, namely, will adequate resources be found to fund this direction of change? In the earlier report, the authors warned against an attempt to muddle through by combining restructuring with under-funding and the maintenance of conscription. Since then a serious effort at restructuring has been made and some important budgetary and procurement choices have been made but tough choices remain. German defense policy will continue to be closely watched in both Europe and in Washington in the coming years for indications of how real both efforts for NATO reform and the effort of the European Union to build a serious defense capability turn out to be. Without a serious German contribution both efforts are likely to falter, so the stakes remain high.

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