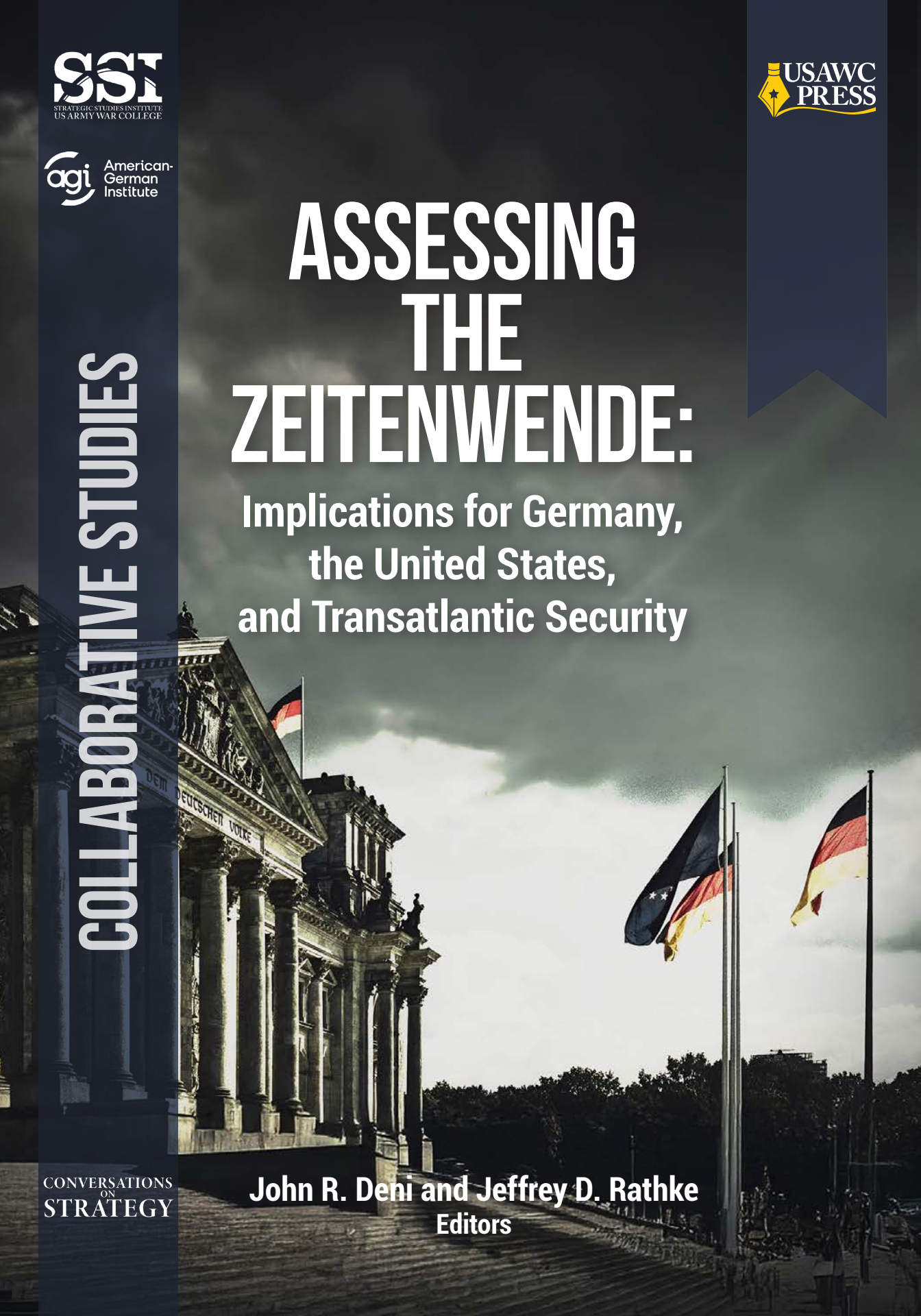


ASSESSING THE ZEITENWENDE:

Implications for Germany,
the United States,
and Transatlantic Security





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*Assessing the *Zeitenwende*:*
**Implications for Germany, the United States,
and Transatlantic Security**

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February 2025



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Foreword

The *Zeitenwende* marks a major turning point in German security policy. Fundamental shifts in Germany's energy-security strategy, policies on security cooperation, conventional military strength, approach toward Russia, and more have unfolded since February 2022. In many respects, these changes remain works in progress. Nonetheless, the decisions and actions triggered in Berlin by Russia's devastating expansion of its war against Ukraine already appear transformative in many ways.

The changes in German security policy have had broad-based and wide-ranging implications. In particular, because German-American relations lie at the heart of the broader transatlantic relationship, when Germany promulgates a dramatic shift in strategy or policy, the implications stretch far beyond Berlin and indeed across the Atlantic. Hence, the *Zeitenwende* matters greatly for American policymakers as well as those across the rest of NATO and those in the EU.

Will the changes brought about by the *Zeitenwende* endure and be far-reaching enough to strengthen German and European deterrence and defense? The answer remains unclear. Nonetheless, assessing whether and how the *Zeitenwende* has met expectations and what this all means for American policymakers is particularly timely and important. The recent election in the United States and the election in Germany mean significant change in the German-American relationship may be on the horizon. Building on the successes of the *Zeitenwende* and identifying, correcting, or mitigating its shortcomings could provide a road map of sorts to aid Berlin and Washington in navigating the way ahead. For this reason, the US Army War College is pleased to partner with Johns Hopkins University's American-German Institute to publish this collection of insightful, forward-looking essays.

Dr. C. Anthony Pfaff
Director, Strategic Studies Institute
and US Army War College Press

Summary

The scholarly essays of this edited volume analyze Germany's *Zeitenwende*, a fundamental shift in security policy prompted by Russia's brutal reinvasion of Ukraine in February 2022. Key themes addressed by the array of authors from Europe and North America include national security, defense capabilities, energy policy, industrial strategy, and international relations, particularly Germany's relationships with Russia, China, the United States, NATO, and the EU. Regarding Germany's strategic approach, the inaugural German National Security Strategy appears overly broad, offering a wish list rather than a focused strategy. Although it addresses various priorities, such as democracy, climate action, and NATO alignment, the strategy lacks a coherent approach to trade-offs and specific threats.

At the level of defense policy, the *Zeitenwende* changes included a renewed commitment to increased defense spending, reinforced by a €100 billion modernization fund. But delays in equipment procurement and persistent shortcomings in operational readiness continue to frustrate German efforts to meet NATO commitments and maintain the flow of materiel to Ukraine. Structural issues, including bureaucratic inefficiencies and an underfunded long-term defense budget, raise concerns about sustainability. Many of these same challenges afflict Germany's relationship with its defense industry. Although defense spending and materiel exports have surged, regulatory and value-driven political constraints persist.

Regarding energy security, the invasion of Ukraine exposed the vulnerabilities created by Germany's dependence on Russian gas. Rapidly implemented initiatives to diversify energy sources, develop liquified natural gas infrastructure, and double down on renewables have helped lessen the shock of cutting Russian gas. But Germany remains challenged in balancing energy security, affordability, and sustainability. The energy crisis underscored the need for structural reforms to reduce reliance on fossil fuels and increase resilience.

Looking abroad, in some ways the *Zeitenwende* has redefined Germany's international relationships. Regarding Russia, Berlin has essentially turned its back on decades of *Ostpolitik*, prioritizing instead its relations with Ukraine, despite the aforementioned challenges this change has created in energy security as well as other sectors of the German economy. Farther east, German perceptions of China were already beginning to shift before February 2022. But despite China's role in enabling Russia's war effort and Beijing's economic coercion, Germany's approach to China continues to

emphasize derisking as a way of reducing dependencies while still maintaining robust economic ties and cooperation in key areas like climate change.

From Washington's perspective, the apparent duality of Berlin's approach to China undermines the sense the *Zeitenwende* carries implications beyond Europe. Nonetheless, the United States has clearly welcomed the changes brought about so far by the reexamination of German security policy, even though Washington remains concerned about the *Zeitenwende*'s durability and effectiveness even within just a European context. At a broader, institutional level, Germany's role in NATO and the EU has grown post-*Zeitenwende*, with increased spending and commitments to collective defense. Yet, Germany faces pressure to meet the requirements of new NATO operations plans and expand its contributions to collective defense amid persistent questions about Berlin's will and ability to sustain this role.

Executive Summary

Germany's sea change in its defense and security policy—known as the *Zeitenwende*—was triggered by the full-scale Russian invasion of Ukraine in February 2022, which laid bare the fragility of the post–Cold War order and Germany's exposure. The invasion shook German security and key pillars of Germany's economic model, as a country that is naturally resource poor and deeply dependent on the free movement of people, goods, and capital in Europe.

Russia's invasion of Ukraine sparked the *Zeitenwende*, but the shift was made necessary by three failures of contemporary German politics since the 1990 reunification. Thirty years of underinvestment in Germany's national and collective defense left the country's armed forces and defense industry unprepared for a massive effort to support Ukraine militarily and prospectively to defend the territory of the NATO alliance and of the EU. Second, German leaders of all stripes built their strategy on overly optimistic assumptions the arc of European politics bent inexorably toward the rule of law, the peaceful settlement of disputes, and the ultimate primacy of economic interconnectedness and prosperity. Finally, German decisionmakers steeped in a view economic and trade ties were inherently stabilizing did not apprehend the ways in which German trade and partnership with Russia became an asymmetric dependency rather than a restraint on Moscow's ambition to reestablish dominance over its neighbors and roll back decades of European progress.

Just as the erosion of Germany's defense capabilities and security position took place over decades, so too will the rebuilding of the country's defense and the restoration of European security take many years of concerted political, economic, and industrial effort. The *Zeitenwende* is arguably the opening move in this process, the outcome of which has enormous significance for Europe as well as for the United States. This multiauthor study seeks to understand how far Germany has advanced since 2022 toward achieving the goals set out by Chancellor Olaf Scholz and the German government. It further seeks to assess whether those targets are sufficient to arrest the deteriorating security environment Germany confronts, and what the implications of Berlin's efforts will be for the United States, with its global security commitments.

The picture presented by the authors of this compilation is mixed. Germany has achieved significant successes, perhaps the most prominent being the elimination of imports of Russian oil, natural gas, and coal and the reorientation of supply to reliable partners. The turbulence in energy

markets has hit Germany hard, with high energy prices contributing to economic stagnation, but the decisive steps by the government to open up new supplies, along with the acceleration of the energy transition to renewables, has ended the hydrocarbon dependency on Russia, with no foreseeable prospect for reversal.

Germany likewise has shown strength and resolve in becoming Europe's largest provider of military and other support to Ukraine—second only to the United States globally. This accomplishment is remarkable. Although it may be tempered by the ambiguous messaging about Germany's objective in supplying Ukraine—Chancellor Scholz speaks of preventing a Russian victory rather than enabling a Ukrainian one—Europe's support to Kyiv would be inconceivable without the commitment Berlin has demonstrated.

In the medium and longer terms, the concerns increase about Germany meeting the goals it has set for itself. The Bundeswehr appears unlikely to meet its target of expanding to 203,000 personnel, and the armed forces would struggle even within those parameters to meet the growing NATO requirements under the new force model. This challenge goes hand in hand with a budget dilemma that looms in 2027, when the off-budget €100 billion special defense fund Scholz created in 2022 for major procurements will be depleted. Germany's leaders will face a choice between creating a follow-on fund (likely of a greater size) to continue recapitalizing the Bundeswehr, or dramatically expanding the medium-term commitments in the regular defense budget—something governments have been unwilling to do going back to 2014 and the first Russian invasion of Ukraine. Until Germany's leadership puts the resource commitments on a trajectory that enables procurement, operations and maintenance, and personnel planning to meet national and NATO requirements, the country will struggle to make progress and will be plagued by uncertainty (which will, in turn, undermine Germany's influence and credibility with its allies and with its EU partners).

A deeper difficulty underlies these challenges: Germany's inability or unwillingness to recognize necessary trade-offs and prioritize strategically. Germany, for the first time under Olaf Scholz, created a National Security Strategy to guide state action: a step previous chancellors considered unnecessary or perhaps too difficult. Creating the strategy was an important start. But the strategy avoids difficult decisions in favor of an all-of-the-above approach. This approach risks dissipating rather than focusing national effort on the matters that are within Germany's control or influence. Formulating a National Security Strategy will apparently become

a tradition for future governments, and successive iterations will hopefully become more effective efforts at national priority setting in the long-term endeavor to rebuild national security and to make Germany the leader on European security.

This ambition is essential and would be an antidote to an uncertainty embedded in German policymaking about Berlin's ability to shape events rather than react to them. This tendency is evident in the very origins of the *Zeitenwende*, which the chancellor described thus: "We are living through a watershed era [*Zeitenwende*]. And that means that the world afterwards will no longer be the same as the world before." Germany's response oscillates between portraying the *Zeitenwende* as an analytical framework to describe a deteriorating international environment and portraying the *Zeitenwende* as a program of urgent national action to redress the flaws in German policy and reestablish a favorable situation for German and European interests.

This ambiguity captures the promise of Germany's security transformation as well as its shortcomings. From a US perspective, the new trajectory of German policy represents an opportunity to reinforce positive trends and to set shared objectives that will result in a sustainable and effective transatlantic security balance. To aid both US and German policymakers in forging a constructive path ahead that builds on the successes of the *Zeitenwende* while mitigating its shortcomings, the authors of this compilation offer a wide-ranging set of practical recommendations, which include the following.

- At the broadest level, US leaders should encourage German officials to rebuild lost grand-strategic infrastructure, including in terms of personnel training and bureaucratic champions, while German leaders should pursue an updated strategy under the next government.
- American leaders should encourage German officials to leverage Berlin's example and its political capital as a way of elevating the responses of other European allies in deterrence and defense.
- Washington should continue to push Berlin to live up to its own commitments and strategic goals, to ensure long-term funding for Germany's defense and deterrence objectives as well as in terms of avoiding the interdependence trap with China.

- German policymakers should develop plans now for taking on greater responsibility for a significant portion of the burdens the United States currently shoulders in Europe, particularly in terms of strategic enablers such as airlift; reconnaissance; air-to-air refueling; intelligence, surveillance, and reconnaissance systems; and air defense.
- Berlin should speed up approval procedures for defense projects, make defense research and development projects available for civilian funding, and make financing more accessible for small and medium-sized enterprises and start-ups at the national and European levels.
- German leaders, as well as relevant American officials, should commit to an irreversible transition where Germany is independent from Russian fossil fuels and instead relies on stable supplies from the United States and elsewhere.
- Berlin should look to deepen Germany's economic ties with Ukraine, as part of a strategy aimed at solidifying the long-term shift away from the failed Ostpolitik of decades past.
- With American backing, the next German government should devote the necessary political capital to developing sufficient resources for the Bundeswehr to meet its alliance obligations ahead of schedule.
- Although it may think of other allies like France and the United Kingdom as more able and willing to partner vis-à-vis Chinese aggression, Washington should not lose sight of Germany's capacity to wield considerable coercive power against Beijing as well.

By pursuing these and other recommendations identified in this compilation, leaders in both Berlin and Washington can ensure the *Zeitenwende* is both durable and effective, benefiting German, American, and transatlantic security for the foreseeable future.

1

Introduction: *Assessing the Zeitenwende*

John R. Deni and Jeffrey D. Rathke
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On February 24, 2022, Russia unleashed a brutal escalation of what is now its 10-year war with Ukraine, which began in 2014 with the partial occupation of the Donets Basin and the illegal annexation of Crimea. The 2022 invasion expanded the war into Europe’s largest since World War II. Advancing on Ukraine along multiple axes, roughly 120,000 Russian troops poured across the border from the north, east, southeast, and south, wreaking death and destruction indiscriminately on military personnel and civilians.¹

Russian troops entering Ukraine from Belarus aimed to surround the capital, seeking to decapitate the elected government in Kyiv quickly. Instead of fleeing, President Volodymyr Zelensky and the Ukrainian armed forces resisted. When the United States offered Zelensky the opportunity to flee the capital, he reportedly responded: “I need ammunition, not a ride.”²

Despite intelligence reports from the United States and the United Kingdom indicating the Kremlin planned to conduct a massive attack on Ukraine, many Western governments and leaders were stunned by the invasion.³

1. Jim Garamone, “Ukrainians Continue Resistance as Russia Funnels More Troops into the Country,” U.S. Department of Defense, February 28, 2022, <https://www.defense.gov/News/News-Stories/Article/Article/2948909/ukrainians-continue-resistance-as-russia-funnels-more-troops-into-the-country/>.

2. Sharon Braithwaite, “Zelensky Refuses US Offer to Evacuate, Saying ‘I Need Ammunition, Not a Ride,’” *CNN*, February 26, 2022, <https://www.cnn.com/2022/02/26/europe/ukraine-zelensky-evacuation-intl/index.html>.

3. Shane Harris et al., “Road to War: U.S. Struggled to Convince Allies, and Zelensky, of Risk of Invasion,” *The Washington Post*, August 16, 2022, <https://www.washingtonpost.com/national-security/interactive/2022/ukraine-road-to-war/>.

The shock of the war prompted an immediate and unexpectedly strong reaction from many countries, especially Germany. On February 27, 2022, just three days after the initial invasion, Chancellor Olaf Scholz stood before the Bundestag and announced an unprecedented shift in German security policy (which he and the government have elaborated more fully in subsequent announcements and legislation).

Scholz began by calling the Russian attack on Ukraine a “watershed”—a *Zeitenwende*—in the history of Europe, pinning the blame for the “war of aggression in cold blood” squarely on Vladimir Putin.⁴ Scholz suggested many in Europe today only know of war through the stories passed on by parents or grandparents, and he acknowledged the stunned reaction of today’s German citizens to the horrors unfolding in Ukraine at Russian hands. Then, likening Russia’s invasion to the practices of the great powers of the nineteenth century, Scholz asked the fundamental question raised by Putin’s war—whether power is allowed to prevail over law. Put another way, does might make right? Scholz described the invasion as an attempt by Russia to destroy both an independent Ukraine and the European security order that was established by the 1975 Helsinki Accords and which undergirded peace on the continent for almost half a century.

This central theme—the challenge to the rules-based European security order—became the foundation upon which Scholz subsequently built a series of major policy changes. The first of these changes was Berlin’s willingness to provide weapons to Ukraine, a country clearly at war. Previously, Germany—like several other European countries—refused to provide weapons to what it called “crisis regions.” But Scholz argued Germany could do nothing less in this situation, given Putin’s aggression.

The second major policy shift was to penalize Russia for its aggression by cutting Russian banks and state businesses off from financing, preventing the export of cutting-edge technology to Russia, excluding Russian banks from the global money-transfer messaging system, and targeting sanctions against Putin, other Russian officials and oligarchs, and their investments in the EU. Although Scholz was careful to note the enduring importance of post-World War II reconciliation between Germany and Russia and the importance of diplomacy more broadly, he announced an end to naivete

4. Olaf Scholz, “Policy Statement by Olaf Scholz, Chancellor of the Federal Republic of Germany and Member of the German Bundestag” (speech, Berlin, DE, February 27, 2022), <https://www.bundesregierung.de/breg-en/news/policy-statement-by-olaf-scholz-chancellor-of-the-federal-republic-of-germany-and-member-of-the-german-bundestag-27-february-2022-in-berlin-2008378>.

in German foreign policy and to “talking simply for the sake of talking.”⁵ Scholz’s pronouncement fundamentally altered a decades-long commitment to *Ostpolitik* and to the strategy of pursuing interdependence as a path toward peaceful coexistence.

The third major policy pronouncement that day centered on strengthening German and European defense. Scholz announced his government would create a special defense fund of €100 billion for defense investments and major procurements to augment diminished German military capabilities and capacity, and announced Germany would annually spend the equivalent of 2 percent of its gross domestic product on defense.⁶ In September 2014, Berlin committed to the so-called 2 percent goal at a NATO summit in Wales, but Germany had never been on track to achieve it. Now, Scholz characterized Germany’s increased defense spending as “a major national undertaking” to ensure a strong, effective Bundeswehr that could stand up to what he described as clear evidence of Putin’s desire to recreate a Russian empire. Scholz pointedly characterized this task as something a country of Germany’s size should be able to achieve.

Finally, Scholz spoke about Germany’s energy security. For decades, Germany had viewed its energy trade with Russia as a pillar of east-west interdependence, incentivizing Russian adherence to the rules of the international order. To outsiders, Germany’s energy trade with Russia often looked more like mere dependence than interdependence, but in any case, this policy area formed a critical part of *Ostpolitik* and a change-through-trade approach that animated Berlin’s strategy toward Russia for decades. Now, Scholz completely upended that approach, committing Germany to ending its dependence on energy imports from “individual energy suppliers” (meaning primarily Russia), expanding long-term natural gas storage capacity, and rapidly constructing two new liquefied natural gas terminals.⁷

In sum, the changes in German strategy and policy Scholz announced on February 27, 2022, truly amounted to a sea change—a *Zeitenwende*. This is especially so because the changes were made by a federal chancellor of the Social Democratic Party of Germany, which has traditionally been more eager for positive relations with Russia and less willing to invest in hard security.⁸ At the time of this document’s publication, the *Zeitenwende*

5. Scholz, “Policy Statement.”

6. Scholz, “Policy Statement.”

7. Scholz, “Policy Statement.”

8. Bernhard Blumenau, “Breaking with Convention? *Zeitenwende* and the Traditional Pillars of German Foreign Policy,” *International Affairs* 98, no. 6 (November 2022): 1895–913.

is three years old—sufficient time has passed to permit a realistic assessment of the *Zeitenwende*'s implementation. At the same time, Germany will hold national elections in February 2023, so now seems an opportune moment to examine the coalition government's most important policy pronouncement, assess whether and how Scholz's vision has been fulfilled, and ponder what shortcomings may remain and require further action.

Assessing the *Zeitenwende* has obvious utility for Germans. Additionally, assessing the *Zeitenwende* is important for Germany's allies, especially the United States. For the last several decades, American leaders—regardless of party—have been remarkably consistent in their view the United States prefers to work side by side with allies in the world, and in their view European allies are foremost among the United States' global partners.⁹ Allies bring capabilities, capacity, legitimacy, staying power, and expertise to nearly every international pursuit the United States engages in, regardless of issue area or geography.

Due to its economic and political power, Germany is arguably Washington's most important ally in Europe. Despite cyclical ups and downs, Germany's economy is the largest in Europe and possesses some of the most crucial advanced industries. Certainly, bureaucratic regulation, an aging workforce, and a lack of public infrastructure investment are major hurdles to higher levels of economic growth in Germany.¹⁰ At the same time, Germany remains the most roboticized economy in Europe and the third most roboticized economy in the world.¹¹ Germany has the third-largest economy globally with a high degree of innovation—it ranks fifth, just behind South Korea, Japan, China, and the United States, in the number of patents issued per capita.¹² And Germany has a robust manufacturing sector driven by a large number of dynamic small and medium-sized enterprises.

Given all these facts, the German economy remains the lynchpin of the economy of the EU, which is the top trade and investment partner for the

9. For example, see The White House, *National Security Strategy of the United States of America* (The White House, December 2017), 2, 4, 26, 37, 45, 46, and 48; and The White House, *National Security Strategy* (The White House, May 2010), 3, 41, and 42.

10. Kevin Fletcher et al., "Germany's Real Challenges Are Aging, Underinvestment, and Too Much Red Tape," International Monetary Fund, March 27, 2024, <https://www.imf.org/en/News/Articles/2024/03/27/germanys-real-challenges-are-aging-underinvestment-and-too-much-red-tape>.

11. "Global Robotics Race: Korea, Singapore and Germany in the Lead," International Federation of Robotics, January 10, 2024, <https://ifr.org/ifr-press-releases/news/global-robotics-race-korea-singapore-and-germany-in-the-lead>.

12. "Annual Patent Applications per Million People," Our World in Data, updated May 20, 2024, <https://ourworldindata.org/grapher/patent-applications-per-million?tab=table>.

United States. In 2022, US goods-and-services trade with the EU totaled \$1.3 trillion; in comparison, US goods-and-services trade with China that same year totaled \$758 billion.¹³ European companies directly support 4.7 million American jobs, with German companies accounting for roughly 900,000 of those; in contrast, Chinese companies directly support just under 200,000 US jobs.¹⁴

At the same time, even as the EU has grown in membership and power within the EU has become more diffuse, Germany remains first among equals in terms of its political power. From the euro-zone debt crisis 15 years ago, to the migration crisis of the mid-2010s, to the response to the COVID-19 pandemic and the resulting recession, to the reaction to Russia's second invasion of Ukraine, Berlin has been at the center of European efforts to manage and overcome the most significant challenges facing the continent. Despite the early collapse of the traffic-light coalition in late 2024 and the fiscal headwinds confronting Berlin, Germany appears likely to remain the dominant political power in Europe for the foreseeable future, even as it remains cautious in translating this strength into military might.

Given Germany's importance within Europe and beyond, whether and how the most significant turn in German security policy achieves the country's intended objectives is a matter of strategic importance for the United States. In particular, the *Zeitenwende* matters a great deal for whether and how Germany steps up its military strength and thereby bears an increasing degree of responsibility in deterring and defending against Russian aggression across Europe. The *Zeitenwende* also matters for how Germany uses its example and its diplomatic strength to generate stronger and more coherent actions among Europe's NATO members and members of the EU. Clearly, the *Zeitenwende* has been wholeheartedly welcomed in Washington, but concerns are increasingly expressed about how Scholz's government has followed up the chancellor's words with deeds.¹⁵

13. "Countries & Regions," Office of the United States Trade Representative, n.d., accessed on August 20, 2024, <https://ustr.gov/countries-regions>.

14. Daniel S. Hamilton and Joseph P. Quinlan, *The Transatlantic Economy 2020* (Foreign Policy Institute, Johns Hopkins University School of Advanced International Studies, 2020); and Thilo Hanemann et al., "Vanishing Act: The Shrinking Footprint of Chinese Companies in the US," Rhodium Group, September 7, 2023, <https://rhg.com/research/vanishing-act-the-shrinking-footprint-of-chinese-companies-in-the-us/>.

15. Fareed Zakaria, "Germany's Unlikely Success Story Is an Inspiration in Dark Times," *The Washington Post*, September 1, 2022, <https://www.washingtonpost.com/opinions/2022/09/01/scholz-germany-success-story-europe/>; and Sophia Besch and Liana Fix, "Don't Let *Zeitenwende* Get Derailed," *War on the Rocks*, November 21, 2022, <https://warontherocks.com/2022/11/dont-let-zeitenwende-get-derailed/>.

The purpose of this report is to examine this subject in greater detail across an array of issue areas, both in Europe and beyond. To accomplish this purpose, the American-German Institute at Johns Hopkins University and the US Army War College's Strategic Studies Institute have brought together leading experts on both sides of the Atlantic to assess the *Zeitenwende*, to identify where and how it has succeeded, and to offer insights and recommendations on how to overcome remaining challenges. Our objective is to measure the *Zeitenwende* on its own terms and according to its own objectives.

In the first essay of this volume, Marina E. Henke examines the *Zeitenwende* in the context of Germany's grand strategy. John R. Deni then approaches the *Zeitenwende* from the other side of the Atlantic, outlining Washington's expectations for Berlin through the framework of the US National Defense Strategy and in the context of security challenges confronting both the United States and Germany in Europe and the Indo-Pacific.

The third essay is the first of three at the heart of the report that examine the *Zeitenwende* in the context of specific issue areas. Aylin Matlé starts by taking a closer look at how the *Zeitenwende* has improved and strengthened the state of Germany's conventional military capabilities and capacity. On a related point, Sophia Besch delves into Germany's defense industry and examines what role the *Zeitenwende* has played in making that industry fit for purpose. Coauthors Loyle Campbell and Tim Bosch then provide insights into energy security and whether the *Zeitenwende* has truly left Germany and its neighbors better off.

The report then turns to bilateral, multilateral, and regional relationships. Angela E. Stent kicks off this group of three essays by unpacking the nature of Germany's evolving relationship with Russia. Coauthors Jeffrey D. Rathke and Theresa Luetkefend examine how the *Zeitenwende* has affected Germany's role in NATO and the EU, the two premier European institutions. Finally, looking beyond Europe, May-Britt U. Stumbaum and Sharon de Cet cast their gaze toward the Indo-Pacific to determine whether and how the *Zeitenwende* has impacted Germany's approach to the China challenge.

Germany's National Security Strategy: Is It Helping or Hurting the *Zeitenwende*?

Marina E. Henke
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In June 2023, Germany released its first-ever *National Security Strategy* (*NSS*), making it, along with Italy, one of the last Group of Seven countries to produce such a document. For many years, calls were made for a national-level security policy document. Nevertheless, all the calls were ignored by the German government and the German chancellery, the most important actor in this process.¹ Only in 2021 did the topic get picked up again. The coalition treaty of the new government, succeeding Angela Merkel after 16 years in power, pledged to work toward an *NSS* during its electoral mandate. Nevertheless, the *Ampelkoalition* government probably would not have committed to its pledge without Russia's invasion of Ukraine in February 2022.² Indeed, writing the *NSS* became part and parcel of the *Zeitenwende*. The strategy document was meant to codify many of the security policy and doctrine changes Germany would undertake.

In this essay, I examine whether the *NSS* has the potential to succeed in this endeavor. Will the *NSS* help or hurt Germany in the process of implementing the *Zeitenwende*? In addition, what does the strategy mean for US-German cooperation? What can we deduce from the document that would suggest Germany will become a more (or less) capable NATO ally and

1. Germany operates as a parliamentary democracy, meaning the executive branch (the government) is derived from and accountable to the legislature (the Bundestag). The chancellor is the head of government in Germany and typically the leader of the majority party or coalition in the Bundestag, which is responsible for forming the government, setting policy agendas, and overseeing the executive branch. Though initiatives to draft a national security strategy can come out of the Foreign Office or the Ministry of Defense, the chancellor will always have the last word.

2. Writing the *National Security Strategy* would become an arduous process with many delays.

partner? Indeed, a capable ally possesses both: (1) the necessary capabilities to engage in meaningful burden sharing and (2) the ability to make a meaningful strategic contribution to transatlantic security and global order—in material and in intellectual terms.

Unfortunately, I find Germany's first-ever security strategy exhibits significant deficiencies. Above all, the *NSS* is less an actual *strategy* than a wish list of goals such as maintaining national security, democracy, and prosperity; mitigating the climate crisis; and maintaining a strong Europe and a close relationship with the United States. The document fails to make choices and fails to recognize pursuing all these goals will inevitably require trade-offs. It also falls short in filtering and diagnosing the threats Germany faces. Although the *NSS* certainly mentions Russia as a threat, the Russian threat is followed by numerous other threats and challenges, thus diluting its importance. Lastly, many of the proposed means and measures listed in the *NSS* are vague and lack coherence.

In short, the *NSS* is currently not very useful to implementing Germany's *Zeitenwende* or making Germany a more capable US ally and partner. The German government seems to have treated the *NSS* as an exercise in goal setting rather than problem-solving, avoiding difficult decisions for fear of political backlash. Instead of saying no, the German government attempted to resolve conflicts by embracing all available options. The document is thus unlikely to provide any significant help in streamlining German defense spending. On the contrary, given the numerous funding areas outlined in the document, Germany is likely to spread its investments thin, resulting in limited overall impact. The document also depicts German strategic confusion. Germany appears to want it all (for example, national security *and* a strong social welfare state; democracy, the rule of law, *and* close ties with authoritarian states such as China; European strategic autonomy *and* a strong NATO). Such a lack of strategic focus impedes German intellectual leadership on transatlantic security and global order.

Nonetheless, a silver lining might still exist. Constructive US-German discussions on the weaknesses of the *NSS* could help Germany recognize its challenges in strategic thinking and strategy development. During the Cold War, Germany possessed the necessary intellectual infrastructure to develop and implement strategy. Germany was able to provide intellectual leadership in NATO. Since the 1990s, Germany's intellectual infrastructure has gradually collapsed. Today, very few German universities, think tanks, and government research institutions practice research and teaching on strategic issues. Germany's intellectual infrastructure must be rebuilt. The *Zeitenwende*

must encompass a dual-track process: (1) the restoration of Germany's military defense capability and (2) the rebuilding of an intellectual infrastructure that allows Germany to think strategically and foster a broad understanding of security policy among its population. The latter is indispensable to the societal acceptance of Germany's security and defense reform program going forward.

What Is Good Grand Strategy?

Germany's *NSS* qualifies as a grand-strategic document. It outlines Germany's long-term objectives in terms of foreign policy, security, and overall strategy. The *NSS* applies all the tools Germany has at its disposal. The latter characteristic, indeed, makes the document a *grand* strategy—as it sits above strategies that deal with lower levels of statecraft (for example, cyberstrategy and defense strategy).

Most scholars in history, political science, and business administration would agree having a (grand) strategy is better than not having one. Why? First, a grand strategy improves policy coherence. Government structures are often complex. All levels (from the local level to the regional and national levels) can be involved in foreign and security policy decision making, sometimes even simultaneously. Often, little coordination occurs between these many different levels. A grand strategy can help. It creates a reference framework: a common thread.

Second, strategy increases efficiency. It sets the direction for foreign and security policy and indicates where money, troops, surveillance capacities, time, and other resources should be invested. Strategy helps identify key areas that require investment and areas where resources can be saved.

Third, strategy fosters democracy, transparency, and accountability. Many fundamental questions arise in the process of writing a grand-strategic document: What are a state's most important strategic goals? What are the biggest threats to achieving these goals? What measures and steps are necessary to mitigate these threats? A good grand strategy forces political decisionmakers to provide clear answers to these questions. In this way, a grand strategy increases the political leadership's accountability to society.

Nevertheless, not all strategy can fulfill those tasks. Some strategic documents miss their mark by, for example, diluting focus instead of enhancing it; by discounting strategic trade-offs, thus raising false expectations among the population; or by focusing on processes and methods rather than

outcomes. Indeed, *bad* strategy is more than just the absence of good strategy. Bad strategy often has a life and logic of its own, a false edifice built on mistaken foundations. The result is a weakened, confused, and inefficient state.

What, then, makes grand strategy *good*? Similar to a musicologist evaluating a piece of music using a combination of analytical, historical, cultural, and theoretical frameworks, a grand-strategy document can be evaluated using criteria borrowed from international relations, political sciences, and historical research.

Criteria 1: Define Core Strategic Goals

Any grand strategy needs to define a state's core strategic goals. These goals should reflect the highest purpose of state action—the absolute priorities of a government. The goals are set for the long term, which can mean years, even decades. National security is best suited to be any state's core strategic goal. States operate within a world where the potential for war exists continuously. National security is thus any state's most precious good, and grand strategic thinking should not be diluted by prioritizing other goals of lesser importance. What does national security entail? The term encompasses the preservation of a state's sovereignty, safety, and territorial integrity.³ Nevertheless, national security also includes the necessary means to achieve the latter ends—the capability to defend a state's sovereignty, territorial integrity, and safety. These capabilities encompass the size, health, and skill levels of a state's population as well as its economic resources, agricultural output, access to raw materials, and military strength.⁴

Criteria 2: Identify Core Strategic Challenges

Any grand strategy has at its very core the task of overcoming problems.⁵ As such, the second criterion any grand strategy needs to meet is identifying the most important challenges that stand between a state and its core strategic goals. For example, what prevents a country from ensuring security for its citizens and territory? If a state fails to identify and analyze these challenges, no strategy is being developed. Only challenges that either threaten a state's core values or threaten its very existence ought to be mentioned. If the

3. Barry R. Posen, *Restraint: A New Foundation for U.S. Grand Strategy* (Cornell University Press, 2014), 1.

4. Posen, *U.S. Grand Strategy*, 4.

5. Kevin P. Coyne and Somu Subramaniam, "Bringing Discipline to Strategy," *McKinsey Quarterly*, no. 4 (Autumn 1996); Hugh Courtney et al., "Strategy Under Uncertainty," *Harvard Business Review* (November–December 1997); and Posen, *U.S. Grand Strategy*, 77.

identified challenge does not qualify, it ought to be dropped from the grand strategic design process.

Criteria 3: Analyze Core Strategic Challenges

The set of core strategic challenges defined above needs to be analyzed in detail. This analysis entails a diagnosis and an explanation of the nature of each challenge. Why does the challenge exist? What are its causes, triggers, or drivers? Why have certain challenges become salient? What forces are at work? In concrete terms, analyzing core strategic challenges means, for example, asking: Why does Russia pursue a revisionist foreign policy? Why is China spending more and more on its military?

Criteria 4: Designing a Logic of Action

A good grand strategy includes an overarching logic of action (that is, an overall approach to overcoming the diagnosed strategic challenges). Like the guardrails on a highway, this logic of action directs and constrains policy without fully defining its content.⁶ The logic of action channels action in a certain direction without defining exactly what shall be done. Such coordination creates leverage. It allows states to get the greatest return on or result from a given input.

Criteria 5: Translating Strategic Ideas into Concrete Actions

Finally, a good grand strategy translates the logic of action into concrete policies and resource commitments involving all means of statecraft, including political, diplomatic, military, economic, or technological resources. A good grand strategy also recognizes a state's strengths and weaknesses and seeks to use the most efficient available tools. A good grand strategy also involves considering one's capabilities and competencies in comparison to others (most notably one's antagonists). Where do my strengths lie compared to others? A good grand strategy also uses such asymmetries by cleverly leveraging a state's strengths against the weaknesses of the other side when necessary.⁷

6. Richard Rumelt, *Good Strategy/Bad Strategy: The Difference and Why It Matters* (Crown Currency, 2011), 84.

7. A. W. Marshall, *Long-Term Competition with the Soviets: A Framework for Strategic Analysis* (RAND Corporation, April 1972); and Mie Augier, "Thinking About War and Peace: Andrew Marshall and the Early Development of the Intellectual Foundations for Net Assessment," *Comparative Strategy* 32, no. 1 (2013).

A grand strategic document does not need to point to all the actions that will be taken as events unfold, but enough clarity about action must exist to bring concepts down to earth.

Does Germany's National Security Strategy Apply These Best Practices?

The five criteria described above might seem reasonably easy to implement. But in the real world, many grand-strategic documents often do not follow these best practices. How does Germany's *NSS* fare in following the five best practices described above? In what follows, I do not aspire to provide an exhaustive analysis of the *NSS* but rather point out a number of relevant observations.

Germany's Strategic Goals

Germany's *NSS* lists the following interests and goals that guide German strategy:

- (1) protecting the people, sovereignty and territorial integrity of our country, the European Union and our allies;
- (2) protecting our free democratic order;
- (3) strengthening the European Union's ability to act and its internal cohesion and further deepening the profound friendship we share with France;
- (4) consolidating the transatlantic alliance and our close partnership based on mutual trust with the United States of America;
- (5) fostering prosperity and social cohesion in our country by protecting our social market economy;
- (6) promoting an international order based on international law, the United Nations Charter and universal human rights;
- (7) fostering peace and stability worldwide and championing democracy, the rule of law, human development and participation by all population groups as a prerequisite for sustainable security;
- (8) promoting the sustainable protection of natural resources, limiting the climate crisis and managing its impacts, securing access to water and food, as well as protecting people's health;
- (9) maintaining an open, rules-based international economic and financial system with free trade routes and a secure, sustainable supply of raw materials and energy.⁸

8. Federal Government of Germany, *Robust. Resilient. Sustainable. Integrated Security for Germany: National Security Strategy* (Federal Government of Germany, June 2023), 21.

This list violates the best practices described above. First, instead of defining a core strategic goal to be achieved, the document provides a long list of strategic goals. Why is this problematic? As mentioned above, choice is the essence of strategy. Presenting a long list of strategic goals dilutes focus and strains resources, making prioritizing and working effectively difficult for the German government. The result is a thin allocation of time, funding, and personnel, reducing the likelihood of meaningful progress in any area.

Second, several of Germany's strategic goals are kept very vague (for example, "strengthening the European Union's ability to act and its internal cohesion" or "fostering peace and stability worldwide").⁹ But clarity of strategic goals is required for government employees and citizens to understand what needs to be achieved and where to direct their efforts. Without clarity, resources get wasted on inefficient actions. Unclear goals or the ambiguity of goals also lead to procrastination.¹⁰ When people do not know which steps to take, they often tend to postpone tasks.

Finally, the list ignores strategic trade-offs. It creates the illusion Germany can have it all: territorial security and generous social spending to ensure social cohesion; environmental protection and limitless economic prosperity; the rule of law and good trade relations with all countries of the world (including authoritarian states, foremost among which is China). The paper ignores the impossibility of this simultaneity and the fact Germany must inevitably set priorities and make compromises. The *NSS* also raises false expectations among the population.

Germany's Strategic Challenges

The *NSS 2023* describes the strategic challenges Germany faces on pages 22–27. Due to space constraints, the challenges cannot be fully reproduced here. But the section refers to the following threats: (1) Russia; (2) growing multipolarity and increasing systemic rivalry; (3) China; (4) wars, crises, and conflicts in Europe's neighborhood; (5) terrorism and extremism; (6) erosion of the arms control, disarmament, and nonproliferation architecture; (7) chemical, biological, radiological, and nuclear threats; (8) power-political considerations in international economic and

9. Federal Government of Germany, *National Security Strategy*.

10. Allan K. Blunt and Timothy A. Pychyl, "Task Aversiveness and Procrastination: A Multi-Dimensional Approach to Task Aversiveness Across Stages of Personal Projects," *Personality and Individual Differences* 28, no. 1 (January 2000); and Johannes Hoppe et al., "A Cross-Lagged Panel Design on the Causal Relationship of Task Ambiguity and State Procrastination: A Preliminary Investigation," *North American Journal of Psychology* 20, no. 2 (June 2018).

financial relations; (9) intensified international technology competition; (10) cyberattacks; (11) activities of foreign intelligence services and other actors; (12) serious and organized crime; (13) illegal financial flows; (14) the climate crisis; and (15) refugee and migration movements.

The part of the *NSS* that describes strategic challenges also exhibits strategic weaknesses. On the one hand, the *NSS* fails to prioritize threats. Not all threats amount to either threatening Germany's core values or threatening its very existence (for example, foreign intelligence services, organized crime, or illegal financial flows come to mind). Why is this problematic? Trying to tackle a multitude of threats all at once can be overwhelming and unproductive.

Many of the threats are also not analyzed in detail. Their causes are largely ignored. Many of the dangers are even anonymized (that is, their driving forces are generalized), as the following examples illustrate: "international economic and financial relations are also ever more informed by considerations of power and influence" and "critical infrastructure is absolutely essential and is increasingly the target of serious threats and interference."¹¹ Why is listing the challenges and diagnosing them necessary? Without a clear diagnosis, the treatment can be misdirected, or the wrong problems get addressed, thus potentially causing more harm than good.

Germany's Policy Recommendations

The *NSS 2023* presents its catalog of means and measures under the banner of integrated security. But the term does not offer an overarching logic of action. It prescribes all tools of statecraft ought to be used to implement the *NSS* but does not prescribe how they should be used. As a result, how Germany intends to create leverage is unclear. The listed measures also feel somewhat disconnected from the strategic challenges, which makes checking whether the proposed measures are effective in terms of the objectives they are intended to serve more difficult. Democratic accountability is denied. Key challenges also remain potentially unaddressed or inadequately handled.

For example, the subsection on defense focuses on military measures. But it does not explain how specific means will address the mentioned challenges, such as deterring Russia, terrorism, or organized crime. The subsection also lists measures for civil protection, even though this topic is not directly mentioned under the strategic challenges. The EU is assigned numerous tasks, such as intensified engagement for the stability

11. Federal Government of Germany, *Robust. Resilient. Sustainable.*, 24, 25.

of our neighborhood, “sanctions,” countering “terrorism,” and dealing with “irregular and involuntary” migration and “migration instrumentalisation.”¹² The *NSS 2023* also mentions ideas like changing the treaties, “greater use of majority voting,” and “EU integration, cohesion, and enlargement,” which remain vague.¹³ Crisis engagement is addressed without a direct reference to the strategic threats. When and where Germany intends to deploy its crisis tools remains unclear—worldwide? Worldwide deployment is of course unrealistic.

What Now?

I started this essay with the question: Does the *NSS* have the potential to help or hurt Germany in the implementation of the *Zeitenwende*? Does the document aid Germany in becoming a more (or less) capable NATO ally and partner?

My analysis above shows the *NSS 2023* falls short regarding best practices in grand strategy design and is a rather vague and incomplete document that contains only a few elements that can be called strategic. Moreover, the document does not portray a sense of direction. Germany does not appear to have a clear notion of what strategic goals it wants to achieve and which threats and challenges it prioritizes.

Why is this problematic? The document undermines coherence and efficiency, leaving Germany at risk of adopting fragmented policies that could even veer into contradictory directions. The *NSS* also fails to build public support, as the German public remains uninformed about the government's strategic priorities and threat assessments. Moreover, the document does little to strengthen Germany's role as a reliable US partner and ally. The intellectual shortcomings of the *NSS* weaken collective defense efforts and could jeopardize transatlantic and global stability by emboldening US adversaries.

What steps need to be taken now? The new US government should encourage Germany to rebuild its grand-strategic infrastructure. What does this rebuilding involve? Initial measures would include the German government investing in strategic planning departments, as well as training military and defense officials in strategic studies. Additionally, German universities should establish programs with a renewed emphasis on teaching

12. Federal Government of Germany, *National Security Strategy*, 37–39.

13. Federal Government of Germany, *National Security Strategy*, 39.

and research in strategy and grand strategy, while think tanks should actively engage in robust grand-strategic debates.

Since the 1990s, Germany has stepped back from an intellectual leadership role in transatlantic security. Germany is incapable of making a meaningful strategic contribution, to the detriment of the United States and global order. Now that Eurasia is once again a central arena of geopolitical competition, Germany needs to reengage. What the United States needs is a German material contribution to maintaining the military balance in Eurasia and strategic and intellectual leadership from a nation with deep, organic ties to the region. If this challenge is left entirely to the United States, it will stretch US resources and capabilities to their limits. The United States should urge Germany to produce a new *NSS* under the leadership of the next chancellor, drawing lessons from the shortcomings of the *NSS 2023*.

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Washington's Expectations, American Strategy, and Germany's Role

John R. Deni
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Introduction

The *Zeitenwende* has been warmly welcomed in Washington. For American policymakers, the changes in German approaches toward defense spending, energy security, and Russia more broadly have all been exceedingly positive.

For some American officials, the changes might even be viewed as necessary. For the last several years, the United States has been increasingly clear about the necessity of having willing and able allies by its side for the purpose of strategic competition with Russia and China, as well as for managing transnational challenges such as terrorism. United States (US) strategies characterize allies as a comparative advantage—something American adversaries lack—or even an irreplaceable component of Washington's approach. Germany, given its leading role in Europe, plays a key role in the constellation of American allies worldwide.

Nonetheless, American policymakers' attitudes toward Germany and the unfolding implications of the *Zeitenwende* Olaf Scholz announced in February 2022 are not completely worry free. Resourcing, durability, effectiveness, and the broader applicability of the *Zeitenwende* continue to spur some apprehension within Washington. This essay will examine these concerns as well as the positive perceptions of the *Zeitenwende* in the United States. First though, the essay will step back to examine the primary security

challenges confronting Washington and where allies—especially Germany—figure in.

Challenges Confronting the United States

American national security strategies make clear that Washington considers the People’s Republic of China and its governing Chinese Communist Party the primary threat to international security. China is the only country with “the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power” to do so.¹ China’s actions over the last 10–15 years have transformed it in Washington’s eyes from a rising but benign competitor to a country aggressively employing diplomatic, political, economic, and military tools to change the international system and undermine the rules-based order.

If China is the so-called pacing threat, US government officials view Russia as the most acute threat the West faces today, given the brutal war unfolding in Ukraine as well as Russia’s ongoing efforts to influence US and other Western elections. This framing—acute versus pacing—has tended to imply the Russian threat has a temporality or discontinuity, which the threat from China lacks. But given the increasingly personalist nature of the Vladimir Putin regime, the Kremlin’s high tolerance for risk, and Moscow’s relative success in rebounding somewhat from early failures in the Russia-Ukraine War, a more accurate conceptualization that has emerged in Washington over the last year is of Russia as a persistent or chronic threat.² Helpfully, this view also characterizes perceptions within NATO.³

The United States perceives both Russia and China—as well as Iran and North Korea—as autocracies with revisionist foreign policies, distinct from mere autocracies (some of which are allied with the West).⁴ Revisionist autocracies aim to undermine the rules-based international system that benefits nearly all countries and has provided a degree of geostrategic stability over the last 80 years. More specifically, revisionist autocracies have an established track record of aggressively intimidating and sometimes invading less powerful, neighboring states; actively undermining the democratic

1. The White House, *National Security Strategy* (White House, 2022), 8.

2. Jim Garamone, “U.S. Commander in Europe Says Russia Is a ‘Chronic Threat’ to World,” U.S. Department of Defense (DoD), April 10, 2024, <https://www.defense.gov/News/News-Stories/Article/Article/3737446/us-commander-in-europe-says-russia-is-a-chronic-threat-to-world/>.

3. Civilian member of the NATO International Staff, interview by the author, November 7, 2024.

4. The White House, *National Security Strategy*, 8.

political processes of other countries; leveraging their economic strengths for coercion and repression at home and abroad; and exporting an illiberal model of government that limits human freedom.⁵

The Role of Allies

These challenges—China, Russia, and other revisionist authoritarian states bent on undermining the rules-based international system—are massive. American leaders have been clear the scale and scope of these threats require Washington to seek assistance. Under the Joe Biden administration, the United States sought to rely, in part, on marshaling the active support of American allies. The 2022 *National Security Strategy* made clear building and sustaining a coalition of like-minded countries is critical to American security.⁶ The strategy characterizes building this coalition as one of three lines of effort to achieve US national security goals, along with investing in the sources or tools of American power and modernizing and strengthening the US military.

The Biden administration's *National Defense Strategy of the United States of America* (NDS) was even more explicit about both the scale of the security challenges and the importance of allies to achieving US strategic ends. It noted plainly, "We cannot meet these complex and interconnected challenges alone."⁷ For this reason, the NDS subsequently referred to American allies as "our greatest global strategic advantage" and as "a center of gravity" for US strategy. In national security parlance, the latter phrase has particular meaning—in strategic thinking, if a center of gravity fails, the strategy fails. Hence, the United States makes clear it does not merely prefer to engage global challenges side by side with allies, it *needs* to do so—otherwise, the American strategy is likely to fail.

The United States has viewed Europe as its "foundational partner" in addressing every major global challenge.⁸ From Washington's perspective, the United States prefers to take on global challenges side by side with Europe because of shared values, common interests, historical ties, compatible governance, and even military interoperability. This sentiment is not unique to any particular presidential administration. The national security strategies and national defense strategies of presidents from Bill

5. The White House, *National Security Strategy*, 8.

6. The White House, *National Security Strategy*, 11.

7. DoD, *2022 National Defense Strategy of the United States of America* (DoD, 2022), 2.

8. The White House, *National Security Strategy*, 38.

Clinton through Joe Biden all included various formulations of the same central theme: the United States prefers to engage the world with allies, especially Europeans, by its side. Even Donald Trump's first *National Security Strategy* noted, "Allies and partners magnify our power . . . [they] are a great strength of the United States . . . [and] The NATO alliance of free and sovereign states is one of our great advantages over our competitors."⁹ Whether a second Trump administration will echo these sentiments remains to be seen.

Germany's Role

As Europe's largest economy, its third-largest population (after Russia and Türkiye), and its most significant political power, Germany plays an important and unique role among American allies in Europe. Germany's gross domestic product is roughly \$4.5 trillion—although this number is only about one-sixth the size of the US economy, it means Germany has the latent power to influence events across Europe and beyond politically and economically, if not militarily. Berlin's unwillingness to convert its economic strength into political-military power has been a unique feature of its resuscitation from the ashes of World War II. History and political science indicate most countries eagerly do the opposite—if countries have economic strength, they try to convert that strength into political-military power.¹⁰ Not Germany. In fact, in 2010, then-President Horst Köhler resigned from his largely ceremonial office following an uproar over remarks he made that would have been perceived as quite normal in any other major Western power: "In emergencies, military intervention is necessary to uphold our interests, like for example free trade routes."¹¹

Nonetheless, over the last several years, the United States has watched Germany become an increasingly normal country. Indeed, prior to the 2022 *Zeitenwende*, Germany used its political and economic influence to play decisive roles in some of the most significant crises the West confronted. For example, in responding to the eurozone debt crisis, which began in 2009, Berlin defined the terms of the austerity measures several Southern European countries were compelled to implement. Somewhat amazingly, the debt crisis did not result in a single EU member state being forced to leave the common currency or the union.

9. The White House, *National Security Strategy* (The White House, December 2017), 4, 37, 48.

10. John J. Mearsheimer, *The Tragedy of Great Power Politics* (W. W. Norton and Company, 2001).

11. "German President Resigns over Criticism of Comments About Military," *CNN*, May 31, 2010, <http://edition.cnn.com/2010/WORLD/europe/05/31/germany.president.resigns/> (page discontinued).

Similarly, Berlin led Europe's response to the migration crisis of 2015–16, during which Germany admitted roughly one million asylum seekers. Migration has returned as a top political concern in Germany and across Europe, but successfully managing the massive wave of migrants in the mid-2010s would not have been possible without Germany's key role in working with Türkiye.¹²

Berlin also played an important role in responding to Russia's first invasion of Ukraine in 2014. Then-Chancellor Angela Merkel worked at the center of the Normandy format, alongside France, to negotiate a path toward settling the Donets Basin war between Ukraine and Russian-backed separatists. Although the Normandy format and the resulting Minsk Agreements ultimately failed to stop the fighting or prevent Russia's second, more brutal invasion beginning in February 2022, Germany nonetheless leveraged its power and influence in trying to manage Russian aggression.

But the failure of the Minsk Agreements was at least in part due to Berlin's willingness to trust Putin on implementation.¹³ This trust reflected a far broader consensus among German policymakers and other German elites Moscow could be relied upon to play by the rules and norms of the international system if Russia was fully enmeshed in economic and political ties to the West. The siren call of interdependence as a tool for taming Moscow's worst impulses drove Germany's Russia policy, known as *Ostpolitik*, for decades—as Angela Stent argues elsewhere in this collaborative study—even as the fact such an approach was outmoded, if not ineffective, became clear after 2014.¹⁴

Berlin's unwillingness to recognize this reality—that is, the failure of the interdependence approach toward Russia—frustrated Washington as well as many of Germany's allies across Europe.¹⁵ And no single element of Germany's interdependence policy toward Russia exasperated Washington as much as the Nord Stream 2 gas pipeline, which was opposed by US presidents as disparate

12. Anne Koch et al., “Integrating Refugees: Lessons from Germany Since 2015–16” (white paper, World Bank, April 2023); Emanuele Albarosa and Benjamin Elsner, “Forced Migration and Social Cohesion: Evidence from the 2015/16 Mass Inflow in Germany,” *World Development* 167 (2023): 106228; and Jennifer Rankin, “Turkey and EU Agree Outline of ‘One In, One Out’ Deal over Syria Refugee Crisis,” *The Guardian*, March 8, 2016, <https://www.theguardian.com/world/2016/mar/08/european-leaders-agree-outlines-of-refugee-deal-with-turkey>.

13. Marie Dumoulin, “Ukraine, Russia, and the Minsk Agreements: A Post-Mortem,” European Council on Foreign Relations, February 19, 2024, <https://ecfr.eu/article/ukraine-russia-and-the-minsk-agreements-a-post-mortem/>.

14. Stefan Meister, “From Ostpolitik to EU–Russia Interdependence: Germany's Perspective,” in *Post-Crimea Shift in EU–Russia Relations: From Fostering Interdependence to Managing Vulnerabilities*, ed. Kristi Raik and András Rácz (International Centre for Defence and Security, 2019), 25–44.

15. Matthew Karnitschnig, “Berlin Mulls Tougher Stance on Moscow,” *Politico*, April 19, 2018, <https://www.politico.eu/article/germany-russia-tougher-stance-allies-frustrated-by-berlin-indecisive-position-on-moscow/>.

as Barack Obama, Donald Trump, and Joe Biden. So great was the degree of frustration, the United States enacted legislation—the Protecting Europe’s Energy Security Act of 2019—imposing sanctions on any private companies involved in building the pipeline.¹⁶

The depth and breadth of *Ostpolitik*’s grip on the ruling elite in Berlin sometimes prevented Germany from taking steps Washington and many European partners deemed necessary to bolster Western security. Reportedly, even up to the point of Russia’s invasion of Ukraine in February 2022, German officials—as well as their French counterparts in Paris—refused to believe the American and British intelligence reports indicating a war was increasingly likely.¹⁷ To be clear, Berlin was skeptical for several reasons, including the hangover from the United States’ inaccurate intelligence on Iraq 20 years earlier. Nonetheless, the commitment of the German elite to the promise of interdependence and their belief it would inhibit Russia from invading Ukraine were so strong, some referred to Germany as Putin’s Trojan horse inside NATO, preventing the alliance from taking a firmer stand.¹⁸ What tended to make matters even worse was the fact German officials lacked an appreciation for the downsides of their interdependence fixation.¹⁹

The Zeitenwende’s Impact . . . and Its Promise

With Chancellor Scholz’s *Zeitenwende* speech in February 2022, Germany’s approach to Russia appeared to turn on a dime and with it most (but not all) Washington’s frustration with one of its most important allies in Europe. On Russia policy, to say Germany’s approach changed fundamentally is no exaggeration.²⁰ This change was greeted very positively in Washington, which had increasingly perceived a moral smugness behind Germany’s

16. Bureau of Energy Resources, *Fact Sheet on U.S. Opposition to Nord Stream 2* (US Department of State, December 27, 2019); and “Pompeo Says U.S. Will ‘Do Everything’ to Stop Nord Stream 2 Project,” Radio Free Europe / Radio Liberty, July 30, 2020, <https://www.rferl.org/a/pompeo-u-s-will-do-everything-to-stop-nord-stream-2/30757543.html>.

17. Shane Harris et al., “Road to War: U.S. Struggled to Convince Allies, and Zelensky, of Risk of Invasion,” *The Washington Post*, August 16, 2022, <https://www.washingtonpost.com/national-security/interactive/2022/ukraine-road-to-war/>.

18. Stefanie Bolzen et al., “Deutschland ist das trojanische Pferd Putins in der Nato,” *WELT*, January 26, 2022, <https://www.welt.de/politik/ausland/plus236474917/Ukraine-Konflikt-Zweifel-an-Deutschland-das-trojanische-Pferd-Putins-in-der-Nato.html>.

19. German chancellery official, interview by the author, June 29, 2023.

20. Stefan Meister, “Germany and Russia’s War of Aggression Against Ukraine: The Third Year,” German Council on Foreign Relations, April 22, 2024, <https://dgap.org/en/research/publications/germany-and-russias-war-aggression-against-ukraine-third-year>.

interdependence strategy toward Russia.²¹ Now, officials in Washington view Germany as “central to the US strategy of deterring and defending against Russia,” and Germany is among those allies within NATO recognizing Russia as a long-term threat.²²

More broadly, Germany and the United States appear today to be in “lockstep” on nearly every major geopolitical issue.²³ This coordination is especially clear in the Russia-Ukraine War, where German officials have played a vital leadership role in Europe, overcoming the caricature of Berlin as somewhat feckless in the face of security challenges.²⁴ Recently, German officials have been forthright with US interlocutors in recognizing, for example, the Minsk Agreements only delayed what was an inevitable conflict.²⁵ On the economic front, Germany has played a leading role in corralling its EU partners in forging, expanding, and maintaining an array of sanctions on Moscow in response to its war of aggression. These sanctions are synchronized with those enacted by Washington.

Germany has become the second-largest contributor of military assistance to Ukraine, after the United States. Although Washington was clearly frustrated by Chancellor Scholz's refusal to send Leopard main battle tanks to Ukraine before the United States agreed to send its Abrams tanks in early 2023, the view today among American policymakers is Germany maintains an exceptionally strong commitment to Ukraine.²⁶ For example, Washington has a positive view of German rhetoric, Berlin's steady commitment of additional funds, and Germany's role in providing air and missile defense systems in particular.²⁷

Similarly, American officials view very favorably Germany's commitment to an expanded allied forward presence. In December 2023, Vilnius and Berlin concluded an agreement to increase the size of the Bundeswehr's footprint

21. Leading US foreign policy expert, remarks at a not-for-attribution webinar, December 15, 2022, Vrije Universiteit Brussel's Centre for Security, Diplomacy and Strategy, Brussels, BE.

22. Former staff member of the US National Security Council, interview by the author, October 28, 2024; and senior US official assigned to US Mission to NATO, remarks at a not-for-attribution event, April 10, 2024, Atlantic Council, Washington, DC.

23. Two US DoD civilians responsible for DoD policy toward Germany, interview by the author, September 18, 2024.

24. Former staff member of the US National Security Council, interview by the author, October 28, 2024.

25. German chancellery official, interview by the author, June 29, 2023.

26. Phil Stewart et al., “Frank Talks and Frustration: How the U.S. Got to Yes on Abrams Tanks,” Reuters, January 26, 2023, <https://www.reuters.com/world/europe/frank-talks-frustration-how-us-got-yes-abrams-tanks-2023-01-26/>; and two DoD civilians responsible for DoD policy toward Germany, interview by the author, September 18, 2024.

27. Former staff member of the US National Security Council, interview by the author, October 28, 2024.

in Lithuania from a battalion to a brigade. American officials were pleasantly “surprised” Germany exercised this degree of leadership and moved so swiftly to expand its military presence in the east.²⁸ Assuming it continues to unfold as planned through 2027, the agreement will entail stationing 4,800 military personnel and 200 civilians in Lithuania: the first permanent stationing of German troops outside Germany since World War II. Scholz referenced efforts to strengthen Germany’s presence in Central and Eastern Europe in his *Zeitenwende* speech as evidence of Germany’s unconditional commitment to collective defense.

Regarding Germany’s own military capabilities and capacity, policymakers in Washington also praise Germany for (finally) achieving the so-called 2 percent goal endorsed by NATO heads of state and government in September 2014 at the alliance’s Wales summit. But this achievement was only made possible through the €100 billion special defense fund, which was a key element of the *Zeitenwende*, and most of which has been obligated. What American officials remain deeply concerned about, though, is whether and how Germany will maintain defense spending at the 2 percent level in the coming years.²⁹ Though Scholz’s government has committed rhetorically to spending at least 2 percent, no plan exists for how Germany will fund its defense spending after 2027, when the €100 billion special fund will be depleted.³⁰

Equally troubling from Washington’s view is the fact allies, especially Berlin, know fulfilling capability and capacity targets set by NATO and agreed to by allies, meeting the ongoing wartime needs of Ukraine, and refilling depleted stocks of armaments already given to Ukraine will require spending much more on defense than the equivalent of 2 percent of allies’ gross domestic products. For this reason, some allies are already advocating for NATO to adopt a new minimum standard at its next summit in The Hague in 2025, but Scholz’s government is not among them. If a new government—led by the Christian Democratic Union leader Friedrich Merz—is brought to power following the snap elections in February 2025, the government may become a more vocal advocate for increasing NATO’s spending target. Nonetheless, whoever leads Germany will face the same fiscal headwinds that led to the downfall

28. Two DoD civilians responsible for DoD policy toward Germany, interview by the author, September 18, 2024; and former staff member of the US National Security Council, interview by the author, October 28, 2024.

29. Former staff member of the US National Security Council, interview by the author, October 28, 2024.

30. Matthias Inverardi and Andreas Rinke, “Germany’s Scholz Pledges to Meet 2% NATO Spending Target,” Reuters, February 12, 2024, <https://www.reuters.com/world/europe/germanys-scholz-pledges-meet-2-nato-spending-target-2024-02-12/>.

of the Social Democratic Party of Germany–Green Party of Germany–Free Democratic Party coalition, and that have created concern among American officials over whether and how Germany can maintain what it began in February 2022.

Given those fiscal challenges, the case may be, only through a suspension of the so-called “debt brake” provision—a constitutional cap on the amount of debt Berlin can take on—can Germany achieve its defense-spending goals while also aiding Ukraine.³¹ This suspension may appear unlikely given the electoral politics of 2025. Nonetheless, all major political parties—the Left Party, the Alternative for Germany party, and the Bündnis Sahra Wagenknecht excepted—have indicated to American interlocutors their desire to make increased defense spending a priority.

One area where a gap exists regarding what is otherwise a strong degree of German-American solidarity toward the Russia-Ukraine War is in responding to the role of China. During the July 2024 NATO summit in Washington, allies stated rather boldly China was a “decisive enabler” of Russia’s war against Ukraine.³² About 60 percent of the foreign components in Russian weapons systems used against Ukraine come from China.³³ Nonetheless, the sense in Washington is Germany is among those European states that are uninterested in seeing where Europe’s own redlines—particularly on Chinese provision of discrete weapons systems to Russia—are being crossed.³⁴ Recognizing redline violations might compel European governments—Berlin included—to crack down on Beijing in a way that causes Chinese retaliation. Such retaliation could be particularly problematic for the German economy, given the vital importance of the Chinese market for German auto manufacturers, machinery producers, and chemical and pharmaceutical companies.

Concern about Germany’s reluctance to question and subsequently impose consequences on Beijing for its role in the Russia-Ukraine War is part of a broader worry in Washington about Berlin’s approach toward

31. Markus Jaeger, “Why Germany Can and Should Increase Defense Spending,” *Internationale Politik Quarterly*, July 31, 2024, <https://ip-quarterly.com/en/why-germany-can-and-should-increase-defense-spending>.

32. NATO, “Washington Summit Declaration Issued by the NATO Heads of State and Government Participating in the Meeting of the North Atlantic Council in Washington, D.C. 10 July 2024,” press release no. 2024 001, updated July 15, 2024, https://www.nato.int/cps/ar/natohq/official_texts_227678.htm.

33. Kateryna Denisova, “Around 60% of Foreign Parts in Russian Weapons Come via China, Ukraine Says,” *Kyiv Independent*, September 24, 2024, <https://kyivindependent.com/china/>.

34. US National Security Council official, remarks at a not-for-attribution event, May 9, 2024, Atlantic Council, Washington, DC.

China. Although German rhetoric appears to strike the right chord—including through the 2023 *Strategy on China*—policy implementation is another story. From Washington’s perspective, Berlin’s willingness to follow through on its stated strategic objectives is weak at best, especially in terms of derisking and supply chain diversification.³⁵ Berlin’s hesitance has placed American officials in the somewhat awkward position of asking their German counterparts simply to implement German strategy. To be clear, Germany’s strategy and policy toward China are not central elements of the *Zeitenwende*. Nonetheless, insofar as Scholz implicitly renounced the decades-old approach to change through trade and peace and through interdependence vis-à-vis Russia, to question the utility of the same approach toward China today is reasonable.

Even if Germany proves reluctant to engage China directly over its support for Russia in the war against Ukraine, Washington hopes, at a minimum, Germany will step up its defense efforts in Europe if the United States is drawn into a conflict in the Indo-Pacific.³⁶ American leaders are likely to expect Germany to maintain a robust German foreign policy, apply more of its own national resources to European defense, and leverage its formidable example and Berlin’s political capital in Europe to elevate the responses of others in deterrence and defense across the continent.

Conclusion

Up until February 2022, Germany was slowly but steadily becoming more of what one might think of as a normal country in the sense it was showing an increasing willingness to express and act upon its national security interests. Admittedly, this process was slow and sometimes halting, but the process had a clear trajectory, nonetheless. For example, one cannot compare the Germany of the early 1990s—one in which the Bundeswehr’s participation in Balkan peacekeeping operations was especially contentious—with that of the late 2010s, when Germany began deploying troops and tanks to northeastern Europe on a persistent basis. Clearly, Germany was evolving toward behavior most countries deem perfectly normal.

The *Zeitenwende* put this trend on steroids, accelerating and amplifying it in many ways. Washington has welcomed this acceleration and amplification.

35. Two DoD civilians responsible for DoD policy toward Germany, interview by the author, September 18, 2024.

36. Former staff member of the US National Security Council, interview by the author, October 28, 2024.

Significantly increased German defense spending, an expansion of Berlin's commitment to allied security in Central and Eastern Europe, and the abandonment of Germany's naive approach toward Russia have all been applauded by American officials. The reason is clear enough—Washington openly acknowledges it *needs* allies by its side to handle the challenges posed by Russia and China, as well as transnational threats such as poor governance and terrorism, and the United States rightly views Germany as a vital player in this regard.

But American officials also evince a sense of worry regarding the future of the *Zeitenwende*. In particular, Washington is concerned Germany risks repeating the mistakes of interdependence vis-à-vis China and Berlin has no midterm plan for resourcing the strategic change of direction the *Zeitenwende* represents. Whether and how Germany can address these and other hurdles in implementing the *Zeitenwende* will remain of keen interest to American policymakers, particularly as the new Trump administration looks set to shift US attention and resources away from Europe and toward the Indo-Pacific.

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German Conventional Defense Capabilities and Capacity

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The renewed and large-scale Russian attack on Ukraine that started on February 24, 2022, necessitates a fundamental rethinking of Germany's defense policy. Therefore, this chapter analyzes to what extent Germany's defense approach, especially in the realm of conventional capabilities and capacities, has been adjusted, and analyzes whether speaking of a real turning point (*Zeitenwende*) is fitting three years after its announcement, or whether Berlin is still in the process of undergoing a fundamental transformation.

This chapter will first examine the changes in Germany's conventional defense capabilities and capacities. Second, the chapter will assess whether and how the goals associated with the *Zeitenwende* in this particular issue area have been addressed and whether the goals are sustainable or not. Third, the chapter will scrutinize the implications of the findings in the first and second sections for Germany and the United States. Last, the chapter features a set of recommendations on how to move forward.

Germany's Conventional Defense Capabilities Since the *Zeitenwende*

In the context of the *Zeitenwende*, a distinction ought to be made between capacity and capability in military terminology to assess adequately the current state of Germany's defense posture at large. Capacity refers to the sheer size and quantity of forces, such as fleets, inventories, and overall force structure. It emphasizes (immediate) military readiness and strength, with a focus

on current assets like ships, planes, and troops.¹ Capability, on the other hand, is about long-term innovation, training, and modernization.² It involves developing the technologies, personnel, and strategies needed for future strength and operational effectiveness. Capability emphasizes integrating elements like doctrine, training, leadership, and infrastructure to create a force capable of achieving specific goals under defined conditions.³

For all the above—in particular, the acquisition of capacities—monetary funds are needed. Thus, one important aspect to scrutinize is the development of Germany’s defense spending. Since 2022, Germany’s defense spending has seen significant increases as part of the *Zeitenwende*, reflecting a shift in the country’s approach to security affairs and military spending.

The centerpiece of the adjustment to Germany’s defense spending is a special fund (*Sondervermögen*) to modernize the German armed forces, which is worth €100 billion and which German Chancellor Olaf Scholz announced in his famous *Zeitenwende* speech. In addition to serving the purpose of advancing the Bundeswehr’s equipment modernization, the special fund also serves the goal of achieving NATO’s 2 percent target. Back in 2014, all alliance members pledged to move closer to the goal of investing 2 percent of their respective gross domestic products in defense annually by 2024.⁴ Although Germany has increased its defense budget ever since, it has not yet met the NATO target in consecutive years. Consequently, great significance was attributed to the following statement Chancellor Scholz made in his *Zeitenwende* speech: “From now on, we [Germany] will invest more than 2 percent of our gross domestic product in our defense year after year.”⁵

With the aid of the special fund, Germany has been able to spend more on defense matters since 2022. Although the provision of additional funds was broadly welcomed in Germany and abroad, one must understand the current German government is stalling for time, as the regular defense budget has

1. Mark Cancian, “Clash of Strategies: Capability or Capacity, Today or Tomorrow?,” *Breaking Defense*, October 26, 2017, <https://breakingdefense.com/2017/10/clash-of-strategies-capability-or-capacity-today-or-tomorrow/>; and Mackenzie Eaglen, “The Bias for Capability over Capacity Has Created a Brittle Force,” *War on the Rocks*, November 17, 2022, <https://warontherocks.com/2022/11/the-bias-for-capability-over-capacity-has-created-a-brittle-force/>.

2. Cancian, “Clash of Strategies.”

3. European Parliament, *CSDP Defence Capabilities Development* (European Parliament, January 2020), 4; and Aaron C. Taliaferro et al., “What Is a Capability, and What Are the Components of Capability?,” in *Defense Governance and Management* (Institute for Defense Analyses, 2019), 6.

4. “Wales Summit Declaration,” NATO, September 5, 2014, https://www.nato.int/cps/en/natohq/official_texts_112964.htm.

5. “Regierungserklärung von Bundeskanzler Olaf Scholz am 27. Februar 2022,” Bundesregierung, February 27, 2022, <https://www.bundesregierung.de/breg-de/suche/regierungserklaerung-von-bundeskanzler-olaf-scholz-am-27-februar-2022-2008356>.

been more or less frozen at a fixed sum of about €50–53 billion through 2026. With the help of the Sondervermögen, Germany managed to reach the alliance’s 2 percent goal in 2024 for the first time since the pledge was made publicly. The German government will likely be able to continue hitting the mark through 2027. But, at the very latest, in 2028, the country will face a huge financing gap of about €30 billion per year, as the funds from the Sondervermögen will have been depleted.⁶ In consequence, the regular defense budget would need to be increased by well above €30 billion, or Germany would have to borrow money again to set up another Sondervermögen.⁷ But thus far, from where these funds are supposed to be drawn has not become clear. The special fund, in combination with a slightly increased regular defense budget, has partially fulfilled its dual purpose since its establishment.⁸ Several urgently needed investments have been initiated, including, among other items, 35 F-35 fighter jets, 18 Leopard 2A8 tanks, 50 Puma infantry fighting vehicles, six IRIS-T Surface Launched Missile surface-to-air air-defense systems, and 60 Chinook CH-47F helicopters.⁹

Although the list of initiated and planned acquisitions, of which the abovementioned capabilities are a part, appears impressive at first glance, one must assess whether these investments suffice to meet the promises Germany has made to NATO, including, but not limited to, the Lithuania brigade and Berlin’s pledged contributions to the NATO Force Model. The army chief of staff, Lieutenant General Alfons Mais, proclaimed in April 2023 Germany’s land forces cannot fulfill their NATO commitments, which he proved by pointing out a division that was promised to be fully battle ready in 2025 (Division 25) will not reach a battle-ready state by that time: “the army will not be able to hold its own in high-intensity combat and will also only be able to fulfill its obligations to NATO to a limited extent.”¹⁰ Fittingly, Division 25 seems to be on track to attain “Initial Operational

6. Christian Mölling et al., “Verteidigung,” in *Was kostet eine sichere, lebenswerte und nachhaltige Zukunft?*, ed. Felix Heilmann et al. (Dezernat Zukunft, September 2024), 167.

7. “Ampel-Etat“ “Truppe ‘größtenteils schockiert,” ZDF Heute, July 7, 2024, <https://www.zdf.de/nachrichten/politik/deutschland/bundeswehr-verband-haushalt-wuestner-wehretat-100.html>.

8. N.B.: In individual cases, distinguishing which acquisition should be attributed to which budget line and year is difficult, as some of them are multiannually financed. In addition, the funds are oftentimes drawn from the “Sondervermögen” first and later are supposed to be flowing from the regular defense budget.

9. Guy Chazan and Sam Jones, “Will Germany Deliver on Its Grand Military Ambitions?,” *Financial Times*, February 15, 2024, <https://www.ft.com/content/51cf54ed-55df-4369-bdef-6f98be17d26c>.

10. Gabriel Rinaldi, “Germany Can’t Fulfill NATO Obligations, Says Army Chief in Leaked Memo,” *Politico*, April 11, 2023, <https://www.politico.eu/article/germany-nato-leaked-memo-defense-budget-boris-pistorius/>.

Capability” by 2025, yet reaching the “Full Operational Capability” will most likely take another two years.¹¹

Attaining the operational readiness of a second division by 2027 is also currently unrealistic.¹² Compounding this rather bleak assessment is the fact that procurement projects will most likely not be finished by the time the funds of the Sondervermögen run dry. Without the certainty of an assured funding source, the German arms industry may not expand its production capacity to sustain the push by the Bundeswehr to close capability gaps.¹³

These developments and trends have a bearing on Germany’s readiness and impact NATO, too, as Germany is (supposed to be) a major contributor to the alliance’s deterrence and defense posture. In June 2022, NATO leaders gathered for a summit in Madrid and agreed, among other things, to establish a new NATO Force Model by 2023 that would significantly increase the number of troops on high alert to 300,000—a substantial increase from the 40,000 troops that make up the alliance’s precursor, the NATO Response Force. This move underscores NATO’s focus on defending every inch of its territory, requiring its forces to maintain a high level of combat readiness to respond to a conventional war.¹⁴ Germany agreed to put 35,000 troops, as well as more than 200 ships and aircraft, at the disposal of the NATO Force Model’s first and second tiers, under which troops must be ready in up to 10 and 30 days, respectively.¹⁵

As mentioned above, the first German division (Division 25) under the new force model will only have limited operational readiness by 2025, with particular deficiencies in anti-aircraft defense capabilities and artillery, partly due to material that has been sent to Ukraine.¹⁶ Additionally, the introduction of a new digital radio system has been delayed from 2025

11. Kilian Neuwert and Pirmin Breninek, “Heeresdivision bis 2025: Großprojekt mit Hindernissen,” *BR24*, January 18, 2024, <https://www.br.de/nachrichten/bayern/heeresdivision-bis-2025-grossprojekt-mit-hindernissen,U1jtrRf>.

12. Christian Mölling and Torben Schütz, *EDINA III: Preventing the Next War*, Policy Brief No. 34 (German Council on Foreign Relations, November 2023), 9.

13. Chazan and Jones, “Will Germany Deliver.”

14. Max Bergmann and Otto Svendsen, *Transforming European Defense: A New Focus on Integration* (Center for Strategic and International Studies, June 2023), 20.

15. “NATO Force Model: Wie Deutschland sich ab 2025 in der NATO engagiert,” Bundesministerium der Verteidigung, July 9, 2024, <https://www.bmvg.de/de/aktuelles/nato-force-model-wie-deutschland-sich-ab-2025-engagiert-5465714>.

16. André Uzulis and Björn Müller, “Die NATO am Scheideweg,” *Loyal das Magazin*, April 3, 2024, <https://www.reservistenverband.de/magazin-loyal/die-nato-am-scheideweg/>; and Neuwert and Breninek, “Heeresdivision bis 2025.”

to 2027.¹⁷ Division 25 will be fully integrated into the NATO Force Model, with the Lithuania brigade as part of its structure. The brigade is expected to be fully operational by the end of 2027. Whether Germany can keep up with that timeline mainly depends on two factors. First, Lithuania will need to put the necessary infrastructure in place. Second, to equip the brigade fully, materiel will most likely have to be taken away from other active army units in Germany, which are already suffering from a lack of equipment.¹⁸

Whether and How the Goals Have Been Addressed

As outlined above, German efforts to strengthen the Bundeswehr as part of the *Zeitenwende* have met with only limited success so far. Yet, Berlin has made progress in terms of starting a long-overdue investment in the modernization of the armed forces across all service branches. More generally, Germany also adopted a more assertive security and defense policy with regard to supporting Ukraine in its fight against Russia. Over the last three years, Germany has become Ukraine's second-largest supporter. Hence, to claim, overall, Germany has leveraged the *Zeitenwende* to advance its conventional defense capacity and capabilities in absolute terms is reasonable. But regarding what is necessary to turn Germany into a country with "war readiness," as Defense Minister Boris Pistorius has proclaimed, the assessment is much more sobering.¹⁹

For starters, though Germany is finally meeting NATO's 2 percent defense-spending benchmark in 2024, for the additional funds to create a palpable effect on the armed forces will take many more years, assuming funding will remain consistent.²⁰ Unfortunately, as outlined in the previous section, Germany likely does not have a sustainable and credible plan in place both to keep spending at current levels and to increase the funds available to the Federal Ministry of Defence.

17. Frank Specht, "2027 statt 2025: Geplante Nato-Division der Bundeswehr muss länger auf Digitalfunk warten," *Handelsblatt*, October 10, 2023, <https://www.handelsblatt.com/politik/deutschland/verteidigung-2027-statt-2025-geplante-nato-division-der-bundeswehr-muss-laenger-auf-digitalfunk-warten/29437818.html>.

18. Aylin Matlé, "The Future of the *Zeitenwende*: Scenario 3—Russia Masses Troops on the Latvian Border," *Internationale Politik Quarterly*, January 18, 2024, <https://ip-quarterly.com/en/future-zeitenwende-scenario-3-russia-masses-troops-latvian-border>.

19. Richard Connor, "German Defense Minister Calls for War Readiness by 2029," *DW*, May 6, 2024, <https://www.dw.com/en/german-defense-minister-calls-for-war-readiness-by-2029/a-69276059>.

20. Jana Puglierin, "Turning Point or Turning Back: German Defence Policy After *Zeitenwende*," European Council on Foreign Relations, March 19, 2024, <https://ecfr.eu/article/turning-point-or-turning-back-german-defence-policy-after-zeitenwende/>.

In addition to the already overstrained armed forces, coupled with the slow process of replenishing necessary capacities, new demands from NATO are hitting Germany. Reportedly, 35–50 additional combat brigades will be necessary to fulfill the requirements of the alliance’s recently approved operations plans. Five or six of those additional brigades will most likely have to come from Germany, which will place additional strain on the country’s armed forces. The eight brigades the Bundeswehr currently has at its disposal, in addition to a ninth that is being established and a 10th that is supposed to be in place by 2031, suffer from insufficient equipment, personnel, and funding.²¹ An increased demand for troops compounds the potential the armed forces’ potency will be stretched thin, especially the German army. Current estimates of how many more soldiers will be needed to match NATO’s additional demands (minimum capability requirements) range from between 35,000 and 75,000, at a time when the number of active soldiers is shrinking.²²

Against this backdrop of rising troop-level demands, the issue of declining personnel numbers is particularly pressing. After a dip in 2016 and 2017, the number of active-duty personnel has been on the rise for some years, reaching a peak in 2020 with 183,777 soldiers.²³ Since then, numbers have been in decline once more, reaching a tentative low in 2024 with around 181,000.²⁴ At the same time, the German armed forces are aiming for an active troop level of 203,300 by 2031, which they currently do not seem likely to reach due to various reasons. For one, applicant numbers have been in decline; second, of those who have decided to join the armed forces, the dropout rate is currently at 27 percent within the first six months; and third, even if the Bundeswehr could attract more personnel, the funds to employ additional soldiers to reach the target of 203,300 are currently lacking.²⁵ Hence, unsurprisingly, the debate about whether to reinstall compulsory military service, which was

21. Thorsten Jungholt, “NATO fordert 49 weitere Kampftruppen-Brigaden,” *WELT*, October 6, 2024, <https://www.welt.de/politik/deutschland/article253847236/Absicherung-gegen-Russland-Nato-fordert-49-weitere-Kampftruppen-Brigaden.html>.

22. “Bundeswehr braucht wegen neuer NATO-Planungen etwa 35.000 Soldaten zusätzlich,” *Focus Online*, October 12, 2024, https://www.focus.de/politik/deutschland/vorsitzender-des-verteidigungsausschusses-bundeswehr-braucht-wegen-neuer-nato-planungen-etwa-35-000-soldaten-zusaetzlich_id_260387726.html; and Sabine Siebold, “Germany Needs 75,000 More Troops as NATO Eyes Russia Threat, Spiegel Reports,” Reuters, June 7, 2024, <https://www.reuters.com/world/europe/germany-needs-75000-extra-troops-nato-braces-russia-threat-reports-spiegel-2024-06-07/>.

23. German Bundestag, *Information from the Parliamentary Commissioner for the Armed Forces*, Annual Report 2020 (62nd Report) (German Bundestag, February 2021).

24. “Personalzahlen der Bundeswehr,” Bundeswehr, updated October 31, 2024, <https://www.bundeswehr.de/de/ueber-die-bundeswehr/zahlen-daten-fakten/personalzahlen-bundeswehr>.

25. T. Wiegold, “Blick auf die Bundeswehr-Personallage: Weniger Bewerber, ein Viertel Abbrecher – und zu wenig Geld,” Augen Geradeaus, September 10, 2024, <https://augengeradeaus.net/2024/09/blick-auf-die-bundeswehr-personallage-weniger-bewerber-ein-viertel-abbrecher-und-zu-wenig-geld/>.

halted in 2011, has gained momentum, underscored by a recently adopted official duty law. According to the new legislation, young men will be required to complete a questionnaire upon turning 18, providing information about their willingness and ability to participate in military conscription. For women, this process will remain voluntary, in accordance with the Basic Law for the Federal Republic of Germany, which mandates the obligation be only for men. A subset of willing and capable men will be invited to undergo mustering, with around 5,000 individuals being recruited. Current capacity limitations prevent accommodating more than 5,000 additional conscripts. But whether this newly introduced system will suffice to alleviate the Bundeswehr's personnel troubles is far from certain.²⁶

Implications for the German-US Relationship

Although the progress Germany has made since February 2022 is welcomed by Washington and in line with American expectations vis-à-vis Germany, the hurdles ahead cast doubt on whether a sustainable *Zeitenwende* has taken place.

Russia's illegal annexation of Crimea and its 2014 attack on the Donets Basin, followed by the full-scale invasion of Ukraine in February 2022, have so far hindered the United States from significantly reducing its security presence in Europe, and thus in Germany. In fact, since February 2022, the Biden administration has greatly expanded US support for European security to aid Ukraine's defense and bolster NATO's deterrence and defense posture.²⁷ But the Russia-Ukraine War has highlighted the persistent dependence of European NATO members, including Germany, on US military support. Despite numerous warnings about potential US disengagement from the continent, Germany, like many other European NATO countries, has not taken sufficient steps to secure its own defense and continues to rely heavily on the United States for both nuclear and conventional deterrence.

In this context, German policymakers should appreciate several core assumptions. First, one may reasonably expect a majority in both major US political parties, though advocating for more balanced burden sharing,

26. Tim Aßmann, "Wie der 'Neue Wehrdienst' aussehen soll," *Tagesschau*, November 6, 2024, <https://www.tagesschau.de/inland/innenpolitik/wehrdienst-bundeswehr-reform-100.html>.

27. Jonathan Masters and Will Merrow, "How Much U.S. Aid Is Going to Ukraine?," Council on Foreign Relations, updated September 27, 2024, <https://www.cfr.org/article/how-much-aid-has-us-sent-ukraine-here-are-six-charts>; and Jim Garamone, "Biden Announces Changes in U.S. Force Posture in Europe," U.S. Department of Defense, June 29, 2022, <https://www.defense.gov/News/News-Stories/Article/Article/3078087/biden-announces-changes-in-us-force-posture-in-europe/>.

still recognizes the importance of US involvement in European security.²⁸ Second, if Europe addresses calls for greater burden sharing, it can help ensure Washington maintains at least part of its security commitments. By reducing the US burden of keeping conventional forces in Europe, Germany may encourage Washington to maintain the nuclear umbrella European NATO members are unable to replace in the near to midterm future. In short, Germany must take a more proactive role in safeguarding its security—both for its own defense and to incentivize continued US engagement in European affairs. This requirement holds true regardless of who occupies the White House after 2025.²⁹

Recommendations: How to Move Forward

The following recommendations aim to encourage decisionmakers in Washington to maintain US engagement in Europe, while also advancing Germany’s security interests. First and foremost, Germany must fulfill its commitment to spending at least 2 percent of its gross domestic product on defense. As the wealthiest European country, Germany is likely to face stronger demands for increased defense spending from Washington as well as European capitals—especially with a second Trump administration taking office in January 2025. Therefore, Germany must develop a concrete plan to allocate at least 2 percent of its gross domestic product to defense. Germany must recognize defense spending is not an end in itself but is necessary to address critical defense needs, which are in line with the threat assessment at which Germany arrives with its allies.

More broadly, Germany, alongside other European allies, must prepare to take on responsibilities the United States currently shoulders in Europe, particularly in terms of strategic enablers such as airlift; reconnaissance; air-to-air refueling; intelligence, surveillance, and reconnaissance systems; and air-defense systems. Germany should advocate for greater use of the “Framework Nation Concept” to acquire these essential capabilities with some of its European allies.³⁰ The European Long Range Strike Approach is one step in the right direction, as Germany, alongside France, Italy, Poland, Sweden, and the United Kingdom, pledged to engineer a ground-launched

28. Dominik Tolksdorf, *Transatlantic Cooperation on Ukraine*, German Council on Foreign Relations Policy Brief No. 37 (German Council on Foreign Relations, December 2023).

29. Aylin Matlé, *Burden Sharing Revisited*, German Council on Foreign Relations Policy Brief No. 4 (German Council on Foreign Relations, March 2024).

30. Matlé, *Burden Sharing Revisited*.

cruise missile with a reach of about 1,000 to 2,000 kilometers.³¹ Furthermore, the UK-Germany Trinity House Agreement on Defence, which Berlin and London reached in October 2024, adds another layer of Europeanizing NATO, as both countries have agreed to, among other things, contribute more effectively to the provision of security in Europe by cooperating more closely in the realm of ground forces.³²

Additionally, European NATO members, especially Germany, must fulfill their commitments to strengthening NATO's eastern flank, particularly in Lithuania. Germany must ensure the planned Lithuania brigade becomes fully operational as quickly as possible. Although the brigade is expected to enter service in 2025, it may not reach full operational strength until 2027.³³ To bridge this gap, Germany should consider assigning an additional Germany-based brigade to defend Lithuania.³⁴ Furthermore, Berlin should encourage Canada and the United Kingdom to transition from a rotational troop presence in the Baltic states to the permanent stationing of brigades in Estonia and Latvia. This transition would enhance NATO's deterrence and defense posture against Russia. Increasing multinational troop deployments from battalion to brigade levels in each Baltic state would also reduce NATO's response time in the event of an attack.³⁵ All these steps could demonstrate to the United States that Germany, together with its European allies, is serious about its commitment to transatlantic security and conventional defense. Against this backdrop, even a Trump-led government could be more inclined not to withdraw US engagement from and with European security fully and completely.

31. Jonas Olsson, "Swedish Defense Minister: ELSA Long-Range Strike Development Driven by Ukraine Lessons," *Breaking Defense*, October 30, 2024, <https://breakingdefense.com/2024/10/swedish-defense-minister-elsa-long-range-strike-development-lesson-from-ukraine/>.

32. "Agreement on Defence Co-operation Between the Ministry of Defence of the United Kingdom of Great Britain and Northern Ireland and the Federal Ministry of Defence of the Federal Republic of Germany," Ministry of Defence, October 23, 2024, <https://www.gov.uk/government/publications/uk-germany-trinity-house-agreement-on-defence/agreement-on-defence-co-operation-between-the-ministry-of-defence-of-the-united-kingdom-of-great-britain-and-northern-ireland-and-the-federal-ministry>.

33. "Bundeswehrbrigade für Litauen: Verteidigungsminister unterzeichnet Roadmap," Bundesministerium der Verteidigung), December 18, 2023, <https://www.bmvg.de/de/aktuelles/bundeswehrbrigade-litauen-minister-unterzeichnet-roadmap-5718672>; and Matlé, "Future of the Zeitenwende."

34. Matlé, "Future of the Zeitenwende."

35. Matlé, *Burden Sharing Revisited*.

— 5 —

A Zeitenwende for Germany's Defense Industry

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A *Zeitenwende* in German defense policy is inconceivable without a *Zeitenwende* for Germany's defense industry.¹ Such a paradigm shift must first and foremost include a sustained and predictable increase in spending levels, but it entails much more than defense budgets. Germany's relationship with its defense industry needs to undergo a broader cultural transformation and Berlin must adopt a more strategic approach to defense-industrial policy at the national and European levels.

This chapter begins with a brief overview of the German defense-industrial ecosystem, highlighting the challenges a *Zeitenwende* in Germany's defense industry would need to address. Then, the chapter analyzes what steps have been taken since Olaf Scholz's 2022 announcement, identifying successes and shortcomings, and outlining parameters for the ongoing assessment of the current state of the *Zeitenwende* for Germany's defense industry.

German Defense Industry— Financial, Political, Regulatory, and Cultural Challenges

After the end of the Cold War, Germany drastically cut defense expenditures, spending consistently below NATO's 2 percent target in the decades that followed. Even Russia's illegal annexation of Crimea in 2014 did not significantly change this trend, and a noticeable increase in expenditures

1. "New Defence Policy Guidelines Call for Warfighting Capability of the Bundeswehr," Federal Ministry of Defence, November 10, 2023, <https://www.bmvg.de/en/news/new-defence-policy-guidelines-call-for-warfighting-5702800>.

only began in 2020.² The post–Cold War spending cuts predictably reduced German defense-industrial production capacity.³ Nevertheless, the German defense industry remained significant, producing important capability products for the export market.⁴

In 2020, the German defense industry employed 55,500 highly skilled workers, and up to 135,000 individuals when including suppliers and service providers.⁵ Four German defense companies are listed on the Stockholm International Peace Research Institute’s most recent “Top 100” list of the largest arms-producing and military-services companies in the world: Rheinmetall, Germany’s largest manufacturer of tanks, combat vehicles, and artillery ammunition; defense electronics group Hensoldt; ThyssenKrupp AG; and the air-defense system supplier Diehl Group.⁶ Airbus Industrie, MBDA, and KNDS, three intra-European companies with German participation, are also on the list. The German defense-industrial base also includes around 1,350 medium-sized companies—each with up to 1,000 employees and an annual turnover of up to €300 million—which are often suppliers for other European manufacturers.⁷

Despite its economic value, a sense of ambivalence about the ethics of arms production—born out of the crimes Germany committed during World War II—has led to a fraught relationship between German politics, business, and society and Germany’s defense sector. The moral taboo associated with the sector has had very real effects on the strength and orientation of the German defense-industrial base.⁸ For example, in the finance sector, many German banks voluntarily cut all capital flows to the arms industry or refuse to finance companies that make money with domestically

2. Klaus-Heiner Röhl et al., *A New Era for the Defense Industry? Security Policy and Defense Capability After the Russian Invasion of Ukraine*, IW-Policy Paper 1/2023 (German Economic Institute, February 2023).

3. Röhl et al., *A New Era*.

4. Till Bückner, “Wie die Rüstungsindustrie dasteht,” *Tagesschau*, February 3, 2023, <https://www.tagesschau.de/wirtschaft/unternehmen/ruestungsindustrie-branche-waffen-101.html>; and Pieter D. Wezeman et al., *Trends in International Arms Transfers, 2022* (Stockholm International Peace Research Institute [SIPRI], March 2023).

5. Röhl et al., *A New Era*.

6. Based on 2022 revenue. “The SIPRI Top 100 Arms-Producing and Military Services Companies in the World, 2022,” SIPRI, December 2023, <https://www.sipri.org/visualizations/2023/sipri-top-100-arms-producing-and-military-services-companies-world-2022>.

7. Bückner, “Wie die Rüstungsindustrie dasteht.”

8. Claudia Major and Christian Mölling, “End the Silence over Germany’s Defense Industry,” Carnegie Endowment for International Peace, November 9, 2017, <https://carnegieendowment.org/europe/strategic-europe/2017/11/end-the-silence-over-germanys-defense-industry?lang=en>.

controversial weapons systems.⁹ Similarly, the memory of industrial cooperation under the Nazis led many German civilian companies to avoid associations with the defense sector.¹⁰ The unease between private and public civilian and defense actors has also resulted in defense players traditionally being isolated in Germany's research and development ecosystem.¹¹ And domestic skepticism of defense innovation has led to lengthy debates over adapting new battlefield technologies, such as combat drones.¹²

Most consequentially, Germany's reluctance to formulate defense-industrial objectives and technology priorities, as well as Berlin's refusal to treat the defense sector as a national security resource or engage the defense industry as a foreign policy tool, has prevented the pursuit of a defense-industrial strategy—both domestically and with allies and partners abroad. The lack of strategic defense-industrial thinking has extended to the European level, where German officials and defense firms have not engaged in the policy entrepreneurship necessary to shape the EU's defense-industrial efforts over the past decade.¹³

A less obvious but no less perfidious effect of this lack of strategic focus and political attention on the defense sector has been the growth of excessive bureaucratic procedures. This ailment befalls most parts of the German public sector, but is amplified in those dealing with defense, including the agency in charge of military procurement and the defense ministry itself.¹⁴ Some bureaucratic obstacles are shared by most European defense firms, such as EU rules and regulations for public tenders, bespoke national requirements for military equipment and platforms, or the changing winds of political election cycles. Other hurdles are more specific to Germany, where any defense contract worth more than €25 million must be approved by the parliamentary budget committee. German parliamentarians also took

9. Christoph Betz, "Rüstungsfinanzierung: Banken im ESG-Dilemma," KPMG Germany, March 4, 2024, <https://klardenker.kpmg.de/financialservices-hub/ruestungsfinanzierung-banken-im-esg-dilemma/>.

10. Arjun Neil Alim and Martin Arnold, "German Businesses Break with Postwar Taboo to Supply Defence Sector," *Financial Times*, July 2, 2024, <https://www.ft.com/content/b19ea5ac-38a7-41ab-b2d8-2e694b06b5b1>.

11. Christian Mölling and Torben Schütz, *Defence Innovation: New Models and Procurement Implications. The German Case*, Policy Paper #68 (French Institute for International and Strategic Affairs, May 2021).

12. "Keine Mehrheit für Antrag zum Aufbau einer Drohnenarmee," German Bundestag, May 16, 2024, <https://www.bundestag.de/dokumente/textarchiv/2024/kw20-de-drohnenarmee-1002392>.

13. With the notable exception of German voices in the European Parliament. Andrew D. James, "Policy Entrepreneurship and Agenda Setting: Comparing and Contrasting the Origins of the European Research Programmes for Security and Defense," in *The Emergence of EU Defense Research Policy: From Innovation to Militarization*, ed. Nikolaos Karampekios et al. (Springer, 2018).

14. Daniela Schwarzer, "Germany Should Listen to Draghi," *Financial Times*, September 13, 2024, <https://www.ft.com/content/ac71e27d-d70b-48c2-8a04-21576bfac372>.

nine months to approve the €100 billion special fund for the Bundeswehr.¹⁵ Finally, many of the Bundeswehr's long-standing equipment challenges, even regarding low-tech kit such as helmets or rifles, are at least in part due to bureaucratic procurement hurdles.¹⁶

For Germany's partners, the effects of Berlin's ethical ambivalence vis-à-vis the defense sector and resultant lack of strategic thinking have perhaps been most visible in the context of Germany's arms-export policy. For decades, Germany operated under the self-imposed rule of not exporting arms to active war zones (making an exception only in 2014, when it provided weapons to the Iraqi peshmerga).¹⁷ Parties on the left and center left continuously lobbied for more restrictive export rules, and domestic political mood shifts significantly impacted German policies. This dynamic led to Germany being perceived as unreliable among its European defense-capability partners and increasingly led large German defense firms to relocate their business abroad.¹⁸ In the months before Russia's invasion of Ukraine and Chancellor Scholz's *Zeitenwende* speech, the newly elected government of the Social Democratic Party of Germany, the Green Party of Germany, and the Free Democratic Party decided in its coalition agreement to restrict arms exports further, especially with regard to human rights, democracy, and rule-of-law concerns.¹⁹

Two Steps Forward . . .

The Russia-Ukraine War changed the trend lines of European defense spending. In the wake of the Russian invasion, European governments wanting to send military aid and strengthen their own defenses found themselves confronted with dwindling and aging stocks, minimal defense-

15. "War in Ukraine Has Triggered a Boom in Europe's Defence Industry," *The Economist*, August 17, 2023, <https://www.economist.com/business/2023/08/17/war-in-ukraine-has-triggered-a-boom-in-europes-defence-industry>.

16. Franz-Stefan Gady, "German Defense Companies Could Be Europe's Arsenal of Democracy," *Foreign Policy*, July 6, 2023, <https://foreignpolicy.com/2023/07/06/germany-bundeswehr-defense-industry-zeitenwende-weapons-arms-exports-rheinmetall-leopard-tanks-drones/>.

17. Lucie Béraud-Sudreau et al., *Russia's War Against Ukraine: A New Impetus for the Harmonisation of European Arms Export Policies?*, Policy Paper #83 (French Institute for International and Strategic Affairs, July 2023).

18. Matthias Gebauer and Christoph Schult, "Großbritannien wirft Berlin mangelnde Bündnistreue vor," *Der Spiegel*, February 19, 2019, <https://www.spiegel.de/politik/deutschland/ruestungsexporte-nach-saudi-arabien-brandbrief-aus-grossbritannien-an-deutschland-a-1253997.html>; Anne-Marie Descôtes, *Vom "German-free" zum gegenseitigen Vertrauen* (Bundesakademie für Sicherheitspolitik, July 2019); and Sabine Kinkartz, "Tailwind for the German Arms Industry?," *Deutsche Welle*, March 31, 2024, <https://www.dw.com/en/rearmament-tailwind-for-the-german-arms-industry/a-68704891>.

19. Social Democratic Party of Germany and Alliance 90/The Greens and the Free Democrats, *Dare More Progress: Alliance for Freedom, Justice and Sustainability*, Coalition Agreement 2021 – 2025 (Social Democratic Party of Germany and Alliance 90 / The Greens and the Free Democrats, 2021).

industrial production capacity, and supply chain challenges. Since then, European governments have invested billions in military support to Ukraine and have undertaken important steps to ramp up defense-industrial production at national and intergovernmental levels, as well as through NATO and the EU.²⁰ Military spending in Europe totaled \$588 billion in 2023, an increase of 16 percent compared to the previous year, and 62 percent compared to 2014.²¹ This surge in demand—paralleled at the global level—is felt by European defense firms, which are recruiting at fast rates to deliver on near record-high procurement orders.²²

In Germany, the special €100 billion defense fund allowed for rapid spending increases outside regular budgetary planning. With these increases, the German government is, for the first time, meeting NATO's defense spending goal of 2 percent of the country's gross domestic product (GDP). In 2024, Germany's defense spending (including the regular defense budget, the special fund, and a third budget line that funds purchases for third countries) accounted for 2.1 percent of its GDP.²³

German arms exports hit a record high in 2023, when individual licenses issued for exporting military equipment were valued at €12.2 billion, with the majority going to Ukraine.²⁴ In 2023, Rheinmetall's chief executive officer was celebrating his firm's best year for orders ever.²⁵ An invigorated German defense industry is now recruiting workers from the German automobile industry, the country's ailing flagship sector.²⁶ Rheinmetall, which in 2023 completed its acquisition of Spanish ammunition firm Expal Systems, has also been leading the charge for greater cooperation with the Ukrainian defense

20. "EU Military Support to Ukraine," European Commission, n.d., accessed on September 27, 2024, https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/stronger-europe-world/eu-solidarity-ukraine/eu-assistance-ukraine/eu-military-support-ukraine_en.

21. Nan Tian et al., *Trends in World Military Expenditure, 2023* (SIPRI, April 2024).

22. Sylvia Pfeifer et al., "Global Defence Groups Hiring at Fastest Rate in Decades amid Record Orders," *Financial Times*, June 16, 2024, https://www.ft.com/content/9625dbaa-5d36-4bee-8610-f16ab7ad6b1d?accessToken=zwAGGxGPoS54kdOWJduqXTZL7tOGEPFqt61rHQ.MEUCIFMzKZRd0InwvfGraGexzPWwezHZJx-vxGGkV_wm_7LAIeAwQQQ6m3O3ulpiOPR_jmzpu6gYPTah4H4IASadWTQSRw&sharetype=gift&token=a4861f42-ade9-41b1-8118-ebeb2d7070bf.

23. Guntram B. Wolff et al., *Fit for War in Decades: Europe's and Germany's Slow Rearmament vis-à-vis Russia*, Kiel Report no. 1 (Kiel Institute for the World Economy, September 2024), 40.

24. "Deutsche Rüstungsexporte auf Höchststand," *Tagesschau*, January 4, 2024, <https://www.tagesschau.de/inland/innenpolitik/bundesregierung-ruestungsexporte-100.html#:~:text=F%C3%BCr%20insgesamt%2012%2C2%20Milliarden,Jahr%20einen%20neuen%20Rekordwert%20erreicht.>

25. "Triggered a Boom."

26. Alim and Arnold, "German Businesses Break."

sector—including by starting a joint tank-repair facility and production plant inside Ukraine.²⁷

Mirroring the dramatic fiscal changes, a process of cultural and societal normalization of the German defense industry has begun. In 2024, a survey conducted by PricewaterhouseCoopers Germany revealed nearly 70 percent of respondents supported expanding Germany's defense capabilities.²⁸ And though 53 percent of Germans considered private investors investing in arms companies morally reprehensible before the Russia-Ukraine War began, nearly two-thirds have since shifted their stance, stating they either deemed such investments acceptable or were reevaluating their previous views.²⁹ Reflective of this changing sentiment, an increasing number of German civilian companies are now expanding into the sector of military equipment and services.³⁰ When football club Borussia Dortmund signed a sponsorship deal with Rheinmetall, German media widely covered the deal as a further step for the defense industry out of the shadows and into the mainstream. Green Party of Germany Economy Minister and German Vice Chancellor Robert Habeck called the agreement “unusual,” but reflective of a “different, more threatening world.”³¹

... One Step Back

But despite these notable shifts, Berlin is still only beginning to think through and enact the *Zeitenwende* for its defense sector. For instance, in export policy, the coalition government has been working on a new arms-export law, initially expected in 2022, which has still not been published and is important for domestic producers and, crucially, for the future export potential of large-scale international projects with countries like France, Germany's partner in the Future Combat Air System and Main Ground Combat System (MGCS). In fact, the initial momentum seems to

27. “Rheinmetall und Ukraine starten Panzer-Reparaturbetrieb,” *Tagesschau*, June 11, 2024, <https://www.tagesschau.de/wirtschaft/unternehmen/rheinmetall-ukraine-panzer-100.html>.

28. “Die Deutschen wollen verteidigungsfähiger werden,” PwC Germany, February 13, 2024, <https://www.pwc.de/de/pressemitteilungen/2024/die-deutschen-wollen-verteidigungsfaehiger-werden.html>.

29. Ralph Wefer, “Ukraine-Krieg lässt Deutsche umdenken: Fast die Hälfte hinterfragt frühere Meinung zu Rüstungsinvestments,” Verivox, September 5, 2022, <https://www.verivox.de/geldanlage/nachrichten/ukraine-krieg-laesst-deutsche-umdenken-fast-die-haelfte-hinterfragt-fruehere-meinung-zu-ruestungsinvestments-1119716/>.

30. Alim and Arnold, “German Businesses Break.”

31. Giovanna Coi et al., “German Weapons-Maker Loses Champions League Final,” *Politico*, June 1, 2024, <https://www.politico.eu/article/german-weapons-maker-rheinmetall-borussia-dortmund-champions-league-final/>.

have stalled.³² Germany did publish its first-ever *National Security Strategy* in June 2023, which states the government will continue to adhere to its restrictive baseline policy, considering human rights, democracy, and the rule of law in the importing country.³³ But at the same time, the government also plans to consider alliance and security interests, the geostrategic situation, and the needs of enhanced European arms cooperation.

So far, German arms exports are going predominantly to Ukraine.³⁴ To scale up, and to fulfill Germany's rather large requirements under the terms of NATO's newly approved operations plans for the defense of allied territory, Berlin is also considering pursuing armament cooperation with countries outside NATO. In November 2023, the German defense ministry published new defense-policy guidelines, which state, although cooperation with NATO allies remains paramount, Germany is also looking to global partners, especially in the Indo-Pacific.³⁵ The defense ministry has demonstrated interest in intensifying defense-industrial cooperation with Australia, India, Indonesia, and Japan.³⁶ A new consensus appears to be emerging slowly but has not yet been translated into guidelines. Berlin pursuing a more strategic approach to armament cooperation with third countries, and eventually accompanying this shift with a new, clear policy framework, will be one indicator of the *Zeitenwende* truly taking hold.

Similarly, the process of cutting down excessive bureaucratic procedures in defense procurement is only beginning to change a red-tape culture that has grown over decades. In 2022, the Bundestag passed a law "to accelerate procurement measures for the Bundeswehr."³⁷ The law aims to allow authorities to award contracts more quickly by, inter alia, awarding several partial or specialized lots together and taking greater account of defense and

32. Linus Höller, "German Weapons Exports Reached Record High in 2023," *Defense News*, January 2, 2024, <https://www.defensenews.com/global/europe/2024/01/02/german-weapons-exports-reached-record-high-in-2023/>.

33. German Federal Government, *Robust. Resilient. Sustainable. Integrated Security for Germany: National Security Strategy* (German Federal Government, June 2023).

34. Höller, "German Weapons Exports."

35. "New Defence Policy Guidelines."

36. Ben Schreer, "Germany's New Defence-Policy Guidelines," International Institute for Strategic Studies (IISS), November 14, 2023, <https://www.iiss.org/online-analysis/online-analysis/2023/11/germanys-new-defence-policy-guidelines/>; "Milliardenschweres U-Boot-Projekt mit Indien geplant," *Tagesschau*, June 7, 2023, <https://www.tagesschau.de/ausland/asien/indien-pistorius-100.html>; and Matthias Gebauer, "Pistorius stellt Indonesien zwei A400-Militärflieger in Aussicht," *Der Spiegel*, June 5, 2023, <https://www.spiegel.de/politik/deutschland/indonesien-boris-pistorius-stellt-zwei-a400-militaerflieger-in-aussicht-a-83679755-bb8d-491f-afdf-f38de7fa7c4c>.

37. "Bundestag beschleunigt Beschaffungswesen bei der Bundeswehr," German Bundestag, July 7, 2022, <https://www.bundestag.de/dokumente/textarchiv/2022/kw27-de-bundeswehrbeschaffung-gbschleunigung-900544>.

security interests in advance of awarding a contract, speeding up review and appeal procedures, and lowering hurdles for small and medium-sized defense-technology enterprises to participate in Bundeswehr tenders. In recognition of the need to promote stronger cultural adaptation within government agencies through new leadership, in early 2023, the head of the procurement agency was replaced.³⁸

Germany's new 2023 defense-policy guidelines announced the defense planning process and procurement procedures, and the regulations that influence them, will be "will become part of the *Zeitenwende*."³⁹ The defense minister's focus is on empowering individuals. The new guidelines state, "In addition to specialist knowledge and skills, the keys to a modern and effective procurement system are the willingness to take action and to assume responsibility, resolve, an error culture and a culture of learning." Still, firms complain they struggle with hiring, since acquiring the required security checks and government clearances continues to take months, and the government has not done enough to mitigate overly bureaucratic EU tender and environmental, social, and governance rules.⁴⁰

Multilateralizing the *Zeitenwende*

Germany has traditionally shown high levels of political support, for but low levels of policy leadership, on European and EU defense initiatives. Since the outbreak of the Russia-Ukraine War, the EU has launched a range of new defense-industrial programs, including projects to incentivize joint procurement, and published its first-ever defense-industrial strategy.⁴¹ So far, the EU's efforts are not sufficiently resourced to influence significantly the procurement decisions of national governments, including Germany.⁴² Berlin continues to be careful not to support proposals that could be perceived as undermining NATO's primacy and does not want to empower EU institutions at the expense of national decision-making authority. Germany's participation in European Defence Fund projects is below average,

38. "Neue Chefin für Bundeswehr-Beschaffung," *Tagesschau*, March 29, 2023, <https://www.tagesschau.de/inland/innenpolitik/bundeswehr-beschaffungsamt-lehnigk-emen-101.html>.

39. "New Defence Policy Guidelines."

40. "The Defense Industry: Disruptions and Challenges for Germany and Europe," German Council on Foreign Relations, April 11, 2024, <https://dgap.org/de/media/16032>.

41. "EDIS: Our Common Defence Industrial Strategy," European Commission, n.d., accessed on September 27, 2024, https://defence-industry-space.ec.europa.eu/eu-defence-industry/edis-our-common-defence-industrial-strategy_en.

42. Max Bergmann and Sophia Besch, "Why European Defense Still Depends on America," *Foreign Affairs*, March 7, 2023, <https://www.foreignaffairs.com/ukraine/why-european-defense-still-depends-america>.

it does not participate in the flagship EU capability project Multi Modular Patrol Corvette, it does not go through the European Defence Agency to procure ammunition jointly, and it has sought to control how its resources are spent in the European Peace Facility.⁴³

Admittedly, Germany is engaged in two flagship capability development projects with its European partners: the MGCS future battle tank with France and the Future Combat Air System with France and Spain.⁴⁴ Germany has also signed an agreement with France and Spain that would allow all three countries to sell jointly developed equipment without their partners' explicit agreement, as long as partner components amounted to less than 20 percent of the total project.⁴⁵ But even though Berlin continues to invest political capital in flagship European cooperative capability projects, Germany has a clear focus on solidifying transatlantic ties, exemplified by decisions to purchase the F-35 fighter jet and the Chinook heavy transport helicopter from the United States.⁴⁶ Both the MGCS and the Future Combat Air System delivery dates have been pushed back significantly into the 2040s—or even the 2050s. Rheinmetall's new main battle tank, Panther, is set up to serve as a “bridge” to the Franco-German tank, with the MGCS companies worried about the distraction this Rheinmetall tank brings.⁴⁷

43. Jana Puglierin, *Germany's Perception of the EU Defence Industrial "Toolbox,"* Armament Industry European Research Group Comment #91 (French Institute for International and Strategic Affairs, January 2024); and Giorgio Leali, “EU's Breton Accuses Germany of Going ‘Solo’ on Ukraine Aid,” *Politico*, January 15, 2024, <https://www.politico.eu/article/europe-thierry-breton-germany-ukraine-war-aid/>.

44. Tim Martin, “Future European Tank to Be Built by 4-Party French and German Industry Venture,” *Breaking Defense*, April 29, 2024, <https://breakingdefense.com/2024/04/future-european-tank-to-be-built-by-4-party-french-and-german-industry-venture/>; and “Future Combat Air System (FCAS),” Airbus, n.d., accessed on September 27, 2024, <https://www.airbus.com/en/products-services/defence/future-combat-air-system-fcas>.

45. Bastian Giegerich, “Germany's National Security Strategy Previews Change in Arms-Export Policy,” IISS, June 30, 2023, <https://www.iiss.org/online-analysis/military-balance/2023/06/germanys-national-security-strategy-previews-change-in-arms-export-policy/>.

46. Sabine Siebold, “Exclusive: Germany Looking into Buying Eight Additional F-35 Jets,” *Reuters*, June 7, 2024, <https://www.reuters.com/business/aerospace-defense/germany-looking-into-buying-eight-additional-lockheed-f-35-jets-source-says-2024-06-07/>; and Gareth Jennings, “Update – IMH 2024: Germany Places First Contract for Chinook Buy, Sets Out Plans for Entry into Service,” *Janes*, February 28, 2024, <https://www.janes.com/osint-insights/defence-news/defence-update-imh-2024-germany-places-first-contract-for-chinook-buy-sets-out-plans-for-entry-into-service>.

47. Johanna Möhring, *Troubled Twins: The FCAS and MGCS Weapon Systems and Franco-German Cooperation* (French Institute of International Relations, December 2023); “How Germany Is Learning to Overcome Neglect to Project Strength and Resolve,” European Defence Agency, n.d., accessed on September 27, 2024, <https://eda.europa.eu/webzine/issue24/cover-story/how-germany-is-learning-to-overcome-neglect-to-project-strength-and-resolve>; and Karsten-Dirk Hinzmann, “‘Der Smart Tank rollt herein’: Pistorius lässt den Panzer des nächsten Jahrhunderts bauen,” *Frankfurter Rundschau*, March 26, 2024, <https://www.fr.de/politik/pistorius-frankreich-koalition-panzer-reform-ukraine-krieg-putin-bundeswehr-nato-92909883.html>.

Debate in Brussels is ongoing over the direction the EU's defense-industrial initiatives should take.⁴⁸ Some member states see EU defense integration as a political objective, considering structural trends that pull the United States away from Europe and require Europeans to build up a more autonomous defense-industrial base. These member states advocate for prioritizing more equipment purchases from European firms. Other member states favor prioritizing generating capability as quickly as possible through third-country procurement, with some driven by the hope buying capabilities from the United States will help keep Washington engaged as Europe's security guarantor. One indication of a German vision for European defense procurement is the European Sky Shield Initiative, a coalition Chancellor Scholz announced in August 2022 to procure air-defense systems jointly. Within the initiative, Berlin chose to promote American launchers over SAMP/T, a Franco-Italian system that operates in the same range. This move prompted criticism from Paris.⁴⁹ Nevertheless, 21 countries have since joined the European Sky Shield Initiative, and several European partners are now procuring German systems through, or in alignment with, the European Sky Shield Initiative.⁵⁰

Stumbling Blocks Ahead

The greatest failure of the *Zeitenwende* process so far has been the lack of long-term planning. Firms complain the German government lacks a clear idea of the path ahead, and Germany has failed to accompany the greater spending levels and societal openness to defense with a more strategic approach to defense-industrial policy and investment plans.⁵¹ Germany is not alone here. Numerous European countries provide scant direction regarding their long-term spending strategies.⁵² But for Germany, the consequences of a potential spending slowdown are particularly stark due to the peculiarities surrounding the €100 billion special fund for the armed forces. The special fund is strategically positioned outside German debt-brake regulations, ensuring it remains untouched during political budget negotiations. But this

48. Sophia Besch, "Understanding the EU's New Defense Industrial Strategy," Carnegie Endowment for International Peace, March 8, 2024, <https://carnegieendowment.org/posts/2024/03/understanding-the-eus-new-defense-industrial-strategy?lang=en>.

49. "European Countries Are Banding Together on Missile Defence," *The Economist*, July 25, 2024, <https://www.economist.com/europe/2024/07/25/european-countries-are-banding-together-on-missile-defence>.

50. "European Countries"; and Tom Waldwyn, "National Defence Industry: From an Enabler of Turkiye's Pursuit of Strategic Autonomy to a Bridge Between Turkiye and Europe," IISS, May 1, 2024, <https://www.iiss.org/research/defence-and-military-analysis/national-defence-industry--from-an-enabler-of-turkiyes-pursuit-of-strategic-autonomy-to-a-bridge-between-turkiye-and-europe/>.

51. "Defense Industry: Disruptions."

52. "Triggered a Boom."

arrangement has enabled the government to postpone establishing measures to grow the regular defense budget and thus sustain spending once the special fund is depleted by the end of 2027.⁵³ By mid-2024, Germany had spent €47.8 billion of the special fund, meaning just over half of the fund (€52.2 billion) is left.⁵⁴ Moreover, nearly all this remainder has been committed and will be fully spent by the end of 2027.⁵⁵ Germany's commitment to spending 2 percent of its GDP on defense is safe only so long as the special fund can plug gaps.

Despite what the short-term nature of these defense investments might convey, key players in the government do not nurture hopes the threat from Russia will subside after the end of the Russia-Ukraine War. Defense Minister Boris Pistorius has called for a defense spending target of 3–3.5 percent of Germany's GDP in light of a possible future Russian attack and has lobbied for Bundeswehr expenditures to be excluded from the German debt brake.⁵⁶ Chancellor Scholz has also astutely described the industrial challenge at hand, noting “tanks, howitzers, helicopters, and air defense systems don't just sit on a shelf somewhere. If nothing is ordered for years, then nothing will be produced.”⁵⁷

But even those German politicians who understand the challenge have found themselves unable to get around domestic political restrictions on spending—the current government can find no consensus to loosen the debt brake, pass tax increases, or agree to spending cuts in other areas like social spending. This political trench warfare over budgets is taking place against the background of rapidly rising extreme right and far-left parties, a national economic model under pressure from the geopolitical imperative to mitigate its dependence on Russia and China at the same time, and a recent ruling by Germany's federal constitutional court against the reallocation of unused debts. The recent collapse of the traffic-light government and, that same week, the election of US President Donald Trump appear to have opened

53. Christian Mölling and Torben Schütz, “Germany's Defense Budget 2024: The Planned Increase Is Not Yet Enough,” German Council on Foreign Relations, July 19, 2023, <https://dgap.org/en/research/publications/germanys-defense-budget-2024>.

54. Wolff et al., *Fit for War*.

55. Corinna Budras et al., “99.999.691.000 Euro sind schon weg,” *Frankfurter Allgemeine Zeitung*, April 9, 2024, <https://www.faz.net/aktuell/wirtschaft/mehr-wirtschaft/bundeswehr-sondervermoegen-reicht-nicht-wie-geht-es-fuer-deutschland-weiter-19641487.html>.

56. Tim Aßmann and Kilian Neuwert, “Pistorius in München: ‘Nicht die Zeit, um sich die Realität schönzureden,’” *Tagesschau*, February 18, 2024, <https://www.tagesschau.de/inland/innenpolitik/bundeswehr-sicherheitskonferenz-100.html>; “Fraktionen bewerten Verteidigungsetat unterschiedlich,” German Bundestag, September 2023, <https://www.bundestag.de/dokumente/textarchiv/2023/kw36-de-verteidigung-957754>; and “Pistorius will Verteidigungsausgaben von Schuldenbremse ausnehmen,” *Handelsblatt*, May 8, 2024, <https://www.handelsblatt.com/politik/deutschland/bundeswehr-pistorius-will-verteidigungsausgaben-von-schuldenbremse-ausnehmen/100037248.html>.

57. Kinkartz, “German Arms Industry.”

some political space for a loosening of the debt brake for public investment.⁵⁸ Green Party of Germany leader Robert Habeck has also proposed the option of another special fund for the Bundeswehr.⁵⁹ But these proposals depend on electoral arithmetic, as the far-right and far-left parties may together achieve a blocking minority in the snap elections in February 2025.

At a defense planning level, the lack of long-term thinking about defense investment means Germany risks losing sight of investing in future technology objectives. At an industry level, the ongoing lack of long-term funding predictability is complicating investment decisions for companies and forcing firms to shoulder the risk associated with ramping up production. The consequences of firms anticipating a budgetary slowdown manifest in a decline in the acceleration of production facilities and defense labor forces, extending delivery times and straining supply chains, which collapse if orders are not placed promptly.⁶⁰

The Way Ahead

In light of this analysis, identifying the parameters to assess the future success of the *Zeitenwende* for the German defense industry is not difficult. Berlin must commit to raising the regular defense budget gradually to avoid investments falling off a cliff when the special fund runs out. This commitment will allow industry to ramp up production and provide a strong signal to all firms, as well as Berlin's allies, of Germany's commitment to rebuilding the beleaguered Bundeswehr.

At the same time, additional money will not be sufficient to fix all the ills in Germany's defense industry and procurement processes. Germany must speed up approval procedures for defense projects, make defense research and development projects available for civilian funding, and make financing more accessible for subject matter experts and start-ups at the national and European levels. It must formulate a more strategically coherent arms-export policy, as well as invest political capital proactively to shape the EU's defense-industrial course, forge consensus with allies, and deconflict the EU with NATO.

58. Sarah Frühauf, "Was steckt hinter Merz's Schuldenbremse-Vorstoß?" *Tagesschau*, November 15, 2024, <https://www.tagesschau.de/inland/innenpolitik/schuldenbremse-debatte-102.html>.

59. "Habeck will Sondervermögen für Bundeswehr noch vor Neuwahl beschließen," *Zeit Online*, November 10, 2024, <https://www.zeit.de/politik/deutschland/2024-11/habeck-bundeswehr-sondervermoegen-vor-neuwahlen>.

60. "How Germany Is Learning"; and Roman Tyborski, "Rheinmetall-Chef warnt vor Scheitern der *Zeitenwende*," *Handelsblatt*, May 3, 2024, <https://www.handelsblatt.com/unternehmen/industrie/ruestungsindustrie-rheinmetall-chef-warnt-vor-scheitern-der-zeitenwende/100036758.html>.

Many of these ideas are already under consideration in parts of the government.⁶¹ They need sustained political focus to be implemented successfully.

61. “Neue Förderpläne für die Rüstungsindustrie,” *Tagesschau*, August 8, 2024, <https://www.tagesschau.de/wirtschaft/unternehmen/regierung-ruerstungsindustrie-100.html>.

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Zeitenwende Energy Policy

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Introduction: Germany's Evolving Energy Security

Russian fossil fuels underpinned decades of German economic success by providing a competitive edge for industry and a seemingly reliable energy supplier in Russia. The latter became a working assumption that was supported by political and business stakeholders. Energy relations with Russia underwrote German strategic decision making, even after Russia's annexation of Crimea in 2014. These energy relations changed in February 2022 when Russia launched a full-scale invasion of Ukraine. Such irrefutable hostility forced Berlin to place energy at the heart of the *Zeitenwende*.

The invasion had broad implications for European security. Because energy revenues constitute a significant income stream for the Russian state, Europe's import dependencies were facilitating a threat to its security. As European countries provided military equipment to Ukraine and agreed on ever-tighter economic sanctions, energy policy also needed readjustment, lest it undermine the strategic objective to confront Russian aggression.

Germany was particularly vulnerable because Russia was its primary natural gas supplier.¹ In the weeks following Russia's invasion, Germany switched to neighboring and overseas suppliers. Energy-saving efforts at the industry and household levels, a temporary increase in coal usage, and a brief extension of nuclear power helped fill supply gaps. Natural gas imports

1. In 2021, Russian imports accounted for as much as 52 percent of German natural gas supplies. "Bundesnetzagentur Publishes Gas Supply Figures for 2022," Bundesnetzagentur, January 6, 2023, https://www.bundesnetzagentur.de/SharedDocs/Pressemitteilungen/EN/2023/20230105_RueckblickGas2022.html.

from Russia quickly dropped over the summer of 2022. Vice Chancellor Robert Habeck called this decrease a “combined national effort.”²

But the turnaround brought new issues, such as volatile energy prices and geopolitical uncertainty. This chapter conducts a retrospective assessment of the *Zeitenwende*’s energy policy dynamics to identify the successes, constraints, and remaining challenges. Our assessment is guided by the World Energy Council’s energy trilemma framework, which assumes policymakers simultaneously aim to achieve security of supply, energy equity (affordability), and environmental sustainability.³ This framework allows us to assess how these priorities are balanced by governments pursuing a resilient energy system amidst geopolitical disruption and competing needs.⁴ The framework is relevant to assessing the *Zeitenwende*, as the German government historically prioritized sustainability and affordability but neglected energy security, which contributed to Germany’s vulnerability.⁵

Prewar Context of German Energy Policy

Despite criticism, German energy policy has had successes. Going into 2022, interconnectors offered Germany diverse electricity imports—such as Danish wind, French nuclear, and Swiss and Swedish hydropower. Pipelines also connected gas producers and hubs such as Norway and the Netherlands. Germany also exploited domestic lignite and, at the time, had the world’s third-largest installed capacities for solar and wind at 58.4 gigawatts (GWs) and 63.7 GWs, respectively.⁶ The latter was the

2. “Habeck: ‘We Need a Combined National Effort,’” Federal Ministry for Economic Affairs and Climate Action, August 13, 2022, https://www.bmwk.de/Redaktion/EN/Pressemitteilung_en/2022/08/20220813-we-need-a-combined-national-effort.html.

3. Energy security “reflects a nation’s capacity to meet current and future energy demand reliably, withstand and bounce back swiftly from system shocks with minimal disruption to supplies.” Energy equity “assesses a country’s ability to provide universal access to affordable, fairly priced and abundant energy for domestic and commercial use.” Environmental sustainability “represents the transition of a country’s energy system toward mitigating and avoiding potential environmental harm and climate change impacts.” See “World Energy Trilemma Framework,” World Energy Council, n.d., accessed on October 20, 2024, <https://www.worldenergy.org/transition-toolkit/world-energy-trilemma-framework>.

4. Most notably, the World Energy Council annually publishes the World Energy Trilemma Report, which focuses on various world regions. See “World Energy Trilemma Report 2024,” World Energy Council, n.d., accessed on October 20, 2024, <https://www.worldenergy.org/publications/entry/world-energy-trilemma-report-2024>.

5. Constanze Stelzenmüller, “Energy Trilemma Causes a Headache for Germany’s New Leaders,” Brookings Institution, January 18, 2022, <https://www.brookings.edu/articles/energy-trilemma-causes-a-headache-for-germanys-new-leaders/>.

6. Arvydas Lebedys et al., *Renewable Capacity Statistics 2022* (International Renewable Energy Agency, 2022), 14, 21.

result of the *Energiewende* or energy transition—a policy advocating energy efficiency, renewable deployment, and a nuclear phaseout.⁷

In this context, the core issues were the magnitude of Russian energy imports and how they came to underwrite national energy policy to a point where other options were deprioritized. Existing nuclear plants were phased out ahead of schedule.⁸ At the same time, domestic conventional gas production was allowed to decline.⁹ Nonconventional gas production also faced legal barriers—despite the presence of significant reserves.¹⁰

Renewables also received inconsistent attention. Easy-to-reach deployment targets were prioritized while politically challenging grid and transmission expansion faced legal-administrative hurdles. Cheap gas also deferred investment in electric alternatives for residential and industrial uses.¹¹

Reacting to External Shock: Primacy of Security of Supply

Over the past few decades, German politics rarely put energy security on the agenda. The occasions where energy security was on the agenda were in response to external shocks. As figure 6-1 shows, the term energy security (*Energiesicherheit*) was mentioned in 37 of the 15,609 documented public speeches from 1987 to 2021—most of which were during the

7. Simon Evans, “The History of the Energiewende,” Carbon Brief, September 21, 2016, <https://www.carbonbrief.org/timeline-past-present-future-germany-energiewende/>.

8. In March 2011, Chancellor Angela Merkel announced Germany would accelerate plans to phase down domestic nuclear energy capacity, which included immediately suspending several operational plants. This announcement was in direct response to the Fukushima accident. The extent of how this action impacted the European and German energy system, or its security, remains contested. Nevertheless, the stable supply of Russian gas facilitated this decision and various price projections for household and industry electricity were highly sensitive to gas pricing because of the gas generation’s strong role in setting the price through its positioning in the merit order. See Brigitte Knopf et al., “Germany’s Nuclear Phase-out: Sensitivities and Impacts on Electricity Prices and CO2 Emissions,” *Economics of Energy & Environmental Policy* 3, no. 1 (March 2014): 14–15.

9. German domestic gas output fell by 80 percent from 2000–24. See “Germany: Natural Gas Supply,” International Energy Agency (IEA), n.d., accessed on August 15, 2024, <https://www.iea.org/countries/germany/natural-gas>.

10. For example, fracking of shale formations has been illegal in Germany since 2017. The Bundesanstalt für Geowissenschaften und Rohstoffe estimates German shale reserves range between 380 to 2,340 billion cubic meters of gas, which is equivalent to roughly five to 20 years of domestic consumption. See Julian Wettengel, “Q&A – Energy Crisis Reignites Debate About Fracking in Germany,” Clean Energy Wire, January 2, 2023, <https://www.cleanenergywire.org/factsheets/qa-energy-crisis-reignites-debate-about-fracking-germany>; and Stefan Ladage et al., *Schieferöl und Schiefergas in Deutschland: Potenziale und Umweltaspekte* (Bundesanstalt für Geowissenschaften und Rohstoffe, January 2016), 9.

11. In 2022, natural gas accounted for 39 percent and 34 percent of residential and industrial total energy consumption, respectively, whereas electricity represented 21 percent and 33 percent respectively. “Germany: Efficiency & Demand,” IEA, n.d., accessed on August 20, 2024, <https://www.iea.org/countries/germany/efficiency-demand>.

2006–2009 Ukraine-Russia gas disputes.¹² This number pales in comparison to 38 mentions in 1,137 speeches in the first two and a half years following Russia’s full-fledged invasion of Ukraine.



Figure 6-1. References to energy security (*Energiesicherheit*) in German officials’ speeches

The energy crisis pulled attention to a traditional notion of energy security in terms of security of supply. This was the case for natural gas, where efforts to diversify and manage supply were decisive. Liquid natural gas (LNG) import terminals were announced three days after the invasion of Ukraine.¹³ Within 10 months, Germany had its first licensed and operating floating storage regasification unit (FSRU). Legislation such as the Gas Storage Act and the Emergency Plan for Gas helped the government manage the gas network and build a strategic stockpile, while others accelerated new projects.¹⁴

12. Figure 6-1 is based on a key-term search of the collection of authorized speeches of the president of the federal republic, the chancellor, and members of the federal government. The year 2024 is incomplete, with a cutoff date of August 16, leading to relatively fewer speeches for 2024 and fewer mentions of energy security. Figure 6-1 is the author’s own illustration, building on a search on the federal government’s bulletin of authorized speeches at: “Bulletin,” Die Bundesregierung, n.d., accessed on December 19, 2024, <https://www.bundesregierung.de/breg-de/service/newsletter-und-abos/bulletin>.

13. Naida Hakirevic Prevljak, “Germany to Break Free from Russian Gas with Two LNG Terminals,” Offshore Energy, February 28, 2022, <https://www.offshore-energy.biz/germany-to-break-free-from-russian-gas-with-two-lng-terminals/>.

14. The Gas Storage Act entered force on April 30, 2022, and it obliges all gas operators in Germany to keep their storage facilities full. “Gas Storage Act Enters into Force Tomorrow - Important Contribution to Security of Supply,” Federal Ministry for Economic Affairs and Climate Action, April 29, 2022, <https://www.bmwk.de/Redaktion/EN/Pressemitteilungen/2022/04/20220429-gas-storage-act-enters-into-force-tomorrow.html>; Federal Ministry for Economic Affairs and Climate Action, *FAQs – Emergency Plan for Gas* (Federal Ministry for Economic Affairs and Climate Action, March 30, 2022); and “Federal Cabinet Adopts Tool to Help Formulate LNG Acceleration Act,” Federal Ministry for Economic Affairs and Climate Action, May 10, 2022, <https://www.bmwk.de/Redaktion/EN/Pressemitteilungen/2022/05/20220510-federal-cabinet-adopts-tool-to-help-formulate-lng-acceleration-act.html>.

At the same time, ministers visited the United States and Qatar to secure long-term offtake agreements with new suppliers.¹⁵ Germany also imported more gas from neighbors via pipeline, and implemented a range of energy-saving measures to curb gas demand.¹⁶ Significant energy savings at the household and industry levels also contributed to managing the 2022 energy crisis.¹⁷

These saving measures also reinforced the power sector and ran in conjunction with a brief extension of nuclear and coal power generation. The operations of two of the three remaining nuclear plants, planned for a 2022 phaseout, were extended until April 2023.¹⁸ The extensions, particularly for coal, were accompanied by a new strategic coal reserve.¹⁹ Temporarily expanding coal power was done reluctantly, as the government recognized the trade-offs between energy security and sustainability. The expanded use of coal (alongside oil) implied a rise in emissions from the energy sector in 2022, with Germany missing its mitigation targets that year.²⁰ But in 2023, coal power-related emissions dropped to the lowest level since the

15. Gerald Traufetter, “German Economy Minister Celebrated in Washington,” *Der Spiegel*, March 2, 2022, <https://www.spiegel.de/international/germany/german-foreign-policy-reversal-german-economy-minister-celebrated-in-washington-a-305e363a-ef8f-4947-9c55-fa1650191225>; “Minister Habeck Visits Qatar and the UAE – Focus on Energy Security Matters,” Federal Ministry for Economic Affairs and Climate Action, March 18, 2022, <https://www.bmwk.de/Redaktion/EN/Pressemitteilungen/2022/03/20220318-minister-habeck-visits-qatar-and-the-uae-focus-on-energy-security-matters.html>; and “ConocoPhillips and QatarEnergy Agree to Provide Reliable LNG Supply to Germany,” ConocoPhillips, November 29, 2022, <https://www.conocophillips.com/news-media/story/conocophillips-and-qatarenergy-agree-to-provide-reliable-lng-supply-to-germany/>.

16. Malte Humpert, “Norway Now Germany’s Largest Gas Supplier, Future Supply from Arctic to Support Exports,” *High North News*, January 11, 2023, <https://www.highnorthnews.com/en/norway-now-germanys-largest-gas-supplier-future-supply-arctic-support-exports>; and Rina Goldenberg, “Germany Implements Energy-Saving Rules,” *Deutsche Welle*, September 1, 2022, <https://www.dw.com/en/germanys-energy-saving-rules-come-into-force/a-62996041>.

17. Oliver Ruhнау et al., “Natural Gas Savings in Germany During the 2022 Energy Crisis,” *Nature Energy* 8 (2023): 621–28.

18. The two remaining nuclear plants, planned for a 2022 phaseout, were extended to operate until April 2023. The extension given to several dozen lignite plants was longer, considering some plants had their operation extended until early 2024. “Germany Plans to Keep 2 Nuclear Power Plants in Operation,” *Deutsche Welle*, September 27, 2022, <https://www.dw.com/en/germany-plans-to-keep-2-nuclear-power-plants-in-operation/a-63258734>; and “Cabinet Boosts Crisis-Preparedness for the Coming Winter: Lignite-Fired Power Plants to Come Back to the Market as Planned on 1 October 2022 – Grid Reserve to Be Extended Until 31 March 2024,” Federal Ministry for Economic Affairs and Climate Action, September 28, 2022, <https://www.bmwk.de/Redaktion/EN/Pressemitteilungen/2022/09/20220928-cabinet-boosts-crisis-preparedness-for-the-coming-winter.html>.

19. Federal Ministry for Economic Affairs and Climate Action, *Second Energy Security Progress Report* (Federal Ministry for Economic Affairs and Climate Action, May 1, 2022).

20. Agora Energiewende, *Rückkehr der Kohle macht Energiespareffekte zunichte und gefährdet Klimaziele* (Agora Energiewende, January 4, 2023).

1960s, and coal-fired power plants continue to retire early.²¹ In the medium term, a legal pathway foresees the exit from coal-fired power occurring in the 2030s. Although a remaining baseload capacity will ensure energy security, coal plays an ever-smaller role in Germany's energy system.

The situation for coal contrasts with the situation for natural gas. Given the phasedown of both domestic nuclear and domestic coal, natural gas had long been identified as a transition technology. Its geopolitical significance increased with reinforced imports of pipeline gas from neighboring countries and new LNG supplies via sea routes. In 2022–23, Germany launched three FSRUs, which in 2023 covered about 7 percent of total imports.²² Although this percentage is currently a moderate amount, the FSRUs are to be replaced by higher-capacity, permanent onshore facilities starting in 2027.²³ With shifting import patterns, energy trade is now also increasingly in the mutual economic interest of Germany and its suppliers. Since 2023, natural gas trade between the United States and the EU has increased: Europe has become the main destination for US LNG and is willing to pay a premium for secure gas, and several EU countries (including Germany) rely on the United States to fill supply gaps. Furthermore, at least a share of Germany's supply has been friendshored to partners such as Norway.²⁴

German oil supplies were also hit, especially in early 2022. In 2021, Russia was Germany's largest supplier, accounting for more than a third of German imports. But in June 2022, the EU imposed sanctions restricting the purchase or import of Russian crude oil and other petroleum products. Germany brought down Russian oil imports and diversified its supply from third countries, including Norway, the United Kingdom, and Kazakhstan

21. Although the drop in coal power-related emissions was partly due to lower power demand and growing energy imports (mainly generated from renewables), the growing share of renewables in power generation (up by 5 percent) also contributed to lower emissions. Agora Energiewende, *Deutschlands CO₂-Ausstoß sinkt auf Rekordtief und legt zugleich Lücken in der Klimapolitik offen* (Agora Energiewende, January 4, 2024); and "Coal Phase-Out – No Coal-Fired Operation Bans Necessary for 2027 for First Time," Bundesnetzagentur, September 2, 2024, https://www.bundesnetzagentur.de/SharedDocs/Pressemitteilungen/EN/2024/20240902_Kohle.html?nn=691794.

22. "Bundesnetzagentur Publishes Gas Supply Figures for 2023," Bundesnetzagentur, January 4, 2024, https://www.bundesnetzagentur.de/SharedDocs/Pressemitteilungen/EN/2024/20240104_Gasversorgung2023.html.

23. But this would be a peak, as the 20 billion cubic meters of floating capacity is contracted to be phased out throughout the 2030s. Federal Ministry for Economic Affairs and Climate Action, *Bericht des Bundeswirtschafts- und Klimaschutzministeriums zu Planungen und Kapazitäten der schwimmenden und festen Flüssiggasterminals* (Federal Ministry for Economic Affairs and Climate Action, March 3, 2023).

24. "The United States Was the World's Largest Liquefied Natural Gas Exporter in 2023," US Energy Information Administration, April 1, 2024, <https://www.eia.gov/todayinenergy/detail.php?id=61683>.

as top suppliers.²⁵ The United States also steeply increased oil exports to Europe, with Germany as one destination.²⁶

High Economic Costs of Managing the Energy Crisis

As gas and electricity prices spiked in 2022–23, the government passed relief packages with tax breaks for lower- and middle-income citizens, direct income-support measures, instruments to reduce energy-transport costs, and temporary price caps for electricity and gas for businesses and households. The long-term total cost of measures to curb prices and counter inflation was estimated at up to €300 billion.²⁷ Relief measures mitigated but could not prevent rising costs for consumers. In line with the EU trend, spiking energy prices are estimated to have led to net welfare losses across income groups, with an estimated average loss of 2.9 percent in 2022.²⁸

Regarding industry, targeted relief measures, coupled with demand-side reductions, helped adapt to rising costs. Thus, “the curtailment and suspension of Russian gas deliveries did not create any physical supply interruption,” and most companies managed to mitigate wholesale price increases.²⁹ Although fears of broad deindustrialization have been avoided, some energy-intensive industry left Germany, especially companies relying heavily on gas as a direct energy source or feedstock.³⁰ Industrial power and gas prices have come down from their 2022 peak but will remain well above precrisis levels. These prices, along with other structural factors, are driving the discussion around the need for green industrial policy.

Long-term higher natural gas prices also affect the power sector. Natural gas used in periods of peak demand still sets electricity prices because European power markets follow merit-order pricing.³¹ The merit order is a market structure that links electricity prices to the price set by the

25. Statistisches Bundesamt, “Crude Oil Imports from Russia Down to 3,500 Tonnes in January 2023,” press release no. 098, March 13, 2023, https://www.destatis.de/EN/Press/2023/03/PE23_098_51.html.

26. “U.S. Crude Oil Exports Reached a Record in 2023,” U.S. Energy Information Administration, March 18, 2024, <https://www.eia.gov/todayinenergy/detail.php?id=61584>.

27. “Gas- und Strompreisbremse,” Bundesministerium für Wirtschaft und Klimaschutz, March 1, 2023, <https://www.bmwk.de/Redaktion/DE/Artikel/Energie/strom-gaspreis-bremse.html>.

28. Aaron Best et al., *Who Took the Burden of the Energy Crisis?* (Ecologic Institute, June 30, 2023).

29. Andreas Seeliger, *German Industrial Gas: Crisis Averted, for Now* (The Oxford Institute for Energy Studies, November 2023), 10.

30. For example, BASF Aktiengesellschaft, the world’s largest chemicals company, has announced plans to move production from Germany to outside Europe. See Seeliger, *German Industrial Gas*, 8.

31. “What Does Merit Order Mean?” Next Kraftwerke, n.d., accessed on October 20, 2024, <https://www.next-kraftwerke.com/knowledge/what-does-merit-order-mean>.

highest-cost marginal producer. In other words, the most expensive plant feeding power into the system sets the price, which can be a problem when inefficient gas power plants run for long periods of time. For instance, in 2022, natural gas set power prices 63 percent of the time, although it only makes up 20 percent of Europe’s electricity mix—a trend that applies to Germany.³² Reducing the power price in the long run is complex and requires reforms targeting EU energy markets. But one factor in price reductions lies in the buildup of a diverse mix of renewables, which would help displace gas capacity from peak pricing.

The Growing Link Between *Energiewende* and Energy Security

The expedited LNG infrastructure, nuclear and coal extensions, and energy-saving efforts filled Germany’s immediate energy gaps. But these were crisis management measures and should not be conflated with the defining spirit of the *Zeitenwende*, which aims to shift away structurally from fossil fuel import dependency and improve the resilience of Germany’s energy system. These aims are clearer when assessing the role of renewables in Germany’s future energy system, with politicians even calling renewables “freedom energies.”³³ Such a framing highlights how renewables are increasingly seen as the primary vehicle for Germany to realize greater energy independence and resilience.

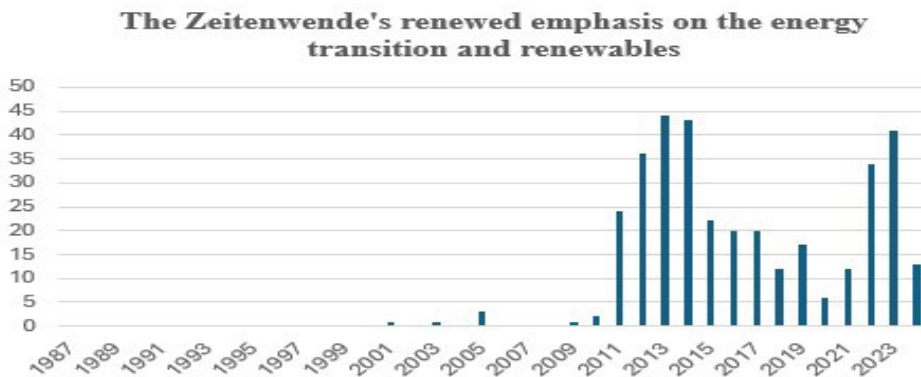


Figure 6-2. References to energy transition (*Energiewende*) in speeches of German officials

32. European Commission, *The Future of European Competitiveness: Part A – A Competitiveness Strategy for Europe* (European Commission, September 2024), 44.

33. This term was used by the former finance minister. See Christian Lindner, “Accepting the Challenge: A Liberalism for Tomorrow” (lecture, German Federal Ministry of Finance, Princeton, NJ, April 14, 2023).

The growing link between the energy transition (*Energiewende*) and energy security is visible in political statements, as the term has seen a resurgence (see figure 6-2).³⁴ The legislative packages launched in 2022 illustrate this alignment.³⁵ The so-called Easter package outlined sweeping revisions to the legislation underpinning renewable energy, with many changes focusing on bottlenecks that constrained further expansion and integration of renewables.³⁶

The first key legal reform designated renewable projects as an overriding public interest.³⁷ This adjustment aims to accelerate permit processing while also mitigating the grounds to block or delay projects. The second reform was the amendment to the Renewable Energy Sources Act that raised targets to have 80 percent renewable electricity by 2030, with specific targets for wind and solar capacity.³⁸ Such reforms are critical, as they contribute to achieving emissions mitigation and reaching net-zero emissions by 2045, as stipulated by Germany's Climate Change Act. Ambitious emissions mitigation is required under the Basic Law for the Federal Republic of Germany (Germany's constitution), as ruled by the Federal Constitutional Court, which is notable in this context.³⁹

Other revisions targeted rules on spatial planning, permitting, and siting for onshore wind. Onshore wind was a priority because, in 2022, Germany had nearly 800 percent more wind capacity stuck in permitting than under construction, with average processing times from five to eight years. Arduous rules on turbine spacing, paired with restrictive species

34. Figure 6-2 is based on a key-term search of the collection of authorized speeches of the president of the federal republic, the chancellor, and members of the federal government. The year 2024 is incomplete, with a cutoff date of August 16, leading to relatively fewer speeches for 2024 and hence fewer mentions of the term. Figure 6-2 is the author's own illustration, building on a search on the federal government's bulletin of authorized speeches at: "Bulletin," Die Bundesregierung, n.d., accessed on December 19, 2024, <https://www.bundesregierung.de/breg-de/service/newsletter-und-abos/bulletin>.

35. Federal Ministry for Economic Affairs and Climate Action, *Overview of the Easter Package* (Federal Ministry for Economic Affairs and Climate Action, April 6, 2022).

36. The package outlined revisions to legislation including, amongst others, the Renewable Energy Sources Act, the Offshore Wind Energy Act, the Energy Industry Act, the Federal Requirements Plan Act, and the Grid Expansion Acceleration Act.

37. Federal Ministry for Economic Affairs and Climate Action, *Easter Package*.

38. "Ausgewählte Tagesordnungspunkte der 1023. Sitzung am 08.07.2022," Bundesrat, n.d., <https://www.bundesrat.de/DE/plenum/bundesrat-kompakt/22/1023/51.html>.

39. Dana Schirwon, "The German Federal Constitutional Court's Revolutionary Climate Ruling," German Council on Foreign Relations, April 20, 2022, <https://dgap.org/en/research/publications/german-federal-constitutional-courts-revolutionary-climate-ruling>.

protections, reduced deployment zones.⁴⁰ Adjustments to resolve this issue include rules obliging states to ensure at least 2 percent of Germany’s surface area is made available for onshore wind by 2032 and revisions to the Federal Nature Conservation Act attempting to rebalance environmental protection around renewable infrastructure.⁴¹

Further changes targeted grids, offshore wind, and energy efficiency. Grid legislation was amended to simplify the planning and expansion process to meet the technical needs of renewables more effectively.⁴² Offshore wind targets were raised, the bidding model for public tenders was amended, and a pipeline of new tenders was launched.⁴³ The Energy Efficiency Act was altered to raise standards for the building and heating sectors to reduce energy consumption.⁴⁴

These changes culminate in some initial positive trends. Renewables as a share of total power generation climbed from 45.6 percent in 2022 to 59 percent as of September 2024.⁴⁵ In 2023 alone, the solar capacity deployment rate doubled from 2022, while wind generated more electricity than coal for the first time.⁴⁶ This trend will continue, as the 4.3 GW of annually permitted wind capacity in 2022 rose to 7.4 GW in 2023 and

40. Nick Ferris, “Data Insight: 11.4GW More EU Wind Capacity Stuck in Permitting Than a Year Ago,” Energy Monitor, April 26, 2023, <https://www.energymonitor.ai/tech/renewables/data-insight-11-4gw-more-eu-wind-capacity-stuck-in-permitting-than-a-year-ago/?cf-view>; and Jan Stede et al., *Way Off: The Effect of Minimum Distance Regulation on the Deployment and Cost of Wind Power* (Deutsches Institut für Wirtschaftsforschung, 2021).

41. Federal Ministry for Economic Affairs and Climate Action, *Entwurf einer Formulierungshilfe der Bundesregierung* (Federal Ministry for Economic Affairs and Climate Action, June 15, 2022), 1; and Bundesministerium für Umwelt, Naturschutz, nukleare Sicherheit und Verbraucherschutz, *Beschleunigung des naturverträglichen Ausbaus der Windenergie an Land* (Bundesministerium für Umwelt, Naturschutz, nukleare Sicherheit und Verbraucherschutz, April 4, 2022).

42. “Gesetz zur Änderung des Energiewirtschaftsrechts im Zusammenhang mit dem Klimaschutz-Sofortprogramm und zu Anpassungen im Recht der Endkundenbelieferung,” *Bundesgesetzblatt*, July 19, 2022, https://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzei-%20ger_BGB1&jumpTo=bgbl122s1214.pdf#__bgbl__%2F%2F*%5B%40attr_id%3D%27bgbl122s1214.pdf%27%5D__1669890275447.

43. “Zweites Gesetz zur Änderung des Windenergie-auf-See-Gesetzes und anderer Vorschriften,” *Bundesgesetzblatt*, July 20, 2022, https://www.bgbl.de/xaver/bgbl/start.xav?startbk=Bundesanzei-%20ger_BGB1&jumpTo=bgbl122s1325.pdf#__bgbl__%2F%2F*%5B%40attr_id%3D%27bgbl122s1325.pdf%27%5D__1728442915086.

44. “Energy Efficiency Act: The Public Sector Set to Become a Role Model,” German Federal Government, April 19, 2023, <https://www.bundesregierung.de/breg-en/federal-government/the-energy-efficiency-act-2184958>.

45. “Monthly Renewable Share of Total Net Electricity Generation and Load in Germany in 2024,” Energy-Charts, n.d., accessed on October 20, 2024, https://www.energy-charts.info/charts/renewable_share/chart.html?l=en&c=DE&year=2024&legendItems=11&share=ren_share_total.

46. “Net Installed Electricity Generation Capacity in Germany in 2023,” Energy-Charts, n.d., accessed on October 20, 2024, https://www.energy-charts.info/charts/installed_power/chart.html?l=en&c=DE&year=2023&legendItems=3x27v; and “Germany: Sources of Electricity Generation,” IEA, n.d., accessed on October 20, 2024, <https://www.iea.org/countries/germany/electricity>.

4.7 GW in the first half of 2024.⁴⁷ Public tenders for offshore wind could complement this trend with 30 GW of capacity by 2030.⁴⁸ If these trends continue, International Energy Agency projections see Germany realizing 100 GW of onshore wind, 30 GW of offshore wind, and 200 GW of solar photovoltaic by 2030.⁴⁹

These changes have strategic implications for energy security, as Germany is working to redress structural issues to improve the effectiveness of its power system. Germany's nontrivial legal, regulatory, and administrative revisions strengthen the security and reliability of the supply by ensuring projects move forward on time and domestic resources are optimized. This effort requires broad deployment, as wind blowing today cannot be harnessed tomorrow. Germany's renewable energy resources are strategic assets: Emissions mitigation through the buildup of renewables supports sustainability targets and constitutes an investment in national security.⁵⁰

Remaining Challenges

Through the *Zeitenwende*, policymakers needed to make consequential decisions under exceptional circumstances: They faced geopolitical turmoil, were forced to move on short time horizons, and often based decisions on imperfect information. Against this backdrop, the avoidance of the worst impacts of the energy crisis constitutes a remarkable achievement. But several structural challenges remain that will require the future government's attention to improve resilience.

First, the renewed orientation toward renewable energies brings new challenges for German energy security. Renewables are still nondispatchable and although broader deployments across different technologies (for example, batteries) mitigate this issue, it remains a challenge—particularly for periods where peak demand meets weak generation (for example, on a nonwindy evening). Renewables also highly depend on backup capacity and network expansion. If either are disrupted, then the vulnerability could worsen.

47. Deutsche Windguard, Status of Onshore Wind Energy Development in Germany: First Half of 2024 (Deutsche Windguard, July 18, 2024), 11.

48. Deutsche Windguard, Status of Offshore Wind Energy Development in Germany: First Half of 2024 (Deutsche Windguard, July 15, 2024).

49. "Energy System of Germany," IEA, n.d., accessed October 2024, <https://www.iea.org/countries/germany>.

50. Tim Bosch et al., *Emissions Mitigation as a National Security Investment*, German Council on Foreign Relations Policy Brief No. 22 (German Council on Foreign Relations, July 2023).

New technologies also create new dependencies from dominant producers, such as China, and hence come with their own issues.

During the transition, Germany's shift to renewables and energy efficiency poses a challenge to affordability. New renewable projects and efficiency improvements have different cost structures than amortized fossil systems. Even if the projects cost less over time, the capital required for installation is high. For example, the KfW Bankengruppe estimates the German grid alone will need some €300 billion of investments by 2050.⁵¹ The debt brake in Germany's constitution currently imposes strict limits on public spending, and the traffic-light coalition, which broke apart in November 2024, could not find consensus on reform. As fiscal space is restricted and Germany's economy stagnates, debates about the reform of the debt brake will be a decisive agenda item for the new government.

Second, the move toward LNG supplies has strategic implications: Germany aims to replace FSRUs with permanent landside regasification units as of 2026–27, with permits running until 2043.⁵² Although LNG currently accounts for a small share of imports, the planned infrastructure would raise import capacities. At the time of writing, the investment decisions for two of the three planned landside facilities have been made, cementing LNG's prominent role in Germany's energy mix.

Some analysts fear expanding infrastructure may exceed domestic demand and create stranded assets.⁵³ The embrace of LNG has also raised concerns about sustainability: Studies project if all planned LNG terminals were operating at capacity, they may compromise climate mitigation goals.⁵⁴ The situation is complicated by a controversy about the green readiness

51. "Germany Needs \$325 Bln of Power Grid Investments by 2050, KfW Says," Reuters, July 9, 2024, <https://www.reuters.com/business/energy/germany-needs-325-bln-power-grid-investments-by-2050-kfw-says-2024-07-09/>.

52. Lucy Hine, "Germany's FSRUs to Be Sublet from 2027 as Land-Based Terminals Start Up," *Upstream*, December 13, 2024, <https://www.upstreamonline.com/lng/germany-s-fsrus-to-be-sublet-from-2027-as-land-based-terminals-start-up/2-1-1753640>.

53. See Christian von Hirschhausen et al., *Gasversorgung in Deutschland stabil: Ausbau von LNG-Infrastruktur nicht notwendig*, Deutsches Institut für Wirtschaftsforschung aktuell No. 92 (Deutsches Institut für Wirtschaftsforschung, 2024).

54. This issue is in fact not confined to Germany but extends to broader concerns about the potential incompatibility of natural gas projects with the goals of the Paris Agreement. Niklas Höhne et al., *German LNG Terminal Construction Plans Are Massively Oversized* (New Climate Institute, December 2022); and Claire Stockwell et al., "Massive Gas Expansion Risks Overtaking Positive Climate Policies," Climate Analytics, November 10, 2022, <https://climateanalytics.org/press-releases/massive-gas-expansion-risks-overtaking-positive-climate-policies>.

of LNG infrastructure.⁵⁵ But whether this infrastructure could comply with green criteria is disputed.⁵⁶

On the other hand, a share of this capacity is intended to supply landlocked neighbors, such as Czechia or Austria.⁵⁷ One reading of Germany's changing natural gas politics is it shifts from a formerly unilateral import strategy toward a more Europeanized and connected approach. Moreover, policymakers plan with a significant security buffer where flexible capacities can absorb supply shocks. The LNG infrastructure rarely runs at full capacity and is planned based on redundancy. If one large supplier (for example, Norway) was disrupted, it could be compensated by more LNG. From this standpoint, Germany's LNG capacities come with a significant security premium factored into them. In any case, Germany will continue to be subject to the volatility of gas markets (for example, through geopolitical shocks or long-term shifts in demand).

Third, the turn away from Russian energy supplies, although constituting a significant strategic shift, requires perseverance and continued engagement. Entanglement with Russian energy assets continues to cast a long shadow. Russian energy company Rosneft has long held a stake in several German refineries fitted to run on Russian crude. Replacing this stake has been a challenge, as only a few suppliers—notably including Kazakhstan—can offer a direct substitution. But Kazakhstan is landlocked and oil deliveries flow through Russian pipelines.⁵⁸ These factors have prevented Berlin from outright seizing one of Rosneft Germany's largest assets for fear of having supplies disrupted.⁵⁹ The government expects Rosneft to sell its assets, but the outcome remains unclear. This case illustrates the pervasive nature of Russian energy infrastructure and the complexities of decoupling.

55. The German government emphasizes liquified natural gas terminals in Brunsbüttel and Wilhelmshaven will be equipped for the import of green hydrogen derivatives, in particular ammonia. See "The Federal Ministry for Economic Affairs and Climate Action Presents a Report on the Plans for Floating and Fixed LNG Terminals and Their Capacities," Federal Ministry for Economic Affairs and Climate Action, March 3, 2023, <https://www.bmwk.de/Redaktion/EN/Pressemitteilungen/2023/03/20230303the-federal-ministry-for-economic-affairs-and-climate-action-presents-a-report-on-the-plans-for-floating-and-fixed-lng-terminals-and-their-capacities.html>.

56. Stéphanie Nieuwbourg, "Why Backing Germany's LNG Investment Is a Roadblock – Not a Bridge to the Future," *Euractiv*, July 1, 2024, <https://www.euractiv.com/section/energy-environment/opinion/why-backing-germanys-lng-investment-is-a-roadblock-not-a-bridge-to-the-future/>.

57. Alexandra Gritz and Guntram Wolff, "Gas and Energy Security in Germany and Central and Eastern Europe," *Energy Policy* 184 (January 2024).

58. Victor Jack, "Germany Tallies Risks as It Weighs Rosneft Refinery Seizure," *Politico*, February 15, 2024, <https://www.politico.eu/article/germany-rosneft-refinery-russia-ukraine-war/>.

59. At the time of this writing, the German government has again extended the trusteeship over Rosneft Germany. See Riham Alkousaa and Christoph Steitz, "Germany Extends Trusteeship over Rosneft Assets, Economy Ministry," Reuters, September 9, 2024, <https://www.reuters.com/business/energy/germany-extend-rosneft-trusteeship-source-2024-09-02/>.

An ongoing discussion about the future of natural gas imports at the EU level poses similar challenges: The European Commission is currently in negotiations with Azerbaijan to replace Russian supplies via pipeline. But some have concerns this agreement may indirectly benefit Russia, because Russia would in turn increase its exports to Azerbaijan (thus leading to additional Russian revenues), and because Azerbaijan gas may flow through pipelines owned by Russian company Gazprom.⁶⁰ So far, Germany has advocated for decoupling, but several Central European countries continue to rely on Russian supplies. European disunity may undermine resilience against hybrid threats and complicate the strategic countering of Russian aggression. Against this backdrop, to Europeanize discussions about energy security and future import policies will be important.

Conclusion and Recommendations

Building on a broader consideration of security, affordability, and sustainability, the *Zeitenwende* in energy policy may be characterized as a qualified success. In particular, the Scholz government ensured the continued flow of energy while mitigating rising costs for households and industry through determined support packages. Of course, the billions of euros spent on managing the external shock could have been used earlier, had the construction of a more resilient energy system based on renewables and diverse imports been construed as a national security priority.

But this lacuna is not the responsibility of the outgoing government led by Chancellor Olaf Scholz. The lacuna is the outcome of a long-standing overreliance on fossil fuels from an authoritarian (and now forcefully aggressive) former supplier. Against this backdrop, the past several years can be seen as a salutary shock: Renewable energies have rightly been identified as the central opportunity and form the basis of German energy security, while flexible natural gas infrastructures fill supply gaps and de-risk imports.

But uncertainties persist around the role of natural gas, which may create new path dependencies. The deeper and quicker adoption of green technologies compounds this risk by shifting dependencies to producers of green technologies, where Chinese actors play an outsized role. Policymakers are aware of this issue, and the general securitization of energy

60. Gabriel Gavin, "Europe's Azerbaijan Gas Gambit Is Good News for Russia," *Politico*, November 20, 2024, <https://www.politico.eu/article/europe-azerbaijan-gas-gambit-good-news-russia/>; and Gabriel Gavin et al., "EU Wants Azerbaijan to Fuel Russian Gas Pipeline in Ukraine," *Politico*, June 13, 2024, <https://www.politico.eu/article/eu-asks-azerbaijan-replace-russian-gas-transit-deal-ukraine-expiring/>.

policy puts derisking and dependency reduction as key priorities. To create balance, the next German and American governments should do the following.

1. Commit to an irreversible transition where Germany is independent from Russian fossil fuels. German dependence on Russian energy has been cut while LNG import capacity and renewables have been scaled. The outgoing German government has set the stage to deliver a permanent shift away from Russian energy. But delivering on this shift remains a political choice, as some in Berlin may one day look to rebuild energy relations with Russia. This risk remains, especially if the Russia-Ukraine War comes to an end. Even if this occurs, the new German government should continue to commit to German independence. To support this effort, leaders in the United States should continue to offer Germany and Europe stable energy relations.

2. Replicate the decisive strategy to diversify natural gas into green supply chains. Supply chains for green technologies are concentrated around China. Although decoupling is not realistic, diversifying supply chains and building alternative capacity is in the American and German national interest. But this is a complex process with long investment cycles and requires many partners. The new German government should support a common European approach. The EU's emerging green industrial policy bears opportunities, including the further development of measures such as Important Projects of Common European Interest and the EU Innovation Fund.⁶¹ Transatlantic cooperation through means such as the Minerals Security Partnership could complement these opportunities to engage new suppliers.

3. Continue realizing the strategic evolution of energy security by taking steps to Europeanize energy policy. Deeper collaboration with neighbors and the EU more broadly will help prevent a reversion to the previous unilateral approach. The joint offshore wind targets for the North and Baltic Seas go in the right direction.⁶²

61. For an overview of the current instruments of EU green industrial policy, see Simone Tagliapietra et al., "Europe's Green Industrial Policy," *Información Comercial Española* 932 (2023): 51–62.

62. Kira Taylor, "North Sea Countries Aim for 300 GW of Offshore Wind Energy by 2050," *Euractiv*, April 25, 2023, <https://www.euractiv.com/section/energy-environment/news/north-sea-countries-aim-for-300-gw-of-offshore-wind-energy-by-2050/>; and "Baltic Sea Countries Sign Declaration for More Cooperation in Offshore Wind," Wind Europe, August 30, 2022, <https://windeurope.org/newsroom/press-releases/baltic-sea-countries-sign-declaration-for-more-cooperation-in-offshore-wind/>.

Combined, these targets represent hundreds of GWs in capacity and could strengthen energy security for a dozen member states. Pairing these targets with a broader and more proactive engagement will further build German credibility on energy policy.

4. Establish EU-US dialogue to align LNG imports with sustainability criteria. The EU's Methane Regulation, which became effective on August 4, 2024, foresees monitoring, reporting, and verification measures for the LNG supply chain. As of 2027, EU LNG importers will need to show supply contracts fulfill the same standards as the EU's monitoring, reporting, and verification measures, which includes emissions intensity.⁶³ As of August 2028, importers will have to report on the methane intensity of LNG imports concluded or renewed after August 4, 2024.⁶⁴ These changes raise questions about the feasibility of future imports of US LNG, which is relatively emissions intensive. To ensure compliance and avoid potential supply disruptions, the United States and the EU should engage in foresighted dialogue about emissions mitigation options or a regulatory equivalence to the Methane Regulation in the United States. The latter could exempt the importer from reporting duties.⁶⁵

5. Refocus efforts to use the EU-US Trade and Technology Council to resolve emerging divergences on green industrial policy and efforts to derisk from China. The American and European green industrial policies and relationships with Chinese technology are going at different speeds and, in some cases, different directions, as evidenced by the divergence between tariffs applied to Chinese electric vehicles. The EU-US Trade and Technology Council was launched to focus transatlantic efforts on key trade, economic, and technology issues, but has not been used to its full potential. The EU and the United States should engage in deeper sector-specific discussions about adopting common standards for diversifying and derisking green supply chains.

63. "The EU Methane Reduction Regulation Is Now in Force, What Is the Impact on LNG Imports to the EU?," Norton Rose Fulbright, August 2024, <https://www.nortonrosefulbright.com/de-de/wissen/publications/e25fed92/the-eu-methane-reduction-regulation-is-now-in-force-what-is-the-impact-on-lng-imports-to-the-eu>.

64. "EU Methane Reduction Regulation."

65. "EU Methane Reduction Regulation."

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The End of *Ostpolitik*?

Angela E. Stent
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Chancellor Olaf Scholz’s announcement of the *Zeitenwende* upended 50 years of German *Ostpolitik*, challenging the fundamental premises upon which German policy toward both Russia and the broader European security order were based. After the Soviet collapse, Germany pursued a Russia-first policy in the post-Soviet space, and its relations with Russia’s neighbors—including Ukraine—were determined by the primacy of ties with Russia post German reunification. Since the full-scale Russian invasion of Ukraine on February 24, 2022, relations with Russia have dramatically deteriorated, and Germany’s support for Ukraine in the Russia-Ukraine War has assumed priority in Berlin’s remaining ties with Moscow. But though the German government has remained committed to this new policy, German public opinion remains divided over the reversal of *Ostpolitik*, and recent elections in the eastern *Länder* indicate growing support for parties which favor discontinuing support for Ukraine and restoring ties with Russia. The *Zeitenwende* could be reversed, depending on the outcome of the war in Ukraine and on domestic political developments both in Germany and in the United States. This chapter will examine the historical evolution of German-Russian ties and provide a scorecard for the economic, energy, and political impacts of the *Zeitenwende*. It will discuss the Russian view of Germany’s new policies and examine how Germany has supported Ukraine since February 2022. This chapter concludes with the implications of the *Zeitenwende* for new leadership in Washington and Berlin, and for future US-German cooperation on Russia and Ukraine.

German-Russian Relations Prior to February 2022

For half a century, the Ostpolitik of Social Democratic Party of Germany Chancellor Willy Brandt, who was in office from 1969–74, framed German-Russian ties. Ostpolitik was based on two key pillars: *Wandel durch Annäherung* (change through rapprochement) and *Wandel durch Handel* (change through trade). Brandt's priority was to improve ties between West and East Germany, and he understood this improvement could only be accomplished by dealing more productively with Moscow. The West German version of détente focused on improving relations with Moscow through dialogue and negotiations that produced positive changes in Soviet policy toward the German question. A central premise of Ostpolitik was the belief greater economic interdependence would improve political relations and would also moderate Soviet behavior. When the Federal Republic of Germany signed the first deal to import natural gas from the Soviet Union in 1970, nine years after the construction of the Berlin Wall, Brandt hoped energy interdependence would become the cornerstone of a more constructive relationship with the Soviet Union.¹ Many Germans argue German unification represented the success of the idea economic and political engagement with the Kremlin would ultimately resolve the German question and reunite the country.

For three decades after German unification and the Soviet Union's fall, the premises behind the original Ostpolitik persisted across the German political spectrum. Berlin was committed to engaging the new Russia and facilitating its transition to a postimperial, democratic market society, partly in gratitude to the Kremlin for allowing Germany to unite peacefully. Germany became Russia's most important European partner, its advocate in Europe, and a key source of financial assistance, committed to integrating Russia into Western institutions. Germany was more willing than other countries, including the United States, to take seriously Russia's grievances about the collapse of the Soviet Union and Russia's insistence it receive special consideration and respect because it had been a great power. Germany was so focused on improving its ties with Russia that it downplayed Eastern and Central European concerns about Russia's future, potentially revanchist, ambitions. Germany viewed the entire region through a Russian lens.²

1. Angela Stent, *From Embargo to Ostpolitik: The Political Economy of West German-Soviet Relations, 1955–1980* (Cambridge University Press, 1981).

2. Sabine Fischer, *Die Chauvinistische Bedrohung: Russlands Krieg und Europas Antworten* (Ullstein, 2023), 221.

When Vladimir Putin came to power in 2000—the so-called German in the Kremlin who had spent six years as a midlevel KGB officer in Dresden—he appeared to be a promising partner.³ Putin’s September 2001 address to the Bundestag praised Russia’s historic ties to Germany. He sought closer partnership with Germany and Europe.⁴ Until the Ukraine crisis of 2013–14, Germany continued to explore as many avenues as possible to engage Russia, including the Partnership for Modernization and Foreign Minister Frank-Walter Steinmeier’s program of *Annäherung durch Verflechtung* (rapprochement through interdependence).⁵ By 2014, the fact that these attempts to influence Russia’s development in a positive direction had not moderated Putin’s increasingly aggressive ambitions at home and abroad was obvious. Russia was not building the institutions of a modern state or a modern market. It was run by a closed, corrupt, and opaque elite group of former intelligence officials operating within a highly personalistic system of rule. Yet, as Angela Merkel’s memoirs reveal, despite her critical attitude toward Putin and her understanding of how his authoritarian system worked, Merkel was careful not to pursue policies that might provoke the Kremlin during her 16 years as chancellor.⁶

Wandel durch Handel also failed. Putin’s Russia was determined to decouple economic relations from political ties. The Kremlin believed the German business community’s interest in profitable economic ties would survive deteriorating political relations, and the powerful German business lobby would pressure the political leadership not to push back against Russian actions.⁷

Nine days before Russia invaded Ukraine, Scholz traveled to Moscow. Scholz told Putin war was unthinkable and assured him Ukrainian NATO membership “is not an issue we will likely encounter while we are in office,” slyly asking Putin how long he planned to stay in office.⁸

3. Alexander Rahr, *Wladimir Putin: Der “Deutsche” im Kreml* (Universitas Verlag, 2000).

4. Vladimir Putin, “Speech in the Bundestag of the Federal Republic of Germany” (speech, Bundestag of the Federal Republic of Germany, Berlin, DE, September 25, 2001), <http://en.kremlin.ru/events/president/transcripts/21340>.

5. “‘The German-Russian Modernization Partnership’ - Federal Foreign Minister Westerwelle and Russian Foreign Minister Sergey Lavrov in the FAZ,” Auswärtiges Amt, May 31, 2010, <https://www.auswaertiges-amt.de/en/newsroom/news/100531-bm-faz/232468>; and Jörg Schneider, “Die EU-Russlandpolitik,” *Europa* 58, no. 6 (November 2006).

6. Angela Merkel, *Freedom: Memoirs 1954–2021* (St. Martin’s Press, 2024).

7. Angela Stent, “Germany and Russia: Farewell to *Ostpolitik*?,” *Survival* 64, no. 5 (October–November 2022): 27–38.

8. Constanze Stelzenmüller, “Scholz Holds His Ground in Putin’s Den,” Brookings Institution, February 16, 2022, <https://www.brookings.edu/blog/order-from-chaos/2022/02/16/scholz-holds-his-ground-in-putins-den/>.

The Zeitenwende Scorecard—Economic and Energy Ties

One of the most dramatic outcomes of the *Zeitenwende* was Germany weaning itself off Russian gas, which had supplied the country for decades and created economic and political leverage for the Kremlin. Before the war began in 2022, Germany imported 55 percent of its natural gas from Russia via pipeline.⁹ For decades, this gas transited through Ukraine, which occasionally led to interruptions of the gas flows because of disputes between Russia and Ukraine over contract terms. In 2005, at the end of Chancellor Gerhard Schröder’s term in office, Russia and Germany signed a deal for the construction of the Nord Stream 1 pipeline, which bypasses Ukraine under the Baltic Sea. As soon as he left office, Schröder became the chairman of the shareholders’ committee of Nord Stream AG, a lucrative and controversial position, after having previously called Putin a “flawless democrat.”¹⁰ The pipeline began operating in 2011. In 2015, a year after Russia’s illegal annexation of Crimea and the imposition of US and European sanctions against Russia, Gazprom and several European companies signed a deal for the construction of Nord Stream 2, which would have increased Germany’s dependence on Russian gas.¹¹ The administrations of three US presidents—Barack Obama, Donald Trump, and Joe Biden—all opposed the pipeline.¹² After the war began, Germany began preparing to move away from the import of Russian gas, but Russia acted first to cut off supplies in August 2022. Also, in fall 2022, the Nord Stream 2 pipeline was severely damaged by a series of explosions. After an extensive investigation, this act of sabotage was determined to be the work of a small group of Ukrainians.¹³ But by then the German government had committed itself to finding alternative supplies.

Germany’s rapid transition away from Russian gas surprised many. The speedy construction of two large liquified natural gas terminals on the Baltic Sea to import alternative supplies—now 80 percent of liquified natural gas imports come from the United States—was hailed by Scholz as evidence of

9. Janice C. Eberly et al., “How Did Germany Fare Without Russian Gas?,” Brookings Institution, October 26, 2023, <https://www.brookings.edu/articles/how-did-germany-fare-without-russian-gas/>.

10. Oliver Pieper, “Putin and Schröder: A Controversial Friendship,” *Deutsche Welle*, August 8, 2022, <https://www.dw.com/en/putin-and-schr%C3%B6der-a-special-german-russian-friendship/a-55219973>.

11. Christoph Hasselbach, “Chronologie Nord Stream: das Gas, die Politik und der Krieg,” *Deutsche Welle*, August 15, 2024, <https://www.dw.com/de/nord-stream-das-gas-die-politik-und-der-krieg/a-69951942>.

12. Anca Gurzu and Joseph J. Schatz, “Great Northern Gas War,” *Politico*, February 10, 2016, <https://www.politico.eu/article/the-great-northern-gas-war-nordstream-pipeline-gazprom-putin-ukraine-russia/>.

13. Gurzu and Schatz, “Great Northern Gas War.”

a “new German speed.”¹⁴ Germany could reconsider gas relations with Russia when the war ends, but given the current government’s commitment to moving away from dependence on hydrocarbons, the Russia-Ukraine War may well signal the beginning of the end of German-Russian gas ties.

For several decades, Germany was also one of Russia’s key economic partners. In 2021, Germany was Russia’s second-largest trading partner after China. The German Federal Statistical Office reported the two countries traded goods with a value of roughly €59.8 billion in 2021—34.1 percent more than in the previous year.¹⁵ German businesses were heavily invested in economic ties to Russia. Yet, after the war began, Germany joined its EU partners in imposing 15 packages of financial, technological, and industrial sanctions on Russian banks, firms, and individuals.¹⁶ Since then, Germany has remained an important trading partner for Russia but with a far lower total volume of trade compared to before February 2022. Economic and energy ties, which had for decades been a mainstay of German-Russian relations, no longer hold the fabric of that relationship together.

Political Ties

Prior to the outbreak of the war, the German government was committed to maintaining a dialogue with Russia, however difficult the circumstances. After the war broke out, Scholz continued to talk to Putin, but since December 2022 their dialogue has lapsed.¹⁷ Scholz’s spokesman has said, “if the chancellor deems a time appropriate, he has no hesitation in having a telephone conversation with the Russian president. However, at the moment I see some reluctance when it comes to expectations of such a conversation and we have to wait a little longer.”¹⁸ High-level contacts with the Kremlin

14. Benjamin Tallis, “The End of the Zeitenwende: Reflections After Two Years of Action Group Zeitenwende,” German Council on Foreign Relations, August 30, 2024, <https://dgap.org/en/research/publications/end-zeitenwende>; and “The United States Remained the Largest Liquefied Natural Gas Supplier to Europe in 2023,” U.S. Energy Information Administration, February 29, 2024, <https://www.eia.gov/todayinenergy/detail.php?id=61483>.

15. Statistisches Bundesamt, “Facts on Trade with Russia,” press release no. N 010, February 24, 2022, https://www.destatis.de/EN/Press/2022/02/PE22_N010_51.html.

16. “EU Sanctions Against Russia Explained,” Council of the EU, updated December 16, 2024, <https://www.consilium.europa.eu/en/policies/sanctions-against-russia/sanctions-against-russia-explained/>.

17. Philip Rißling and Benno Rougk, “Olaf Scholz zum Anschlag auf Tesla: ‘Das war ein terroristischer Akt,’” *Märkische Allgemeine*, March 27, 2024, <https://www.maz-online.de/lokales/brandenburg-havel/bundeskanzler-olaf-scholz-im-maz-interview-oder-tesla-putin-wagenknecht-wahl-in-brandenburg-NUQF3Q3OLJCHRNFULM4AQVOQA4.html>.

18. Oliver Towfigh Nia, “German Chancellor Open to Talks with Putin: Spokesperson,” Anadolu Agency, September 9, 2024, <https://www.aa.com.tr/en/europe/german-chancellor-open-to-talks-with-putin-spokesperson/3325506>.

have been significantly pared back in the past two and a half years. Indeed, Foreign Minister Annalena Baerbock has said talking to her counterpart Sergey Lavrov makes little sense because he lies all the time.¹⁹

But in November 2024, after a two-year hiatus, Scholz initiated a telephone call with Putin. During the hour-long conversation, Scholz subsequently claimed, no progress was made on discussing an end to the war, but “it was important to tell him (Putin) that he cannot count on support from Germany, Europe and many others in the world waning.”²⁰ Scholz was criticized for speaking to Putin as Russia continued bombing Ukraine. Some speculated the conversation was for domestic political reasons, after the collapse of Scholz’s government on November 6, 2024, and in the run-up to an election where many Germans were questioning continued support for Ukraine. Scholz called Volodymyr Zelensky before talking to Putin, but Zelensky criticized the call for opening a “Pandora’s box” that undermined Western efforts to isolate Putin.²¹

Before 2022, a large stakeholder community in Germany focused on Russia. The business community was prominent. All the major German political parties’ foundations had active offices inside Russia, and several cooperated with the ruling United Russia party. Those offices are all closed now. Civil-society contacts between Germany and Russia have formed an important part of the relationship since unification, and these contacts have continued—albeit in a different form. In the past, the Petersburg Dialogue, founded by Putin and Schröder in 2001, was a significant venue for German-Russian interaction—albeit with a major asymmetry. The Russian participants were in fact vetted by the Kremlin, whereas the German participants represented genuine civil society and a variety of political views. The dialogue was civil society versus “managed democracy.” This organization ceased its activities in 2022, but in 2024 German and Russian representatives met in Baku seeking to revive civil-society contacts.²² For now, Berlin has become the new Mecca for prominent diasporic Russian opposition figures—many of whom are at odds with each other—and the home of the Carnegie Russia Eurasia Center,

19. “German Foreign Minister Snubs UN Security Council to Avoid Russian Foreign Minister’s ‘Deceitful Performance,’” *Yahoo News*, April 25, 2023, <https://www.yahoo.com/news/german-foreign-minister-snubs-un-195900588.html>.

20. Thomas Escritt, “Germany’s Scholz Defends Call to Putin Ahead of Snap Elections,” Reuters, November 17, 2024, <https://www.reuters.com/world/europe/putins-views-ukraine-war-havent-changed-germanys-scholz-says-2024-11-17/>.

21. “Germany’s Scholz Holds First Official Call with Ukraine’s Zelenskiy Since Putin Talk,” Reuters, November 29, 2024, <https://www.reuters.com/world/europe/germanys-scholz-holds-first-official-call-with-ukraines-zelenskiy-since-putin-2024-11-29/>.

22. Ingo Malcher, “Die Baku-Connection,” *Die Zeit*, no. 44/2024, October 16, 2024, <https://www.zeit.de/2024/44/petersburger-dialog-deutsch-russisch-gespraechsforum-kreml>.

where experts from the former Carnegie Moscow Center and other institutions have moved.²³ In November 2024, the often fractious Russian opposition united to hold a mass demonstration in Berlin and marched to the Russian embassy to demand the war end and Putin go.²⁴

Nevertheless, significant parts of German society—particularly in the eastern Länder—retain a more favorable view of Russia and oppose the government’s support for Ukraine. In the fall 2024 Länder elections in Saxony, Thuringia, and Brandenburg, the far-right Alternative for Germany and the far-left Sahra Wagenknecht Alliance performed very well, edging out some mainstream parties. These populist parties ran on foreign policy platforms that stressed the need to stop supporting Ukraine and to mend relations with Russia. Even though these parties have no direct say in Berlin’s Russia policy, because the German Länder do not deal with foreign policy, the fact that these pro-Russian views did not hinder the parties’ election performance shows serious opposition in German society to the ruling coalition’s post-Zeitenwende policy of isolating Russia.

The Russian Response

One of Putin’s many miscalculations when Russia invaded Ukraine was not believing Germany would impose sanctions on Russia or seek to cut off its energy relationship, because the business community had too much invested in its profitable relations with Russia. Perhaps Putin believed former chancellor Schröder represented the mainstream of the Social Democratic Party of Germany, and Scholz would have a similar commitment to *Ostpolitik*. The Zeitenwende speech and Germany’s actions after February 2022 took the Kremlin by surprise. Russian officials and media figures have interpreted Germany’s actions by stressing Washington forced Berlin to adopt its new Russia policies, and Germany is a vassal of the United States. As Putin told a German journalist at the 2024 St. Petersburg International Economic Forum, “It is strange that nobody in the current German leadership protects German interests. It’s clear that Germany does not have full sovereignty.”²⁵

23. “Russia Eurasia Center,” Carnegie Endowment for International Peace, n.d., accessed on December 4, 2024, <https://carnegieendowment.org/russia-eurasia?lang=en>.

24. “Putin Opponents March to Russian Embassy in Berlin, Condemn War,” Radio Free Europe / Radio Liberty, November 17, 2024, <https://www.rferl.org/a/navalny-march-berlin-ukraine-war-putin-opposition/33205444.html>.

25. “Meeting with Heads of International News Agencies,” President of Russia, June 5, 2024, <http://en.kremlin.ru/events/president/news/74223>.

Russian officials and commentators have increasingly criticized German policies, particularly Germany's imposition of sanctions and its commitment to increase the strength of its military. Germany is described as the heir to the Nazi regime, with one television propagandist going as far as to say Germany's anti-Russian stance is revenge for its defeat at the Battle of Stalingrad in 1942–43.²⁶ Germany is, according to the Kremlin, one of the key pillars in the Russophobic bloc of Western countries out to destroy Russia.

Russia has increased its disinformation activities in Germany since the *Zeitenwende* and actively spreads propaganda about the war to support the Russian narrative that the West started the war, and to turn the German population against its government, targeting susceptible German audiences.²⁷ A September 2024 FBI indictment of two Russian citizens on election interference charges included material showing how Russian psyops teams identified Germany as a particularly vulnerable target for Russian influence.²⁸ Russia is also suspected of conducting acts of sabotage on German soil aimed at preventing German support for Ukraine.²⁹ Additionally, Russia was suspected of involvement in the attempt to blow up a liquified natural gas pipeline under construction.³⁰ American intelligence agencies also discovered Russia was planning to assassinate the chief executive officer of Rheinmetall, a company producing artillery and military weapons for Ukraine, and the United States helped Germany foil the plot.³¹ The Kremlin is waiting for German public support for Ukraine to evaporate and for the government in Berlin to revert to its pre-2022 policy of engagement and dialogue with Russia.

26. Ukraine War Video Report (r/UkraineWarVideoReport), "On his show tonight, Dmitry Kiselyov says that European countries are backing Ukraine against Russia because they want revenge for the battles of Poltava (1709), Borodino (1812), and Stalingrad (1942-3) . . .," Reddit Ukraine War Report, 2022, https://www.reddit.com/r/UkraineWarVideoReport/comments/wt6q3d/on_his_show_tonight_dmitry_kiselyov_says_that/.

27. "Disinformation Related to the Russian War of Aggression Against Ukraine," Federal Ministry of the Interior and Community, n.d., <https://www.bmi.bund.de/SharedDocs/schwerpunkte/EN/disinformation/disinformation-related-to-the-russian-war-of-aggression-against-ukraine.html>.

28. Jakob Hanke Vela, "FBI Dossier Reveals Putin's Secret Psychological Warfare in Europe," *Politico*, September 5, 2024, <https://www.politico.eu/article/fbi-dossier-reveals-russian-psy-ops-disinformation-campaign-election-europe/>.

29. Andrey Sychev and Alexander Ratz, "Germany Arrests Two for Alleged Military Sabotage Plot on Behalf of Russia," Reuters, April 18, 2024, <https://www.reuters.com/world/europe/germany-arrests-two-alleged-military-sabotage-plot-behalf-russia-2024-04-18/>.

30. Laura Hülsemann, "German Prosecutors Launch Probe into Suspected Sabotage of LNG Pipeline," *Politico*, January 5, 2024, <https://www.politico.eu/article/investigation-suspected-sabotage-lng-pipeline-germany-gasunie/>.

31. "Russia Tried to Assassinate CEO of Arms Firm Sending Weapons to Ukraine, Reports Say," Reuters, July 11, 2024, <https://www.reuters.com/world/europe/russia-tried-assassinate-ceo-arms-firm-sending-weapons-ukraine-cnn-reports-2024-07-11/>.

Support for Ukraine

A key element of the *Zeitenwende* has been German government support for Ukraine. Germany leads Europe in the number of Ukrainian refugees it has accepted—1.14 million. Germany is the second-largest provider of economic assistance to Ukraine—more than €44 billion to date.³² It has also become a major supplier of weapons, overcoming its initial hesitance and postwar pacifist culture. Lingering concerns about the German invasion of the Soviet Union in World War II and the deaths that invasion caused have contributed to Berlin's reluctance to be too forward leaning in weapons supplies, refusing to send its Taurus long-range cruise missiles to Kyiv (although similar systems—the SCALP and Storm Shadow missiles—have been provided by France and the United Kingdom, respectively) and refusing to allow Ukraine to use German weapons to strike inside Russia.³³ Germany has signed a bilateral security cooperation agreement with Ukraine, pledging to support the long-term development of Ukraine's security sector, as well as providing for cybersecurity and intelligence support. But the agreement does not provide security guarantees for Ukraine.³⁴

In 2024, German society clearly became less comfortable with the war and the economic costs it has imposed.³⁵ In August 2024, Finance Minister Christian Lindner sent a letter to the Federal Ministry of Defence saying, as part of the ruling coalition's plan to reduce spending, a moratorium on new military aid to Ukraine would be enforced. Military aid would no longer come from the German federal budget but from the interest from frozen Russian assets.³⁶

Critics who believe Germany has not done enough to help Ukraine point out Scholz has never said Ukraine should win the war, and his government has been too hesitant in its support, thereby undermining Ukraine's ability to push back against Russia. They argue Scholz is too concerned about

32. "Germany Continues to Stand with Ukraine – the Third Anniversary of Russia's Full-Scale Invasion," Auswärtiges Amt, February 24, 2025, <https://www.auswaertiges-amt.de/en/aussenpolitik/laenderinformationen/ukraine-node/ukraine-solidarity-2513994>.

33. Abbey Fenbert, "Scholz Meets Zelensky, Says Germany Will Not Let Kyiv Use Its Weapons on Russian Soil," *Kyiv Independent*, September 23, 2024, <https://kyivindependent.com/scholz-meets-zelensky-says-germany-will-not-let-kyiv-use-its-weapons-on-russian-soil/>.

34. Agreement on Security Cooperation and Long-Term Support Between the Federal Republic of Germany and Ukraine, Ger.-Ukr., February 16, 2024.

35. Stefan Meister, "Germany and Russia's War of Aggression Against Ukraine: The Third Year," German Council on Foreign Relations, April 22, 2024, <https://dgap.org/en/research/publications/germany-and-russias-war-aggression-against-ukraine-third-year>.

36. Giovanna Coi, "Germany to Halt New Ukraine Military Aid: Report," *Politico*, August 17, 2024, <https://www.politico.eu/article/germany-halt-new-ukraine-military-aid-report-war-russia/>.

possible escalation from Russia, given Putin's repeated threats to use nuclear weapons, and the German government has allowed itself to be intimidated by the Kremlin.³⁷

The German population, like the populations in the United States and many European countries, remains divided over assistance to Ukraine. An October 2024 poll showed 27 percent of the population wants military support to remain the same, 38 percent wants it to increase, and 31 percent wants it to decline.³⁸ The government struggles to chart a way forward that does not cost too much and that enables Ukraine to continue fighting without precipitating even more aggressive Russian actions that could threaten European security even more than Russian actions do now. In 2025, the situation may change as Ukraine becomes increasingly challenged on the battlefield, Germany selects a new chancellor, and the Trump administration seeks to end the war. If the United States cuts its support for Ukraine, that may well encourage those in Germany who are skeptical about assisting Kyiv.

Implications for the United States

Since the Russian invasion of Ukraine, the United States and Germany have coordinated very closely on their policies toward both Russia and Ukraine. The United States and Germany have worked together on sanctions imposition, condemnation of Russian actions, and military and economic support for Ukraine. Germany played a key role in facilitating the August 2024 exchange of 16 American, European, and Russian prisoners by agreeing to free a Federal Security Service assassin, who was in a German prison, at the request of the United States.³⁹ Biden and Scholz have spent much of their respective presidency and chancellorship coordinating on the war in Ukraine. Germany has been the key European partner in this effort.

The future of transatlantic cooperation on Russia and Ukraine will depend on election results in the United States and Germany. As a candidate, President Trump vowed to end the war in 24 hours, although how he plans to accomplish this task is unclear. He will likely reexamine the current

37. Tallis, "End of the Zeitenwende."

38. "Politbarometer Oktober 2024," Forschungsgruppe Wahlen, updated October 18, 2024, https://www.forschungsgruppe.de/Umfragen/Politbarometer/Archiv/Politbarometer_2024/Oktober_2024/.

39. Bojan Pancevski, "How Germany Enabled a Historic Prisoner Swap with Russia," *The Wall Street Journal*, August 2, 2024, <https://www.wsj.com/world/europe/how-germany-enabled-a-historic-hostage-swap-with-russia-c22c8aac>.

US policies of seeking to isolate Russia and providing US support for Ukraine as the war continues. Trump could also reevaluate the United States' role in NATO and its strong ties to Germany. Similarly, if Germany has a new chancellor after February 2025, that person could also rethink both transatlantic ties and relations with Russia. Assuming Friedrich Merz becomes the next chancellor, then German support for Ukraine could strengthen. If a coalition government forms, and the Social Democratic Party of Germany were to have the Federal Foreign Office, then an interesting dynamic could develop. Some in the Social Democratic Party of Germany have supported Ukraine and advocated for a tough line toward Russia. Others, like former chancellor Gerhard Schröder and Social Democratic Party of Germany parliamentary leader Rolf Mützenich, remain wedded to the old *Ostpolitik* and want to end the war and restore ties with Moscow.⁴⁰ The current transatlantic cooperation has only worked as well as it has because the leaders in Washington and Berlin have agreed on the broad outlines and details of their policies.

So far, the *Zeitenwende* has reversed decades of German *Ostpolitik*. But this distancing from Russia could be reversed, depending on the outcome of the Russia-Ukraine War. Strong German voices will call for a resumption of engagement when hostilities cease, and the lure of the Russian market will not fade away. Centuries of Russian-German political, economic, and cultural engagement—often at the expense of Russia's Western and eastern neighbors—have not been obliterated, and neither has German traditional skepticism about the United States in some quarters. Germany may have moved from *Ostpolitik* to “frostpolitik,” but whether a thaw could once again occur after the war has ended remains to be seen.⁴¹

40. Wolfgang Münchau, “The German SPD’s Foolish Attachment to Putin’s Russia,” *New Statesman*, April 3, 2024, <https://www.newstatesman.com/comment/2024/04/germany-spd-foolish-attachment-to-putin-russia>.

41. Tuomas Forsberg, “From *Ostpolitik* to ‘Frostpolitik’? Merkel, Putin and German Foreign Policy Towards Russia,” *International Affairs* 92, no. 1 (January 2016): 21–42.

The Institutional Dimension: NATO, the EU, and Multinational Cooperation

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Introduction

Shortly after Russia's full-scale invasion of Ukraine and German Chancellor Olaf Scholz's February 27, 2024, *Zeitenwende* speech, a long-neglected vocabulary reentered the German public discourse: national and collective defense (*landesverteidigung* and *bündnisverteidigung*). In subsequent speeches and through Germany's first defense guidelines, published in 2023, the chancellor and his government emphasized national and collective defense must once again become the Bundeswehr's core task—which had not been the case since the end of the Cold War.¹

The term, which treats national and alliance defense as inseparable, underscores German defense policy is rooted in its integration within the north Atlantic alliance and in the context of the EU. The success of Germany's *Zeitenwende* policy must therefore be judged by its role in these institutions and the contributions the policy has made to them since.

This chapter examines Germany's contributions to NATO since February 2022, focusing on the country's financial commitments, its role within NATO's force structure, and its procurement efforts. Next, the chapter explores

1. "Defence Policy Guidelines 2023," Federal Ministry of Defence, accessed on November 30, 2024, <https://www.bmvg.de/resource/blob/5702190/edabed114d7856c8aa71ad666cbce8b3/download-defence-policy-guidelines-2023-data.pdf>; and Olaf Scholz, "Rede von Bundeskanzler Scholz bei der Bundeswehrtagung 'Zeitenwende Gestalten,'" Die Bundesregierung, November 10, 2023, <https://www.bundesregierung.de/breg-de/aktuelles/rede-von-bundeskanzler-scholz-bei-der-bundeswehrtagung-zeitenwende-gestalten-am-10-november-2023-in-berlin-2236184>.

Germany's involvement in the EU's defense policy and other multinational initiatives at the European level.

Regardless of the channel through which German defense efforts are routed, the fundamental question of whether the efforts are ambitious and urgent enough to address the foreseeable threats remains. A sustained approach by Germany and its European allies and partners would have the potential to restore a sustainable equilibrium over time to address this gap. This approach is recognized rhetorically in German government positions, but the progress has thus far been insufficient to meet the medium- and long-term force and capability needs that derive from the European threat environment.

Germany's *Zeitenwende* in NATO

Defense spending is a key indicator of allies' commitments to NATO and is therefore an important measure of Germany's *Zeitenwende* policy within NATO. In 2024, Germany reached the NATO spending target of 2 percent of gross domestic product to great fanfare at home and in the alliance: At last, Europe's largest economy was fulfilling the commitment it had made in 2014 after the first Russian invasion of Ukraine.

Increasingly, though, Germany seems to be pursuing an outdated target that is inadequate for the more threatening environment in Europe. Since February 2022, many NATO allies have moved beyond the 2 percent goal and are seeking significantly higher contributions.² When the agreement was made in 2014, it was a political benchmark for holding allies accountable, intended to demonstrate "the political resolve of individual allies to contribute to NATO's common defence efforts."³ At the time, the guideline was not based on member states' actual spending needs for effective armed forces and deterrence of Russian aggression, nor is it today.

In his *Zeitenwende* statement, Chancellor Scholz emphasized meeting the 2 percent goal was both about fulfilling promises to allies and in the interest of German security. Germany's defense spending levels since the speech have primarily been driven by a desire both to appease allies and to make up for a decades-long underinvestment in the Bundeswehr. Over the past

2. Miles Herszenhorn and Laura Kayali, "2 Percent on Defense? That Is So Last Year," *Politico*, July 11, 2024, <https://www.politico.com/news/2024/07/11/2-percent-on-defense-nato-00167567>.

3. The pledge built on a commitment to have already met this 2-percent guideline in 2006. "Defence Expenditures and NATO's 2% Guideline," NATO, updated June 18, 2024, https://www.nato.int/cps/en/natohq/topics_49198.htm; and Anthony Reuben, "How Much Do NATO Members Spend on Defence?," *BBC News*, July 10, 2024, <https://www.bbc.com/news/world-44717074>.

three years, Germany has avoided engaging in an honest debate about the real cost of ensuring the country's national security as well as that of its allies. Instead, Germany has adapted the budget to meet international expectations. Federal Minister of Defence Boris Pistorius has argued forcefully German defense spending should not stop at the 2 percent threshold and should quickly rise beyond it.⁴ At the time of this writing, most of Germany's political parties have not yet published their election programs for the snap elections likely to take place in February 2025. But little evidence exists to suggest any party or coalition of parties will pledge to increase the defense budget significantly beyond the 2 percent target in the next government.

A Decade of Fitful Struggles to Increase Defense Spending

Although Germany's defense spending still falls short of that which is needed for effective deterrence, achieving the 2 percent target remains a notable milestone in the country's *Zeitenwende*. As Aylin Matlé describes in her essay, only in 2024 did Germany cross the threshold for the first time, spending 2.12 percent of its gross domestic product on defense (€90.5 billion).⁵

In 2024, for the first time, Germany also met the goal of spending more than 20 percent of the NATO-declared defense budget on major new equipment, including associated research and development. The NATO allies set this target to ensure a high scale and pace of modernization.⁶ Germany's defense budget aims to allocate 50 percent to personnel, 30 percent to operations and maintenance, and 20 percent to equipment.⁷ For decades, Germany failed to meet the 20 percent target for new equipment, as it was the first area to be cut when the budget was low and funds were needed for personnel and operations costs.⁸ In 2024, Germany spent 28.75 percent (compared to 12.94 percent in 2014 and 18.04 in 2023), made possible by the special fund, which primarily supports "significant and complex multiyear

4. "Boris Pistorius Will Zwei-Prozent-Ziel übertreffen," *Zeit Online*, August 1, 2024, <https://www.zeit.de/politik/deutschland/2024-08/bundesverteidigungsminister-boris-pistorius-zwei-prozent-ziel-nato-bundeswehr>.

5. NATO, "Defence Expenditure of NATO Countries (2014–2024)," news release, June 17, 2024, https://www.nato.int/nato_static_fl2014/assets/pdf/2024/6/pdf/240617-def-exp-2024-en.pdf.

6. "NATO's 2% Guideline"; and NATO, "NATO Countries."

7. NATO tracks allies' expenditures in a fourth category—infrastructure—but those costs, which are the smallest, amount to single-digit percentages of overall spending. NATO, "NATO Countries"; and Christian Mölling and Thorben Schütz, "Zeitenwende in der Verteidigungspolitik," *Deutsche Gesellschaft für Auswärtige Politik*, 2022, <https://dgap.org/de/forschung/publikationen/zeitenwende-der-verteidigungspolitik>.

8. Mölling and Schütz, "Zeitenwende."

equipment projects.”⁹ If Germany does not adopt a more sustainable approach, the country risks falling short of the target again once the special fund is depleted by the end of 2027.

Although achieving the 2 percent benchmark is commendable compared to the political neglect prior to February 2022, any spending beyond this level is heavily contested, as Matlé points out, with the government’s draft 2025 budget only containing an increase of €1.2 billion to €53 billion.¹⁰ The draft budget was in limbo following the collapse of the government, and a 2025 budget will now be finalized only after the elections. The budget may provide the next government with an opportunity to commit to more ambitious growth in the regular defense budget as early as 2025; nevertheless, the first four to five months of the year will pass without clear spending priorities, leaving little time to implement any new agenda. In the longer term, starting in 2028, when the *sondervermögen* will be fully depleted, the regular defense budget will need to increase to €80 billion per year or a follow-on off-budget fund will need to be created to ensure an adequate level of resources.¹¹ None of the mainstream political parties are addressing in detail how Germany could approach this problem. Finding an additional €25–30 billion annually in just a few years will clearly be a significant challenge.

Germany’s Role in the New NATO Force Model

Another factor by which to assess Germany’s contributions to NATO since *Zeitenwende* is forces. The reemergence of Russia as an aggressive adversary and the prospect of large-scale combat affecting NATO directly has catalyzed reform. At the 2022 Madrid summit, the NATO allies agreed

9. “Sondervermögen Bundeswehr: Investitionen in Unsere Freiheit,” Bundesministerium der Finanzen, March 16, 2022, <https://www.bundesfinanzministerium.de/Content/DE/Pressemitteilungen/Finanzpolitik/2022/03/2022-03-16-sondervermoegen-bundeswehr.html>.

10. In addition, the Federal Ministry for Economic Cooperation and Development will receive €1 billion less in development aid. “Boris Pistorius Kritisiert Fehlende Milliarden im Wehretat,” *Zeit Online*, July 8, 2024, <https://www.zeit.de/politik/deutschland/2024-07/bundeshaushalt-boris-pistorius-verteidigung-ruestungsausgaben-svenja-schulze>; and Thomas Wiegold, “Verteidigungshaushalt 2025 Folgende: Die Zahlen,” *Augen Geradeaus!* (blog), July 15, 2024, <https://augengeradeaus.net/2024/07/verteidigungshaushalt-2025-folgende-die-zahlen/>.

11. “Pressekonferenz von Bundeskanzler Scholz Beim Gipfeltreffen der NATO,” Bundesregierung, July 12, 2024, <https://www.bundesregierung.de/breg-de/aktuelles/pk-von-kanzler-bei-nato-gipfel-2298692>.

on an updated NATO Force Model to be implemented in 2025 that contained significant changes to the allied armed forces.¹²

NATO has shifted its focus from crisis management, a priority in the post–Cold War years, to a structure centered on deterrence and defense, aiming to ensure large forces can be deployed quickly and with high readiness.¹³ Instead of the rotational principle of the soon-to-be-replaced NATO Response Force, member states will now permanently assign forces to one of three regions in Europe: the Arctic and north Atlantic, the Baltic region and Central Europe, and Southeastern Europe. The NATO Force Model will organize forces into three tiers of readiness, and a new quick reaction force—the Allied Reaction Force, which will be replacing the Very High Readiness Joint Task Force—will support them.¹⁴ NATO’s new operations plans outline the requirements for these regions, detailing the number and types of equipment and units NATO requires from each of its members.¹⁵

As Matlé describes in her essay, this significant reform will place new demands on NATO allies, including Germany, which would presumably require the growth of the Bundeswehr from its current force strength of 180,000 beyond even the current target of 203,000.¹⁶

The German government has acknowledged personnel shortages, which are growing worse, make this challenge particularly difficult.¹⁷ The government has prepared notable draft laws to address these challenges. But with the November 2024 collapse of the government, when and if the draft laws will pass the Bundestag is unclear.¹⁸

12. John Deni, *The New NATO Force Model: Ready for Launch?* (NATO Defense College, May 2024); and Amina Vieth and Jörg Fleischer, “NATO Force Model: Wie Deutschland Sich ab 2025 in der Allianz Engagiert,” Bundesministerium der Verteidigung, July 9, 2024, <https://www.bmvg.de/de/aktuelles/nato-force-model-wie-deutschland-sich-ab-2025-engagiert-5465714>.

13. Deni, *New NATO Force Model*.

14. Deni, *New NATO Force Model*; Vieth and Fleischer, “NATO Force Model”; Florian Manthey, “Drehscheibe Deutschland: Logistik für NATO und EU,” Bundesministerium der Verteidigung, October 11, 2022, <https://www.bmvg.de/de/aktuelles/drehscheibe-deutschland-transport-und-logistik-nato-und-eu-5505038>; and Nele Loorents, *NATO’s Regional Defence Plans*, Washington Summit Series No. 5 (International Centre for Defence and Security, July 2024).

15. Deni, *New NATO Force Model*.

16. “Wie Gross ist die Bundeswehr?” Bundeswehr, October 31, 2024, <https://www.bundeswehr.de/de/ueber-die-bundeswehr/zahlen-daten-fakten/personalzahlen-bundeswehr>.

17. Martin Greive and Frank Specht, “Welche Rolle Deutschland Künftig in der NATO Spielen Kann,” *Handelsblatt*, July 9, 2024, <https://www.handelsblatt.com/politik/deutschland/verteidigung-welche-rolle-deutschland-kuenftig-in-der-nato-spielen-kann/100050300.html>; and Philipp Kohlhöfer, “NATO: Mehr Soldaten Nötig,” Deutscher Bundeswehrverband, July 8, 2024, <https://www.dbwv.de/aktuelle-themen/blickpunkt/beitrag/nato-mehr-soldaten-noetig>.

18. “Neuer Wehrdienst,” Bundesministerium der Verteidigung, November 29, 2024, <https://www.bmvg.de/de/neuer-wehrdienst>.

These measures would be a start, but they do not appear adequate to address the increasing requirements Germany will have to meet to fill in the NATO Force Model. According to media reports on internal Federal Ministry of Defence deliberations, the requirement for NATO-wide land forces, for example, will rise from 82 combat brigades in 2021 to 131. The Bundeswehr would have to reckon with an increase of five or six German combat brigades assigned to NATO, using the formula in which Germany provides roughly 10 percent of NATO capabilities, as Matlé demonstrates.¹⁹ This increase would be in addition to Germany's current eight combat brigades.²⁰ Five brigades would represent an additional 25,000 army personnel above the current 61,000 strength of the German Army.²¹ This increase likely would require a further rise in the Bundeswehr's target strength above the already-unrealistic 203,000. Thus, on their current trajectory, the ability of the German government and the Bundeswehr to deliver such a considerable increase in their contribution to the NATO Force Model is doubtful.

Brigade in Lithuania

One notable effort that sets Germany apart from other NATO members is its commitment to stationing a combat brigade in Lithuania permanently. In December 2023, Germany declared it would station 4,800 soldiers and 200 civilian Bundeswehr employees in Lithuania, marking the first time in the history of the Federal Republic the German armed forces would be stationed abroad without a set end date. The brigade will consist of three major combat units: the 122 Mechanised Infantry Battalion from Oberviechtach, Bavaria; the 203 Tank Battalion from Augustdorf, North Rhine-Westphalia; and the NATO enhanced Forward Presence Battle Group Lithuania. These will be supported by combat and support elements, such as medical service and logistics, military police, and communication and information system teams. The brigade will become operational in 2025, with full operating capability expected by 2027.²²

19. Thorsten Jungholt, "NATO Fordert 49 Weitere Kampftruppen-Brigaden," *Die Welt*, October 6, 2024, <https://www.welt.de/politik/deutschland/article253847236/Absicherung-gegen-Russland-Nato-fordert-49-weitere-Kampftruppen-Brigaden.html>.

20. Thomas Wiegold et al., hosts, *Sicherheitsbalber*, podcast, episode 87, "Ist Rüstung Bei Uns Extra-Teuer (und Wenn Ja, Warum)? NATO-Brigaden: Wunsch vs. Wirklichkeit," Sicherheitspod, October 19, 2024, <https://sicherheitspod.de/2024/10/19/folge-87-ist-rustung-bei-uns-extra-teuer-und-wenn-ja-warum-nato-brigaden-wunsch-vs-wirklichkeit/>.

21. "Wie Groß Ist die Bundeswehr?," Bundeswehr, n.d., accessed on January 6, 2025, <https://www.bundeswehr.de/de/ueber-die-bundeswehr/zahlen-daten-fakten/personalzahlen-bundeswehr>.

22. "Bundeswehr in Litauen: In Großen Schritten zur Deutschen Kampfbrigade," Bundeswehr, n.d., accessed on October 20, 2024, <https://www.bundeswehr.de/de/aktuelles/meldungen/bundeswehr-litauen-grosse-schritte-deutsche-kampfbrigade>.

This commitment represents a substantial increase in Germany's presence on NATO's eastern flank and the country's overall contribution to NATO forces. Currently, 800 German soldiers are deployed in Lithuania, some of which are part of the enhanced Forward Presence Battle Group, which Germany has led for the past six years. Others are part of the Forward Command Element of the enhanced Vigilance Activities brigade. The enhanced Vigilance Activities brigade, stationed in Germany, has been active since September 2022.²³

Germany's commitment to stationing a permanent brigade also sets the country apart from the other nations currently serving as framework nations for the enhanced Forward Presence efforts on NATO's eastern flank—especially, the United Kingdom in Estonia and Canada in Latvia. Canada announced it would build a Canada-led, combat-capable, multinational enhanced Forward Presence brigade consisting of 2,200 persistently deployed Canadian Armed Forces members and supporting elements by 2026.²⁴ In addition to the enhanced Forward Presence Battle Group Estonia, the United Kingdom will hold an army brigade at high readiness for rapid deployment to the Baltic region.²⁵ Germany's decision to deploy this brigade is the clearest manifestation of the country's commitment to its eastern allies since the *Zeitenwende* speech. Unlike other reforms and changes, this one sees Germany taking the lead—potentially setting an example for others in the future.

Slowly Making Up for Decades-Long Underinvestment

Another area where Germany's *Zeitenwende* still has to show its full potential is meeting NATO's capability requirements, defined during the NATO defense planning process. Germany has in previous years failed to meet its assigned capability target packages, leading to gaps in NATO

23. "Bundeswehr in Litauen."

24. "Operation REASSURANCE," Government of Canada, updated August 13, 2024, <https://www.canada.ca/en/department-national-defence/services/operations/military-operations/current-operations/operation-reassurance.html>; "Roadmap – Scaling the EFP Latvia Battle Group to Brigade," Government of Canada, updated July 11, 2023, <https://www.canada.ca/en/department-national-defence/news/2023/07/roadmap---scaling-the-efp-latvia-battle-group-to-brigade.html>; and "Bundeswehr in Litauen."

25. Ministry of Defence and John Healey, "Britain Bolsters NATO's Eastern Flank with New Pact with Estonia and New Cooperation on Missile Defence," His Majesty's Government, October 17, 2024, <https://www.gov.uk/government/news/britain-bolsters-natos-eastern-flank-with-new-pact-with-estonia-and-new-cooperation-on-missile-defence>.

defense planning.²⁶ Nevertheless, in recent years, Germany has procured capabilities that will clearly contribute to the alliance's interest in a few notable areas.

One example is Germany's long-overdue decision to modernize the country's aging fleet of Panavia Tornado aircraft. In 2022, Germany committed to buying 35 Lockheed Martin F-35 Lightning II fighter jets from the United States, one of the major procurements financed through the special fund. The F-35s will replace the Tornado dual-capable aircraft, which has long been one of the country's central contributions to NATO's nuclear burden sharing. This procurement decision sent a strong message to NATO, signaling renewed commitment to the alliance's nuclear deterrence strategy after years of uncertainty and internal debate about the Tornados' future and the role of nuclear deterrence, which lacked broad political and public support.²⁷

Another area where Germany is catching up is anti-submarine warfare. With the help of the special fund, Germany will increase its Boeing P-8A Poseidon aircraft fleet from five to 12, addressing a long-standing capability gap and helping the country meet both NATO and EU commitments in this area.²⁸

Despite these steps, Germany still has much ground to cover. The frugality of the past decades left the armed forces underresourced and unable to fulfill the new requirements for European defense. The efforts since 2022 have put Germany on a new trajectory but have not been enough to redress the imbalance. The major expenditures resulting from the *Zeitenwende* have focused on land and air systems, but even in these areas, expenditures are projected in most cases to restore the Bundeswehr's equipment stocks over the span of decades, as documented by the Kiel Institute for the World Economy report *Fit for War in Decades*. The study finds at its current procurement pace, Germany would need almost a century to return to its 2004 levels

26. Mölling and Schütz, "Zeitenwende"; and Martin Konertz, "The Challenge Ahead for Germany's Armed Forces," *European Security and Defence*, April 23, 2024, <https://euro-sd.com/2024/04/articles/37547/the-challenge-ahead-for-germanys-armed-forces/>.

27. Sebastian Sprenger, "Germany Clinches \$8 Billion Purchase of 35 F-35 Aircraft from the US," *Defense News*, December 14, 2022, <https://www.defensenews.com/global/europe/2022/12/14/germany-clinches-8-billion-purchase-of-35-f-35-aircraft-from-the-us/>; Frank Kuhn, "Making Nuclear Sharing Credible Again: What the F-35A Means for NATO," *War on the Rocks*, September 14, 2023, <https://warontherocks.com/2023/09/making-nuclear-sharing-credible-again-what-the-f-35a-means-for-nato/>; and Tobias Bunde, "Germany and the Future of NATO Nuclear Sharing," *War on the Rocks*, August 25, 2021, <https://warontherocks.com/2021/08/the-risks-of-an-incremental-german-exit-from-natos-nuclear-sharing-arrangement/>.

28. Alexander Luck, "Does 'Zeitenwende' Represent a Flash in the Pan or a Renewal for the German Military?," *Foreign Policy Research Institute*, June 27, 2022, <https://www.fpri.org/article/2022/06/does-zeitenwende-represent-a-flash-in-the-pan-or-renewal-for-the-german-military/>.

of military armament.²⁹ So far, expenditures have served to redress some of the gaps in stocks of existing systems but have not adapted to innovation on the battlefield—a major blind spot when one considers the role unmanned systems have played in the Russia-Ukraine War. The European gaps in strategic enablers are even more significant than those in combat platforms, with the result Europe’s dependency on American capabilities is even more pronounced, and the magnitude of action to rectify the imbalance correspondingly greater.³⁰

New Initiatives to Achieve Multinational Critical Mass

Berlin has sought alternatives that can elevate strategic focus and fill priority capabilities while capturing economies of scale. A prime example is the European Sky Shield Initiative (ESSI), which was outlined by Chancellor Scholz’s Prague speech in August 2022.³¹ The German effort to procure elements of a multilayered air and missile defense system was described by Scholz as having been designed “in such a way that our European neighbors can be involved if desired.”³² The initiative was formalized with a letter of intent signed at NATO headquarters by defense ministers of 10 allies in October 2022; since then, 21 European countries have joined.³³ Germany’s plans for its own air and missile defense have been significant, with €10 billion from the country’s special defense fund dedicated to the short-range Skyranger 30, the medium-range IRIS-T, the long-range Patriot, and the highest-layer Arrow 3 systems.³⁴ The first three systems, which meet

29. Guntram Wolff et al., *Fit for War in Decades: Europe’s and Germany’s Slow Rearmament vis-à-vis Russia* (Kiel Institute for the World Economy, September 2024).

30. Camille Grand, “Defending Europe with Less America,” European Council on Foreign Relations, July 3, 2024, <https://ecfr.eu/publication/defending-europe-with-less-america/>.

31. Olaf Scholz, “Speech by Federal Chancellor Olaf Scholz at the Charles University in Prague” (speech, Charles University, Prague, CZ, August 29, 2022), <https://www.bundesregierung.de/breg-cn/federal-government/scholz-speech-prague-charles-university-2080752>.

32. Scholz, “Speech.”

33. “14 NATO Allies and Finland Agree to Boost European Air Defence Capabilities,” NATO, October 13, 2022, https://www.nato.int/cps/en/natohq/news_208103.htm; and German Defense Ministry, “European Sky Shield – die Initiative im Überblick,” n.d., accessed on October 5, 2024, <https://www.bmvg.de/de/aktuelles/european-sky-shield-die-initiative-im-ueberblick-5511066>.

34. “Grossauftrag für Mobile Flugabwehr: Rheinmetall Liefert der Bundeswehr den Skyranger 30 auf Boxer-Basis – Auftragswert Fast 600 Mio EU,” Rheinmetall, February 26, 2024, <https://www.rheinmetall.com/de/media/news-watch/news/2024/02/2024-02-27-bundeswehr-erhaelt-skyranger-30-mobiles-flugabwehrsystem>; Gerhard Heiming, “Luftwaffe Achieves IOC with IRIS-T SLM Air Defence System,” European Security & Defence, September 6, 2024, <https://euro-sd.com/2024/09/major-news/40238/luftwaffe-ioc-with-iris-t-slm/>; “Germany – Patriot Advanced Capability-3 Missile Segment Enhanced Missiles,” Defense Security Cooperation Agency, August 15, 2024, <https://www.dsca.mil/press-media/major-arms-sales/germany-patriot-advanced-capability-3-missile-segment-enhancement>; and Seth Frantzman, “Israel Finalizes Arrow 3 Deal with Germany, Aims for Late 2025 Delivery,” Breaking Defense, November 27, 2023, <https://breakingdefense.com/2023/11/israel-finalizes-arrow-3-deal-with-germany-aims-for-late-2025-delivery/>.

national and NATO requirements, will strengthen NATO's Integrated Air and Missile Defence system. Developed jointly by Boeing and Israel Aerospace Industries, the Arrow 3 system, which is not interoperable with the Integrated Air and Missile Defence system, will be a German national acquisition in the immediate future.³⁵

The ESSI is not an air defense architecture (which remains a NATO task); the ESSI's principal benefit is procurement, allowing countries the opportunity to join larger acquisitions and reduce unit costs. The ESSI does not establish new requirements or provide financial incentives to European states, as reflected in the modest number of countries that have signed acquisition deals under the ESSI. Austria, Denmark, and Hungary have committed to acquiring the short-range Skyranger 30 produced by Germany's Rheinmetall. Latvia, Estonia, and Slovenia have signed deals to acquire the IRIS-T medium-range system produced by Germany's Diehl Defence. In January 2024, the NATO Support and Procurement Agency announced a €5.6 billion contract to acquire 1,000 Patriot missiles that will be used by Germany, the Netherlands, Romania, and Spain. The missiles will be produced in Germany by a joint venture between Raytheon (which developed the Patriot system) and the German MBDA.³⁶ The ESSI's scope and its focus on US- and German-made systems caused tension with France, whose SAMP/T long-range missile defense system was not included in the ESSI.³⁷

Germany avoided this friction in the other major multinational initiative the country has launched since the Russian invasion of Ukraine: the European Long-Range Strike Approach. This consortium, which includes Germany, France, Italy, and Poland, will develop and produce ground-based, long-range, precision-strike weapons with a range beyond 500 kilometers and perhaps as far as 2,000 kilometers, a key gap in European nations' capabilities that has been demonstrated by the Russia-Ukraine War.³⁸ The United Kingdom and Sweden also announced their intent to join the group, demonstrating the potential for Europe's defense technological leaders to collaborate

35. Lydia Wachs, "Russian Missiles and the European Sky Shield Initiative," *Stiftung Wissenschaft und Politik*, August 3, 2023, <https://www.swp-berlin.org/10.18449/2023C45/>.

36. Anna Desmarais, "How Sky Shield, Europe's Proposed Iron Dome, Would Work and Why It's Becoming Controversial," *Euronews*, July 28, 2024, <https://www.euronews.com/next/2024/07/28/how-sky-shield-europes-proposed-iron-dome-would-work-and-why-its-becoming-controversial>.

37. "European Countries Are Banding Together on Missile Defence," *The Economist*, July 25, 2024, <https://www.economist.com/europe/2024/07/25/european-countries-are-banding-together-on-missile-defence>.

38. Lee Ferran, "Let It Go (Long): France Joins Germany, Italy, and Poland in New ELSA Long-Range Missile Project," *Breaking Defense*, July 12, 2024, <https://breakingdefense.com/2024/07/let-it-go-long-france-joins-germany-italy-and-poland-in-new-elsa-long-range-missile-project/>.

on a high-profile project for a critical capability.³⁹ No information is available on the magnitude of European investment, the timeline, or the quantity of missiles the purchasers intend to acquire, though French Defense Minister Sebastien Lecornu indicated a proposal for the weapon might be available by the end of 2024.⁴⁰ Assessing the significance of the European Long-Range Strike Approach is difficult without this information, but the approach has the potential to be a significant contribution to European capabilities, even if it might not be fielded much before the end of the decade.

Germany's *Zeitenwende* in the EU

The *Zeitenwende* has also affected Germany's approach to the work of the EU, which has played an important role in Europe's adaptation to the threats and challenges of the current era. The EU has been crucial in the response to Russia's invasion of Ukraine and to addressing a stronger and more assertive Chinese policy. The EU has imposed sanctions on the Russian government and financial sector, frozen Russian assets in Europe, taken steps to transfer the earnings to Ukraine, and imposed export restrictions on advanced technologies—to say nothing of EU assistance to the Ukrainian government. *Vis-à-vis* China, the EU has brought new scrutiny to investment screening and created instruments the organization can use against countries employing economic coercion. In this respect, the EU plays a central part in Germany's response to a changing and more challenging international situation, which Scholz has referred to as Germany's "framework for action."⁴¹ The chancellor has emphasized the broader security role of the EU to safeguard Europe's "security, its independence, and its stability also in the face of challenges from without."⁴²

39. Nick Alipour, "UK and Germany Want to Put Security Relations 'on a New Footing,'" *EurActiv*, July 24, 2024, <https://www.euractiv.com/section/global-europe/news/uk-and-germany-want-to-put-security-relations-on-a-new-footing/>; and Timothy Wright, "Europe's Missile Renaissance," International Institute for Strategic Studies, November 25, 2024, <https://www.iiss.org/online-analysis/online-analysis/2024/11/europes-missile-renaissance/>.

40. Sabine Siebold and John Irish, "Four European Nations Agree to Jointly Develop Long-Range Cruise Missiles," Reuters, July 11, 2024, <https://www.reuters.com/world/europe/four-european-nations-agree-jointly-develop-long-range-cruise-missiles-2024-07-11/>.

41. Olaf Scholz, "Policy Statement by Olaf Scholz, Chancellor of the Federal Republic of Germany and a Member of the German Bundestag, 27 February 2022 in Berlin," Bundesregierung, February 27, 2022, <https://www.bundesregierung.de/breg-en/news/policy-statement-by-olaf-scholz-chancellor-of-the-federal-republic-of-germany-and-member-of-the-german-bundestag-27-february-2022-in-berlin-2008378>.

42. Scholz, "Speech."

The EU Takes a Back Seat to Berlin's National and NATO Efforts

Chancellor Scholz's efforts to strengthen German and European defense have prioritized NATO and multinational initiatives over the EU. In one respect, this prioritization reflects the result of the debate that lasted nearly 30 years within the transatlantic community about the desirability of developing the potential for an independent European defense policy and structures to support it. Germany and most other EU members that are also members of NATO prioritized the defense relationship with the United States and NATO and opposed an EU defense role that could lead to cumbersome, expensive, lowest-common-denominator projects that deliver less than the sum of their parts, dissipate energy relative to NATO, and potentially duplicate NATO's command structure or programs. The remaining options were a series of voluntary initiatives within an EU framework (such as Permanent Structured Cooperation), a focus on capabilities that were not in competition with NATO initiatives, and a cautious approach to EU attempts to bring financial leverage to multinational cooperation projects through the European Defence Fund. The chancellor identified a headline commitment to provide the core troops for the EU rapid deployment force in 2025. Beyond this commitment, Scholz has called, more modestly, for improved compatibility in European defense structures within an EU framework as a way to strengthen NATO.⁴³ The end effect is the *Zeitenwende* has led to no systemically meaningful efforts at the EU level to reverse the major negative trends in European defense.

The report by former Italian Prime Minister Mario Draghi on the future of the EU highlights, among other problems, the fragmentation of the defense industry and the lack of collaborative industrial projects on major arms systems within the EU.⁴⁴ As Sophia Besch illustrates in this report's chapter on the defense industry, Germany lags other EU member states in its participation in European Defence Fund projects, and, in general, Chancellor Scholz has cautioned against "overestim[ing]" the EU's role.⁴⁵ This lag reflects Berlin's traditional approach to European security and, especially, the concern about EU defense measures wasting scarce resources by duplicating NATO efforts.

43. Scholz, "Speech."

44. Mario Draghi, *The Future of European Competitiveness, Part A: A Competitiveness Strategy for Europe* (European Commission, September 2024); and Mario Draghi, "Presentation of the Report on the Future of European Competitiveness" (speech, European Parliament, Strasbourg, FR, September 17, 2024), https://commission.europa.eu/document/download/fcbc7ada-213b-4679-83f7-69a4c2127a25_en?filename=Address%20by%20Mario%20Draghi%20at%20the%20Presentation%20of%20the%20report%20on%20the%20future%20of%20European%20competitiveness.pdf.

45. Jana Puglierin, *Germany's Perception of the EU Defence Industrial "Toolbox"* (Armament Industry European Research Group, January 2024).

Actions by the EU in areas that would not duplicate NATO—for example, by using EU budgetary resources to incentivize the development of multinational defense projects (which presumably would have lower costs than separate national programs) or, more ambitiously, by creating a single market for defense and unlocking efficiencies by promoting joint procurement—could bring benefits to Germany and Europe as a whole. Berlin has been cautious toward steps in this direction. For example, the German government chose not to participate in the arrangement for the procurement of 155-millimeter ammunition through the European Defence Agency, instead pursuing this approach as a national effort while allowing other partners to join Germany’s contracts.⁴⁶

But Germany’s domestic political skepticism toward EU spending and the opposition of the country’s political mainstream and the public to joint borrowing at the EU level mean the resources behind the EU facilitation efforts will remain limited.⁴⁷ Berlin will be more flexible on multinational arrangements that carry fewer bureaucratic constraints and bring together like-minded, capable nations for specific purposes. This flexibility is unlikely to change, even if a different governing coalition takes office in Berlin after the 2025 national elections. Efficiencies, but not financial leverage, appear to be the maximum Berlin’s current trajectory will promote at the EU level through 2029 absent a further shock.

The Sputtering Franco-German Engine

Germany’s most important political relationship in Europe is with France, but the former’s skepticism toward institutionalized defense cooperation at the EU level is echoed by the difficulties in Franco-German defense cooperation. The target dates are long for the flagship projects, such as the sixth-generation Future Combat Air System (notional delivery date of 2040) and the Main Ground Combat System (expected delivery at the end of the 2030s).⁴⁸

Since the Russian invasion of Ukraine, Scholz and the German government have taken pains to demonstrate ongoing commitment to the defense partnership with France, beginning with the chancellor’s statement in his

46. Puglierin, *Germany’s Perception*.

47. Giovanna Faggionato and Hans von der Burchard, “Germany’s Lindner Rejects Draghi’s Common Borrowing Proposal,” *Politico*, September 9, 2024, <https://www.politico.eu/article/germanys-lindner-rejects-draghis-common-borrowing-proposal/>.

48. Bundesministerium der Verteidigung, *19. Bericht des Bundesministeriums der Verteidigung zu Rüstungsangelegenheiten – Teil 1* (Bundeswehr, April 2024), <https://www.bmvg.de/resource/blob/5820310/c30ac0f6b6437838720d9d7e1298f6a8/19-ruestungsbericht-teil-1-data.pdf>.

Zeitenwende speech that “it is so important . . . that we build the next generation of combat aircraft and tanks here in Europe together with European partners, and particularly France.”⁴⁹ These major defense projects compensate partially for the absence of a shared political agenda for Europe with France.

The merits of Future Combat Air System and Main Ground Combat System aside, as strategic approaches to the future challenges of the battlespace, the delivery of these systems is so far in the future, it plays little role in shaping the current political-military landscape in addressing the threats for which NATO, the EU, and European countries must prepare.

The long timelines, significant resources, and industrial rivalries at stake create fertile ground for mutual suspicions, especially in both countries’ legislatures. Opposition parties in France are skeptical of both systems.⁵⁰ Leadership-level disconnects have slowed progress, and the longer-term political trajectories in both countries magnify uncertainty. German political figures fear a Marine Le Pen presidency after 2027; the French far right mistrusts Germany.

Conclusion

German Federal Minister of Defence Pistorius has set the goal of making the Bundeswehr combat capable by 2029.⁵¹ This chapter concludes based on Germany’s contributions to NATO and European defense, serious reasons abound to doubt Germany’s ability to meet both this target and broader NATO goals. The Zeitenwende’s objective to recapitalize the Bundeswehr and redirect it toward its core task of national and collective defense has increased commitments and the pace of defense investment, but, so far, this objective represents an acceleration rather than a paradigm shift.

Germany’s default setting on security policy remains transatlantic and NATO focused. These circumstances represent an opportunity for the United States to deepen alliance coordination and promote strengthened burden sharing within organizations of which the United States is a member. A new German government in 2025 will recognize the need for sustained

49. Scholz, “Policy Statement.”

50. Laura Kayali, “On Defense, French Lawmakers Don’t Want to Be Wedded to Germany,” *Politico*, December 14, 2023, <https://www.politico.eu/article/lead-french-mp-france-should-look-beyond-germany-on-defense/>.

51. “Pistorius Mahnt Kriegstüchtigkeit bis 2029 an,” *Spiegel Online*, June 5, 2024, <https://www.spiegel.de/politik/deutschland/boris-pistorius-mahnt-kriegstuechtigkeit-bis-2029-an-a-063d1ce1-6dda-453e-bd33-1acf9be2558a>.

effort to raise resource commitments and may respond well to NATO-wide initiatives to increase defense investment for the long term. By the same token, Berlin will be wary of indications the United States might seek to diminish its commitment to European security and will seek to channel US engagement into multilateral arrangements like NATO that provide predictable planning cycles for major capability development.

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***Zeitenwende*: China, Germany, and the United States**

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Changes in Germany’s perception of the People’s Republic of China, its global role, and its policies had been underway for some time, but the *Zeitenwende* meant particularly two things for Germany’s China policy. First, Germany recognized China did not stand at Germany’s and the West’s sides in condemning and aiming to stop Russia, but rather, on the contrary, China turned out to be an active Russia-neutral actor that has been using the Russian invasion of Ukraine for its own goals. And second, Germany acknowledged its critical dependency on imports and vulnerable supply chains from China at a time of conflicting paradigms and an increasing weaponization of trade.

This chapter will unpack these key implications for Germany’s China policy, examining how the Russia-Ukraine War has exposed China’s collaboration with Russia in a way that challenges fundamental German interests, and examining how Germany has sought to respond through key strategies, political engagement, and policy changes. First, though, the chapter will explain how and why Germany’s perceptions of China were already undergoing a significant evolution before the *Zeitenwende* speech in February 2022. The chapter will also cast Germany’s China policy in a transatlantic context, outlining how Berlin has sought to keep lines of communication open to Washington on perceptions, strategies, and policies. Finally, the chapter ends with a brief set of recommendations for ensuring Germany and the United States remain on the same page vis-à-vis China—and Beijing’s increasingly adversarial activities and policies.

Changes in Germany's China Policy Already Underway

Before the *Zeitenwende*, Germany's initially very rosy outlook on China—having been China's main trading partner by far within the EU—had been under strain for some time. Already in 2019, the influential Federation of German Industries created quite a stir by publishing a paper that called China a “partner and systemic competitor.”¹ Persistent hurdles and stumbling blocks for German companies in the Chinese market, increasing legal pressures due to new legislation since Xi Jinping came to power in 2012 and 2013, and growing global competition led to a mounting wariness toward China's policies and its market economy status.² Comparable sentiments surfaced across Europe, leading to similar skepticism expressed in the European Commission's *Elements for a New EU Strategy on China* in 2016 and its counterpart, the Council of the EU's *EU Strategy on China: Council Conclusions* a few weeks later.³

The change in government in Germany in 2021 brought together the Green Party of Germany, the Free Democratic Party, and the Social Democratic Party of Germany in an ambitious triparty coalition agreement. The coalition partners agreed to develop a *National Security Strategy* (NSS) for the first time in the Federal Republic of Germany, as well as a China strategy. Even before taking office, Foreign Minister-designate Annalena Baerbock made clear she was eyeing a tougher stand on China.⁴

By the time Olaf Scholz delivered his *Zeitenwende* speech, many—yet not all—in Germany's policy-making circles had become more critical of Beijing's ever more assertive policies in trade, industrial policy, and politics alike. Beijing's lack of condemnation of Russia's invasion worked as a catalyst and made many decisionmakers in Berlin and beyond realize China did not share the same goals and values, with wide-reaching consequences for Germany's wealth, welfare, and well-being. This realization came on top of German disillusionment with China over its mask diplomacy and other

1. Federation of German Industries, *Partner and Systemic Competitor – How Do We Deal with China's State-Controlled Economy?* (Federation of German Industries, January 2019).

2. Federation of German Industries, *BDI Position on the Issue of China's Market Economy Status* (Federation of German Industries, July 27, 2016).

3. European Commission and High Representative of the Union for Foreign Affairs and Security Policy, *Elements for a New EU Strategy on China*, Joint Communication to the European Parliament and the Council no. JOIN(2016) 30 final (European Commission and High Representative of the Union for Foreign Affairs and Security Policy, June 22, 2016); and Council of the EU, *EU Strategy on China: Council Conclusions 18 July 2016*, document no. 11252/16 (Council of the EU, July 18, 2016).

4. Nik Martin, “Baerbock's Comments on China Met with Unease,” *Deutsche Welle*, December 4, 2021, <https://www.dw.com/en/china-uneasy-over-incoming-german-ministers-threat-to-curb-imports/a-60016727>.

COVID-19–related policies, creating serious doubt in Germany about working with and depending on China.

China-Russia Relations in the German Eye

The Russia-Ukraine War shed light on the extent and nature of China-Russia relations and their impact on European and German interests, highlighting Beijing’s will to act as a lifeline for an increasingly isolated Russian Federation, both ideologically and materially, thereby actively prolonging a war in Europe.

Russia’s full-scale invasion of Ukraine has called attention to how trade dependencies can be weaponized in a warlike context, particularly with Russia leveraging its dominance in energy supplies as a tool of coercion against Europe and, specifically, Germany. Similarly, a conflict over Taiwan could dramatically impact critical supply chain trade for Europe, including semiconductors.⁵ Experiences with supply chain insecurities due to (politically decided) COVID-19 restrictions provided first and deep impressions of potential impacts. China may view Russia’s invasion of Ukraine as a testing ground for Beijing’s plans to unify Taiwan with mainland China, particularly the potential for leveraging trade with Europe as a way of keeping Europeans neutral in any Indo-Pacific conflict.⁶

Moreover, the Russia-China partnership extends beyond trade and into security, with both countries supporting each other in circumventing Western sanctions and strengthening their military cooperation.⁷ In the first 10 months of 2023, Russian imports from China “of what the U.S., EU, UK, and other partners of Ukraine have identified as priority battlefield goods reached \$8.77 billion—only a 10% decline compared to the pre-sanctions period.” With all items critical for Russia’s military industry, imports were even

5. For details on potential disruption of trade and production, see Charlie Vest et al., “The Global Economic Disruptions from a Taiwan Conflict,” Rhodium Group, December 14, 2022, <https://rhg.com/research/taiwan-economic-disruptions/>.

6. For example, see Gabriel Dominguez, “China ‘Learning Lessons’ from Ukraine Invasion, NATO Chief Says in Tokyo,” *Japan Times*, February 1, 2023, <https://www.japantimes.co.jp/news/2023/02/01/national/politics-diplomacy/japan-nato-ties-analysis/>; Gabriel Dominguez, “Is Taiwan the Next Ukraine? It’s More Complicated,” *Japan Times*, February 19, 2023, <https://www.japantimes.co.jp/news/2023/02/19/asia-pacific/ukraine-war-anniversary-taiwan-comparison/>; and Carol Mang, “Taiwanese March in Solidarity with Ukraine as Russian Invasion Seen as Wake-Up Call for Island,” *South China Morning Post*, March 14, 2022, <https://www.scmp.com/video/world/3170399/taiwanese-march-solidarity-ukraine-russian-invasion-seen-wake-call-island>.

7. Kelly Ng and Yi Ma, “How Is China Supporting Russia After It Was Sanctioned for Ukraine War?,” *BBC News*, May 17, 2024, <https://www.bbc.com/news/60571253>.

higher (\$22.23 billion).⁸ In November 2024, the EU’s High Representative and Vice President of the European Commission Josep Borrell called for sanctions against China. Ahead of a European Council meeting, he informed EU foreign ministers of IEMZ Kupol, a Russian drone company in Xinjiang, China, developing attack drones most likely for use in Ukraine with the help of Chinese specialists.⁹ This alignment challenges Germany’s economic ties with China, which is leveraging its market in a form of “predatory liberalism” that weaponizes the networks of interdependence created by globalization and raises the stakes for EU strategic autonomy.¹⁰ The China-Russia partnership signals, in fact, a shift toward greater geopolitical polarization, pressuring Germany and the EU to reassess their relationships. China’s support for Russia has complicated Germany’s ability to maintain economic engagement with China without appearing complicit. This alignment also amplifies concerns about overreliance on authoritarian regimes for critical goods and technologies, making strategic autonomy an urgent priority for the EU.

In sum, Beijing’s direct support for the Russian invasion and the two countries’ “no limits partnership” triggered significant shifts in Germany-China relations, spurring Germany and Europe to address quickly the assertiveness of Beijing, which until then they had only mildly acknowledged.¹¹

Two Firsts: Germany’s National Security Strategy and China Strategy

The 2024 Munich Security Report highlights China and Russia as primary security challenges to Europe, detailing concerns such as geopolitical

8. Olena Bilousova et al., *Challenges of Export Controls Enforcement: How Russia Continues to Import Components for Its Military Production* (Yermak-McFaul International Working Group on Russian Sanctions and Kyiv School of Economics Institute, January 2024); Jake Rooke, “Special Report: China’s Strategic Complicity and the Hidden Engine Behind Russia’s War Effort,” NATO Association of Canada, October 17, 2024, <https://natoassociation.ca/special-report-chinas-strategic-complicity-and-the-hidden-engine-behind-russias-war-effort/>; and “Chinese Exports Fuel Russia’s ‘War Machine’ in Ukraine, Blinken Says,” *France24*, September 28, 2024, <https://www.france24.com/en/live-news/20240928-blinken-questions-china-peace-push-over-russia-help>.

9. “Exclusive: Russia Has Secret War Drones Project in China, Intel Sources Say,” Reuters, September 25, 2024, <https://www.reuters.com/world/russia-has-secret-war-drones-project-china-intel-sources-say-2024-09-25/>; and Thomas Gutschker, “Eu erwägt Sanktionen gegen China,” *Frankfurter Allgemeine Zeitung*, November 15, 2024, <https://www.faz.net/aktuell/politik/ausland/wegen-waffen-fuer-russland-eu-erwaegt-sanktionen-gegen-china-110113352.html>.

10. Victor D. Cha, “Collective Resilience: Deterring China’s Weaponization of Economic Interdependence,” *International Security* 48, no. 1 (Summer 2023): 91–124.

11. Anushka Saxena, “75 Years of China-Russia Relations: Indeed a ‘No Limits’ Partnership,” *ISDP Voices* (blog), May 27, 2024, <https://www.isdp.eu/75-years-of-china-russia-relations-indeed-a-no-limits-partnership/>.

tensions, economic uncertainty, climate change, technological competition, and international cooperation, with a significant focus on China's impact.¹²

A first manifestation of this shift in mindset regarding Beijing is also visible in Germany's first-ever *NSS*, published in June 2023 as the war raged in Ukraine.¹³ The *NSS* explains *Zeitenwende* Germany through a security lens and states, "China is a partner, competitor and systemic rival," noting, "the elements of rivalry and competition have increased in recent years," and "China is trying in various ways to remould the existing rules-based international order . . . acting time and again counter to our interests and values."¹⁴

The paradigm shift first made evident through the *NSS* was then expanded upon in Germany's first-ever China strategy, published in July 2023.¹⁵ The China strategy reflects Berlin's growing concerns about Beijing's geopolitical ambitions, influence, and policies. Germany officially labels China a systemic rival, signaling a departure from Germany's previous focus on cooperation and economic engagement, which characterized the approach of former chancellor Angela Merkel. After German Foreign Minister Baerbock's visit to China, she explicitly underlined that China was becoming more rival than partner by getting more repressive internally, as well as aggressive externally, and by following its own rules at the expense of the international rules-based order.¹⁶

Despite this bold stance, the strategy is not aimed at decoupling from China, which remains crucial for Germany's export-driven economy. Instead, Berlin aims to align Germany's strategy with the EU's "de-risking" approach, emphasizing the need to reduce economic vulnerabilities and dependencies, particularly in critical sectors like technology, raw materials,

12. Tobias Bunde et al., eds., *Munich Security Report 2024: Lose-Lose?* (Munich Security Conference, February 2024).

13. Federal Government of Germany, *Robust. Resilient. Sustainable. Integrated Security for Germany: National Security Strategy* (Federal Government of Germany, June 2023).

14. Federal Government of Germany, *National Security Strategy*, 12, 23.

15. Federal Government of Germany, *Strategy on China of the Government of the Federal Republic of Germany* (Federal Government of Germany, July 13, 2023).

16. Jim Pollard, "China Becoming More Rival than Partner: Germany's Baerbock," *Asia Financial*, April 20, 2023, <https://www.asiafinancial.com/china-becoming-more-rival-than-partner-german-baerbock>.

and energy.¹⁷ In short, the China strategy makes clear Germany's priorities vis-à-vis China during the *Zeitenwende*: to reduce its economic dependencies while maintaining open channels for trade, dialogue, and cooperation on central themes like fighting climate change.

Trade

The threat posed by China has deeply influenced the practices of German businesses over the last three years.¹⁸ Over the course of 2024, German firms reduced their reliance on Chinese imports, with the percentage of manufacturers using Chinese inputs dropping from 46 percent in February 2022 to 37 percent in February 2024. Increasing political uncertainty, also driven by the Russia-Ukraine War, has spurred companies to diversify their supply chains, looking toward non-European alternatives. Furthermore, German businesses' confidence in China has declined, with 9 percent of German companies either withdrawing or contemplating withdrawing from China, a figure that has more than doubled compared to the past four years.¹⁹ For the United States, this shift aligns with its strategic interest in reducing European reliance on China. Moreover, diversification of Germany's imports may strengthen transatlantic trade ties.

But larger German corporations, though recognizing the challenges posed by geopolitical tensions, still prioritize the Chinese market for revenue growth and structural transformation. Notably, even if a scenario in which German businesses completely disengage from China is unlikely, companies like Volkswagen Group, BASF, and Siemens AG have adjusted their strategies to align with both global and local market dynamics, from a local-for-locals strategy by Volkswagen Group to selectively doubling down; for example, with Siemens AG's massive investments in its sector

17. Ursula von der Leyen, "Speech by President von der Leyen on EU-China relations to the Mercator Institute for China Studies and the European Policy Centre" (speech, Mercator Institute, Brussels, BE, March 30, 2023), https://ec.europa.eu/commission/presscorner/detail/en/speech_23_2063. For an assessment of different countries' derisking policies, including Germany specifically, see Patrik Andersson et al., *National Perspectives on Europe's De-Risking from China* (Swedish National China Centre, June 2024), 62.

18. Andreas Baur and Lisandra Flach, *Zeitenwende in German-Chinese Trade Relations? Evidence from German Firms*, EconPol Policy Brief no. 57 (CESifo GmbH, April 2024), 1–11.

19. "Business Confidence Survey," AHK Greater China, accessed January 15, 2024, <https://china.ahk.de/publications/business-confidence-survey>.

“digital industries”—yet with varying rates of success.²⁰ Nonetheless, these and other German business giants remain concerned about rising regulatory hurdles in China, the costs associated with increased geopolitical tension, and humanitarian concerns in Tibet, Xinjiang, and Hong Kong.²¹ On top of these concerns, German businesses keep meeting severe Chinese competition in China and increasingly in their home markets.²²

China-Germany trade statistics highlight the duality and complexity of Sino-German relations since the *Zeitenwende* speech. In 2023, figures showed Germany’s bilateral trade with China reached €253 billion, placing China in the lead as Germany’s largest trading partner. But in the first half of 2024, German trade with the United States overtook German trade with China, reflecting companies’ efforts to diversify supply chains.²³ This change is symptomatic of the shifting dynamics following the release of the German China strategy.

Nonetheless, data on German companies with production facilities in China show those companies have been more likely to maintain or increase their reliance on Chinese imports compared to those without such facilities. Some of the larger corporations made headlines in 2024 by announcing the potential closing of German production facilities while keeping or even enlarging capacities in China.²⁴ Although 41 percent of companies that

20. “40 Years of Volkswagen in China: Group Accelerates Its Realignment with ‘In China, for China’ Strategy,” Volkswagen Group, November 4, 2024, <https://www.volkswagen-group.com/en/articles/40-years-of-volkswagen-in-china-group-accelerates-its-realignment-with-in-china-for-china-strategy-18322>; Wilfried Eckl-Dorna, “BASF Sees Growth in China, Cuts European Costs by €1 Billion,” Bloomberg, February 23, 2024, <https://www.bloomberg.com/news/articles/2024-02-23/basf-sees-growth-in-china-cuts-european-costs-by-1-billion>; Pamela Barbaglia, “Siemens Is Case Study in China De-Risking Dilemma,” Reuters, October 5, 2023, <https://www.reuters.com/breakingviews/siemens-is-case-study-china-de-risking-dilemma-2023-10-04>; Mark Simon Wolf, “Befindet sich Siemens in einem China-Dilemma? ‘Für marktführende Unternehmen wird es schwierig,’” Merkur, October 4, 2024, <https://www.merkur.de/wirtschaft/befindet-sich-siemens-in-einem-china-dilemma-fuer-marktfuehrende-unternehmen-wird-es-schwierig-zr-93335466.html>; and Bernd Ziesemer, “Die kluge China-Strategie von Siemens,” *Capital*, June 19, 2023, <https://www.capital.de/wirtschaft-politik/die-kluge-china-strategie-von-siemens-33570820.html>.

21. Jens Fey and Stefanie Wettberg, “BASF to Divest Shares in Its Two Joint Ventures in Korla, China,” BASF, February 9, 2024, <https://www.basf.com/global/en/media/news-releases/2024/02/p-24-125>.

22. Jürgen Matthes and Edgar Schmitz, *Konkurrenzdruck aus China für deutsche Firmen*, IW-Report no. 30 (German Economic Institute, June 11, 2024).

23. In the first six months of 2024, Europe’s largest economy did some €127 billion worth of trade with the United States compared to just under €122 billion with China. For instance, see “US Is Germany’s Leading Trade Partner in 2024,” German Trade and Invest, August 10, 2024, <https://www.gtai.de/en/invest/business-location-germany/business-climate/us-is-germany-s-leading-trade-partner-in-2024-1809964>.

24. Olaf Zinke, “BASF baut Produktion in Deutschland ab – Chemiekonzern investiert in China,” *Agrarheute*, June 3, 2024, <https://www.agrarheute.com/management/agribusiness/basf-koennte-deutschland-verlassen-chemiekonzern-nennt-gruende-621333>; and “Lage schlimmer als gedacht: VW-Boss Blume nennt Konzern ‘Sanierungsfall,’” *Focus Online*, December 4, 2024, https://www.focus.de/finanzen/news/vw-krise-im-ticker-w-chef-haelt-an-schliessung-von-fabriken-fest-an-die-neuen-realitaeten-anpassen_id_260281988.html.

source exclusively from external Chinese suppliers plan to reduce imports, only 31 percent of firms with their own Chinese production sites intend to do so. Furthermore, 14 percent of firms with facilities in China plan to increase imports, compared to just 8 percent of firms without production capabilities in the country.²⁵ These figures highlight that the ties to China among companies with established operations there are much less influenced by the geopolitical context and the derisking strategy upon which Berlin has agreed.

Ambivalent Political Signals

German Chancellor Olaf Scholz's trip to China in April 2024 was labeled a *realpolitik* approach in the face of rising global tensions. During the visit, Germany and China agreed to collaborate on autonomous and connected driving, which Germany hopes will facilitate the transfer of data and knowledge from Chinese to German carmakers and the emergence of international standardization.²⁶ Scholz's visit underscored his party's intention, if not necessarily the intentions of his coalition partners, to keep economic ties with China warm. Indeed, starkly diverging views sometimes emerge within the government coalition in Berlin regarding the perception of the challenges China presents and the proper responses. Although the government overall remains committed to derisking, divergences are visible in industries such as auto manufacturing, which represents both national pride and an economic pillar for Germany. Germany's resistance to EU duties on Chinese electric vehicles—after Chancellor Scholz had “strong-arm[ed]” the Green minister to vote “no” via his *Richtlinienkompetenz* (a tool for the federal chancellor to set the major direction for ministries)—shows a persistently divergent perception of challenges and proper responses among the coalition partners of the Social Democratic Party, the Free Democratic Party, and the Green Party of Germany.²⁷

In economic terms, the *Zeitenwende* has shown it needs time to be implemented. Domestic and EU instruments represent a boost in driving German derisking vis-à-vis China, and Germany has used

25. “Business Confidence Survey,” accessed January 15, 2024.

26. German Federal Ministry for Economic Affairs and Climate Action and German Federal Ministry for Digital and Transport, “Germany and China Sign Memorandum of Understanding on Dialogue and Cooperation in the Field of Automated and Connected Driving,” joint press release, April 16, 2024, <https://www.bmwk.de/Redaktion/EN/Pressemitteilungen/2024/04/20240416-germany-and-china-sign-memorandum-of-understanding-on-dialogue-and-cooperation-in-the-field-of-automated-and-connected-driving.html>.

27. Hans von der Burchard and Koen Verhelst, “Scholz Forces German ‘No’ Vote in Chinese EV Duty Saga,” *Politico*, October 3, 2024, <https://www.politico.eu/article/olaf-scholz-germany-vote-chinese-electric-vehicle-duties/>.

these instruments strategically. Domestically, a notable example is the use of Germany's inbound investment review process, particularly in response to China-specific risks. For instance, in 2022 the coalition government swiftly blocked two Chinese attempts to acquire stakes in German semiconductor companies—reportedly with Scholz's approval.²⁸ These actions underscore the significant shift in Germany's approach toward Chinese firms since 2016, when Chinese investments in German chip and robotics companies were more readily approved, such as in the case of the firm KUKA.²⁹

Finally, at an EU level, the EU's Economic Security Strategy, introduced in June 2023, includes outbound investment screening as a potential measure focused on derisking with Beijing. The proposed EU commissioner for economic security will be responsible for continuing discussions with member states on this issue. Germany, which recognized in its China strategy the possibility of addressing risks related to outbound investments, will need to address this issue in the next national elections.

Security

Raging war in Europe and beyond—and a global pandemic—highlighted in German discourse the interlinkage of the economy and supply chains with national security. Recognizing this link represented a major shift for a country that only a decade prior had seen President Horst Köhler resign after he received heavy criticism for pointing out the role of the German navy in protecting shipping lanes for the benefit of German welfare and prosperity.³⁰

The Indo-Pacific region stands as the world's most economically dynamic area and is central to the great-power rivalry between the United States and China and their like-minded countries. The COVID-19 pandemic made clear to the German leadership any destabilization in this region would severely impact Germany's economic interests.

The German government's 2020 *Policy Guidelines for the Indo-Pacific* marked a pivotal acknowledgment of Germany's interdependence with China,

28. Andreas Rinke and Miranda Murray, "Germany Blocks Chinese Stake in Two Chipmakers over Security Concerns," Reuters, November 9, 2022, <https://www.reuters.com/markets/deals/germany-block-chinese-takeover-semiconductor-firm-ers-electronic-handelsblatt-2022-11-09/>.

29. Cynthia Wrage and Jakob Kullik, "After Kuka – Germany's Lessons Learned from Chinese Takeovers," China Observers in Central and Eastern Europe, July 21, 2022, <https://chinaobservers.eu/after-kuka-germanys-lessons-learned-from-chinese-takeovers/>.

30. Oana Lungescu, "Why Did German President Horst Koehler Resign?," *BBC News*, June 1, 2010, <https://www.bbc.com/news/10207180>.

while emphasizing the need for supply chain diversification.³¹ These guidelines highlighted the Indo-Pacific’s position as home to some of the world’s fastest-growing economies and laid the groundwork for a more balanced German engagement in the region. Beyond economic goals, this diversification is part of a broader strategic approach where Germany positions itself in systemic competition with authoritarian states, particularly China, and seeks to forge stronger, value-based partnerships throughout the Indo-Pacific. Notably, the guidelines—published in 2020—never put an emphasis on China as a rival.

In the Indo-Pacific, Berlin pursued the *Zeitenwende* priorities through a focused reinforcement of the existing rules-based international order. Germany’s recent foreign diplomacy in the Indo-Pacific region thereby reflects an enhanced understanding of the Indo-Pacific’s significance for Germany’s national interests and security. This diplomacy includes a greater focus on Chinese actions in the region and maritime security concerns: Germany has shown its strongest ever military presence in the region.³² Some examples include the deployment of the German frigate FGS *Bayern*, visiting Singapore for 16 days (December 20, 2021 to January 5, 2022) during the first Indo-Pacific deployment (August 2021 to February 2022); and the “Rapid Pacific” Deployment of the German Air Force on August 15, 2022, underlining the Luftwaffe’s capacity—and will—to reach Singapore within 24 hours while a war was raging in Europe.³³ After the German army visited the region in 2023, the Luftwaffe and the German navy joined forces for the Indo-Pacific Deployment 2024 (May to December 2024), also going under the mottos of Pacific Skies 24 and Pacific Waves 24.³⁴ While the Luftwaffe went around the world in a joint operation with French and Spanish allies, the German navy frigate FGS *Baden-Württemberg* and combat supply ship FGS *Frankfurt am Main* were deployed in the Pacific and Indian Oceans in one of the most complex operations ever undertaken by the German navy,

31. Federal Government of Germany, *Policy Guidelines for the Indo-Pacific: Germany – Europe – Asia: Shaping the 21st Century Together* (Federal Government of Germany, August 2020).

32. “The National Security Strategy: First Expert Meeting at the Bendlerblock,” Federal Ministry of Defence, July 8, 2022, <https://www.bmvg.de/en/news/national-security-policy-first-expert-meeting-5490976>.

33. Shogo Akagawa, “German Air Force Shows It Can Be in Asia in a Day,” *Nikkei Asia*, August 16, 2022, <https://asia.nikkei.com/Politics/International-relations/Indo-Pacific/German-Air-Force-shows-it-can-be-in-Asia-in-a-day>.

34. “Pacific Skies 24 – One Deployment, Five Exercises,” Bundeswehr, n.d., accessed on October 4, 2024, <https://www.bundeswehr.de/en/organization/german-air-force/pacific-skies-24-> (page discontinued); and “Pacific Waves: Indo-Pazifik Deployment 2024 vor RIMPAC,” *Europäische Sicherheit & Technik*, July 10, 2024, <https://esut.de/2024/07/meldungen/51508/pacific-waves-indo-pazifik-deployment-2024-vor-rimpac-von-einem-kraftakt-gegenseitigem-verstaendnis-und-wahrnehmung/>.

transiting the Taiwan Strait for the first time in 22 years.³⁵ Both forces met and collaborated in the US-led biennial Rim of the Pacific exercises, the world's largest naval exercise, in which 29 nations took part in 2024.³⁶ German Minister of Defense Boris Pistorius underlined, at his speech at the Daniel K. Inouye Asia-Pacific Center for Security Studies in Honolulu (before the German naval deployment headed off to Rim of the Pacific and the Taiwan Strait): "Germany therefore has a vital interest in maintaining and supporting stability, prosperity, cooperation and freedom in the Indo-Pacific."³⁷

In this sense, military diplomacy is key to both Germany's and the EU's economic de-risking strategies, and is completely in line with the *Zeitenwende*. These deployments support the European and national goals of reducing overreliance on China by strengthening bilateral ties with Indo-Pacific nations and like-minded allies in the region, ensuring supply chain diversification, and securing trade routes. By not directly mentioning China in its guidelines but putting the emphasis on upholding the international rules-based order, Germany *de facto* recognizes China as a rival while minimizing the exacerbation of strategic competition in the Indo-Pacific.

German-US Relations: Transatlantic Challenges and Synergies

One year after the release of the *NSS*, Foreign Minister Baerbock reiterated how Germany's strong commitment to NATO and NATO's Strategic Concept are central to its security posture.³⁸ By aligning itself firmly with the Euro-Atlantic alliance, Germany reaffirms its role as a defender of democratic values, human rights, and the post-World War II international order. This alignment also opens opportunities for deeper cooperation with the United States, particularly in areas such as securing critical infrastructure and strengthening the economic and security partnership in the Indo-Pacific against China.

35. German Embassy in Singapore, "Indo-Pacific Deployment 2024 (IPD24) – Port Call in Singapore," press release, September 12, 2024, <https://singapur.diplo.de/sg-en/2675430-2675430>.

36. "RIMPAC 2024: Departure for the World's Largest Naval Exercise," Bundeswehr, July 10, 2024, <https://www.bundeswehr.de/en/organization/navy/news/rimpac-2024-departure-world-s-largest-naval-exercise-5816742>.

37. Boris Pistorius, "Partner für den Frieden: Pistorius am Asia-Pacific Center for Security Studies," Bundesministerium der Verteidigung, July 31, 2024, <https://www.bmvg.de/de/aktuelles/pistorius-asia-pacific-center-for-security-studies-5828586>.

38. Annalena Baerbock, "Speech by Foreign Minister Baerbock at the Conference 'The National Security Strategy One Year On,'" Federal Foreign Office, July 1, 2024, <https://www.auswaertiges-amt.de/en/newsroom/news/national-security-strategy/2665416>.

The shift in Germany's vision toward China, the renaissance of Berlin's engagement in the Indo-Pacific, and the effort Berlin has put into investing in European and international security are evidence of the unprecedented political consensus that made the *Zeitenwende* possible. Nonetheless, more than two years into its implementation, one must acknowledge a sentiment of fatigue amongst some of Germany's European allies, who hoped the *Zeitenwende* would be a sort of panacea which would have brought a quick end to the Russian invasion of Ukraine.

But one must also recognize, in terms of defense, Minister Pistorius has prioritized modernizing military capabilities, boosting troop numbers, and enhancing NATO commitments, including deploying forces to Lithuania—all while also keeping the promise of maintaining a military presence in the Indo-Pacific regularly, with each of the three services (air force, navy, and army) deploying to the region every two to three years.

Furthermore, the German government is wisely trying to ensure channels of communication with the United States are good on both sides of the American political spectrum. Although many EU countries have had tight ties with the Biden administration, European relations with a Trump-centered Republican Party were lukewarm at best.

The United States will remain a crucial partner for the implementation of the *Zeitenwende* in the context of Germany's approach to China and the broader Indo-Pacific region. German politicians have been working hard to build contacts with Republicans in Congress and state-level governments, as well as with influential conservatives in the business arena, to ensure derisking will proceed both under economic and security terms, independent of who will be in power in 2025. This work was exemplified by German Foreign Minister Annalena Baerbock's 2023 visit to Texas, where she met with governor and strong Trump supporter Greg Abbott.³⁹ Underlining their commitment to transatlantic relations and democratic processes, German Chancellor Scholz and Foreign Minister Baerbock both congratulated Donald Trump on winning the election and stressed the importance

39. Jörg Blank, "Wie Baerbock auf die US-Republikaner zugeht," ZDFheute, September 13, 2023, <https://www.zdf.de/nachrichten/politik/deutschland/baerbock-usa-besuch-texas-republikaner-demokraten-wahl-100.html>; and "Baerbock Begins US Trip by Meeting with Texas Governor," *Deutsche Welle*, September 13, 2023, <https://www.dw.com/en/baerbock-begins-us-trip-by-meeting-with-texas-governor/a-66795304>.

of cooperation.⁴⁰ Five days later, German Chancellor Scholz called the newly elected US president, Donald Trump, to congratulate him in person and discuss the German-American relationship and current geopolitical challenges.⁴¹

Outlook and Recommendations

Although the implementation of the *Zeitenwende* has encountered challenges and mixed reactions, particularly from some of Germany's historical European allies, it remains a crucial turning point in Germany's defense and foreign policy. The German government has made notable progress in strengthening its military capabilities and bolstering its NATO commitments, all while carefully navigating its relationship with the United States as a key partner in European security.

With a view to relations with Beijing, Germany still presents a mixed picture, with large companies staying the course and small-to-medium-sized enterprises actively engaging in derisking. Although the three parties under the former traffic-light coalition show differing signals in how to deal with China, an overall cautious approach has taken root, as China is increasingly viewed as having goals and ambitions that run counter to German interests and values.

Despite the differences in views toward China evident on both sides of the Atlantic, the United States needs to keep Germany—as a key actor within the EU—informed and involved about how Washington thinks about and engages with China. This approach is particularly important regarding high-tech initiatives and the rule of law—that is, peace, stability, respect for international law, and freedom of navigation—in contested areas like the South China Sea and the Taiwan Strait.

Germany needs to become more realistic in how it seeks to influence China and about the necessity of working in collaboration with the EU, EU partners, and the United States, be it in public or behind closed doors.

40. Annalena Baerbock, "Statement by Foreign Minister Annalena Baerbock on the US Elections, upon Returning from Her Trip to Ukraine on 6 November 2024," Federal Foreign Office, November 6, 2024, <https://www.auswaertiges-amt.de/en/newsroom/news/2683368-2683368>; and Bundesregierung, "Bundeskanzler Scholz gratuliert dem designierten Präsidenten der Vereinigten Staaten von Amerika, Herrn Donald Trump," press release no. 277, November 6, 2024, <https://www.bundesregierung.de/breg-de/aktuelles/bundeskanzler-scholz-gratuliert-dem-designierten-praesidenten-der-vereinigten-staaten-von-amerika-herrn-donald-trump-2318914>.

41. Bundesregierung, "Bundeskanzler Scholz telefoniert mit dem neu gewählten Präsidenten der Vereinigten Staaten von Amerika, Donald Trump," press release no. 284, November 11, 2024, <https://www.bundesregierung.de/breg-de/aktuelles/bundeskanzler-scholz-telefoniert-mit-dem-neu-gewahlten-praesidenten-der-vereinigten-staaten-von-amerika-donald-trump-2319576>.

Despite differences in views among Germany's leading political parties and major stakeholders like industry, continuously improving coordination and seeking increasing convergence on dealing with China are important.

Additionally, Germany needs to drive capacity building actively in terms of strategic thinking (and acting) regarding China within the German government and among European partners. This activity should include in-depth discussions with Washington and the EU on the consequences of an actual takeover of Taiwan by China as well as conversations on a potential military conflict over Taiwan, hybrid attacks that could lead to a takeover without a military conflict, Chinese buildup of military capacities, Chinese data-gathering efforts, and other Chinese initiatives that have wide-ranging implications for German and European interests.

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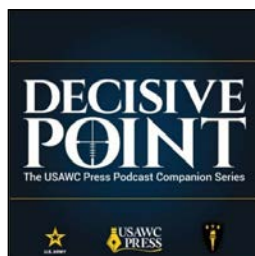
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