

Germany's Rearmament Plan: A Problem of Bureaucracy

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Abstract: The conflict in Ukraine that started on February 24th, 2022, had a transformative effect on the status of European security policy, with the most prominent outcome being Germany's break with its pacifist tradition and its policy of disarmament. The German government's plan to rebuild the Bundeswehr by raising its defense spending to 2% of its GDP, alongside the injection of a 100-billion-euro fund into its armed forces, was seen by many as the first step for Germany to a leading role in the new European Security Policy. However, increased funding is unlikely to be the deciding factor in whether Germany can successfully rearm, as the Bundeswehr is well funded in comparison to other standing armies of European states in similar economic circumstances. The main obstacle standing in the way of a successful German rearmament is Germany's bureaucracy. "The Federal Office of Bundeswehr Equipment, Information Technology, and In-Service Support," or the BAAINBw, responsible for procurement of materials for the Bundeswehr, is fully anarchistic and understaffed. Germany's path to a reformed military thus hinges on whether the German government can successfully reform the BAAINBw into a more efficient federal agency.

Keywords: Germany, Ukraine, rearmament

1. Introduction

On February 27, 2022, German Chancellor Olaf Scholz pledged a €100 billion plan for the buildup and rearming of the German military, along with the promise to increase the nation's defense expenditure to 2 percent of GDP, reaching the NATO standard. This decision, as a direct result of the political consequences that arose from the Conflict in Ukraine, marked a radical break with the policy of pacifism and disarmament. It is the first of many important political changes in Europe in the wake of the Conflict, that would greatly affect Europe's political landscape, and the position of Europe on the world stage in the future, as Germany would likely take the leading role in European Security Policy if the reforms are successful [1]. The importance of this decision could only be understood through lenses of historical context. Germany's 80 year long policy of pacifism and disarmament, which had continued up until the conflict in Ukraine, was primarily facilitated by two important factors: The Second World War, and the Helsinki Accords.

1.1. The Black Stain on German History

Germany's role in starting the Second World War and the crimes against humanity it committed under the Nazi regime were a deep stain on the pages of German history. Germany has done much

in the post-war years to rehabilitate its international image and has made great efforts to compensate and apologize to the victims of the Nazi regime, as well as actively suppressing right-wing nationalism and historical revisionism [2]. It is not hard to see why the German governments in the post-war eras were so reluctant to fully militarize themselves or to engage in actively militant foreign policy. Germany has advocated nonviolence and diplomatic solutions to international crises since the conclusion of the Second World War. However, the crisis in Ukraine has rendered this approach obsolete.

1.2. Legacy of the Helsinki Accords

The Helsinki Accords is a treaty agreed upon by all European nations in 1975, that guaranteed mutual respect among European nations of each other's borders, sovereignty, and territorial integrity. It has contributed to European peace for more than 50 years and helped create the EU [3]. War in Ukraine in 2022 effectively breaks the Helsinki Accords, and European governments scramble to create a new security policy. The death of the Helsinki Accords influences Germany's determination to rearm because another means is needed to guarantee peace in Europe.

2. The German Plan for Rearmament

Since the plan for German Rearmament was announced by the German chancellor, there has been excessive media attention on the €100 billion package promised for the Bundeswehr. Many headlines make it appear that the amount alone will solve the Bundeswehr's issues [4]. There has been less media attention by comparison, that focused more in-depth into the finances, pointing out that the package is merely there to carry the military budget over into 2026, when the national budget plan could be adjusted to fit the new 2% spending goal, but this perspectives nevertheless seems to agree that the funding adjustment alone would be enough to solve the Bundeswehr's woes [5]. However, when comparing the Bundeswehr's historical expenditures to those of other NATO countries in a similar economic situation, it becomes clear that the Bundeswehr's problems lie outside of finances.

2.1. Issues with the Bundeswehr and Prior German Defense Spending

The Bundeswehr is traditionally known for its lack of preparedness and lack of equipment. The *"Report on the Operational Readiness of the Bundeswehr's Primary Weapons Systems"* suggests that less than 30% of Military assets in Germany are operational. Only 105 of 224 Leopard 2 tanks and 39 out of 128 Typhoon jets are ready for action [6]. Ammunition is also lacking for usable assets such as tanks and anti-aircraft vehicles. Early German delivery of military vehicles to Ukraine were halted by the lack of ammunition for those vehicles [7]. The German government has also restricted the training and deployment of certain Bundeswehr weapons, such as drones in 2020 [8]. All these factors contributed to the ill prepared state of the Bundeswehr.

It is easy to conclude that funding is the main issue for the lack of equipment, and that the German Government must be slashing the funding for the armed forces year after year. However, the opposite is found to be true if the annual German defense spending is inspected.

Germany's Defense Spending (Constant 2015 prices and exchange rates)

From 2014 to 2021

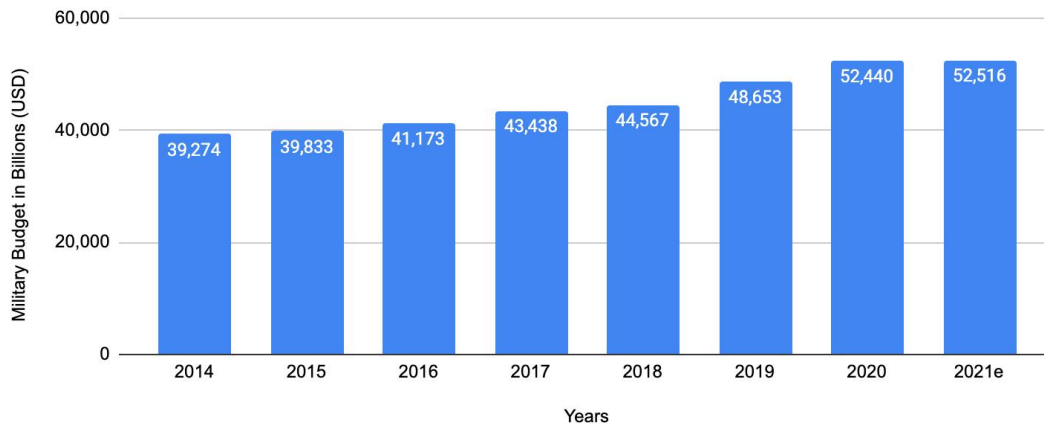


Figure 1: German defense spending from 2014–2021 shows an appropriate 30% rise over 7 years. 2021 expenditure is an estimate [9][10].

German defense spending has increased during the past 6 years rather than being decreased. While it hasn't reached the 2% suggested by NATO, it's still a significant sum, having almost surpassed \$50 billion in 2020. If one is to consider the German Government's goal of setting the nation's defense spending to 2% of its GDP by 2025 or 2026, even if the calculation is made with Germany's total GDP figures in 2021, Germany's military spending would have been around \$84 billion, and it is likely to be higher by 2026 due to the predicted GDP growth [11].

2.1. Comparison with Other NATO Countries

To place the German defense spending into perspective, there needs to be a comparison between the German, French, and the Polish Army, as all three nations are major players in European defense. The German army currently spends about the same as the French army in 2021, and compared to the Polish army, even taking in the Polish Government's plan in 2022 to double the nation's military spending to \$29 billion, the German Army still spends around \$20 billion more on its military compared to Poland [12][13].

In fact, Germany is the third biggest spender on its military in NATO, after the US and the UK [9]. Given this, one would expect a modern standing army with a large inventory of military hardware and a robust logistics system. However, this is not the case that can be observed when a comparison is drawn between the German army and the other two nation's armies. Germany has a larger economy than France, but the two nations spend roughly the same on their military, around \$49.6 billion for France compared to Germany's \$52.5 billion in 2021 [9][11][14]. This fact should imply relative equality between France and Germany's military strength, but a closer inspection reveals that to be not the case.

Comparison of French and German Military Hardware Numbers(2022)

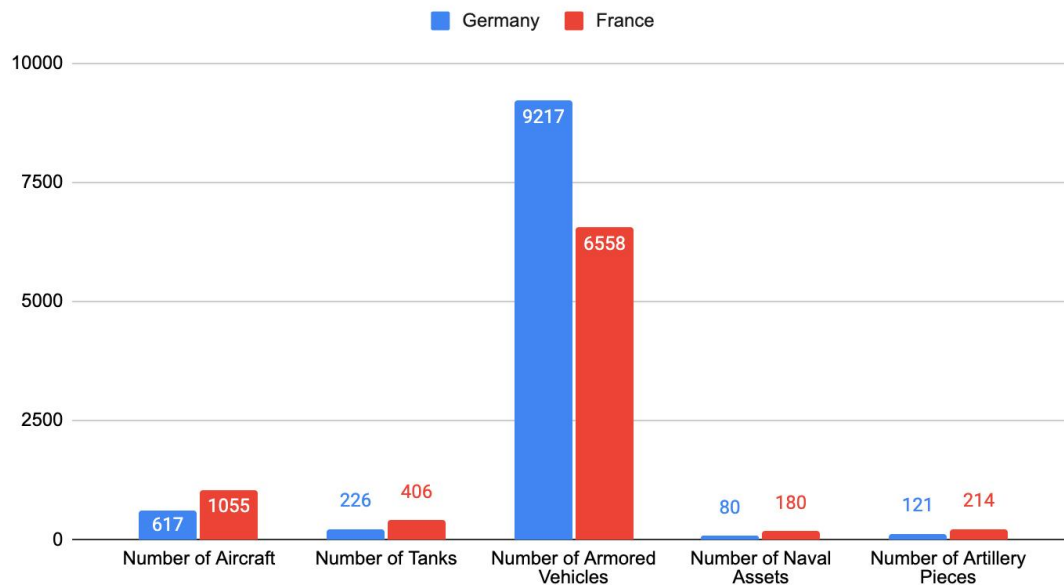


Figure 2: Active military assets in France and Germany in 2022, notice the clear edge France holds in every category barring armored vehicles [15][16].

The French army is double the size of the German Army, with a total military personnel at around 400,000. It boasts a significant edge in the number of aircraft fielded by about 400, it has almost double the number of tanks the Bundeswehr is currently fielding, double the amount of artillery systems, and has triple the amount of naval assets compared to Germany. The only field where Germany wins out is in the category of armored vehicles, and it is doubtful much of that inventory is in serviceable condition given the report mentioned earlier in this article. All of this is not to mention that France also possesses nuclear capabilities, while Germany does not [16].

Things only appeared to get even worse for the Bundeswehr once the comparison to the Polish army was made. The GDP of Poland in 2021 is only around \$ 674 billion, much smaller than Germany's GDP. It only spends around \$14 billion dollars on Defense compared to Germany's \$52.5 billion, although it is a much greater portion of its overall GDP compared to Germany. With such levels of disparity between the financial situations of the two nations, one should expect the Bundeswehr to hold a clear advantage over the Polish army in just about every aspect [9][13][17]. However, that is still found not to be the case.

Comparison of Polish and German Military Hardware Numbers(2022)

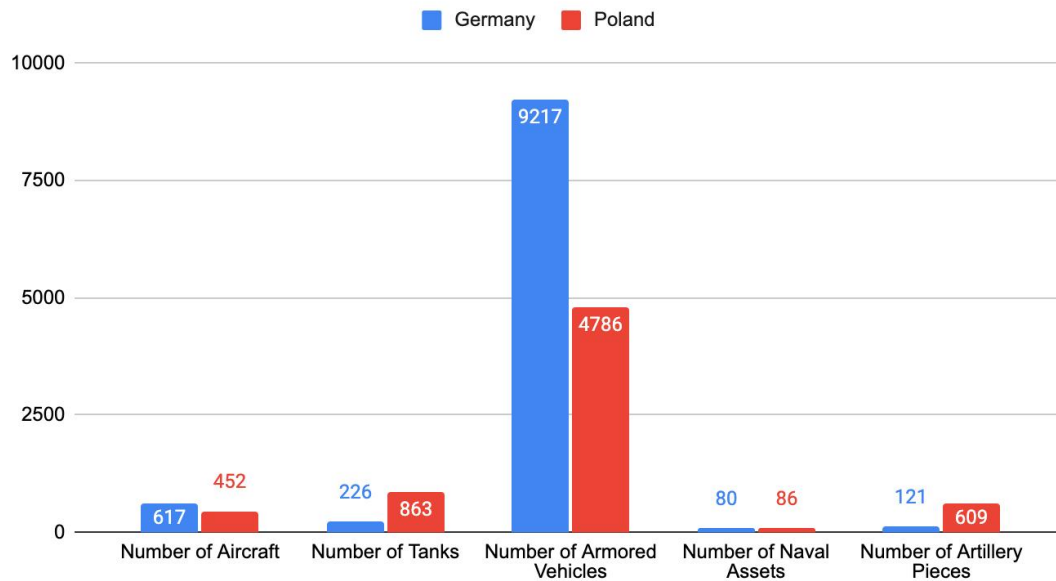


Figure 3: Active military assets in Germany and Poland in 2022, notice the clear advantage Poland holds in tanks and artillery systems [15][18].

The Polish Army is slightly smaller than the German army, with its total military personnel numbering at around 150,000. It does not enjoy clear advantages in aircraft, armored vehicles and naval vessels when compared to the Bundeswehr, but it does enjoy a clear advantage when it comes to the number of tanks and artillery systems it operates [18]. Poland is a post-Soviet state, and it had inherited large amounts of military hardware due its former status as a Warsaw Pact member state, and we have observed Poland reinforcing Ukraine with Soviet era weaponry throughout the different stages of the conflict [19]. The fact that Poland is able to not fall too far behind the Bundeswehr in multiple categories, while superseding the Bundeswehr in tanks and artillery systems, is astonishing given the small size of its military budget.

This shows that the Bundeswehr's problems go beyond money. If France can maintain a greater fighting force than the Bundeswehr in almost every category on a similar budget, and Poland can maintain a formidable fighting force on a much smaller budget, then the issue is not the amount of money, but rather how they are used.

3. The Issue with German State Bureaucracy

The main question that remains is a matter of disconnect between expectation and reality. Germany provides a substantial amount of funds for its army, the Bundeswehr has the resources for the procurement of materials, so why is it that the Germany army is so short on hardware, ammunition, and basic equipment, when France is managing so much more with equal amounts of funds, and Poland can keep up on a much smaller military budget?

The answer to this question lies with a specific agency within the German state Bureaucracy. “The Federal Office of Bundeswehr Equipment, Information Technology, and In-Service Support” (BAAINBw) is an agency that is responsible for the procurement of all materials for the German Army, from planes and helicopters to basic protection hardware and infantry weapons [20]. It is a

critical agency for the Bundeswehr, and it is one that suffers from extreme bureaucratization. It is a hulking administrative behemoth that not only struggles to recruit staff, it is also very inefficient and slow at what it is supposed to do, with procurement or repairs either taking way too much money to complete, or the process takes an unreasonably long time to complete [21]. Out of the supposed total staff count of over 6,500 personnel, almost 20% of the positions remains vacant due to the agency's incompetence at retaining its staff. With this shortage of workforce, it is not surprising that the agency struggles to meet the procurement needs. In 2018, out of the funds allocated by the Government to the agency for the equipment procurement, 10% of the allocated budget, or around €600 million, was flatout unable to be spent by the agency in time due to lack of qualified and efficient staff [22].

There also exists a culture of adhering to rules rather than obtaining results at the BAAINBw, as the entire system is smothered and blanketed over with hundreds of regulations and protocols to make sure that everything is working within the boundaries they are intended to work in. Whenever something does go wrong, the BAAINBw responds by adding in even more rules and regulations, and thus slowing down the whole process even further, it is not a great combination with its existing issue of being short on staff [23].

The result of the inefficiency of the BAAINBw could be observed within the Bundeswehr, the lack of spare parts for maintenance that lead to large portions of military hardware being inoperable is only the surface level of its effects. Major German military projects such as the Puma or A400M transport aircraft are neither completed in time or within the assigned budget [23]. Even minor military procurements could be dragged out year after year, with one notable example being the procurement of new Parachutists helmets for the German army, a process that had taken 10 years, due to the fact that the agency must test the helmet to see if it "fits on German heads and really protects as well as we would expect according to German standards", as was stated by the Parliamentary Commissioner for the Armed Forces, Eva Högl [21]. With the current status of the BAAINBw, it is estimated by the Ministry of Defense in 2019 that it will take until the year 2031 for the Bundeswehr to be fully equipped and in peak operational condition [23].

4. The Future for German Rearmament

The BAAINBw could be seen as the main bottleneck on whether the German plans for military Rearmament could succeed soon. There is a strong focus on the compliance with regulations and paperwork in the BAAINBw rather than getting actual results, hence the long procurement times, sometimes so long that the BAAINBw couldn't even spend all the funds allocated to it. It is a system that is in desperate need of reforms, and it needs to be reformed if the new defense spending plans are to be achieved to their fullest potential. Flushing more money into a broken system in hopes of getting a result you want isn't the most ideal choice of action. The future of German Rearmament is still a field of uncertainty, but there are a few points that could be made given the evidence available.

Firstly, while it is evident that the injection of funds will greatly benefit the Bundeswehr, with the €100 billion already being planned to be spent on the purchase of new equipment, with 21 billion being specifically allocated to be spent across all three military branches towards the investment in new communication and encryption technologies, it is Germany's ability to reform the BAAINBw that will remain the decisive factor on whether or not the Bundeswehr will become a formidable military force [4].

Two. The German Government certainly had the full intention to reinvigorate its armed forces, with German Finance Minister Christian Lindner, stating that he wanted to make the Bundeswehr the "most effective army in Europe", and the popular, alongside political support for German rearmament seems to remain high as the Ukrainian conflict is still ongoing, with no clear end in

sight [24][26]. The continued resistance by Ukraine would likely act as an effective factor that will prevent the public opinion from swaying against the rearmament plan, a poll in July showed that 70% of those polled backed are in favor of Germany's support of Ukraine [25].

Three. There also seems to be a growing awareness that the BAaINBw must be reformed if the rearmament process is to be smooth and successful, with the Federal Minister of Defense Christine Lambrecht opening acknowledging the issues present within the procurement system for the Bundeswehr, stating that *"And before the summer break, we will present a law with which we want to further accelerate procurement."*[26]. The German academia seems to agree with this line of thinking as well, with researcher Frank Saucer stating: *"Overall, we have set ourselves up very comfortably in peacetime, and in this context, we have completely over-bureaucratized many things. We feel the effects of that, painfully, now...finally rethinking, becoming more flexible and agile — as demanded by the security challenges of the 21st century. This must start in the Defense Ministry."* [21]. Ultimately, it remains to be seen whether the German Government will be able to achieve its goals of reforming the Bundeswehr, taking the lead in future European Security Policies.

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