



brief

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Germany, NATO and Transatlantic Relations in Transition

Lisbeth Aggestam & Adrian Hyde-Price



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Summary

Germany is grappling with the challenges of a 'double epochal shift' in European security, occasioned by Russia's invasion of Ukraine and the Trump administration's equivocal approach to transatlantic relations. The coalition government of Chancellor Merz has pledged to make the Bundeswehr the bulwark of conventional force in Europe and to assume leadership in European defence. This policy brief addresses the key question whether Germany can – and will – lead. It argues that the Merz government has demonstrated considerable resolve and commitment to addressing the long-standing and deep-seated weaknesses of German security and defence policy, including meeting NATO's new 5 percent capability target. However, it faces a number of challenges, both in terms of transforming Germany's ingrained strategic culture and managing an increasingly fractious and contested domestic political domain. For partners such as Sweden, Germany's rise as a central military power presents both strategic opportunities and the need for close co-ordination within NATO and the EU.



Lisbeth Aggestam

Lisbeth Aggestam is Associate Professor at the Department of Political Science at Gothenburg University.



Adrian Hyde-Price

Adrian Hyde-Price is Professor Emeritus at the Department of Political Science at Gothenburg University.



Introduction: The Return of Geopolitics and the New German Question

On the 80th anniversary of the liberation of the German people from the Third Reich, President Steinmeier spoke of a 'double epochal shift' marking the end of 'this long twentieth century'. The first epochal shift has been Russia's invasion of Ukraine in February 2022 and the return of large-scale interstate war to the European continent. 'The liberators of Auschwitz have become new aggressors,' Steinmeier noted; 'By unleashing war against Ukraine, Putin has shattered our European security order...'.¹ Putin's war of aggression has been viewed as the harbinger of a Russian attempt to re-establish Russian hegemony in eastern Europe and the Baltic. Fears are growing that this may result in armed aggression against a NATO member within in three to eight years.²

The second shock marking an epochal shift has been the Trump administration's dismissal of the rules-based international order and

the values underpinning the transatlantic security community. As President Steinmeier noted, 'the fact that even now the United States, who did so much to create and shape this order, is turning its back on it is a shock on an entirely new scale.' In reaction to the highly critical speech by the US vice-president, J.D. Vance, at the Munich Security Conference in February 2025, Friedrich Merz – who was shortly to become the new German chancellor – warned that Europe was at a turning point, and that longstanding assumptions about the transatlantic security community had now collapsed.³ An open rupture within NATO was avoided at the summit in The Hague (24-25 June 2025) during which Trump welcomed the new goal of spending 5% on defence and security.⁴ Nonetheless, Europeans remain acutely worried about the robustness of NATO and the reliability of US security guarantees.

¹ Steinmeier, Frank-Walter (2025) 'We are all children of 8 May', *Der Bundespräsident*, 8 May 2025, <https://www.bundespraesident.de/SharedDocs/Rede/EN/Frank-Walter-Steinmeier/Reden/2025/250508-End-WWII.html> (accessed 21 June 2025).

² Alipour, N. (2025) 'Russia planning attack on NATO 'to test article 5', warns Germany', *The Times*, 10 June. <https://www.thetimes.com/article/1e898f2f-61b0-4b75-b3fc-0e5590244b10?shareToken=899bbae773d90c9118ad860ace0adcd4>; Burilkov, A., and Wolff, G. (2025) 'Defending Europe without the US: first estimates of what is needed', *Bruegel*, 21 February, https://www.bruegel.org/analysis/defending-europe-without-us-first-estimates-what-needed#footnote4_6d5glil; Jochecová, K. (2025) 'Russia could start a major war in Europe within 5 years, Danish intelligence warns', *Politico*, 11 February. <https://www.politico.eu/article/russia-war->

[threat-europe-within-5-years-danish-intelligence-ddis-warns/](https://www.politico.eu/article/russia-war-threat-europe-within-5-years-danish-intelligence-ddis-warns/).

³ Bleiker, C. (2025) 'Trump, Merz and the future of US-German friendship', *Deutsche Welle*, 27 July. https://www.dw.com/en/trump-merz-and-the-future-of-the-us-german-ties/a-71762866?maca=en-newsletter_en_bulletin-2097-xml-newsletter&at_medium=Newsletter&at_campaign=EN%20Daily%20Bulletin&at_dw_language=en&at_number=20250227&r=27372332182024303&lid=3331803&pm_in=286249

⁴ Martin, T. and Marrow, M. (2025) 'We're with them all the way': Amid worry, Trump renews American defense of NATO', *Breaking News*, 25 June. <https://breakingdefense.com/2025/06/were-with-them-all-the-way-amid-worry-trump-renews-american-defense-of-nato/>.



Germany is at the epicentre of this ‘epochal shift’.⁵ Its post-war security has been premised on NATO and transatlantic security co-operation, and it has pursued a foreign policy defined more by economic statecraft and multilateralism than by military prowess. Chancellor Olaf Scholz’s declaration of a *Zeitenwende* promised a watershed in Germany’s strategic orientation, centred on a reassessment of Germany’s relationship with Russia and a new era in German defence policy. Change, however, has been slow and halting, and critics have suggested that its rhetoric has not been matched with tangible transformation.

More than any other NATO member, Germany’s security and identity are *ontologically* tied to the transatlantic alliance, in the sense that its very understanding of itself as an autonomous actor in international affairs is bound up with membership of NATO and the transatlantic security community. Doubts about NATO’s future therefore shake Germany’s very self-conception.⁶ Continued American involvement in European defence has shielded Germany from making hard choices – choices that now appear increasingly unavoidable as it grapples with the implications of taking on more responsibility for the conventional defence of Europe.

With the new German coalition government, these questions take on fresh urgency. Merz has pledged to do ‘whatever it takes’ to make the Bundeswehr the ‘strongest conventional army in Europe’ and committed Germany to a leading role in European security and defence.⁷ This sends a strong signal to both domestic and international audiences, yet key questions remain: will Germany assume a new and unfamiliar leadership role in European defence, or will it remain constrained by its historically grounded pacifist instincts? This is the new ‘German Question’: can Germany lead? Is the Federal Republic willing and able to assume greater responsibility for European security? And, if so, how will this impact the political dynamics of European order?⁸

This policy brief explores these questions in five sections: Germany’s historical dependence on NATO; the *Zeitenwende* under Scholz; the Merz government’s new defence agenda; Germany’s 5% defence commitment to NATO; and the broader implications for European order. Our empirical research is based on both primary and secondary sources, including interviews

⁵ (Fischer, J. (2025) *Die Kriege der Gegenwart und der Beginn einer neueren Weltordnung*, Cologne: Kiepenheuer & Witsch; Masala, C. (2023) *Weltunordnung: Die Globale Krisen und die Illusionen des Westens*, 8th edition. Munich: Verlag C.H.Beck.

⁶ Bagger, T. (2019) ‘The World according to Germany: Reassessing 1989’, *Atlantik Brücke*, 14 February. <https://www.atlantik-bruecke.org/the-world-according-to-germany-reassessing-1989/>.

⁷ Rothwell, J. (2025) ‘Friedrich Merz: The Man Europe has been waiting for’, *Daily Telegraph*, 10 April.

<https://www.telegraph.co.uk/world-news/2025/04/10/friedrich-merz-man-europe-waiting-for-germany-right-cdu/>; Lunday, C. (2025) ‘Germany backs major NATO defense spending boost – but not to please Trump’, *Politico*, 24 June. <https://www.politico.eu/article/friedrich-merz-germany-major-nato-defense-boost-donald-trump-us-eu-military-budget-ukraine-russia/>.

⁸ Münkler, H. (2025) *Macht im Umbruch: Deutschlands Rolle in Europa und die Herausforderungen des 21. Jahrhunderts*. Berlin: Rowohlt.



with policy-practitioners conducted in Berlin in the spring of 2025.⁹

Ontological Security and the Transatlantic Anchor: Why NATO is Existential for Germany

The Federal Republic of Germany's national identity and strategic culture are uniquely shaped by and anchored in its *Westbindung*. This policy orientation rested on two key elements: (1) integration into NATO and close alliance with Washington, and (2) European integration and partnership with France. NATO and the EU were not simply functionally efficient institutional arrangements for Germany; they were the scaffolding upon which a devastated country and discredited state was rebuilt, rehabilitated and re-integrated into the international community after the Second World War. The twin pillars of *Westbindung* were complementary, but ultimately the security and existence of the Federal Republic depended on American power and transatlantic security co-operation.¹⁰ The transatlantic relationship and NATO are thus part of the DNA of Germany. They served not only as security guarantors but as pillars of

Germany's '*ontological security*'. The concept of ontological security refers to a sense of security and continuity derived from a stable sense of identity and role in the world.¹¹ In the case of Germany, this refers to its post-war identity and self-image as a peaceful, democratic state, anchored in NATO and the EU and nested within a broader liberal international order.

NATO, Lord Ismay once quipped, was created to 'keep the Russians out, the Americans in, and the Germans down'. From 1949 until 1990, the Federal Republic was a 'semi-sovereign country'.¹² During this time, West Germans were able to move beyond the trauma of the Third Reich and take their place within the community of democratic nations. NATO under the US security umbrella enabled Germany to regain legitimacy whilst embedded in a multilateral institution that harnessed its military potential to the collective defence of the NATO alliance. This allowed Germany to cultivate both a 'civilian power' (*Zivilmacht*) identity, emphasising its peaceful intentions and defensive mindset¹³, and a role as a *Handelsmacht* ('trading power'), focused on its prosperity and growth.¹⁴

⁹ We would like to sincerely thank the following people who were generous with their time to be interviewed in Berlin during 4-10 April 2025: Ambassador Dr Thomas Bagger (former State Secretary, Auswärtiges Amt); Minister Counsel Christian Jetzlsperger (Head of Division 200, Auswärtiges Amt); Ambassador Veronika Wand-Danielsson (Swedish Embassy); Ambassador Marika Linntam (Estonian Embassy); and Ambassador Alda Vaaga (Latvian Embassy), and Dr Christina Krause (Konrad Adenauer Stiftung).

¹⁰ Hyde-Price, A. (2000) *Germany and European Order*. Manchester University Press, Manchester.

¹¹ Mitzen, J. (2006). *Ontological Security in World Politics: State Identity and the Security*

Dilemma. *European Journal of International Relations*, 12(3), 341-370. <https://doi.org/10.1177/1354066106067346>.

¹² Bulmer, Simon, and Paterson, William (2019) *Germany and the European Union: Europe's Reluctant Hegemon?*, London: Macmillian. DO - 10.1057/978-1-137-40450-3.

¹³ Harnish, Sebastian, and Hanns Maull (2001) *Germany as a Civilian Power: the Foreign Policy of the Berlin Republic*, Manchester: Manchester University Press.

¹⁴ Kundnani, H. (2014) *The Paradox of German Power*. London: Hurst & Company.



NATO's foundational role for post-war German identity and strategic culture has been broadly supported across the political spectrum – with the exception of the far-right and far-left. However, as US strategic attention increasingly shifts to China and the Indo-Pacific, and the Trump administration casts doubt on the durability of its commitment to European security, the transatlantic foundations of Germany's ontological security are weakening.¹⁵ Domestic support for the transatlantic relationship is eroding in both of the main political parties (SPD and CDU/CSU) under the impact of US tariffs; the open support for the far-right German party, the Alternative for Germany (AfD), from some key people in the US administration; Trump's threats to Greenland and Denmark; and a general sense of disillusionment with the direction of American politics, culture and societal values.

The former German chancellor, Angela Merkel, warned back in 2018 that 'Europe can no longer rely on the United States to protect it'.¹⁶ Merz echoed this sentiment even more bluntly after his election victory in February 2025, declaring that the current US administration is 'largely indifferent to the fate of Europe'. Merz has also spoken of the

need for unity in Europe 'so that, step by step, we can achieve independence from the US'.¹⁷

Germany is thus shedding a key element of its ontological security and emerging as a leading voice for an independent and autonomous Europe. Co-operation remains deeply embedded in the *modus operandi* of Germany, but it will increasingly be co-operation focused on the EU and its European partners.¹⁸ Since his formal appointment as chancellor, Merz has toned down his rhetoric on independence from the USA, describing the transatlantic partnership as a 'great success story that should be continued, even under the new conditions'.¹⁹ The coalition agreement explicitly spoke of the need for transatlantic security co-operation, and Merz made strenuous efforts to forge a personal bond with Trump and strengthen the US security commitment to Europe. Like many European NATO members, the German government recognises that Europe will not be able to defend itself effectively against Russian aggression for at least a decade, and that the American security commitment to Europe is indispensable in the short to medium term.

The German government is doing all it can to ensure a continued US commitment to

¹⁵ Löffmann, G., and Riemann, M. (2025) 'If I could turn back time': Temporal Security narratives, ontological disruption, and Germany's *Zeitenwende*, *European Journal of International Security*, doi:10.1017/eis.2025.10008.

¹⁶ Euractiv (2018) 'Merkel: Europe can no longer rely on US to 'protect' it', 11 May. <https://www.euractiv.com/section/politics/news/merkel-europe-can-no-longer-rely-on-us-to-protect-it/>.

¹⁷ Wintour, p.(2025) 'Merz strikes urgent tone in calling for more European independence from US',

The Guardian, 24 February.

<https://www.theguardian.com/world/2025/feb/24/friedrich-merz-germany-europe-independence-from-us>.

¹⁸ Herolf, Gunilla (2025) 'Germany – A great power in need of company', *Kungl Krigsvetenskapsakademien Tidskrift*, nr.2/2025, pp.5-17.

¹⁹ Moody, O.(2025) 'Friedrich Merz to cut foreign aid for countries who do not take citizens back', *The Times*, 10 April.



Europe, while steadily boosting its capabilities to defend itself and its European NATO allies in the future. Long-term, the goal is now to make Europe militarily strong enough to deter Russian aggression, while maintaining the US commitment to NATO in the short and medium term. Clearly this strategy is replete with its own risks and contradictions, but it is the only viable strategy in an era of US disengagement from Europe and a deepening threat from Putin's Russia.

***Zeitenwende* under Scholz**

Chancellor Scholz's 2022 *Zeitenwende* speech marked a historic break with Germany's traditional military restraint and strategic outlook. He announced a €100 billion special fund for the Bundeswehr, allowing Germany to finally exceed the 2% NATO spending benchmark. The speech also signalled a profound reassessment of the relationship with Russia and a switch of emphasis in its *Ostpolitik* to its EU neighbours in East Central Europe and the Baltic. Above all, it signalled a willingness of Germany to 'stand unconditionally by our collective defence obligation within NATO', to 'defend every square meter of NATO territory together with our allies'.²⁰

²⁰ Scholz, O. (2022) 'Policy statement by Olaf Scholz to the Bundestag', 27 February.

<https://www.bundesregierung.de/breg-en/service/archive/policy-statement-by-olaf-scholz-chancellor-of-the-federal-republic-of-germany-and-member-of-the-german-bundestag-27-february-2022-in-berlin-2008378>.

²¹ Giegrich, B. and Schreier, B. (2023) 'Zeitenwende one year on', *Survival* 65(2):37-42.

²² Interview with Ambassador Dr Thomas Bagger (former State Secretary, Auswärtiges Amt), 7 April 2025.

However, matching rhetoric with action proved difficult. Scholz's impressive speech was drawn up by a very small circle of advisors, and they subsequently failed to engage more decision-makers in the process of policy formulation and implementation. The implementation of the *Zeitenwende* thus proved halting and half-hearted. Reforms and policy implementation suffered from structural procurement delays, legal constraints and political ambivalence.²¹ Once it became clear that Kviy was not about to fall, the initial momentum faded, and Berlin reverted to its cautious instincts.²² Strategic ambiguity continued to characterise government policy, which remained firmly anchored in a transatlantic framework.²³ Scholz remained wary of projecting hard power leadership and constantly deferred to the Biden administration, which itself was very cautious.²⁴

Scholz also led a weak and fractious three-party coalition, which was acutely sensitive to the rise of the AfD in the eastern German states (*Länder*). The AfD leader, Alice Weidel, blamed the Russian invasion of Ukraine on NATO and the West and opposed the *Zeitenwende*, calling instead for continuing diplomatic engagement and economic co-

²³ Tobias Bunde, 'Lessons (to be) learned? Germany's *Zeitenwende* and European security after the Russian invasion of Ukraine', *Contemporary Security Policy*, 43:3 (2022), pp. 516-30. <https://doi.org/10.1080/13523260.2022.2092820>.

²⁴ Interview with Minister Counsel Christian Jetzlsperger (Head of Division 200, Auswärtiges Amt), 7 April 2025.



operation with Russia. The leader of the Left Party, Amira Mohammed Ali, acknowledged the illegality of Russia's war against Ukraine, but also criticised increased defence spending and called instead for more disarmament and diplomacy.²⁵ Domestic pressures and party politics thus served to undermine the strategic direction of the government and foster ambivalence and hesitancy. Critics argue that *Zeitenwende* became more of a branding exercise than a transformational doctrinal shift.²⁶

Still, some significant developments have taken place. The Bundeswehr started receiving significant new investment by the summer of 2023²⁷ and the new German defence minister, Boris Pistorius, gave defence policy a new sense of urgency and purpose, calling for a 'war-ready' military.²⁸ Germany agreed to take the lead in NATO's Forward Land Forces in Lithuania and

contributed German jets to patrol the Baltic skies. The German navy took on a new leadership role in maritime security in the Baltic Sea region, notably with the establishment of the Commander Task Force (CTF) Baltic headquarters in Rostock.²⁹ Germany became the largest European contributor of military aid to Ukraine, and has taken a leadership role in the co-ordinated procurement of air defence systems through the European Sky Shield Initiative (ESSI).

The significance of these developments should not be underestimated. They indicate a willingness on the part of Berlin to assume greater responsibility for the collective defence of Europe. But substantial obstacles remain. Germany's historical experience continues to exert a constraining influence, and segments of the German population remain sceptical about the expansion of German military capabilities. The aversion to

²⁵ Süddeutsche Zeitung (2022) 'Deutschland reagiert auf Putin's Aggression', 27 February, <https://www.sueddeutsche.de/politik/konflikte-deutschland-reagiert-auf-putins-aggression-dpa.urn-newsml-dpa-com-20090101-220227-99-307983> (accessed 12 March 2022).

²⁶ Bunde, Tobias (2025) 'Zeitenwende as a foreign policy identity crisis: Germany and the travails of adaptation after Russia's invasion of Ukraine', *The British Journal of Politics and International Relations*, <https://doi.org/10.1177/1369148124131156> 8; Deni, John, Marina E. Henke, Aylin Matlé, (2025) *Assessing the Zeitenwende: Implications for Germany, the United States, and Transatlantic Security*, United States Army War College Press, 27 February, <https://publications.armywarcollege.edu/News/Display/Article/4081179/assessing-the-zeitenwende-implications-for-germany-the-united-states-and-transatlantic-security>; Tallis, Benjamin (2024) 'The End of the Zeitenwende: Reflections after two years of Action Group Zeitenwende', *DGAP: German Council on Foreign Relations*, 30 August 2024, <https://dgap.org/en/research/publications/end-zeitenwende>; Techau, J. (2025) 'Germany: Now for the Real Zeitenwende', *Center for European Policy*

Analysis (CEPA), 27 February, <https://cepa.org/article/germany-now-for-the-real-zeitenwende/>.

²⁷ Olsson, Jonas (2025) 'Germany surges to fourth largest global military spender: SIPRI', *Breaking Defense*, 28 April 2025, https://breakingdefense.com/2025/04/germany-surges-to-fourth-largest-global-military-spender-sipri/?utm_medium=email&hsenc=p2ANqtz-PqMutVDwqcich_NK5FV4NNmqxLLcOIk6cLSFwtgVQ_CvR1t_v_peQC0onjO85yYHTP7kL3Um117bf90ZC2axJr4FT5w&hsmi=358747725&utm_content=358747725&utm_source=hs_email.

²⁸ Pistorius, B. (2024) 'Wir müssen bis 2029 kriegstüchtig sein', *Deutsche Bundestag*, 5 June, <https://www.bundestag.de/dokumente/textarchiv/2024/kw23-de-regierungsbefragung-1002264> (accessed 21 July 2024).

²⁹ Hyde-Price, Adrian (2025) 'Germany and Nordic-Baltic Security: The CTF Baltic and the Trinity House Agreement', *Kungl Krigsvetenskapsakademien Tidskrift*, nr. 2/2025, pp. 31-38.



lethal force and the emphasis on diplomatic solutions remains embedded in German strategic culture. The *Zeitenwende* speech was an attempt to move beyond these historically derived cultural sentiments, but Germany remains caught in the tension between its pacifist instincts and contemporary geopolitical pressures.³⁰

The modernisation and transformation of the Bundeswehr faces a series of structural, administrative, political and legal constraints. Defence procurement has long been hamstrung by cumbersome decision-making processes, overregulation and political interference, which make procurement projects less transparent, more expensive and vulnerable to lobbying.³¹ After decades of underfunding, the German Armed Forces are in a parlous state.³² Staffing and personnel shortages are a constant problem. Military infrastructure is decrepit, with barracks in a disrepair and a huge backlog in maintenance and upgrades. The Bundeswehr lacks the tools to fight a modern war, with outdated equipment and a lack of munitions. A report to the Bundestag in March 2025 by

the parliamentary commissioner for the Armed Forces, Eva Högel, laid bare the dismal condition of the Bundeswehr.³³ It 'still has too little of everything', she concluded. Stationing a brigade in Lithuania was a 'major effort' which stretched Germany's already thin military capabilities even thinner.³⁴

The Merz Government: Recalibrating *Zeitenwende*?

The new CDU/CSU-SPD government, comprising Christian Democrats (CDU/CSU) and Social Democrats (SPD) and led by Merz, is better placed than Scholz's 'traffic light' coalition to confront Germany's defence deficiencies. The coalition came to power focused primarily on domestic modernisation and reform, and was unprepared for the return of war to Europe. The *Zeitenwende* reflected the shock caused by Putin's war and involved defining a radically new set of priorities for the coalition government. Merz's government hits the ground running, with a clear understanding of the tasks facing German security and

³⁰ Stengel, Frank. (2025). German "Pacifism" and the *Zeitenwende*. *Defense and Security Analysis*. 10.1080/14751798.2025.2513782.

³¹ Rombach, P. (2025) 'Zeitenwende reloaded: Cash is good, but can Germany reform its procurement processes?', *Breaking Defense*, 10 April. https://breakingdefense.com/2025/04/zeitenwende-reloaded-cash-is-good-but-can-germany-reform-its-procurement-processes/?utm_campaign=Breaking%20Defense%20Air%20&utm_medium=email&hsenc=p2ANqtz-9xmGjjoXTWH1vTk0JqbtCl8IGF0u8hghJv_v6JxAUqOOnvKbGnBQVFsZf0YP_20SSChYDoigM0XRAQumIR5bUHUPXIA&hsmi=356314931&utm_content=356314931&utm_source=hs_email

³² Neitzel, S. (2025) *Die Bundeswehr: Von der Wiederbewaffnung bis zur Zeitenwende*. 3rd edition. Munich: Verlag C.H. Beck; Gebauer. Matthias and Von

Hammerstein, Konstantin (2023) 'The Bad News Bundeswehr: An examination of the truly dire state of Germany's Military', 17 January 2023, *Der Spiegel*. <https://www.spiegel.de/international/germany/the-bad-news-bundeswehr-an-examination-of-the-truly-dire-state-of-germany-s-military-a-df92eaaf-e3f9-464d-99a3-ef0c27dcc797>.

³³ Deutscher Bundestag (2025) 'Unterrichtung durch die Wehrbeauftragte', Drucksache 20/15060, 11 March. <https://dserver.bundestag.de/btd/20/150/2015060.pdf> (accessed 23 March 2025).

³⁴ Lunday, C. (2025b) 'Germany's Military is struggling as Trump tests NATO, report shows', *Politico*, 11 March. <https://www.politico.eu/article/germany-military-struggling-us-donald-trump-nato-report/> (accessed 12 March 2025).



defence policy.³⁵ Even before the new coalition took office, Merz and his allies moved swiftly and decisively to remove the 'debt break' in order to fund defence and infrastructure investment.³⁶

In a speech to the Bundestag on 25 May 2025, Merz affirmed his government's readiness to assume greater responsibility and leadership within the Euro-Atlantic community.³⁷ With the removal of the debt break, defence expenditure will increase to 3.5% of GDP by 2029, with an additional 1.5% allocated to infrastructure and cyber defence – effectively doubling German military spending by the end of the decade.³⁸ This marks a shift to proactive defence diplomacy and military modernisation. In this effort, Merz is supported by Pistorius of the SPD, whose cross-party credibility and popularity lend continuity and legitimacy to the evolving strategic agenda. A firmer stance toward Russia and China is expected alongside efforts to reinvigorate co-operation with Germany's European allies, in particular France, Poland and the UK.

Nevertheless, challenges remain. Institutional inertia, intra-coalition constraints and a deeply ingrained public

scepticism toward militarisation continue to hamper progress. Decades of underfunding and neglect have hollowed out the Bundeswehr. Germany's embrace of NATO's 5% capability pledge marks a historic shift in defence policy, but ambitious spending targets are not synonymous with strategic vision. Budget inputs must translate into output-based effectiveness in terms of deployable, interoperable and effective capabilities. Germany's defence bureaucracy has been plagued by inefficiencies and underperformance, raising questions about its ability to effect transformation. These challenges constitute significant obstacles to Germany meeting international expectations and to assume a leading role in European collective defence.

The coalition government appears to understand the challenge facing German security and defence policy. For the first time since 1966, the CDU heads both the Chancellery and the Ministry of Foreign Affairs (led by Johann Wadephul), making possible the creation of an effective National Security Council in the chancellor's office as a 'hub and pivot of the federal government', which can forge a more integrated approach to security policy.³⁹ Commentators have

³⁵ Dempsey, J. (2025) 'Germany's long-awaited pivot to leading Europe', *Carnegie Europe*, 5 June. <https://carnegieendowment.org/europe/strategic-europe/2025/06/germanys-long-awaited-pivot-to-leading-europe?lang=en>.

³⁶ Ross, J. (2025) 'The Risks of Merz Debt gamble', *Internationale Politik Quarterly*, 4 April. <https://ip-quarterly.com/en/risks-merz-debt-gamble>.

³⁷ Merz, F. (2025) 'Responsibility for Germany', statement to the German Bundestag, *Bundesregierung*, 25 May. <https://www.bundesregierung.de/breg-en/news/first-government-statement-chancellor-merz-2347710>.

³⁸ Höller, L. (2025) 'Work begins on Germany's 5,000-strong military base in Lithuania', *Defense News*, 22 August. https://www.defensenews.com/global/europe/2024/08/22/work-begins-on-germanys-5000-strong-military-base-in-lithuania/?utm_source=sailthru&utm_medium=email&utm_campaign=c4-overmatch.

³⁹ Busch, A. (2025) 'New Chancellor Merz will put a special focus on foreign policy', *UK in a Changing Europe*, 8 May. <https://ukandeu.ac.uk/new-chancellor-merz-will-put-a-special-focus-on-foreign-policy/>.



already noted a new and dynamic style of leadership by Merz, and he proved adept at handling his first meeting with President Trump.⁴⁰ The government is committed to reforming and speeding up the defence procurement process,⁴¹ and Germany has a strong defence-industrial base which is already expanding to meet the demands of military modernisation and transformation. While navigating domestic politics will remain a challenge, there are good grounds for optimism that chancellor Merz's coalition government will be able to transform Scholz's halting and incremental *Zeitenwende* into a more coherent, dynamic and effective security policy strategy.

Committing to 5%: The Rise of Germany as a Military Power?

With its commitment to 5% defence spending, Germany is now posed to become

Europe's leading conventional military power. German defence spending is set to double within five years, and Merz has set the goal of making the Bundeswehr the 'strongest conventional army in Europe'.⁴² Whereas Scholz's €100bn special fund has been mainly used to fill capability gaps and replacing aged military equipment⁴³, the new €500bn infrastructure funds will be used to invest in upgrading infrastructure, logistics and force expansion.

Under NATO's 2022 New Force Model, Germany is to deploy two armoured divisions by 2027 and create up to seven new brigades.⁴⁴ The Bundeswehr, currently at 182,000 troops on active duty, aims to expand to 203,000 by 2031. Doubts exist whether this expansion can be achieved under the existing policy of voluntary military service. Plans are thus being drawn up to bring back some form of mandatory recruitment by 2026 – possibly drawing on the Swedish model. However, this remains contentious and politically sensitive.⁴⁵

⁴⁰ Thureau, J. (2025a) 'Chancellor Merz brings a new political style to Germany', *Deutsche Welle*, 7 June. https://www.dw.com/en/german-chancellor-friedrich-merz-political-style-scholz-merkel/a-72823365?maca=en-newsletter_en_bulletin-2097-xml-newsletter&at_medium=Newsletter&at_campaign=E%20-%20Daily%20Bulletin&at_dw_language=en&at_number=20250518&r=27372442252024303&lid=3442503&pm_in=295877.

⁴¹ Schröder, S. (2025) 'Schwarz-rot macht ernst: So will die Merz-regierung die Bundeswehr aufrüsten', *Merkur*, 25 April. <https://www.merkur.de/politik/schwarz-rot-macht-ernst-so-will-die-merz-regierung-die-bundeswehr-aufruesten-zr-93697054.html>.

⁴² Noll, A. (2025) 'Germany eyes strongest EU army by 2031', *Deutsche Welle*, 18 May. https://www.dw.com/en/germany-armed-forces-bundeswehr-eu-defense-spending-nato-trump/a-72570394?maca=en-newsletter_en_bulletin-2097-xml-newsletter&at_medium=Newsletter&at_campaign=E%20-%20Daily%20Bulletin&at_dw_language=en&at_number=20250623&r=27372492542024382&lid=3495482&pm_in=300179.

[%20Daily%20Bulletin&at_dw_language=en&at_number=20250518&r=27372442252024303&lid=3442503&pm_in=295877](https://www.dw.com/en/germany-armed-forces-bundeswehr-eu-defense-spending-nato-trump/a-72570394?maca=en-newsletter_en_bulletin-2097-xml-newsletter&at_medium=Newsletter&at_campaign=E%20-%20Daily%20Bulletin&at_dw_language=en&at_number=20250623&r=27372492542024382&lid=3495482&pm_in=300179).

⁴³ Heinemann, N. (2025) 'What are the main drivers of member states' defence procurement practices: the German case', *French Institute for International and Strategic Affairs (IRIS)*, 108, February. https://www.iris-france.org/wp-content/uploads/2025/02/ARES_2025_01_108_Defence_Procurement_Practises_Germany_Note.pdf.

⁴⁴ Werkhäuser, N. (2025) 'NATO summit: Germany's military faces new challenges', *Deutsche Welle*, 24 June. https://www.dw.com/en/nato-summit-germanys-military-faces-new-challenges/a-72987209?maca=en-newsletter_en_bulletin-2097-xml-newsletter&at_medium=Newsletter&at_campaign=E%20-%20Daily%20Bulletin&at_dw_language=en&at_number=20250623&r=27372492542024382&lid=3495482&pm_in=300179.

⁴⁵ Jones, T., and Connor, R. (2025) 'Pistorius outlines plans for military draft', *Deutsche Welle*, 8 July.



Structural reform is also underway. The 2024 Osnabrücker Decree created a unified operational command and a new cyber warfare branch.⁴⁶ In January 2025, a Homeland Security Division was created to safeguard ports, railway facilities and freight shipment points, as well as pipelines and digital infrastructure.⁴⁷ This reflects Germany's strategic importance as an operational base for NATO and a hub for logistics and reserves.

The navy and air force are modernising too. The air force is acquiring dual-capable F-35s, along with additional Eurofighter Typhoons, enhanced strategic airlift and aerial refueling assets, new transport helicopters and the Eurodrone, which is being developed with France, Italy and Spain. Its capability for monitoring near-earth space are being enhanced,⁴⁸ and a new Tactical Air Defence System is being developed. Considerable emphasis is also being placed on digital transformation to increase operational effectiveness.⁴⁹ The navy, though smaller than its UK and French counterparts, is the largest in the Baltic Sea region, and

technologically sophisticated. The navy is now focused on the Baltic and Norwegian seas, and over recent years has been relearning traditional concepts of sea control, maritime striking power, littoral and coastal defence and underwater warfare, along with the newer NATO concept of multi-domain operations. It is acquiring new frigates, submarines and unmanned systems to protect undersea infrastructure. The strategic development of the German Navy has been laid out in the 2023 document *German Navy Objectives for 2035 and Beyond*, and *Navy Course 2025* commits to achieving full operational readiness by 2029.⁵⁰

Like other European countries, Germany has also woken to the centrality of space as a critical element of NATO's emerging doctrine of 'multi-domain operations' and to the threat posed by the military space programmes of Russia and China. In 2021 a German Military Space Component Command was established under the Air Force, and the Bundeswehr now views space as a 'permanent operational task' (*Dauereinsatzaufgabe*).⁵¹ Germany's Space

<https://www.dw.com/en/germany-updates-pistorius-outlines-plans-for-military-draft/live-73191356>.

⁴⁶ Bundeswehr (2025a) 'Organisation of the Bundeswehr', <https://www.bundeswehr.de/en/organization> (Accessed 22 May 2025); Gasper, F. (2024) 'A New Structure for the Bundeswehr: A step forward?', *International Centre for Defence and Security, Estonia*, 15 July. <https://icds.ee/en/a-new-structure-for-the-bundeswehr-a-step-forward/>.

⁴⁷ Whittle, Helen (2025) 'Fear of war: How Germany needs to step up preparedness', *Deutsche Welle*, 13 March 2025, https://www.dw.com/en/fear-of-war-how-germany-needs-to-step-up-preparedness/a-71909074?maca=en-newsletter_en_bulletin-2097-xml-newsletter&at_medium=Newsletter&at_campaign=E%20-%20Daily%20Bulletin&at_dw_language=en&at_number=20250316&r=27372352342024319&lid=3353419&pm_in=288298.

⁴⁸ Rotter, Andrea (2025) 'Ready for Lift Off? Challenges and Opportunities for Germany's Space Security Policy under the new Federal Government', *Kungl. Krigsvetenskapsakademien Tidskrift*, nr.2/2025, pp.59-69.

⁴⁹ Bundeswehr (2025b) 'The German Air Force in Transformation – Fit for the future', <https://www.bundeswehr.de/en/the-german-air-force-in-transformation-fit-for-the-future-5067196> (accessed 22 May 2022).

⁵⁰ Bundeswehr (2025c) 'German Navy objectives for 2035 and Beyond', <https://www.bundeswehr.de/en/organization/navy/news/german-navy-objectives-2035-plus-5625058> (accessed 22 May 2025).

⁵¹ Rotter, Andrea (2024) 'Is Germany ready to take space seriously? Requirements for Germany's First Space Security Strategy', *War on the Rocks*, 16 September, <https://warontherocks.com/2024/09/is-germany-ready-to-take-space-seriously-requirements-for-germanys-first-space-security-strategy/>; Rotter,



Strategy, which was updated in September 2023, emphasises both integrating civil and military space activities and technologies, and working with partners to develop European capabilities.⁵²

In September 2025, Pistorius announced an ambitious plan to invest €35 bn over the next five years in new dual-use satellite constellations, ground stations, secure launch capabilities and enhanced cybersecurity, in order to strengthen the Bundeswehr's capabilities for early warning, reconnaissance and communications.⁵³ At the same time, Germany is also seeking to deepen and enhance co-operation with European partners in space. In October 2025, German and France announced a new agreement to jointly develop a satellite-based early warning system called 'Odin's Eye', designed to improve Europe's ability to detect missile launches.⁵⁴ In order to strengthen the global competitiveness of European satellite manufacturers,

particularly with regard to current market dominance of the US SpaceX Starlink, a proposed merger of the German Airbus satellite manufacturer with Thales and Leonardo (referred to as 'Project Bruno') was announced in October 2025. This is part of a European effort to achieve greater defence industrial synergies in space technologies and strengthen European capabilities for innovation, strategic autonomy and competitiveness.⁵⁵

Conclusion: Balancing Reassurance and Responsibility

Germany's military revival is significant for European deterrence, particularly for the Nordic-Baltic region, living in the shadow of Russia.⁵⁶ In a ceremony in May 2025 marking the activation of the 45th Panzer Brigade in Vilnius, Merz declared: 'The security of our Baltic allies is also our security. We stand firmly by the side of our partners in the Baltic States.'⁵⁷ A modernised and expanded

Andrea (2025) 'Ready for Lift Off? Challenges and Opportunities for Germany's Space Security Policy under the new Federal Government', *Kungl Krigsvetenskapsakademien Tidskrift*, nr.2/2025, pp.59-69.

⁵² Federal Ministry of Economic Affairs and Energy (2023) *The German Federal Government's Space Strategy*, https://www.bundeswirtschaftsministerium.de/Redaktion/EN/Publikationen/Technologie/the-german-federal-governments-space-strategy.pdf?__blob=publicationFile&v=1.

⁵³ Hitchens, Theresa (2025) 'German military to invest \$41B in space capabilities', 25 September, https://breakingdefense.com/2025/09/german-military-to-invest-41b-in-space-capabilities/?utm_medium=email&hsenc=p2ANqtz-9lUscvpznYUWsUS_rTryGS9sPp5gjT9o5yVA7f7h9UqKZ6idY0GfF6gEnxEBJJXZjgAocyxhvg8amMIF0bQV3d5MqAcw&hsmi=382909928&utm_content=382909928&utm_source=hs_email.

⁵⁴ Reuters (2025b) 'Germany, France sign deal for satellite-based early warning system', 15 October, <https://www.reuters.com/business/aerospace->

[defense/germany-france-sign-deal-satellite-based-early-warning-system-2025-10-15/](https://www.reuters.com/business/aerospace-defense/germany-france-sign-deal-satellite-based-early-warning-system-2025-10-15/).

⁵⁵ Hitchens, Theresa (2025) 'Europe's strategic autonomy fuels space mega-merger', *Breaking Defense*, 23 October, https://breakingdefense.com/2025/10/europes-strategic-autonomy-push-fuels-space-mega-merger/?utm_medium=email&hsenc=p2ANqtz-04vVRKv6hft7-FXCjXiH2l_MwWSIXYl1XjMYNjy4dzoljQ3Nd9C8ea7At9au7SFHQ1LssNqHnuykmA8AZogt6WYskQ&hsmi=386670019&utm_content=386670019&utm_source=hs_email.

⁵⁶ Ålander, Minna (2025) 'Out in the Cold? Germany's emerging role in Northern European security', *Kungl Krigsvetenskapsakademien Tidskrift*, nr.2/2025, pp.20-30; Allers, Robin (2025) 'Wanted – Germany military engagement on the Northern Front', *Kungl Krigsvetenskapsakademien Tidskrift*, nr.2/2025, pp.39-52, <https://kkva.se/hot/2025:2/04-allers-wanted-german-military-engagement.pdf>.

⁵⁷ Bundesregierung (2023) *National Security Strategy: Integrated Security for Germany*, Federal Republic of Germany.



Bundeswehr, working closely with European allies, could allow Europe to assume more of its defence burden as the U.S. pivots to the Indo-Pacific.

As Germany modernises and expands its military capabilities, it will redefine its role in Europe. The Federal Republic's national identity and political culture were primarily shaped by a post-war narrative constructed around transatlanticism and *Westbindung*. However, a new narrative is emerging, built around a sense of German responsibility for European security and defence, and – more controversially – one that involves a new understanding of German leadership in Europe. After the 2025 Munich Security Conference, Merz was very clear about the role expectations facing his new government. 'Everyone expects Germany to take greater responsibility for leadership', he noted. 'Germany is by far the most populous country in Europe. Germany is situated in the geostrategic center of the European continent. We must fulfill this role'.⁵⁸ This signals a new era for Germany and for Europe. After decades of being an economically powerful *Zivilmacht*, Germany is now on a path to becoming a major political and military power in Europe.

Significant challenges remain however. German domestic politics have become much more volatile and contested. Overcoming the weight of bureaucracy and regulation will be difficult. Germany will also

need to learn how to exercise leadership in European security and defence in ways that do not revive historical fears among its neighbours.⁵⁹ Europe therefore continues to grapple with a 'German Question' – one no longer focused on fears of German hegemony and militarism, but rather on whether Germany will fully embrace its responsibility to safeguard the peace and security of the European continent.

For Sweden, Germany's emergence as a major military-political actor in European security is strategically significant given the heightened security challenges in the Baltic Sea region. Germany's ambition to become one of Europe's leading conventional military powers presents Sweden with a timely opportunity to deepen a strategic partnership grounded in shared regional interests and a rules-based order.⁶⁰ Both Germany and Sweden are global trading nations that share an interest in upholding international law and preserving co-operative multilateral institutions at a time when these are threatened by Russia and other illiberal states. Within the evolving Nordic-Baltic Security Architecture, Sweden should prioritise close coordination with Germany on joint defence planning, particularly alongside Finland, and with attention to the growing threat of hybrid warfare in the Baltic Sea. More broadly, in the context of NATO-EU relations, Sweden and Germany share a pragmatic vision that reconciles the goal of greater European

<https://www.nationalesicherheitsstrategie.de/National-Security-Strategy-EN.pdf>.

⁵⁸ Thureau, J. (2025) 'Germany's new government will face foreign policy challenges', *Deutsche Welle*, 19 February. https://www.dw.com/en/new-german-government-will-face-foreign-policy-challenges/a-71677215?maca=en-newsletter_en_bulletin-2097-xml-newsletter&at_medium=Newsletter&at_campaign=E_N%20-%20Daily%20Bulletin&at_dw_language=en&at_number=20250220&r=27372322232024373&lid=3322373&pm_ln=285392.

⁵⁹ Aggestam, L., & Hyde-Price, A. (2019). Learning to Lead? Germany and the Leadership Paradox in EU Foreign Policy. *German Politics*, 29(1), 8–24. <https://doi.org/10.1080/09644008.2019.1601177>.

⁶⁰ Hård av Segerstad, Jonas (2025) 'Tyska-Svenska samarbetsområden', *Kungl Krigsvetenskapsakademien Tidskrift*, nr.2/2025, pp.53-58.



strategic autonomy with the imperative of maintaining strong transatlantic cohesion. Both advocate 'complementarity, not competition' between EU defence initiatives and NATO structures. Sweden and Germany are therefore well-positioned to act as a constructive bridge-builder between transatlantic-oriented allies and those favouring strong EU-led defence capabilities – reinforcing alliance unity while promoting responsible burden-sharing.

Key Take-Aways and Policy

Recommendations:

- For the first time in the history of the Federal Republic, the German government is seeking to play a leadership role in European security and defence.
- Germany is set to emerge as a major military power in Europe and partner for

European security and defence-industrial cooperation.

- Domestic political fragmentation and contestation in Germany will, however, present major challenges for the foreseeable future.
- Sweden and Germany are emerging as close partners with NATO and the EU, with a shared interest in the security of the Baltic Sea region and in defence-industrial co-operation.
- Sweden and Germany share many common interests and policy perspectives, including on transatlantic relations, European integration, support for Ukraine, and the continued health and viability of co-operative multilateral institutions and a rules-based international order.



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