

German government adopts historic war budget

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On July 6, one day before the NATO summit began in Ankara, the Merz-Klingbeil government set in motion the largest rearmament budget in the history of the Federal Republic. The government draft of the 2027 federal budget adopted by the cabinet places the whole of society on a war footing.

The regular budget of the Defence Ministry will rise within a single year from €82.7 billion to €109.7 billion—a leap of 32.7 percent. No other ministry will see anything approaching such an increase. Added to this are €30 billion from the so-called special fund for the Bundeswehr and €11.6 billion for support to Ukraine. These three items alone amount to €151.3 billion. In addition, 6,000 new military posts and 2,100 civilian positions are being created in the Defence Ministry.

And this is only the beginning. According to the financial plan adopted by the government, the regular defence budget alone will grow to €153.9 billion in 2028, €162.9 billion in 2029 and €183.7 billion in 2030. It will thus more than double within four years compared with 2026. The €100 billion “special fund” established by the former Social Democrat-led coalition after the outbreak of the Ukraine war is to be fully spent by the end of 2027. Rearmament will then be financed directly from the core budget and, to an ever greater extent, through new debt.

To this end, the federal government already largely suspended the debt brake for military and so-called security expenditure last year—with the support of the Greens in the Bundestag and the state governments of Bremen and Mecklenburg-Western Pomerania, in which the Left Party participates, in the Bundesrat. Corresponding expenditure above 1 percent of gross domestic product is no longer subject to the normal borrowing limits. While there is supposedly no money for education, healthcare, pensions and municipal infrastructure, the military apparatus has effectively been given a blank cheque.

By 2029, Germany’s NATO-related expenditure is to rise to 3.5 percent of gross domestic product. In addition to the defence budget, this figure includes military-related expenditure by other ministries.

The full 5 percent target, to which the NATO states had already committed themselves at the 2025 summit in The Hague, is to be achieved across the alliance by 2035. It is divided into at least 3.5 percent for direct military expenditure and up to 1.5 percent for militarily usable infrastructure, communications networks, civil defence, “resilience,” technological development and the arms industry.

Germany intends to reach the 3.5 percent target six years earlier. On the basis of Germany’s current economic output, the full 5 percent target would mean war-related expenditure of well over €200 billion per year.

Finance Minister Lars Klingbeil (SPD) made unmistakably clear at the presentation of the budget against whom this rearmament is directed. Germany had to “make up three decades” in the shortest possible time and could not defend itself “against Putin with a balanced budget.” Behind the propaganda phrase of “defence” lies the preparation of a direct NATO war against the nuclear-armed-power Russia.

The official target date is 2029. Leading representatives of the Bundeswehr and the government openly declare that by then not only the military, but the whole of society, must be “war-ready.” The government and military justify this timetable with the claim that Russia could be in a position to attack NATO territory by the end of the decade. From this they derive the comprehensive reorientation of the armed forces and the whole of society towards so-called national and alliance defence.

The political connection between the war budget and the NATO summit is unmistakable. The day after the cabinet decision, the meeting of heads of state and government began in Ankara, accelerating the implementation of the 5 percent target agreed in 2025 and the expansion of the European armed forces.

NATO Secretary General Mark Rutte describes this course as “NATO 3.0”—a “stronger European NATO” in which the European powers take over a larger share of conventional warfare and military burden-sharing with the United States is reorganised. He explicitly cited Germany as the leading example. “Germany is leading, and Germany is delivering,” he declared in Berlin at the beginning of July. Even before the presentation of the current draft budget, Rutte pointed out that Germany would increase its annual military expenditure to more than €150 billion by 2029.

In fact, no other major European power is proceeding as aggressively as Germany. Chancellor Friedrich Merz (CDU) has repeatedly declared that the Bundeswehr is to be built up “as quickly as possible into the strongest conventional army in Europe.” When he took office, he explicitly justified this claim with Germany’s population size, economic strength and geographical location at the centre of Europe.

In Ankara, Merz underscored that Berlin is not merely reacting to pressure from US President Donald Trump, but is pursuing its own imperialist aims. “We are not making this enormous effort to

do anyone a favour,” he declared before his departure. Germany was rearming in its own “security interests.” At the same time, he announced a German initiative under which the European NATO powers would assume still larger parts of the financing and arming of Ukraine.

The war budget is part of a comprehensive economic and social mobilisation. Significantly, the NATO summit began with a “Defence Industry Forum,” at which governments and arms corporations presented projects and declarations of intent worth tens of billions of dollars.

These include negotiations over the purchase of up to ten GlobalEye surveillance aircraft from the Swedish corporation Saab, plans to procure up to five Triton reconnaissance drones, and a declaration of intent by Rheinmetall and Lockheed Martin for the joint production of ballistic ATACMS missiles in Germany.

Rutte demanded nothing less than a “revolution” in the transatlantic arms industry. “The hum of the machines must become a roar,” he declared. Governments had to guarantee large, long-term contracts, remove regulations and create secure energy, raw material and supply chains for the arms corporations. In addition, enough trained workers had to be made available for weapons production. According to Rutte, NATO is to have the capacity as early as next year to produce 4 million artillery shells annually—almost twice as many as in the previous year.

This is the programme of a war economy. Energy supplies, transport, research, universities, schools, hospitals and the entire industrial production process are increasingly being subordinated to the requirements of the military. Under the slogans of “resilience,” “critical infrastructure” and “comprehensive defence,” the boundary between the civilian and military spheres is being systematically abolished.

The new German war laws adopted last week in Rutte’s presence advance this process. The so-called Bundeswehr Infrastructure Act creates far-reaching exemptions and accelerated procedures in construction, planning and environmental law in order to build barracks, ammunition depots, training grounds and military transport routes more rapidly.

At the same time, the population is being registered for military purposes and placed under the control of the state. The Reserve Strengthening Act abolishes the previously applicable “double voluntariness” for future soldiers, under which both assignment as a reservist and each individual period of reserve service required the consent of the person concerned.

Persons who leave active service after the law comes into force and are assigned to the reserve can in future be called up against their will for reserve duties lasting several weeks. Depending on the length of their previous service, up to three, four, six or 12 weeks can be ordered annually. By 2035, the reserve is to grow to at least 200,000 personnel, in addition to 260,000 active soldiers.

To achieve this, the reintroduction of conscription is being prepared. Since the beginning of 2026, all 18-year-old men and women have received a questionnaire concerning their military suitability and willingness to serve. From July 1, 2027, medical examination will be compulsory for men born in 2008. If the planned growth figures are not reached—as is foreseeable—the Bundestag can activate so-called needs-based conscription through

a further law. The bureaucratic and legal prerequisites for the forced recruitment of an entire generation are thus already being created.

The costs of this policy are being imposed on the working class. Nothing demonstrates the class character of the budget more clearly than a direct comparison between ministries: While the regular defence budget is increasing by 32.7 percent, the budget of the Federal Health Ministry is being cut by around 34 percent—from €21.8 billion to €14.3 billion.

In addition, the government announced cross-departmental savings of €4 billion for 2027 and further cuts of €8 billion annually from 2028 onward. By 2029, 8 percent of positions in the federal administration are to be eliminated. Significantly, the security agencies are exempt. Further cuts are planned, among other areas, in development cooperation and in federal subsidies for pensions, healthcare and social housing.

These measures are only the beginning of a social counterrevolution. The billions flowing into tanks, missiles, drones and arms corporations are now being systematically stolen from pensioners, the sick, the unemployed and working families.

War abroad and class war at home are two sides of the same policy. A society that permanently spends hundreds of billions of euros on military violence cannot guarantee democratic rights. The more opposition grows to conscription, social cuts and war, the more aggressively the state will proceed against strikes, protests and socialist opposition.

The NATO summit itself provides a clear warning. The government of Turkish President Recep Tayyip Erdoğan banned protests and transformed Ankara into a fortress with tens of thousands of police and security personnel. More than 100 participants in an anti-NATO demonstration were arrested. At the same time, the authorities carried out so-called anti-terror raids against hundreds of other people; with more than 100 of them placed in pretrial detention.

All NATO powers support this repression because they need the Erdoğan regime as a partner for their wars against Russia and Iran and their preparations against China. The measures in Ankara simultaneously illustrate the dictatorial methods with which the ruling classes in North America and throughout Europe will themselves suppress growing opposition to war, conscription and social devastation.



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