

Great Expectations: Germany must seize the opportunity to restart German-American relations

Henning Riecke

What a relief! For Germany, Joseph Biden's victory in November has removed the horrific prospect of four more years of "America First" populism that could have destroyed the transatlantic bond. Germany had been in the crosshairs of Donald Trump's aggression and was pushed to play an awkward role as a balancer against the maverick superpower and whip for European autonomy. Biden's victory has for a time ended this nightmare. Germany is eager to repair the friendship with the USA, a cornerstone of its foreign policy. It is facing a US president wooing partners for a vision of a community of democracies worldwide. Be careful what you wish for: A transatlantic restart needs ideas, engagement, and enthusiasm from Germany as well.

No surprise, after four years of Trump, most Germans support and trust the new US president, and optimism about transatlantic relations went up with his election.¹ With good reason: Biden wants to return to diplomacy and multilateralism, to rebuild alliances that have served the US well for decades. In his team, pro-European diplomats hold leading positions. He has set democracy and human rights in the center of his foreign policy. Biden praises the cooperation of democracies in the geopolitical struggles of the future.² Biden stands for a different political culture: He will not gain credibility from making enemies, as Trump did, but by creating allies. Biden has shown early on that he will embrace the practical international engagement of the USA. German and American transatlanticists discussed the opportunities to return to close coordination.³

He pressed for the USA's return to the Paris Agreement on climate policy, with the intent to make the USA climate-neutral by 2050 and to have the power sector reach that goal even earlier, by 2035. The largest economies, including the EU, Japan, and China, have made ambitious promises and are entering a year of dense climate diplo-

macy. The USA wants to seize a leading role: Biden has called for a Climate Summit on Earth day, April 22, 2021.

Biden has announced that the US will immediately return to the World Health Organization and restore the funding, making global health and a better distribution of vaccines a policy priority.⁴ At the virtual G7 summit under British chairmanship, Biden announced that the US would contribute \$2 billion to procuring COVID-19 vaccines for poorer countries, with a pledge for another \$2 billion to encourage others to step up their share. That pledge contains financial help and would not include the sharing of vaccines already purchased for the USA. The USA will also return to the UN Human Rights Council to reclaim US leadership on that issue.

The new president has also accepted negotiations with Iran. As soon as the EU invites the partners, the USA would return to the Iran nuclear deal and – hopefully – negotiate a broader and more durable agreement. In arms control, the US and Russia agreed in February to extend the New START Treaty for five years to secure nuclear stability.



The US and Germany do not see eye to eye on every issue regarding Russia, especially when it comes to the Nord Stream 2 gas line. Depicted is the construction site of the Nord Stream natural gas pipeline in Germany (photo: Stefan Dinse / Shutterstock.com)

The trade dispute between the EU and America will most likely enter a more accommodating phase with Biden in charge, although the tariffs might not fall immediately. Biden intends to follow a “Buy America” line for public spending. There is little appetite in the US to negotiate a new sweeping free trade agreement with Europe – first, the transatlantic partners should work together for reform of the World Trade Organization.

Technology is another area where transatlantic cooperation might flourish, although taxation and price issues remain contentious. The Commission and the US Trade Representative are about to set up a Trade and Technology Council to agree on common standards and to spur industry cooperation.

Amid all these hopes for international progress, Germany understands that Joseph Biden’s priorities will be domestic, and that has global repercussions. The new govern-

ment faces multiple crises: the raging pandemic; an ailing economy; a political division, if not an erosion of the democratic order itself. Biden will defend democracy at home to lead democrats to unity worldwide. Biden must aim at economic consolidation and the creation of jobs – and that will guide foreign policy as well. At the same time he cannot look weak when facing antagonists in China or Russia if he wants to win support for his domestic agenda and build up international trust. Initiatives from Europe are needed, and they must take this conundrum into account.

To make things more difficult, there is a problematic timeline: Elections in Germany take place in 2021 and in France in 2022, which might slow down transatlantic rapprochement. The US 2022 midterm elections might cost Biden his narrow majority in one or both houses of Congress.

Given such adverse dynamics, there is a risk that instead of a new transatlantic grand compact, the transatlantic partners will end up with a mix of cooperation and conflict and fail to create unity to strengthen the West in the geopolitical struggles with China and other authoritarian powers. Let us look at two areas where agreement is more difficult to obtain.

MANAGING GEOPOLITICAL COMPETITION WITH CHINA

In the virtual Munich Security Conference 2021, Joseph Biden gave an emotional speech about the value of the cooperation of democracies and the need to stand up against China. In their responses, Angela Merkel and Emmanuel Macron used softer language on this conflict of the century and talked mostly about other things.⁵ The distance was obvious.

China's growth and increasingly predatory behavior is a systemic challenge, uniting Democrats and Republicans in the USA, and the most critical joint concern of the Western democracies. Germany and the US have similar problems when managing this power shift, but the challenge looks different from Berlin and Washington. The US fights for its position as a global power in Asia-Pacific and understands that this conflict might take a military shape. In this complicated relationship, Biden will first keep Trump's measures in place or let an inter-institutional review precede (re)defining strategy. Biden will find it hard to compromise with a more lenient line of the Europeans. The Europeans and the Germans in the center seek to have a more balanced relationship with China, looking at the economic benefits and creating peaceful and stable relationships before considering the security aspects of the confrontation.

China has no interest in Europe and the USA achieving a close accord. Some US observers see Chinese concessions and urge to complete the Comprehensive Agreement on Investment (CAI) shortly before Biden took office as an effort to drive a wedge between the transatlantic partners. The new team in Washington would have liked the Europeans to wait for transatlantic coordination. Still, the Commission could point to the Phase One Trade Agreement between China and the US, which gives American companies an unfair edge in the Chinese market. In the German view, CAI is only one of several instruments, including investment screening mechanisms, to manage China's economic relations and not a sign that the Europeans will drop their guard.

The Germans are reluctant to be drawn into a confrontational approach towards China. It needs China as a partner for several governance tasks, such as climate or health, and has no interest in having a tougher line

imposed by their American friends. Such a move might also endanger EU unity. China is an essential partner for all EU members and has included some of them into the Belt and Road Initiative and the 17+1 format of political consultation. In the past two years, the EU debate on China has been moving towards notions of resilience and vigilance to accompany economic exchange. Yet, riding with the Americans might endanger this fragile compromise inside the EU. There are other examples of this hesitancy: Berlin presented its Indo-Pacific Guidelines laying down the principles for more diverse partnerships in the region in autumn 2020 as inclusive for China and was not crazy about putting China on the NATO agenda. And in the search for partners for new forms of multilateral cooperation, an overreliance on democracies will shut out other relevant players.

There is room for cooperation, though: Germans and Americans seek a level playing field with China and rules for fair trade practices. And both understand that their cooperation with China will be impeded whenever its human rights record becomes worse. There will be differences about China between Berlin and Washington and difficult prospects for a grand strategy of the West. But were both sides to create enough unity and focus on mutual goals, it will add pressure on Beijing. That transatlantic accommodation would be facilitated if Biden utilizes the full spectrum of foreign policy tools, not only military supremacy. A joint narrative would help America and Europe share the difficult task of defining the balance between engaging and hedging. They could look for best practices when comparing their agreements with China.

HEDGING RUSSIA

Russia is another geopolitical rival of the USA and the EU. Germany is a sought-after partner for the US when it comes to handling Russia and the systemic challenge it poses by attacking democratic procedures and undermining the credibility of the political system of the liberal states. The security challenges of Russia's potential for disturbance in the European neighborhood can affect Germany directly. Despite its penchant for dialogue and detente with Russia, Germany has been downgrading its relationship with Russia after several transgressions, including the killing of a Chechen with a Georgian passport by a Russian hitman in Berlin and the poisoning of Alexander Navalny. Yet, for the sake of European security, Russia is a necessary interlocutor when it comes to the security in Ukraine, the Western Balkans, or the eastern Mediterranean.

Including Russia in Europe's security is a core belief of German foreign policy, and it wants to keep an array of instruments available to make this possible. Stability



The Biden administration is somewhat tied down because of domestic pressure. Depicted is Joe Biden signing a document in the Oval Office (2021) (photo: archna nautiyal / Shutterstock.com)

through trade is a mechanism dear to the Germans, and with it the Nord Stream 2 Pipeline to import Russian Natural Gas. The Biden administration is opposed to this project, as few Americans understand why the pipeline would be geopolitically smart. The German grand coalition government is committed to carrying it out, and in early February, Russian companies restarted the construction. Biden hesitates to impose new sanctions but will retain the existing ones, possibly not to disturb his opening toward Germany. As a concession, Berlin considers buying American liquid natural gas, which would be more expensive than Russia's.⁶

FACILITATING THE US ROLE AS A EUROPEAN POWER

In Munich, Biden also reiterated the US commitment to article 5 of NATO, the alliance clause, something that Trump had sometimes forgotten to do. The first defense ministers' meeting with the new team in February set a positive tone, with a clear signal that NATO must build up

capabilities and must engage in more political dialogue. This confirmation of its commitment to its European alliance is key to NATO's credibility. Biden also halted the withdrawal of US forces from Germany, imposed by Trump to punish Germany for failing to raise its defense budget. Force redeployments might be reasonable with a view to the overall global posture of the United States but could have been damaging for the alliance's ability to act.

Pressure on Germany to fulfill its promises will continue under Biden. His defense secretary Lloyd Austin praised the fact that NATO defense budgets in sum had been rising for seven years and reminded the allies of their 2014 pledge made in Wales to spend 2 percent of their GDP for defense and of that 20 percent for innovation and procurement.⁷ Merkel promised in Munich once again that Germany would move toward the Wales Pledge level. Germany will a higher budget to fulfill its force targets promised to NATO with the current budget – such as a fully



Germany will not adhere to the 2% burden sharing norm. Depicted is German Chancellor Angela Merkel speaking at a NATO summit in 2016 (photo: 360b / Shutterstock.com)

equipped Very High Readiness Joint Task Force in 2023 or three operational divisions by 2032. Pointing to German contributions – also in the extended NATO mission in Afghanistan - might diffuse the US critique, but the budget conflict will not disappear. Yet Germany should not make Biden stand out as a loser in that conflict, but live up to its promises.

STRATEGIC AUTONOMY SHOULD NOT CONTRADICT AN ALLIANCE

Interestingly, with the prospect of a pro-European president in Washington, Germany has moved away from the notion of strategic autonomy in Europe. German Defense Minister Annegret Kramp-Karrenbauer found herself in a publicized spat with Macron after calling European Autonomy “an illusion” – Europe could not replace the US as the guarantor of European security.⁸ That would be a misinterpretation of Macron’s thinking – something he explained in Munich: Some of the conflicts in Europe’s vicinity will affect Europe more than the US and should be

on the task list of European security policy. There would be no contradiction between European strategic autonomy and a robust NATO Alliance. Autonomous capabilities could be a reasonable yardstick for force planning. It might add to a developing strategic culture of the EU, but it cannot be an anti-American political gesture that might also divide Europe. With her prime interest in holding the Union together, Merkel might be pleased to see that sense of realism prevail.

PUT YOUR MONEY WHERE YOUR MOUTH IS

Germany can be glad to have the opportunity to work with a US government so much in line with its own principles, in contrast to the destructive impulses of Donald Trump. Biden represents a liberal internationalist branch of foreign policy to which the Germans find easy access.

There are differences, though, and German-American relations have never been in full harmony. The superpower with a will to retain military dominance looks at the

world differently than the trading state that does not believe in coercion. Seeking stability brings Germany to an accommodation with systemic rivals such as Russia or China. There is geopolitical thinking in German foreign policy, but Germans are hesitant to identify the repercussions this might have on defense policy. And in the early days of Biden's term, Merkel's lack of enthusiasm has become visible.

Nevertheless, the Americans might see Germany as an indispensable partner, being the strongest economy in Europe and, after Brexit, the most relevant partner on the old continent. And connections to the problematic counterparts like Russia, China, and Iran mean added value in cooperation and diplomacy. For Germany, that might create a dilemma. While close ties with America promise global influence, Germany does not want to lose its mediating role in Europe. That would be why Germany would call the EU partners first when embarking on international initiatives. With the democratic US president, those trying to block international agreement and always take a military path can no longer point to Washington and accuse the German government of being America's poodle.

Yet, there is room for cooperation with the Biden team, even if differences, including sometimes manifest conflicts, will be visible. The German government, even post-Merkel, might aim for gradual progress in different policy fields, reflecting what Germans see as credible foreign policy. It should also communicate that it is aware of the historical opportunity that this constellation offers.

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Merkel will add a number of cooperative successes to her balance sheet, but more focus will be on her successors. Depicted is Armin Laschet, the probable successor of Angela Merkel in the CDU (photo: photocosmos1 / Shutterstock.com)

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