

Germany and Trump-America: back on track?

Ulrich Speck | Senior Research Fellow, Elcano Royal Institute | @UlrichSpeck 

The widely anticipated clash between Germany and the Trump Administration has not happened. Instead, Berlin and Washington DC seem to be on the way to **pragmatic cooperation**. There is still significant disagreement, particularly on the question of Germany's defence budget, but if pragmatism continues to prevail in the Trump Administration, Germany and the US are on the way to continuing their close partnership and cooperation.



Like other capitals, Berlin was caught by surprise by the election of Donald Trump. It had expected a smooth handover from President Barack Obama to Hillary Clinton. Chancellor Angela Merkel's first reaction was quite reserved; in a statement she offered close cooperation 'on the basis of shared values' such as democracy, freedom and human rights. In the following weeks it looked as if Merkel and Trump were entirely juxtaposed in the international arena, as antipodes embodying different worldviews and value systems. American liberal media started to celebrate the German Chancellor as the 'leader of the free world' in order to underline that Trump has deviated from American values. The narrative of a German-American divide seemed to proffer new evidence when Trump, at their meeting in the White House on 17 March, appeared to have refused a handshake with Merkel in front of the press.

"Beyond all the media chatter, the German-American relationship is slowly getting back on track"

But beyond all the media chatter, the German-American relationship is slowly getting back on track. There is still significant disagreement, but both sides seem to be intent on overcoming the initial tensions and work together. This is due to developments at both ends. On the German side, Merkel has worked hard to prepare for the meeting with Trump, trying to understand the latter's worldview and attitudes. From a German perspective, the relationship with the US is traditionally the most important foreign relationship. First, **the US remains vital to German security**, especially at times when Moscow is behaving aggressively and working with nuclear intimidation. Secondly, consensus with America is indispensable in order to reach any goals in regions that are of the greatest strategic importance to Germany: Russia and Eastern Europe, the Middle East and Asia-Pacific. Third, Germany needs the US to back up the liberal international order with its power: in a rules-based globalised world, Germany –which is weak on hard power but strong on economic power– has much better cards.

On the US side pragmatism seems to prevail, at least on foreign policy. Trump's national security team of very senior, experienced figures –Secretary of Defense James Mattis,

Secretary of State Rex Tillerson and National Security Advisor H.R. McMaster understands the challenges and is determined to largely let continuity prevail in US foreign relations. Trump's son-in-law Jared Kushner, the President's senior advisor and increasingly influential on foreign policy, equally seems to have a moderating influence on Trump. The influence of the right-wing ideologue Steve Bannon appears to have vanished. The pragmatists in the White House understand that the US cannot alienate its allies and count on their cooperation at the same time. Germany has been a key ally of the US under Obama. The latter choose Berlin as the main venue for his last trip to Europe as US President and called Merkel his 'closest international partner'. Obama and Merkel have co-led the Western response to Russian aggression against Ukraine since 2014 and worked together on TTIP, the transatlantic trade and investment deal, climate change and other issues.

The relationship between Trump and Merkel, however, appeared to be tense. On the campaign trail Trump said that 'Merkel is really a great world leader' and that he 'was always a Merkel person'. But at the same time he 'was very disappointed' about her **refugee policy**, which he saw as a 'tragic mistake'. In the early days of the Trump Administration there was doubt about Trump's commitment to NATO and nervousness about potential US attempts to redefine the trade relationship with Europe and Germany. But the Trump-Merkel meeting on 17 March appears to have gone well. In a *tweet* on 18 March Trump said they had a 'great meeting', but Germany needed to raise its defence budget. In an interview with the FT two weeks later, Trump said he had 'a great meeting with Chancellor Merkel, I really liked her, and the press doesn't get it'. The issue of refugees, dominant during the campaign, seems to have moved into the background. During the joint press conference with Merkel, Trump mentioned the fight against 'Islamic terrorism' and the need to 'defeat ISIS', but refrained from criticism of Germany.

A second controversial issue has been **trade**. During the campaign Trump mainly attacked China for trade imbalances. But this is also an issue in relation with Germany. At the joint press conference Trump said 'We must work together towards fair and reciprocal trade policies that benefit both of our peoples'. Merkel responded: 'We say trade has to be rendered fairer, there has to be a win-win situation. We can talk about the details of that'. Merkel's strategy is to convince

"Merkel's strategy is to convince Trump that the current economic relationship between Germany and the US is benefitting the latter"

Trump that the current economic relationship between Germany and the US is benefitting the latter, and to change the focus by offering support on bringing manufacturing back to the US by promoting German-style vocational training. At the same time, Germany has refused to engage in direct trade talks with the US and referred to the European Commission as being exclusively responsible for trade negotiations. Trade imbalances are certainly a major issue for Trump, but one that has moved down to the longer-term agenda. The US President has tasked the Commerce Department and the US trade representative to conduct a 90-day review of the causes of US trade deficits.

The main sticking point in German-US relations is going to be the **German defence budget**. Germany's contribution to NATO figured prominently in Trump's statement at the joint press conference with Merkel. It is the only issue Trump has mentioned on

Twitter after the meeting. He mentioned it also in a Time interview on 23 March: 'And when Germany was over here I said, we are going to have a great relationship with Germany but you have to pay your NATO bills, and they don't even dispute it, ok' (Time, 23/III/2017). Trump holds the view that there is a serious imbalance between America and its allies with regard to military burden-sharing since decades, and here Germany is very much in the spotlight. Moreover, it is an issue where his national security team probably agrees, as well as many Democrats.

Like other NATO members, Germany is supposed to come up with a detailed plan of how it wants to increase its defence budget in order to reach the target of 2% of GDP that NATO members all agreed to. This could become a contentious issue in the German election campaign. The centre-left SPD –which is in a grand coalition with Merkel's centre-right CDU but would like to beat Merkel with its candidate Martin Schulz in the elections in September 2017– does not deny the need to raise the budget further (it has already risen by 8% from 2016 to 2017). Leading SPD figures, however, have demonstrated unwillingness to fulfil the US demand.

“[A plan for increasing the defence budget] could become a contentious issue in the German election campaign”

While contentious points remain, what has often been overlooked is that Merkel and Trump have found agreement on **Ukraine**. At the joint press conference Trump praised 'Merkel's leadership, along with the French President, to resolve the conflict in Ukraine', and Merkel thanked Trump that he 'personally, commits himself to the Minsk process'. At a time when it is still unclear what kind of relationship Trump seeks with Russia, having the Minsk process endorsed by the new Administration is an important achievement, raising at least hope for continuity in EU-US cooperation on Ukraine and Russia. Merkel and Trump also agreed to continue cooperating on Afghanistan. In a phone call on 5 April –the second after the meeting on 17 March– the focus on foreign-policy cooperation was confirmed. Trump and Merkel discussed 'several issues of mutual concern and interest, including the conflict in eastern Ukraine and the situation in Afghanistan', pledged close cooperation and coordination 'on these and other issues' and 'agreed to remain in close contact'. In another phone call on 11 April, Merkel and Trump spoke about Syria and North Korea.

Overall it seems that US-German relations, which have been excellent under Obama, are moving towards continuity. There is still considerable risk of disruption, with the German defence budget and the trade imbalance as potential sticking points. But the Trump White House seems to see Merkel as a valuable, important ally. Merkel's strategy to present herself as an experienced advisor, her emphasis on areas of agreement and her attempts to put controversial issues on the back burner seem to have worked. If the Trump Administration continues to move from a disruptive agenda towards moderation and the mainstream, US-German relations will soon be back on track.