

GLOBAL AND REGIONAL ORDER

# RESTORATION OR REINVENTION?

The Transatlantic Relationship under President Biden and Chancellor Scholz

**Leonie Klüver**  
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Global conflicts, a shifting international order, and an ongoing pandemic pose unprecedented foreign policy challenges to Germany and the United States. In recent years, diverging interests and policy priorities strained the bilateral relationship.



Yet, the newly elected German government devoted a section of its coalition agreement to strengthening and deepening the cooperation with the US. Similarly, President Joe Biden's policy appears to align more strongly with Germany's interests.



What are the prospects of a reinvented transatlantic partnership between the US and Germany?



Less than 100 days after the new German government under Chancellor Olaf Scholz took office, Russian President Vladimir Putin's war against Ukraine has preempted politics in Europe and the West, taking center stage in the political discourse in Berlin and in Germany's relations with the European Union (EU) and United States (US). The atrocious and unjustified war has unified North Atlantic Treaty Organization (NATO) members, Germany, the EU, and the US in their response opposing Putin. At the same time, the new German government – a “traffic light” coalition consisting of the Social Democratic Party (SPD), the Green Party, and the Free Democratic Party (FDP) – is still trying to implement several economic, political, and societal goals outlined in its coalition agreement regarding Germany's future partnership with the US beyond the context of a unified response to Putin's war of aggression in Ukraine. Ultimately, the visions and goals of Germany's new government will be crucial to determining whether the US and Germany will reinvent the transatlantic partnership. Of course, the outcome of the war in Ukraine will play a significant part in this partnership. What are the prospects of a reinvented transatlantic partnership between the US and Germany based on the German coalition agreement of the Scholz government?

The coalition agreement formed by the Scholz government is titled “*Mehr Fortschritt Wagen*” – “dare more progress”.<sup>1</sup> The document outlines the government's pre-agreed and prioritized policy goals, including vague descriptions of the visions for future cooperation between Germany and the US. The main message of the section on the transatlantic partnership is that the German government supports a renewed and dynamic transatlantic relationship with the US and Canada that is also shaped by the EU.<sup>2</sup> Further, it underscores the importance of this relationship in Germany's international decision-making. And yet, there is a marked absence of specific policies that the German government envisions – despite the various topics outlined for future US-German cooperation. I have identified four overarching topics in the agreement: (1) economic cooperation – specifically trade, standards, and technology; (2) security interests and strengthening the liberal international order; (3) climate and energy policies; and (4) further cooperation and exchange in civil society. However, it should be noted that these topics do not receive equal emphasis in the coalition agreement. While the first two topics have specific policy goals outlined, the last two are rather vaguely defined grand aspirations. Because the primary source of my present analysis is the coalition agreement, my analysis subsequently reflects the unequal emphasis on these four topics. To gain an understanding of the composition of the four identified topics, I also considered the individual elec-

tion programs put forward by each party – documents which serve as a kind of campaign advertisement and are necessarily more ambitious and divergent than the coalition agreement. In this essay, I will briefly assess each topic outlined in the transatlantic section of the coalition agreement, considering the status quo in Germany and the US and evaluating the implications for the future of the transatlantic partnership.

## CONTEXT: THE TRANSATLANTIC RELATIONSHIP FROM TRUMP TO SCHOLZ

The transatlantic relationship is a flexible and dynamic phrase to describe the unique partnership between Europe and North America. However, the term is often treated as a static concept, especially by actors in the EU, who view the transatlantic partnership as an immovable guarantee of European security and economic prosperity.<sup>3</sup> However, when assessing German-US relations, a focus should lie not only on the transatlantic relationship, but also on bilateral relations, wherein Germany is seen as a member state in the larger framework of the EU. Due to the EU's exclusive and shared competencies vis-à-vis its member states, German-US relations are inevitably also components of the EU-US relationship. While the transatlantic relationship includes more countries than Germany and the US, in this essay I refer to the *transatlantic partnership* as a synonym for this bilateral relationship.

There is a general consensus in academia that the transatlantic partnership has weakened in the past two decades due to a divergence in US-German / US-EU state interests, perceptions of threat, and multilateral commitments.<sup>4</sup> Although the Trump administration showcases the clearest example of this divergence, it is also argued that German/EU-US relations have been strained since 9/11 and the resulting war on terror pursued by the Bush administration.<sup>5</sup> In light of the election of Joe Biden and the first year of his administration, media outlets on both sides of the Atlantic have extensively raised the question of the transatlantic partnership and its future, asking whether restoring the transatlantic relationship is possible or desirable.

After four exceptionally hostile years between the US and Germany under President Trump, President Biden's temperament and policy appears to have restored some faith in the transatlantic partnership. During Olaf Scholz's inaugural visit to Washington as Chancellor in February 2022, President Biden emphasized: “whether as Allies in NATO, partners through the European Union, as leaders of the G7

<sup>1</sup> “Mehr Fortschritt Wagen: Bündnis für Freiheit, Gerechtigkeit, und Nachhaltigkeit,” Koalitionsvertrag 2021–2025 zwischen der Sozialdemokratischen Partei Deutschlands (SPD), BÜNDNIS 90/ DIE GRÜNEN und den Freien Demokraten (FDP), <https://www.bundesregierung.de/resource/blob/974430/1990812/04221173eef-9a6720059cc353d759a2b/2021-12-10-koav2021-data.pdf?download=1>.

<sup>2</sup> Ibid, 154.

<sup>3</sup> Mariusz Blaszczak, “Europe's alliance with the US is the foundation of its security,” *Politico*, November 25, 2020, <https://www.politico.eu/article/us-poland-europe-alliance-foundation-security/>.

<sup>4</sup> Marianne Riddervold, Guri Rosén, “Unified in response to rising powers? China, Russia and EU-US relations,” *Journal of European Integration* 40, no. 5 (October 2018).

<sup>5</sup> John Peterson, “Structure, agency and transatlantic relations in the Trump era,” *Journal of European Integration* 40, no. 5 (October 2018).

and G20, or through our strong bilateral relationship, Germany and the United States are close friends and reliable partners, and we can count on each other.”<sup>6</sup> In a similar vein, in a January meeting between US Secretary of State Antony Blinken and German Foreign Minister Annalena Baerbock in Berlin, both showed a united front in foreign policy interests concerning Russia during a jointly held press conference. Both Blinken and Baerbock emphasized their government’s commitments to promoting liberal shared values and strengthening multilateralism.<sup>7</sup>

This is not an immediate development in light of the ongoing war in Ukraine. Bilateral meetings between US and German representatives since the start of the Biden administration have demonstrated a certain steadiness of tone and cordiality. During a visit to Germany in 2021, Secretary of State Blinken went as far as to express to then-Foreign Minister Heiko Maas that “it is fair to say that the United States has no better partner, no better friend in the world than Germany.”<sup>8</sup> Although relations have visibly improved with the change in Presidency, there has still been irritation and misunderstandings toward Biden’s foreign policy. This is best exemplified in German and European frustration with the United States’ unilateral decision and rushed withdrawal from Afghanistan, leading Europeans to question transatlantic military cooperation.<sup>9</sup> Despite current coordination and solidarity, the continuing Russia-Ukraine war might offer the opportunity for future misunderstandings or disagreements in the perception of military threats and the interdependence between Europe and Russia.

## ECONOMIC COOPERATION: TOWARDS ECONOMIC PROSPERITY AND DATA SOVEREIGNTY?

The economic component of the transatlantic partnership is profound and deeply connects the US and Germany. In 2020, the US was the biggest importer of German goods, and the US is Germany’s third-largest trading partner globally in terms of the total value of traded goods.<sup>10</sup> While these bilateral trade relations are a substantial part of both national economies, trade relations also allow both countries to find a harmonized approach to China

and to shape international standards, values, and rights. Through globalization and digitalization, new questions regarding data security and technology are arising that require agreements, and pose both challenges and opportunities.

The US and Germany have diverging views about *data security*. In the coalition agreement, the German government promotes an extensive transatlantic dialogue for data sovereignty which is supposed to result in an agreement legally compliant with EU data protection law.<sup>11</sup> However, specific policy proposals on how this dialogue and agreement could take shape as well as a specific strategy on the implementation of data sovereignty are notably absent. Thus, one can only assume that the new government is essentially assuming and continuing the data strategy passed in 2021 by the last Merkel-led government.<sup>12</sup>

*International data transfers* are a substantial part of our global and digitalized economy. However, different perceptions on data security cause confrontations and raise legal questions as national borders become blurred in digital exchange. The European concept of data sovereignty which maintains that one can decide about the use of one’s data is not shared across the Atlantic. Specifically, the US CLOUD Act highlights this divergence, as it allows data from US citizens, companies, and European clients of US companies outside the US to be treated as if they were on US servers.<sup>13</sup> Ultimately, US authorities can access sensitive data from German companies if they use a US service provider.<sup>14</sup> Despite strong German and EU opposition to this act, there remains a dependency on these US companies and digital service providers. Therefore, in terms of data security, there are two hurdles the new German government faces on the road to data sovereignty: first, they must find a mutual agreement with the US on data protection; and second, they must promote an infrastructure that stimulates digitalization and allows EU-based and founded companies to become internationally competitive. While the latter is starting to be implemented through the initiative Gaia-X and the EU Digital Market Act, the former lack specific ideas and German actions.<sup>15</sup>

The coalition agreement does not mention the EU-US Trade and Technology Council (TTC) which was initiated in

6 “Remarks by President Biden and Chancellor Scholz of the Federal Republic of Germany at Press Conference,” The White House, February 2, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2022/02/07/remarks-by-president-biden-and-chancellor-scholz-of-the-federal-republic-of-germany-at-press-conference/>.

7 Ibid.

8 Laurenz Gehrke, “Blinken: US has ‘no better friend in the world than Germany,” *Politico*, June 23, 2021, <https://www.politico.eu/article/united-states-no-better-friend-than-germany-us-ally/>.

9 Nathalie Tocci, “Europe’s anxieties about Biden are really anxieties about itself,” *Politico*, September 6, 2021, <https://www.politico.eu/article/europe-joe-biden-anxiety/>.

10 “Germany and the United States of America: Bilateral relations,” Federal Foreign Office, last modified March 5, 2022, <https://www.auswaertiges-amt.de/en/aussenpolitik/unitedstatesofamerica/218718>.

11 “Mehr Fortschritt Wagen: Bündnis für Freiheit, Gerechtigkeit, und Nachhaltigkeit,” 153.

12 Press and Information Office of the Federal Government, “Data Strategy of the Federal German Government,” January 27, 2021, <https://www.bundesregierung.de/breg-en/service/information-material-issued-by-the-federal-government/data-strategy-of-the-federal-german-government-1950612>.

13 Jennifer Daskal, “Unpacking the CLOUD Act,” *Eucrim* 4 (2018).

14 Ibid.

15 “What is Gaia-X?” last modified March 27, 2022, <https://www.gaia-x.eu/what-gaia-x/factsheet>; European Commission, “The Digital Market Act: ensuring fair and open digital markets,” last modified March 27, 2022, [https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/digital-markets-act-ensuring-fair-and-open-digital-markets\\_en](https://ec.europa.eu/info/strategy/priorities-2019-2024/europe-fit-digital-age/digital-markets-act-ensuring-fair-and-open-digital-markets_en).

2021.<sup>16</sup> It aims to promote digital transformations and support new technologies while ensuring that liberal democratic values are being respected.<sup>17</sup> The TTC could provide the necessary platform for a dialogue on data governance, with TTC working group 5 aiming to achieve a common ground on data governance and technology platforms.<sup>18</sup> The FDP advocated for a re-negotiation of the EU-US Privacy Shield as a fundamental step to reach an agreement on data security.<sup>19</sup> It is likely that the TTC – although not directly on the agenda – could provide the framework for a renegotiation of the Privacy Shield and will help achieve a sense of mutual trust between the EU and the US that could foster cooperation and an agreement on data governance in the long term.

The TTC also promotes *cooperation on environmentally friendly technology*.<sup>20</sup> The coalition government highlighted its goal of promoting and strengthening trade relations especially endorsing environmental-protection standards.<sup>21</sup> Again, the lack of detail leaves questions on the framework and scope of these standards unanswered. Nonetheless, the TTC could provide a framework in which the EU and US could reach agreements that they could subsequently promote internationally. The rise of China, the increasing trend of skepticism towards multilateralism, and a weak World Trade Organization (WTO) present severe challenges for the liberal international order. The EU and US have recognized that given their market sizes, promoting international environmental standards will not only positively affect the climate but could also reinstate a stable order.

The WTO continues to be paralyzed due to President Biden's "Buy American" trade policy that has a stale taste of Trump's "America first" policy.<sup>22</sup> So far, the Biden administration has failed to reinstate the WTO's binding dispute settlement system that was degraded by Trump's refusal to select new Appellate Body members. Consequently, the absence of an Appellate Body prevents a working dispute settlement system and, therefore, the WTO cannot settle internal disputes. Thus, the WTO's function to represent the values and rights of the liberal international

order is tremendously weakened.<sup>23</sup> The coalition document states the desire of the German government to reform the WTO together with the US.<sup>24</sup> However, Germany has not undertaken serious efforts for reformation, and this – coupled with Biden's lack of action on the matter – means the timeframe and extent of WTO reform is uncertain.

Although several specific demands from the three parties' individual election programs were not endorsed in the final coalition document, one can expect each of the parties to advocate for their interests during legislative debates as well as in bilateral and multilateral negotiations. Both the Green party and the FDP advocated for a minimum corporate tax rate between the US and EU.<sup>25</sup> This minimum corporate tax rate would also minimize global tax loopholes, and was strongly endorsed by Olaf Scholz in his previous role as finance minister in the last Merkel government.<sup>26</sup> President Biden's proposal to settle on a 15% global tax gained international agreement including from China, Russia, and India and found jurisdiction by 135 countries in October 2021.<sup>27</sup> Since the US and Germany are both committed to this tax, it only needs implementation – which is expected to occur in Germany on January 1<sup>st</sup>, 2023.<sup>28</sup>

The German government has shown a substantial willingness to cooperate closely with the US in areas of economic import. While the coalition document is short on specific policy proposals and ideas on how to achieve the outlined goals, this should not be interpreted to mean the German government is not serious about meeting these goals. Since the government has only been in office since mid-December, the lack of results is unsurprising and should not yet be criticized. It remains to be seen what specific actions the German government will take to achieve its data sovereignty goals as this appears to be a main point of economic-regulatory conflict with the United States. Rather than aiming for a restoration of economic relations to pre-Trump times, these issues all require creative and innovative thinking based on a reinvention of the transatlantic partnership.

<sup>16</sup> "EU-US Relations: EU-US Trade and Technology Council," European Commission, last modified March 6, 2022, [https://trade.ec.europa.eu/doclib/docs/2021/june/tradoc\\_159642.pdf](https://trade.ec.europa.eu/doclib/docs/2021/june/tradoc_159642.pdf).

<sup>17</sup> Ibid.

<sup>18</sup> "EU-US Trade and Technology Council Inaugural Joint Statement," European Commission, September 29, 2021, [https://ec.europa.eu/commission/presscorner/detail/en/statement\\_21\\_4951](https://ec.europa.eu/commission/presscorner/detail/en/statement_21_4951).

<sup>19</sup> "Nie habe es mehr zu tun," Wahlprogramm der Freien Demokraten, [https://www.fdp.de/sites/default/files/2021-06/FDP\\_Programm\\_Bundestagswahl2021\\_1.pdf#page=54](https://www.fdp.de/sites/default/files/2021-06/FDP_Programm_Bundestagswahl2021_1.pdf#page=54).

<sup>20</sup> "EU-US Trade and Technology Council Inaugural Joint Statement," European Commission, September 29, 2021, [https://ec.europa.eu/commission/presscorner/detail/en/statement\\_21\\_4951](https://ec.europa.eu/commission/presscorner/detail/en/statement_21_4951).

<sup>21</sup> "Mehr Fortschritt Wagen: Bündnis für Freiheit, Gerechtigkeit, und Nachhaltigkeit," 154.

<sup>22</sup> David Frum, "This is no Time for Protectionism," *The Atlantic*, March 2, 2022, <https://www.theatlantic.com/ideas/archive/2022/03/biden-economic-nationalism-state-of-the-union/623325/>.

<sup>23</sup> Sarah Anne Aarup, "All talk and no walk: America ain't back at the WTO," *Politico*, November 23, 2021, <https://www.politico.eu/article/united-states-world-trade-organization-joe-biden/>.

<sup>24</sup> "Mehr Fortschritt Wagen: Bündnis für Freiheit, Gerechtigkeit, und Nachhaltigkeit," 35.

<sup>25</sup> "Nie habe es mehr zu tun," 12.

<sup>26</sup> Michael Nienaber, "Germany's Scholz to discuss global corporate minimum tax in Washington," *Reuters*, June 28, 2021, <https://www.reuters.com/world/germanys-scholz-discuss-global-corporate-minimum-tax-washington-2021-06-28/>.

<sup>27</sup> Richard Partington, "OECD deal imposes global minimum tax rate of 15%," *The Guardian*, October 8, 2021, <https://www.theguardian.com/business/2021/oct/08/oecd-deal-imposes-global-minimum-corporate-tax-of-15>; "Minimum corporate taxation," European Commission, [https://ec.europa.eu/taxation\\_customs/taxation-1/minimum-corporate-taxation\\_en](https://ec.europa.eu/taxation_customs/taxation-1/minimum-corporate-taxation_en).

<sup>28</sup> Zuzanna Szymanska, "Germany, France stand by 2023 tax reform deadline," *Reuters*, February 18, 2022, <https://www.reuters.com/article/g20-indonesia-germany-idUSKBN2KN11E>.

## THE LIBERAL INTERNATIONAL ORDER: RESTORING DEMOCRATIC VALUES AS SECURITY INTERESTS

The coalition agreement outlined very broad political and security interests that Germany hopes to jointly achieve with the US. It states: “together, we want to stabilize the rules-based international order, counter authoritarian developments and strengthen cooperation in the EU’s eastern and southern neighborhood.”<sup>29</sup> This is not a new development – there appears to be a red thread throughout the last two decades’ worth of coalition agreements: Germany is of the conviction that its security and national interests are best protected by the liberal international order, which they believe is only guaranteed by the US. Given the tremendous international power of the US, this assumption is to an extent justified. Nonetheless, the current coalition agreement’s use of the first person plural ‘we’ betrays the assumption that the US has the same interests and goals as Germany. Even if Germany does not assume a mutual interest in these goals, this ambitious statement still leaves great room for interpretation on how Germany attempts to achieve these goals.

One reoccurring topic across all three party election programs – as well as the final coalition agreement – is Germany’s endeavor to promote negotiations of disarmament between the US and Russia, as well as China.<sup>30</sup> Although in 2021 Joe Biden and Vladimir Putin recommitted to the new START treaty prohibiting atomic weapons that have global reach, negotiations for further disarmament are required.<sup>31</sup> Especially, given Putin’s outspoken threat to use nuclear weapons in the event of NATO intervention in Ukraine, the negotiated new START treaty appears to have lost both its significance and its objective. Not only does the treaty expire every five years, but there is also a need to include China, as well as to expand the treaty in order to limit the number of atomic weapons, and include new weapon technologies.<sup>32</sup> The German government’s goal is a continuation of the general German political discourse that opposes atomic weapons.<sup>33</sup> China’s increased military spending and military strengthening further emphasizes the need to negotiate a multi-lateral treaty that stabilizes international security and hinders an arms race.<sup>34</sup>

<sup>29</sup> “Mehr Fortschritt Wagen: Bündnis für Freiheit, Gerechtigkeit, und Nachhaltigkeit,” 154.

<sup>30</sup> Ibid, 145.

<sup>31</sup> US Department of State, “New START Treaty,” last modified March 27, 2022, <https://www.state.gov/new-start/>.

<sup>32</sup> Martin Russell, “The new START Treaty between the US and Russia,” *European Parliament Research Service*, (March 2021): 9, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690523/EPRS\\_BRI\(2021\)690523\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2021/690523/EPRS_BRI(2021)690523_EN.pdf).

<sup>33</sup> Ronja Ganster, “Germany’s New Government Settles the Nuclear Debate – for now,” *The German Marshall Fund of the United States*, November 29, 2021, <https://www.gmfus.org/news/germanys-new-government-settles-nuclear-debate-now>.

<sup>34</sup> Martin Russell, “The new START Treaty between the US and Russia,” 9.

An immediate threat requiring strong diplomatic negotiations to prevent nuclear armament is a potential solution to the stalling of the JCPOA – also known as the Iran nuclear deal.<sup>35</sup> Foreign Minister Baerbock has voiced the need to find urgent solutions before Iran concludes its nuclear program and develops the capability to build nuclear weapons.<sup>36</sup> While Germany played a part in negotiating the JCPOA during the Obama Administration, it has become obvious that there cannot be a nuclear deal with Iran or with Russia if the US is not involved. Even if Germany took a leading role in this or any other disarmament negotiation, the sheer size and power of the US will push Germany into a supporting role. Due to the mutual agreement that disarmament is necessary and desirable, restoration of earlier disarmament cooperation is likely – and will positively affect the transatlantic partnership.

Another foreign policy goal outlined in the coalition document is to revive the Peace Process between Israel and Palestine.<sup>37</sup> Earlier this year, Foreign Minister Baerbock took the first step in the process by visiting Israel and Palestine and advocating for a sovereign two-state solution.<sup>38</sup> Together with the US, Egypt, and Jordan, Germany is attempting to reopen peace talks after failed attempts in 2014. Although the US is outspokenly supportive of Israel, President Obama promoted a two-state solution.<sup>39</sup> However, during the Trump Presidency, the likelihood of the two-state solution was undermined when Trump recognized Jerusalem as Israel’s capital.<sup>40</sup> President Biden has not reversed the Trump-era US recognition of Jerusalem as Israel’s capital, which could ultimately complicate Germany’s diplomatic efforts.

Stabilizing an international rules-based order also requires finding an approach to integrate China in this order. While Chancellor Angela Merkel often took a pragmatic and mercantilist stance, the new government is pursuing a value-based approach by raising strong concerns about human rights violations and the suppression of Uighurs, China’s stance on Hong Kong and Taiwan, and military ac-

<sup>35</sup> European External Action Service, “Nuclear Agreement: The JCPOA and its implementation,” last modified March 27, 2022, [https://eeas.europa.eu/delegations/iran/32286/nuclear-agreement\\_en](https://eeas.europa.eu/delegations/iran/32286/nuclear-agreement_en).

<sup>36</sup> Alexander Ratz, Humeyra Pamuk, “Time is running out for Iran nuclear deal, Germany says,” *Reuters*, December 11, 2021, <https://www.reuters.com/world/us-secretary-state-met-with-european-counterparts-discuss-iran-deal-2021-12-11/>.

<sup>37</sup> “Mehr Fortschritt Wagen: Bündnis für Freiheit, Gerechtigkeit, und Nachhaltigkeit,” 156.

<sup>38</sup> “Joint Statement by Foreign Minister Baerbock and the Foreign Ministers of Egypt, France, and Jordan on the Middle East Peace Process,” *Federal Foreign Ministry*, February 19, 2022, <https://www.auswaertiges-amt.de/en/newsroom/news/-/2512440>.

<sup>39</sup> Louis Nelson, “Obama warns the chance of a two-state solution may be slipping away,” *Politico*, January 18, 2017, <https://www.politico.com/story/2017/01/obama-israel-palestine-two-state-solution-233789>.

<sup>40</sup> Mark Landler, “Trump recognizes Jerusalem as a Israel’s Capital and Orders US Embassy to Move,” *The New York Times*, December 6, 2017, <https://www.nytimes.com/2017/12/06/world/middleeast/trump-jerusalem-israel-capital.html>.



tion in the Indo-Pacific and South China Sea.<sup>41</sup> The election program of the Green party clearly identified China as a competitor, partner, and systemic rival.<sup>42</sup> This is in alignment with the EU strategy on China.<sup>43</sup> On the one hand, the bilateral German-China relationship is predominantly about trade and needs a clear strategy; on the other hand, there is the need to find a strategy on how to respond and counteract China's foreign policy ventures, specifically in the Indo Pacific and the Belt and Road Initiative (BRI).<sup>44</sup>

Although the coalition agreement does not directly include German-US cooperation on China – a goal identified by the Green Party's election program, and detailed by the FDP program – Germany at least partially views cooperation with the US and other states as crucial to counter China. The FDP election platform proposed the development of a strategy for Germany – together with the US, Australia, Japan, and India – to force China to respect Taiwan's autonomy.<sup>45</sup> The four possible cooperation partners already form an informal strategic forum called the Quadrilateral Security Dialogue or 'Quad'.<sup>46</sup> So far, Germany has not taken the initiative to pursue this goal, however, since this loose network of states with similar interests is already in place, Germany could still become an active player.

Further, the coalition agreement aims to counter authoritarian regimes.<sup>47</sup> While there are various authoritarian states within the immediate neighborhood of the EU, Russia is a particular standout. With the unjustified war against Ukraine, Putin has proved that he is willing and capable to violate state sovereignty and kill civilians to pursue a larger agenda. With this war, he has ended the thirty-year peace on the European continent and is now threatening EU member states' national security and the liberal democratic values of the international community. So far, Germany and the US have presented a strong and united front against Putin's war against Ukraine. A profound sanction regime against Putin's regime and the measures to exclude Russian banks from SWIFT underline the transatlantic alliance's united approach against Putin. When the coalition agreement was drafted, this war was

not foreseeable and, therefore, one must consider recent German government announcements to assess the prospects of the future transatlantic partnership in regard to Russia.

At an extraordinary session of parliament on Sunday, February 27<sup>th</sup>, Chancellor Scholz announced Germany's policy response to the war in Ukraine. He promised an additional one-time payment of 100 billion euros to the German military, and to allocate more than 2 % of Germany's GDP to the military budget; a NATO requirement that Germany has never reached. This invigorated military presence and Germany's weapon delivery to Ukraine have found resonance in the White House. However, Germany's dependence on Russian energy complicates the otherwise united cooperation with the US. Although Germany has stopped the Nord Stream 2 project, which the US had opposed from the beginning because it would make Germany more dependent on Russia, two-thirds of Germany's natural gas is still imported from Russia. Hence, Germany has been reluctant to sanction, for example, the Eurochem bank in order to ensure a sufficient energy supply and to protect jobs. These continued payments continue to support Putin in financing the war.<sup>48</sup> Germany's dependence on Russian energy exports has been a point of disagreement in the transatlantic partnership since the Obama administration. It will continue to strain the partnership as the war drags on, placing Germany into an increasingly difficult predicament.

Another question that has been discussed at the EU summit in Brussels is the response in case of a nuclear attack by Russia. NATO's article 5 mutual defense clause<sup>49</sup> makes it unclear how the EU, the US, and NATO will respond in the event of a nuclear attack that does not reach NATO member state territory. As this war exceeds any threat since the Cold War in EU member state territory, Germany's policy preference is difficult to predict, as is how its relationship with the US will ultimately evolve.

The last decade has challenged the liberal international order which had been in place since the end of the Cold War. New challenges, actors, and the war in Ukraine are now complicating and straining the transatlantic partnership. As the war takes the center stage in the transatlantic partnership, the broad political goals outlined in the coalition agreement have less influence on how this partnership will evolve. Nonetheless, both President Biden and Chancellor Scholz are so far actively working on a reinvigorated and reinvented partnership that can jointly tackle the challenges of this decade and unitedly react against Putin's aggression.

<sup>41</sup> "Mehr Fortschritt Wagen: Bündnis für Freiheit, Gerechtigkeit, und Nachhaltigkeit," 158.

<sup>42</sup> "Deutschland. Alles ist drin: Bundeswahlprogramm 2021," BÜNDNIS 90/ DIE GRÜNEN, 228, [https://cms.gruene.de/uploads/documents/Wahlprogramm-DIE-GRUENEN-Bundestagswahl-2021\\_barrierefrei.pdf#page=228](https://cms.gruene.de/uploads/documents/Wahlprogramm-DIE-GRUENEN-Bundestagswahl-2021_barrierefrei.pdf#page=228).

<sup>43</sup> "China from partner to rival," European Parliament, October 2, 2020, [https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/659261/EPRS\\_BRI\(2020\)659261\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/659261/EPRS_BRI(2020)659261_EN.pdf).

<sup>44</sup> "Belt and Road Initiative," last modified March 27, 2022, <https://www.beltroad-initiative.com/belt-and-road/>.

<sup>45</sup> "Nie gab es mehr zu tun," 54.

<sup>46</sup> White House, "Quad Leaders' Joint Statement: "The Spirit of the Quad," March 12, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/12/quad-leaders-joint-statement-the-spirit-of-the-quad/>.

<sup>47</sup> "Mehr Fortschritt Wagen: Bündnis für Freiheit, Gerechtigkeit, und Nachhaltigkeit," 145.

<sup>48</sup> C. Hirsch, G. Coi, J. Randerson, "How Europe is funding Putin's war," *Politico*, February 24, 2022, <https://www.politico.eu/article/europe-eu-oil-gas-trade-russia-budget-military-spending-ukraine-war-crisis/>.

<sup>49</sup> North Atlantic Treaty Organization, "Collective Defense Article 5," last modified March 27, 2022, [https://www.nato.int/cps/en/natohq/topics\\_110496.htm](https://www.nato.int/cps/en/natohq/topics_110496.htm).

## FIGHTING CLIMATE CHANGE TOGETHER

Ambitious climate and energy policy cooperation was another identified goal for the transatlantic partnership. As climate change is our most existential issue, the German government is eager to find fast and sustainable solutions to stop global warming. Although the ability of the UN Climate Conference to foster dialogue is recognized, Germany is eager to find specific measures and policies to stop global warming while also pursuing a just transition to new technologies and markets which also preserve the welfare of workers.<sup>50</sup> Recognizing the importance of internationally tackling climate change, Germany places a strong emphasis on energy policy as part of foreign policy in order to involve the US. The recently launched US-Germany Climate and Energy Partnership as well as the EU-US Energy Council could be a useful foundation for regular dialogue.<sup>51</sup> Transatlantic climate cooperation has been inconsistent due to oscillating policy priorities and perspectives in Washington. For the time being, Joe Biden's recommitment to the Paris Climate Accords has strongly improved transatlantic climate cooperation and has created high hopes among Europeans to find a reliable partner across the Atlantic in order to achieve a carbon-neutral economy.<sup>52</sup> The US-Germany Climate and Energy Partnership has the potential to strengthen transatlantic cooperation in three key areas: climate action, transformational energy technologies, and energy transitions in emerging economies.<sup>53</sup> Although this is a good start to achieve a profound and influential partnership in stopping climate change, it requires specific policy proposals which the German government should start to initiate. However, neither the coalition document presented specific ideas on how to deepen and strengthen cooperation, nor has the government since taking office worked toward presenting policy proposals. Thus, this analysis is constrained in assessing the climate prospects of the transatlantic partnership as it lacks both initiative and results. Nevertheless, in comparison to President Biden's predecessor, the mutual willingness and recognition of this pressing issue gives hope that the transatlantic partnership will develop policies in the future.

<sup>50</sup> "Aus Respekt vor der Zukunft," Das Zukunftsprogramm der SPD, <https://www.spd.de/fileadmin/Dokumente/Beschluesse/Programm/SPD-Zukunftsprogramm.pdf#page=56>.

<sup>51</sup> White House, "FACT SHEET: U.S.- Germany Climate and Energy Partnership, July 15, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/15/fact-sheet-u-s-germany-climate-and-energy-partnership/>; Office of International Affairs, "U.S.-EU Energy Council," last modified March 27, 2022, <https://www.energy.gov/ia/international-affairs-initiatives/us-eu-energy-council>.

<sup>52</sup> White House, "Paris Climate Agreement," last modified March 27, 2022, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/01/20/paris-climate-agreement/>.

<sup>53</sup> "Fact Sheet: U.S.- Germany Climate and Energy Partnership," The White House, July 15, 2021, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/15/fact-sheet-u-s-germany-climate-and-energy-partnership/>.

## FURTHER STRENGTHENING CIVIL SOCIETY AND PUBLIC DIPLOMACY IN SOCIAL EXCHANGE

The coalition agreement also advocates for a continuation and deepening of social exchange between Germany and the US. This aspect of the transatlantic partnership has been very stable over recent years and through numerous programs initiated by both governments, as well as civil society: foundations, NGOs, and private companies all contribute to this exchange. High school, university, or internship programs such as the German American Fulbright Program, the German American Partnership Program, or the Congress-Bundestag Youth Exchange are key avenues of public diplomacy and social exchange.<sup>54</sup> The "Wunderbar Together" initiative launched in 2019 by the German Foreign Office will also be continued in 2022.<sup>55</sup> It is expected that the Scholz government will continue to support the already implemented programs as new initiatives have yet to be announced. In recent years a trend of regional integration emerged to strengthen cooperation and exchange between regions in spite of (bilateral) relations between governments.<sup>56</sup> However, it is unclear if the coalition document referred to regional integration in its outlined goals to strengthen social exchange.

Public health is also a major issue in social policy and exchange, especially during the ongoing Covid-19 pandemic. The coalition agreement states the desire to establish a global health polity together with the US and in cooperation with the World Health Organization (WHO).<sup>57</sup> However, there appear to be differences between Germany and the US concerning a strategy for dealing with a pandemic. The new pandemic treaty that was proposed within the WHO framework is strongly supported by the EU and Germany, yet lacks meaningful support from the US.<sup>58</sup> Although the US is supporting a united pandemic initiative it refused to agree on a legally binding treaty.<sup>59</sup> Germany, however, considers a legally binding document crucial to finding a global response not only for this pandemic but

<sup>54</sup> "Fulbright Program," last modified March 27, 2022, <https://www.fulbright.de>; Bureau for Educational and Cultural Exchange, "German American Partnership," United States Department of State, last modified March 27, 2022, <https://exchanges.state.gov/us/program/german-american-partnership-program/>; Bureau for Education and Cultural Exchange, "Congress-Bundestag Youth Exchange," United States Department of State, last modified March 27, 2022, <https://exchanges.state.gov/us/program/congress-bundestag-youth-exchange>.

<sup>55</sup> "Wunderbar Together: Strong as Friends and Partners," last modified March 27, 2022, <https://www.wunderbar2gether.org>.

<sup>56</sup> Bob Deacon, et. al., "Regional Social Policy," *DESA Working Paper*, no. 37 (June 2007), <http://www.un.org/esa/desa/papers>.

<sup>57</sup> "Mehr Fortschritt Wagen: Bündnis für Freiheit, Gerechtigkeit, und Nachhaltigkeit," 153.

<sup>58</sup> "Global leaders unite in urgent call for international pandemic treaty," World Health Organization, March 3, 2021, <https://www.who.int/news/item/30-03-2021-global-leaders-unite-in-urgent-call-for-international-pandemic-treaty>.

<sup>59</sup> Ashleigh Furlong, "US succeeds in efforts to delay pandemic treaty," *Politico*, May 25, 2021, <https://www.politico.eu/article/us-succeeds-in-efforts-to-delay-pandemic-treaty/>.



also for those to come in the future.<sup>60</sup> Although Germany and the US claim to pursue the same goals, the US is more hesitant to pool sovereignty and legally commit to these measures found within a multilateral institution. The negotiations of this new pandemic treaty began in December 2021 and are therefore still in an early drafting stage. Many opportunities to reach an agreement and include the United States remain possible. Given Germany's leadership in pushing for a global health union, Germany will likely attempt to persuade the US into a legally binding agreement.

many and the US have worked to reinvent their transatlantic partnership in the past year. At least until 2024, optimism for a transatlantic partnership that attempts to find solutions to the most pressing challenges of our time is well-justified.

## RESTORING OR REINVENTING?

The new German government has signaled that the US is a major partner, and that the transatlantic partnership is vital for strengthening multilateralism and the liberal international order. The wide range of challenges which the German government looks to the United States for cooperation underlines this significance. Since President Biden took office in early 2021 the transatlantic partnership has been largely reinvented to tackle new and pressing issues across a range of topics. Initiatives such as the TTC, the US-Germany Climate and Energy Partnership, the minimum global corporate tax, nuclear disarmament efforts, and a possible new pandemic treaty highlight the willingness of both sides to reinvent this partnership rather than trying to restore it to a pre-Trump status quo. However, these initiatives were created in cooperation with the previous German federal government – the traffic light coalition under Chancellor Scholz has so far sought continuity in many of these initiatives, building the expectation that they will continue to be pursued. Thus, the coalition document could have been more specific on the implementation of its goals. Specifically, the lack of detail in the aspired cooperation in the field of talking climate change and civil society leaves many questions unanswered. However, in some areas the new government is proving that it is seeking a new path and a break with the status quo – specifically regarding China and taking a tougher stance on data sovereignty.

Nonetheless, two things could still damage this freshly reinvented and still fragile transatlantic partnership. First, Putin's war against Ukraine, his pursuit of a potentially larger agenda, and a threatened use of atomic weapons might push the EU and NATO into extreme situations in which divergent underlying security interests and military attitudes might become visible and significantly strain the partnership. Alternatively, the war could push the partnership into a united alliance and therefore strengthen relations. Second, the next Presidential election will decide the fate of the transatlantic partnership: Germany and the EU can no longer take a friendly US president for granted. Both Ger-

<sup>60</sup> "WHO: Omicron variant underlines need for global pandemic treaty," *Deutsche Welle*, November 29, 2021, <https://www.dw.com/en/who-omicron-variant-underlines-need-for-global-pandemic-treaty/a-59966468>.

## ABOUT THE AUTHOR

**Leonie Klüver** interned at the Washington Office of the Friedrich-Ebert-Stiftung in January and February 2022. She is currently pursuing her Research Master's in European Studies at Maastricht University, having previously earned her Bachelor's degree in International Studies from Leiden University in 2021. Klüver is active in various extracurricular political activities and organizations, including the European Career Association at Maastricht University and the European Youth Parliament.

## IMPRINT

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Friedrich-Ebert-Stiftung Washington, DC  
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Head of the Washington Office of the Friedrich-Ebert-Stiftung

Contact:  
[fesdc@fesdc.org](mailto:fesdc@fesdc.org)

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Friedrich-Ebert-Stiftung Washington, DC  
1023 15th Street, NW | Washington 20005 | USA  
Tel.: +1-202-408-5444 | [www.fesdc.org](http://www.fesdc.org)

## RESTORATION OR REINVENTION?

### The Transatlantic Relationship under President Biden and Chancellor Scholz



What are the prospects of a reinvented transatlantic partnership between the US and Germany? Both recently-elected administrations showcase the willingness to reinvent their transatlantic partnership by jointly tackling the crises of this decade. However, harmonizing policies for new technology, navigating the international order, responding to the war in Ukraine, fighting climate change, and creating a united approach to global pandemics all pose unprecedented challenges.



The traffic light coalition under Chancellor Olaf Scholz has outlined numerous policy fields in which it wishes to strengthen and deepen cooperation with the US. Overall, the prospects of success as well as implementation of programs and initiatives outweigh the challenges facing the new German government.



However, a reinvented transatlantic partnership remains fragile, as Putin's war against Ukraine, different attitudes about the use of force, and Germany's energy dependence on Russia could strain the hitherto united response of the transatlantic partnership. The mutual willingness to respond to these mounting global challenges must outlast the governing terms of both administrations.

Further information on the topic can be found here:  
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