THE DANGERS OF DIVISION: THE IMPORTANCE OF TRANSATLANTIC COOPERATION IN A CHANGING POLITICAL CLIMATE

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The American Institute for Contemporary German Studies strengthens the German-American relationship in an evolving Europe and changing world. The Institute produces objective and original analyses of developments and trends in Germany, Europe, and the United States; creates new transatlantic networks; and facilitates dialogue among the business, political, and academic communities to manage differences and define and promote common interests.

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FOREWORD

AICGS is pleased to present the written results of the second year of its project “A German-American Dialogue of the Next Generation: Global Responsibility, Joint Engagement.” The six authors together with several other young Americans and Germans engaged with each other during the course of 2017/18 in discussions to identify solutions to global issues of concern for the transatlantic relationship. The purpose of the project is to emphasize the important role of the next generation of transatlantic leaders and experts and to give them a platform and voice in the critical dialogue of crucial global issues that require joint transatlantic attention and solutions.

The project participants come from a variety of disciplines and have a wide array of expertise. Representing the three AICGS program areas—Foreign & Domestic Policy; Geoeconomics; and Society, Culture & Politics—the participants formulated a set of recommendations that were presented in a variety of venues and through innovative means. The essays presented in this Policy Report summarize the outcome of a year-long engagement with current critical transatlantic issues, which include challenges and opportunities related to trade policy and the imposition of tariffs, the digital transformation, the energy transition, European defense capabilities, and transatlantic security cooperation, as well as the role of civil society in conflict resolution.

The project intends to highlight the perspectives of the next generation of transatlanticists and to broaden the public debate about important issues. Digital media form a crucial element of the project. With frequent blogs, virtual meetings, tweets, and videos, AICGS is targeting new and established generations in order to draw them into the fold of the transatlantic circle. The project ultimately hopes to contribute to maintaining and expanding the transatlantic bond between the United States and Germany during and beyond a period of fraught relations. AICGS is grateful to the second year’s participants for their enthusiasm and engagement as well as their innovative and creative contributions which have made this project such a success. For more information about the program, please visit the AICGS website at https://www.aicgs.org/project/a-german-american-dialogue-of-the-next-generation/.

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U.S.-GERMAN RELATIONS IN THE ERA OF TRUMP

PETER ROUGH

German-American relations are in a precarious state. Each country gazes across the Atlantic with incredulity at the other’s politics. In the process, both countries are becoming entangled in the domestic partisan debates of the other. The resulting turbulence has stunned the many transatlanticists who grew complacent on the assumption that the German-American relationship would proceed on autopilot in perpetuity.

The West is undergoing profound shifts today that cut against German-U.S. relations. In the United States, the unexpected election of Donald Trump as president of the United States has thrust Republicans back into the spotlight. While in the past conservative administrations rallied the public against clearly defined challengers, from the Soviet Union to Iraq, the Trumpian coalition exudes a different ethos. To be sure, the president and his voters are attuned to the dangers of political Islam; both consistently rank Islamic terrorism as a top threat to the American way of life. They are also prepared to support the use of military force to defend American interests abroad, as we have seen in Syria. But after almost two decades of continuous war with limited results, today’s Republican Party betrays real doubts about the high costs of lengthy interventions abroad.

President Trump has seized on this skepticism to articulate an American nationalism that turns domestic pride into foreign policy. In his view, the West is a rich mosaic of cultural and historical entities rather than an interwoven community of liberal values. From that vantage point, he has pressed for more burden-sharing among allies and embraced competition between states. Given the vast power of the United States, so the president calculates, the United States should generate more return on investment from its trading and security relationships abroad.

Moreover, Trump has demonstrated to future Republican presidential hopefuls that the most viable path to power runs through the Rust Belt states of Pennsylvania, Michigan, Ohio, and Wisconsin. Key voters in these states are inclined to support, within limits, protectionist checks that circumscribe globalization. Inevitably, such attitudes put Germany on the defensive. As memories of the Cold War fade, replaced by this new American nationalism, Republicans increasingly see Germany as a security free-rider that exploits American generosity to run a massive trade surplus. In fact, Trump’s public disputes with Germany play well among parts of his base, satiating their demand for fairness in the face of merciless globalization. Germany may be the darling of progressive, urbane Democrats like Barack Obama, but among Republicans its reputation is tarnished. In the coming years, Germany runs the real risk of becoming a partisan litmus test in the United States.

Similarly, German public opinion toward the United States now vacillates widely based on which party occupies the Oval Office. There is a marked contrast in the German press coverage of Barack Obama, who was received with glowing profiles, and Donald Trump, who is regularly disparaged as a charlatan. This cannot be explained by difference in personalities alone. Instead, the divide reaches far deeper into the German political psyche, which contains a rooted aversion to nationalism. Germany is an inherently multilateral country whose worldview is shaped by its twentieth century history.
While victories in both world wars reinforced America’s sense of its own exceptionalism, Germany’s total defeat in those conflicts eviscerated its nationalist impulses. Decades later, it remains scarred by the experience, recoiling from most military interventions abroad. Instead of investing in readiness after years of neglect, therefore, the German public would rather focus on critiques of Trump as a dangerous nationalist.

Moreover, Germany’s preference for the liberal, multilateral order reflects its economy. Today, German wealth depends on its exports, which, in turn, rely on the EU and liberal markets further afield. Any American inclination toward protectionism is anathema to such an economic model, which remains highly vulnerable to confrontation. If German elites had their way, they would work with American progressives on transnational initiatives, like combatting climate change, while the German export economy hums along in the background unperturbed. By contrast, they uniformly recoil from nationalist inclinations like President Trump’s support for Brexit.

In Berlin, therefore, officials wait for a new president to take office who is more comfortable with the type of multilateral initiatives that were the hallmarks of the Obama administration. Germany may need the United States no matter which party occupies the White House, but its heart flutters at the prospect of a Democratic Party comeback.

Nord Stream 2

At least until 2021, however, Donald Trump will remain president of the United States. It will be nearly impossible for Germany to remain in a holding pattern for over two years without being left behind on key initiatives—or worse, risking collision with the United States. Therefore, the first step for both countries is to forge a common transatlantic vision on the major issues of the day; absent such convergence, both sides should work toward developing policies minimally acceptable to the other. At times, this will be difficult if not impossible. But since both the new German and American governments have experienced changes at the cabinet level recently, now is the opportunity to undertake such an effort.

There are few issues more charged in the German-American relationship than Nord Stream 2, a proposed energy pipeline that circumvents eastern Europe by pumping Russian gas directly through the Baltic Sea to Germany. If it proceeds, Nord Stream 2 would consolidate three-quarters of Russian gas into one pipeline. In the process, it could deprive countries like Ukraine of billions of dollars in transit fees. At base, Nord Stream 2 strengthens Russia’s leverage over its former eastern European satellites while exacerbating regional divisions within Europe. Moreover, Russia has not been shy about weaponizing its energy dominance in the past; as recently as 2014, for example, Gazprom plunged Ukraine into crisis by cutting off gas flows. The European Commission has taken notice, complaining repeatedly that Nord Stream 2 threatens the consolidation of the European energy market, which Russia has worked to fragment.

There is bipartisan opposition to Nord Stream 2 in the United States, leading some supporters of the project to accuse the Americans of cynicism. In June 2017, Christian Kern and Sigmar Gabriel, the then-chancellor of Austria and then-foreign minister of Germany, respectively, issued a stern statement opposing U.S. sanctions on the Russian energy industry. “The goal is to secure jobs in the oil and gas industry in the USA,” they charged, without a hint of irony. More recently, Roderich Kiesewetter, a member of the Bundestag’s foreign affairs committee, added: “The U.S. obviously has its own energy policy which involves the export of liquefied natural gas.”

This critique sidesteps the fact that U.S. energy is sold by private companies without U.S. government involvement. It also ignores the broad-based European opposition to Nord Stream 2. In fact, the Trump administration has intensified its opposition to the project at the behest of several European partners, including Poland, Lithuania, Latvia, and Estonia. Along with the majority of European states, the U.S. insists that the project is “a political rather than a commercial undertaking” and has supported the European Commission in its attempts to block
Moreover, individual states like Denmark have threatened to deny Nord Stream 2 the necessary permits to transverse its territorial waters. As a last recourse, the Trump administration may consider using the sanctions authority criticized by Kern and Gabriel to impose fines on the Austrian, Anglo-Dutch, French, and German companies co-financing the Russian project.

Time is of the essence. In late March, Germany approved the construction and operation of Nord Stream 2 across its waters. One week later, President Trump blasted the decision. “Germany hooks up a pipeline into Russia, where Germany is going to be paying billions of dollars for energy into Russia,” he said at a White House meeting with the leaders of the Baltic states. “And I’m saying, ‘What’s going on with that?’” Within days, Chancellor Angela Merkel sought to relieve the pressure by acknowledging for the first time Nord Stream 2’s strategic implications. “In our view, the Nord Stream 2 project is not possible without clarity of how Ukraine’s transit role will continue,” Merkel noted at a press conference with her Ukrainian counterpart. “From this you can already see that this is not just an economic project, but that, of course, political factors must also be taken into account.”

If the endeavor proceeds, the repercussions for the U.S.-German relationship will be serious. The easiest solution would be for Germany to turf the project altogether. However, as Norbert Röttgen, the chair of the Bundestag’s foreign affairs committee, pointed out recently, “It’s late. It’s really late. I don’t know if it’s too late.” At the very least, therefore, Germany must work with the U.S. to mitigate the damage to the extent possible. For starters, the two countries should make Merkel’s promise explicit, linking continuation of the project to Russian guarantees for Ukraine.

Russia

More broadly, however, the U.S. and Germany should respond by reinforcing their alignment against Russia. Traditionally, a major subset of Germans has supported rapprochement with Moscow. Ever since the shutdown of Malaysia Airlines Flight 17 in the summer of 2014, however, Merkel has rallied her countrymen and Europe behind sanctions against Russia. In the ensuing years, German exports have declined to Russia, decreasing its value as an export destination. To signal continued support for the front-line states of Poland, Hungary, and the Baltics, the U.S. and Germany should help them oppose Russian influence and consider explicitly introducing Russian political warfare into NATO planning.

Moreover, the Trump administration presents an opportunity for closer German-American coordination on the Minsk process. In 2014-2015, France and Germany spearheaded ceasefires while the Americans remained in the background. Since taking office, the Trump administration has taken a more overt role, approving the provision of lethal weapons to Ukraine last year. In April, the first batch of Javelin anti-tank precision systems arrived in the country. This poses serious risks to Moscow, which is heavily exposed through its large troop presence in eastern Ukraine. By steadily increasing the pain on Russia, the U.S. can empower the German-led Normandy format as it seeks implementation of the Minsk agreements. In parallel, Germany should continue coordination of European technical assistance and development aid to Ukraine. Last year, Germany alone earmarked almost $500 million in aid for Ukrainian reforms, which remain beset by corruption. Ukraine’s successful political transformation into a relatively Western-oriented, open, and transparent state would constitute a strategic reversal of the highest order for Vladimir Putin.

Similarly, the Trump administration has intensified U.S. support for the integration of the Western Balkans in the face of Russian subversion. At the request of EU High Representative for Foreign Affairs and Security Policy, Frederica Mogherini, Vice President Mike Pence traveled to the region in summer 2017 to deliver a pro-Western message. “We truly believe the future of the Western Balkans is in the West,” he told reporters, “and we look forward to reaffirming the commitment of the United States to build the relationships that will strengthen the ties between the European community, the Western Balkans and the United States of America.” Ever since, Assistant Secretary of State
for European and Eurasian Affairs Wess Mitchell has driven the policy forward, repeatedly engaging with the Balkans to ensure their Western orientation. For example, the United States has supported all of Bulgaria’s initiatives on the Balkans during its presidency of the European Council.

Moreover, over the past year, the Trump administration has increased funding for the European Reassurance Initiative (ERI) by about 40 percent, demonstrating America’s commitment to European security. For all of the president’s rhetoric about establishing a working relationship with Vladimir Putin, his administration has made no up-front concessions. In fact, it has only increased its leverage by expanding military deployments along NATO’s eastern flank. In effect, the Trump administration has updated President Nixon’s assessment of the Soviet Union and applied it to modern-day Russia: “Communist leaders believe in Lenin’s precept: Probe with bayonets. If you encounter mush, proceed; if you encounter steel, withdraw.”

Happily, Germany is no mere bystander. It is now leading a multinational battalion in Lithuania as part of the alliance’s enhanced forward presence. A quarter century after Helmut Kohl remarked that no German soldier would ever set foot again in a country once occupied by the Nazis, German troops now exercise and patrol along the Russian border. However, the United States’ awesome power and commitment to NATO has also bred a certain complacency in Germany. Modern Germany is a product of American liberation; to this day, large U.S. troop bases in places like Kaiserslautern foster the impression that the Americans are here to stay forever.

To deter Russia, NATO must maintain its steel exterior; but to maintain NATO, member states must invest more in their defense capabilities. Today, Germany spends slightly more than France on defense, yet can do far less. Despite Russia’s annexation of Crimea, German assets have continued to atrophy, leading the Bundeswehr’s parliamentary commissioner to conclude recently that Germany’s military is essentially “not deployable for collective defense.” From tanks and submarines to fighters and helicopters, the commissioner lamented that German “readiness has not improved over the last four years but only gotten worse.”

In the short and medium term, the United States should and will guarantee the sovereignty of eastern Europe. But Germany must rapidly expand its investments in defense lest it risks America’s longstanding support for an alliance the president has already criticized as “obsolete.” For a country flush with cash and a large budget surplus, it should be able to spend 2 percent of gross domestic product on defense and 20 percent of defense expenditures on capabilities.

**Defense Capabilities**

How Germany should structure and invest in its defense is a hotly debated question, however. German minister of defense Ursula von der Leyen has described the new government’s strategy as staying transatlantic while becoming more European. Its transatlantic pillar accepts the Defense Planning Process (NDPP) targets set by NATO as part of the alliance’s renewed commitment to collective defense. If Germany stays true to these goals, its defense capabilities will improve in the coming years. Moreover, in 2013 it proposed the so-called Framework Nations Concept (FNC), which encourages smaller European countries to cluster around anchor states like Germany. At its best, the FNC could enmesh smaller militaries in a German-dominated multinational force to check Russian aggression. At its worst, however, the FNC may become just another symbol of European integration with the ancillary purpose of masking the Bundeswehr’s anemic capabilities. Alas, the most recent German budget suggests the latter. Today, only the joint Dutch-German force could be truly relied upon in combat.

Outside of NATO, Germany has also supported a framework for defense integration through its European pillar, the EU. For years, economic integration proceeded apace within the EU while security and defense policy remained the exclusive domain of national governments. Today, the situation is reversed with Germany joining twenty-four
EU countries in launching Permanent Structured Cooperation (PESCO). The stated reason is simple: while NATO’s collective defense capabilities reign supreme for eastern European states, western and southern European states have pushed for a separate EU crisis management forum. Germany acts as a swing player between these two camps, establishing an inclusive process that takes on board the perspectives of as many EU members as possible. However, PESCO is still in its infant stages. It consists of merely seventeen projects focused on such tasks as improving mobility and investing in research. One of PESCO’s key goals is to consolidate national military hardware into a continent-wide procurement process.

In the past, U.S. officials have expressed reservations of EU defense integration, noting that it could duplicate, or even undermine, NATO. While German supporters of PESCO argue that it would open a new channel that bypasses a Turkish veto and tackles military challenges below the Article V threshold, Americans have interpreted PESCO’s boast of “strategic autonomy” as a French-led attempt to kick the United States out of the room. At other times, Germans have justified PESCO as a way to overcome their woeful demographics. To remain relevant in an Asian century, officials argue, Germans must band together with the rest of Europe to exercise power and defend interests. This implied divergence from NATO makes American officials nervous.

The depth of American antipathy to PESCO is difficult to judge, however, because it has yet to achieve real lift-off. Thus far, concrete U.S. opposition to PESCO has focused on the potential for backdoor protectionism, since its joint research fund is restricted to European firms based in the EU. Kay Bailey Hutchison, the U.S. envoy to NATO, registered her concern at the Munich Security Conference in February. “We want the Europeans to have capabilities and strength,” she said in widely reported comments, “but not to fence off American products.” In this analysis, PESCO is merely an effort to prioritize the industrial bases of major EU states rather than an attempt to prioritize and aggregate real military capabilities.

Once the United Kingdom leaves the EU, 80 percent of NATO’s defense capabilities will be supplied by non-EU members. For the foreseeable future, therefore, the EU will not be able to wage war independent of NATO. To raise its appeal, German officials should drop the rhetoric of strategic autonomy and invite non-EU members into PESCO’s ranks (including, potentially, the UK). Most importantly, PESCO must be structured to reinforce rather than detract from NATO’s mission of collective defense, which remains key to the peace and security of Europe. As the linchpin state in both FNC and PESCO, Germany should assume a leadership role at the political level in bridging the two concepts.

Ultimately, decisions on military defense should come down to capabilities. For example, Berlin must soon decide how to replace its dual-capable but aging Tornado fighter jets, which are scheduled to be phased out beginning in 2025. On the merits, the fifth-generation F-35 Joint Strike Fighter is far preferable to the fourth-generation Eurofighter Typhoon, whose ability to carry a nuclear weapon through Russian air defenses in the event of hostilities is unclear. Other NATO partners have made a similar calculation, placing orders for the F-35. Of course, if Germany chooses the American plane, the political uproar from Germany’s European partners will be deafening. Even so, it would send a hugely important signal to the United States that Germany is serious about its defense commitments. The nub of the issue is whether Germany is building a military for the purpose of winning a major war or not. At every turn, the U.S. should encourage Germany to focus on strengthening its national capabilities and improving its readiness to match that of Russia.

If PESCO nudges Germany into making serious investments, it could potentially have a positive effect. Conversely, if NATO members are caught day-dreaming about an EU concept that is more about industrial subsidies than foreign defense, it could lead to disaster. After all, under present conditions, Russia would need mere days to envelop the Baltic capitals; meanwhile, it would take up to two months for NATO to deploy large-scale formations into the theater. To rectify the situ-
ation, Germany must improve its military readiness; meanwhile, the alliance should press for bigger and more regular troop exercises.

Middle East

Of course, the German-American security relationship extends beyond Europe. Unlike France and Britain, whose colonial legacies still shape their public consciousness, Germany has steered clear of its near abroad for decades. However, the refugee crisis of 2015 forced it to reckon with the collapse of state power in the Middle East and the rise of revisionist actors. This occurred practically overnight. In March 2016, Chancellor Merkel engineered an EU-Turkish agreement that promised visas and billions in financial aid to Ankara in return for an end to the refugee streams. For a variety of reasons, however, Germany’s relationship with Turkey has been strained, leading to a charged debate about the continued export of weapons to Ankara.

Less than a year after Merkel cut her deal, the Trump administration took office amid a similar downturn in U.S.-Turkish relations. However, the Trump administration recognized that without Ankara, the United States would be hard-pressed to stabilize the Middle East and contain Iran. Both Germany and the United States, therefore, have a major stake and strategic interest in repairing their strained relations with Turkey. This will be a painstaking process that can only succeed if both countries take on board some of Turkey’s legitimate concerns.

A first step for both the United States and Germany should be to counter the Sochi-Astana-Ankara process, which Russia launched to pry open the southern flank of NATO. A cunning gambit, it exploits U.S. and Turkish divisions over the Syrian Democratic Forces (SDF), which the United States created and empowered to cover its withdrawal from the Middle East. Although invaluable in clearing Islamic State (ISIS) from the Euphrates River Valley, the SDF has triggered strategic aftershocks that reach deep into Turkey.

The SDF is dominated by the People’s Protection Units (YPG), the Syrian cousins of the Kurdistan Workers’ Party (PKK). Over the past four decades, the PKK has led a violent campaign against the Turkish state; the U.S. and the EU both consider it a terrorist organization. Therefore, when the West cheered the SDF’s battlefield victories against ISIS, Turkey saw only the expansion of its mortal enemy along its southern border.

To block their path, President Recep Tayyip Erdogan launched an incursion into northern Syria earlier this year, interposing Turkish troops between key Kurdish cantons. This poses a major strategic conundrum for the United States: if the U.S. embraces the Turkish move, the SDF will seek shelter with Russia; conversely, if the U.S. embraces the SDF, Russia will intensify its effort to split Turkey from NATO. The United States will need to show real dexterity to navigate this high wire, taking care to secure Turkey’s Western orientation without handing Russia a combat-tested proxy directly on NATO’s Middle Eastern border.

Ultimately, the United States cannot fulfill its obligations as the defender of the traditional Middle Eastern order without a troop presence on the ground. And yet, after years of continual war, the American people are increasingly weary of the forever wars of the Middle East. To bridge the divide, the U.S. will need to rely on its allies. Although it will be necessary to maintain a significant troop presence, the U.S. should also intensify its role as a coordinator that backstops allies as they work through missions and tasks. For example, when the Department of State’s funding for demining operations in Raqqa was nearly exhausted last year, the German foreign ministry stepped in to ensure that the private contractor, Tetra Tech, could continue its work.

Now, the United States is actively canvassing its European and Gulf allies for stabilization and humanitarian assistance funds as well as reconstruction monies for Iraq and northern Syria. This effort will prove more successful if the Trump administration restates its goals and objectives in the region, along with how it intends to achieve them. This would go a long way toward assuaging
supportive but skeptical Germans who doubt the United States’ staying power or are unclear about its strategy in the Middle East. Already, as with Afghanistan, German officials have agreed to participate in a NATO-led train-and-equip mission in Iraq, provided it complements rather than replaces Operation Inherent Resolve. Both our European and Gulf partners have shown that they are willing to step up to the plate and do more. In return, the president should deliver a major address, building on his remarks last October, that outline his policy and strategy.

Even if such an effort succeeds in producing more burden-sharing, the coming months are bound to expose friction between the U.S. and Germany over the Iran nuclear deal (JCPOA). No issue is as contentious or consequential as the JCPOA. In many respects, it represents the apex of German diplomacy—as the only non-permanent member of the United Nations Security Council, Berlin helped negotiate limits to Iran’s nuclear program in return for economic engagement. There are few diplomatic efforts in recent memory that could be described as more quintessentially German. “It’s the center of the arc,” Ben Rhodes, the deputy national security adviser to President Obama, said of the accord at the time. “It’s the possibility of improved relations with adversaries. It’s nonproliferation.”11 Norms over power, commerce instead of sanctions, accommodation rather than confrontation—these deeply-held German values were at the heart of the JCPOA.

By contrast, the Trump administration proved downright hostile to the JCPOA. The president repeatedly denounced it as “disastrous” and “horrible”—“one of the worst deals” he’s ever witnessed. However, he faces a conundrum in exiting the deal; the JCPOA dismantled multilateral UN sanctions in return for unilateral Iranian restraints on its nuclear program. As the president put it, “We’ve lost the power of sanctions because all of these other folks, all of these other countries that were with us, are gone now.” As the U.S. exits the deal, it will need to reassemble a coalition that just disbanded in triumph. In effect, this means that the U.S. will be coercing its allies into participating in a pressure strategy. More than any other country, Germany will be a reluctant player in such a campaign.

This places a major strain on U.S.-German relations. One way forward is for Germany to look to France, which acts as a hinge on this issue between Washington and Berlin. During his state visit to the United States just days before the chancellor arrived for her own bilateral meetings, French president Emmanuel Macron proposed a broad counter-Iran strategy that looks beyond just the nuclear accord. Days later, on April 27, Chancellor Merkel’s spokesman tweeted that the JCPOA is only “a first step in controlling and slowing Iran’s activities,” such as its development of ballistic missiles.12 The U.S. and the EU-3 (France, Germany, and the UK) engaged in negotiations over months to strengthen the JCPOA—talks that will prove useful for building a new containment strategy now that the U.S. has decided to reimpose sanctions.

Just as Germany’s refusal to outlaw Hezbollah and the Iranian Revolutionary Guard Corps frustrates Americans, the U.S. withdrawal from the JCPOA irritates Germans. Ultimately, however, Europe does not have the ability to chart an independent course on this issue. That does not mean that the U.S. should ignore its allies. But it does mean that Germany should work through France to bridge the divide to the Americans.

An Alliance for the Future

At times, the divisions over the JCPOA obscure the enormous depth of the German-American relationship, for example in intelligence sharing. These efforts will continue during this German government and American administration and the next. The transatlantic relationship in general and the German-American bond in specific rests on strong foundations. In the middle decades of the twenty-first century, this alliance will be crucial in tackling all sorts of challenges, including many not mentioned in this essay. From sub-Saharan refugee flows and the stability of the Maghreb to the rise of authoritarian China and the stabilization of Afghanistan, the United States and Germany will be stronger if together. For the West to succeed, it
will be essential that the United States and Germany find common cause across the political spectrum—and do so fast.

Notes
8 Chuck McCutcheon and David Mark, “‘Probe with bayonets’: Why so many politicians are cribbing from Lenin,” The Christian Science Monitor, 17 August 2015, https://www.csmonitor.com/USA/Politics/Politics-Voices/2015/0817/Probe-with-bayonets-Why-so-many-politicians-are-cribbing-from-Lenin
12 Tweet by Steffen Seibert, @RegSprecher, 27 April 2018, https://twitter.com/RegSprecher/status/989956154758516737
THE DANGERS OF DIVISION
AGREE TO DISAGREE: HOW TO ENSURE TRANSATLANTIC SECURITY COOPERATION IN A CONTESTED POLITICAL ENVIRONMENT

NIKLAS HELWIG

The Transatlantic Challenge: Regaining People’s Trust

Since the 2016 U.S. presidential election, the issues on which the German government and the U.S. administration disagree are at the center of attention. It is not difficult to compile a list of controversial portfolios, from climate change and nuclear non-proliferation, to trade and migration. The participants of this AICGS project, however, set a different starting point and focused on the challenges that are common to the politics on both sides of the Atlantic.

One challenge stands out: the political elites both in European countries and in the U.S. are faced with a loss of trust from their constituencies in the problem-solving capacity of their political systems. Olaf Scholz identified the dilemma during his first visit to Washington, DC, as German vice chancellor in April 2018: “The problem, which is similar, is that many of the people in our countries are not sure whether their future will be as safe as those of their parents or grandparents. [...] So it is necessary for us to develop political strategies which make it possible for the people that they are more optimistic, that they think that there could be a good future for them and their families [...]”

The last two years have shown how political elites deal with discontent in their societies. The U.S. president chose to connect with a large part of the American constituency by casting himself as a disrupter of Washington politics who will fight for U.S. national interests. This translates into a foreign policy that embraces international competition and shows of strength. The 2017 elections in Germany also had disruptive elements on a smaller scale, as the Alternative for Germany (AfD) received 12.6 percent of the popular vote and became the largest opposition party. The new grand coalition government under Chancellor Angela Merkel emphasized in its coalition treaty that European solutions and a revitalization of the public debate will “strengthen the trust of citizens in the capacity of politics.”

However, the right-wing populist party will absorb a fair amount of attention in the current legislature.

One of the consequences of citizens’ lack of trust in political systems is that foreign policy is increasingly driven by domestic politics rather than by the determination to solve particular international challenges. For example, Berlin’s low military spending is connected to the widespread unpopularity of the use of military force. With up to 64 percent of Germans in favor of either keeping or lowering current defense expenditure levels, it is understandable that German politicians proceed cautiously on this issue. In the U.S., the president and other representatives have to consider how decisions on international matters, such as the Paris climate accord, play with their constituencies. Unfortunately for U.S. allies, President Trump’s base, fired-up by conservative media, is dismissive of the multilateral approach that the U.S. has traditionally pursued.

The ways in which domestic debates complicate the politics of the transatlantic alliance are a constant feature throughout the three subjects that are analyzed in this essay: the handling of relations with Russia, joint diplomacy toward Iran and the Middle East, and the future of European defense cooperation. However, despite all controversies, the three areas show potential for practical solutions that can lead to more cooperation between
Germany and the U.S.

Russia: Strengthen Transatlantic Resilience

Since the outbreak of the crisis in Ukraine in 2014, the question of how to deal with Russia and its troublesome activities in Europe has been at the forefront of the German-American partnership. While the joint military and diplomatic response initially led to a revival of the transatlantic alliance, the coordination between European capitals and Washington has recently been out of step.

Relations with Russia have gradually become a controversial issue in domestic politics on both sides of the Atlantic, further complicating international coordination. In the U.S., the alleged meddling by Russia in the 2016 presidential election catapulted the foreign power to the top of the domestic political debate and made the handling of relations with Moscow a partisan issue. October 2017 data from Pew Research shows a 25 percentage point partisan gap, as 63 percent of Democrats and 38 percent of Republicans said they viewed “Russia’s power and influence” as a major threat to the well-being of the U.S. The difference had only been 9 percentage points when a similar question on “tensions with Russia” was asked a year earlier.4

German public opinion on Russia is also divided, with 46 percent of Germans in favor of maintaining sanctions that were imposed during the Ukraine crisis and 45 percent of Germans wanting to lift them, according to a poll by the Körber Foundation.5 While the German government increasingly calls out Russian hostile activities, the same poll finds that 32 percent of Germans see Berlin’s relationship with Moscow as more important than the diplomatic ties with Washington (42 percent still favor close relations with the U.S.). In the U.S., the president has to constantly prove to Congress and the Democratic opposition that he is tough on Russia, while the German chancellor has to calculate how punitive she can be without losing popular support for her Russia policy.

An environment in which domestic forces increasingly drive foreign policy decisions causes frictions between the transatlantic partners. For example, the U.S. Congress hastily wrote and passed a sanctions law in June 2017 with the aim to deprive President Trump of the ability to unilaterally lift sanctions on Russia.6 The fact that the law also allowed the U.S. to impose sanctions on European companies that are involved in Russian energy projects did not go down well in Germany, where a number of businesses take part in maintenance and construction of gas pipelines with Russia. Even though an updated version of the law included language that encourages the U.S. president to coordinate new sanctions with allies, the episode showed how business relations with Russia are perceived differently on both sides of the Atlantic.

In a similar example, a new round of U.S. sanctions adopted in early April 2018 hit a number of Russian industrialists in President Vladimir Putin’s inner circle, including the majority owner of Rusal, Russia’s biggest aluminum producer. The move had aluminum prices skyrocketing and threatened European industries reliant on metal supply. Aluminum prices stabilized only after the U.S. treasury department extended the grace period of the sanctions and Rusal changed its majority owner.

The U.S. and its allies were able to display a degree of unity when they decided in March 2018 to expel over 100 Russian diplomats in reaction to the poisoning of the former double agent Sergei Skripal in the UK. However, while the measures were properly coordinated, the politics surrounding the diplomatic sanctions revealed vulnerabilities in the transatlantic alliance. In Germany, some prominent politicians across the political spectrum questioned the evidence linking Russia to the poison attack, including high-ranking members of Chancellor Merkel’s conservative party.7 While the German government held a firm course calling out Russian involvement based on British evidence, the majority of the German population was critical of the punitive measures.8

On the other side of the Atlantic, the decision also created tensions. President Trump was reportedly
displeased when he learned that European allies did not match the U.S. number of sixty expelled diplomats (the EU total of expelled diplomats was thirty, with France and Germany expelling four each). In the end, confronted with a Russian government that denied all responsibility and Russian media spreading misinformation on the gathered evidence, allied countries exposed disagreements and vulnerabilities in their joint response.

Similarly, the Western response to the crisis around Ukraine is currently not as smoothly coordinated as it was shortly after the annexation of Crimea. In 2014, the U.S. left the diplomatic mediation in the “Normandy format” to Chancellor Merkel and French president Francois Hollande. The U.S. and European sanctions against Russia were closely coordinated, which helped to create unity among EU member states with different policy traditions toward Russia. In line with Germany’s preference to avoid escalating tensions with Russia, the U.S. refrained from sending lethal weapons to Ukraine. Now, the Normandy format is showing little progress. The U.S. administration approved weapon sales to Ukraine, including anti-tank missiles. The main hope for a peaceful progress is to find an acceptable compromise on the stationing of UN peacekeeping troops in eastern Ukraine.

At the same time, Germany and the U.S. are going head to head on the imminent construction of the Nord Stream 2 gas pipeline extension that will double the capacity for direct gas transits between Russia and Germany. President Trump recently criticized the German-Russian energy project and joined a bipartisan chorus in Washington, DC, that points to risks of Russian influence and negative effects on Ukraine’s status as a transit country. Critics of Nord Stream 2 can also be found in Berlin. Some German officials are uneasy about the damage to European unity and criticism from smaller EU member states. However, the German debate is far from a consensus that acknowledges possible negative effects of the pipeline project. German interlocutors see less risk in Russia using gas exports as a means of influence because of the Russian economy’s reliance on its energy exports.

The fact that the politics around Russia are currently difficult and contested should not keep Germany and the U.S. from working closely on functional solutions that improve the overall resilience of transatlantic societies and economies. Some challenges need to be tackled independently of relations with and attitudes toward Moscow. The Skripal sanctions revealed that the Western alliance is vulnerable to foreign misinformation campaigns. Europeans and the U.S. have to improve their capabilities to rebuke attempts of misinformation and provide trustworthy, independent, and verified information. This is even more important in an era in which international competition is carried out by measures short of armed conflict and where unconventional attacks, for example in cyber space, are not easily attributable. While the EU and NATO already have units dealing with strategic communication, a new, independent center for verified information outside the alliance structures would have the advantage of being more readily accepted across the political spectrum in Germany and the U.S.

With regard to the European energy question, allies should work constructively and jointly on solutions that reduce Europe’s dependence on foreign fossil fuels. Research has shown that Europe is less vulnerable to the interruption of gas imports from Russia than generally perceived, even though some economies of Baltic, central, and southeastern European countries are more exposed than others. These dependencies are being reduced through measures such as the Klaipeda LNG terminal in Lithuania or actions by the European Commission that ended country-by-country pricing and improved interconnections and storage. Nord Stream 2 is likely to remain controversial and an early cancellation of the project would have helped to ease tensions in the alliance. However, its significance likely fades in the future as we see closer integration of EU energy markets, reduction of fossil energy consumption, and alternative imports from the U.S. or Norway.

The Middle East: Save the P5+1 Format

The resilience of the transatlantic alliance faces its biggest test in the Middle East. On May 8, 2018,
President Trump announced that he would seek to reimpose sanctions on Iran and thus stop honoring U.S. commitments to the Iran nuclear agreement, technically referred to as the Joint Comprehensive Plan of Action (JCPOA). The move as such did not come as a surprise. Pulling out of the deal was one of President Trump’s main campaign promises and enjoys wide support among U.S. Republicans. Nevertheless, at time of writing, the EU and its member states seemed little prepared for a Middle East policy post-JCPOA.

The president’s decision has the potential to seriously harm the cooperation between the U.S. administration and European governments. Washington’s and Berlin’s strategic objectives in the Middle East are now in direct opposition. The U.S. president hopes to reinstate maximum pressure on Iran and to negotiate a more robust agreement. Europeans, together with the other signatories of the international agreement, believe that keeping Iran in JCPOA is the best way to avoid a regional arms race or open warfare in the Middle East. However, for Tehran to stay in the agreement, trade and economic cooperation have to continue. The transatlantic conflict is no longer theoretical, as the U.S. already threatened to sanction EU businesses that continue Iran operations.

On a diplomatic level, the U.S. administration’s decision was perceived as an affront by France, Germany, and the UK. In the months leading up to the decision, the E3 sent officials to negotiate a solution with the U.S. state department that would address the deal’s “flaws” without tearing up the JCPOA or upsetting the other signatories—Iran, Russia, and China. While the diplomats reached tangible results,

President Trump decided to ignore the personally-delivered advice of the French president and the German chancellor and chose not to commit to the JCPOA. The stakes were high for the European governments, as they perceived the deal not only as the foundation for regional stability in the Middle East, but also a preeminent example of how effective multilateral engagement can contain international conflicts.

The nuclear agreement was from its outset a European initiative, in which the EU invested twelve years of work. The foreign ministers of the three biggest European states initiated the talks with Tehran in October 2003 and steadily developed the EU to be a bridge-builder between Iran and the U.S. The format of the talks formalized over the years. From early 2004 onward, the EU High Representative, rather than officials from the individual governments, led the talks and had the larger political backing of all the EU member states. The biggest milestone, however, was the inclusion of the other permanent members of the UN Security Council in 2006. With China, Russia, and the U.S. joining, the format became the P5+1, (or E3+3, as the Europeans like to call it). Instead of sliding into a military conflict between the U.S. and Iran, which seemed possible in the early 2000s, the endeavor to prevent Iran from obtaining nuclear weapons became a joint effort of the international community.

The success of multilateralism was especially significant for Germany. Not only was Germany punching above its weight as the only member of the P5+1 without a permanent seat in the UN Security Council. The diplomatic initiative, flanked by biting sanctions, also matched Germany’s foreign policy approach that prefers negotiations over shows of strength, economic over military pressure, and regulatory solutions over interventions. The success of the negotiations and the signing of the JCPOA in 2015 was also made possible by the substantial technical support of the German foreign ministry in cooperation with the German civilian nuclear industry, which has long-standing commercial links in Iran. The fact that Germany was the only power around the table without nuclear weapons besides Iran made Berlin more credible as a mediator as well.13

In order to save this joint transatlantic cooperation toward the Middle East, one option could be to delink the fate of the JCPOA from the future role of the P5+1 in engaging Iran and the related conflicts in the region. The JCPOA—a toxic symbol of the Obama era to many U.S. Republicans—will suffer from U.S. withdrawal. However, as a positive outcome, the move clarifies the American position and eliminates some of the domestic constraints.
In a best-case scenario, the P5+1 members can still use the diplomatic grouping as a stabilizing factor in the region. However, the current transatlantic dissent—not just on the JCPOA, but also on relocation of the U.S. embassy to Jerusalem—renders any immediate joint diplomacy unlikely.

A new agenda for the P5+1 was what President Macron had in mind when he alluded to the possibility of a “new” deal during his state visit in Washington in April 2018. The four pillars of a new deal that he described resembled the issues under discussion on a working level between Europeans and the U.S. state department: addressing issues of the existing JCPOA (e.g., possible shortcoming of inspections), blocking Iran’s nuclear ambitions beyond 2025-2040 when restrictions gradually expire, containing Iran’s ballistic missile development, and confronting Iran’s wider influence in the Middle East, including in Syria. While all these issues still need to be addressed, the U.S. decision stalled any progress on these issues for the time being.

For Germany, the close partnership with France will be critical in defining and implementing a policy toward the Middle East. While President’s Macron visit a few days before the U.S. withdrawal showed that President Trump can simply ignore European leaders, Paris remains the most credible partner for Berlin’s dealings with the White House. The French military contribution to the airstrikes in chemical weapon facilities in Syria in April 2018 underlined that it is willing to enforce international norms by power. Under this U.S. administration it will be challenging for Germany to claim a sizeable role in a diplomatic process while shying away from similar military contributions.

Fortunately for Chancellor Merkel, President Macron shares her preference for the multilateral rule-based system, as he vividly expressed in his address to Congress in April: “We can build the twenty-first century world order, based on a new breed of multilateralism. Based on a more effective, accountable, and results-oriented multilateralism.” The P5+1 should be the centerpiece of the new breed of effective multilateralism with regard to the Middle East before the tensions in the region escalate.

**Defense Cooperation: Emphasize European Operational Autonomy**

In the immediate aftermath of the 2016 U.S. elections, the future of the U.S. commitment toward European defense appeared uncertain. During his election campaign, President Trump had repeatedly questioned NATO’s value in realizing U.S. interests and criticized allies, especially Germany, for not sufficiently investing in their militaries. When President Trump failed to express U.S. commitment to NATO’s Article V mutual defense guarantee during his speech at the alliance headquarters in Brussels in May 2017, it seemed like the worst prediction of the U.S. role in NATO might come to fruition. Only a couple of days later, Chancellor Merkel delivered her often-cited beer tent remarks and proclaimed that “the era in which we could fully rely on others is over to some extent.”

However, it soon turned out that the shifts in the security alliance would not be as far-reaching as initially expected. President Trump soon underlined the U.S. commitment to NATO’s mutual defense guarantee. His administration settled on a transactional approach to NATO as a tool to realize U.S. national interests. This unemotional approach was best described in the 2017 U.S. National Security Strategy, which noted that “the NATO alliance of free and sovereign states is one of our great advantages over our competitors.”

More importantly, the actual defense cooperation on the ground between the U.S. and Europe continued mostly unaffected by political uncertainties. For the 2018 budget, the U.S. earmarked nearly $4.8 billion for the European Reassurance Initiative to enhance deterrence and readiness of forces in Europe. What started as a one-off $1 billion crisis response under the Obama administration in 2014, has grown fivefold a few years later.

Apart from financial support, NATO and the EU have increased their cooperation on vital issues, such as military mobility in Europe. Allied partners are reducing logistical and regulatory barriers between EU members in order to ensure that
forces can be deployed swiftly across European territory in case of an attack. More than half of the U.S. military stationed in Europe, almost 35,000 troops, are located in Germany. With no political consensus to station those forces permanently near the potential hot spots in the Baltics and Poland, military planners have to make sure that they can at least move them quickly in times of crisis.

Recent years have also seen new initiatives among EU governments to enhance their defense cooperation. The activation of the Permanent Structured Cooperation (PESCO) in the EU treaties in late 2017 received most of the attention. The framework aims to develop new, nationally-owned capabilities among groups of member states, with an aim to use them in EU missions and, if needed, also in NATO or UN operations. It provides a legal and institutional platform for joint defense projects and has preferred access to the newly-established European Defense Fund that will co-finance research and development with €1.5 billion yearly from 2020 onward. These measures did not start as a reaction to recent uncertainties in the transatlantic alliance and instead have their roots in the 2009 Lisbon treaty. However, repeated efforts in the last decade to bring defense matters to the top of the EU agenda only took off when the UK—a critic of closer defense cooperation outside of NATO—left the Union and President Trump won the U.S. election.

It is important to look at the whole picture of European defense cooperation, rather than just at the EU part. PESCO is just one piece in the larger mosaic that makes up European defense cooperation. France wanted to have a more operational joint venture with a focus on running operations in the MENA region and thus is currently developing its European Intervention Initiative. Germany recognized the problem of inefficiencies among the forces of its smaller neighboring NATO allies and proposed the Framework Nation Concept (FNC) in 2013. Germany’s FNC partners, such as the Netherlands, Romania, and the Czech Republic, plugged certain forces into the larger organizational backbone of the Bundeswehr and thereby improved their capabilities. Other regional partners developed their own multinational frameworks, such as the Nordic Battlegroup, or the UK’s joint expeditionary force. At the moment, the organic, bottom-up growth of defense cooperation is the most promising way forward to create an accepted, complementary, and operational European defense.

Furthermore, European ambitions should be communicated under the label of operational autonomy, rather than strategic autonomy. The latter, more ambitious sounding term appeared in the 2016 European Global Strategy. The notion of strategic autonomy raised eyebrows in Washington, DC, where it was interpreted as a more decisive call for the independence of Europe from, for example, joint strategic objectives agreed in NATO. Instead, European governments had in mind that EU member states should be capable of running their own operations without being reliant on U.S. support, as they were lately in the case of the 2011 Libya intervention.

Germany is the natural partner for the U.S. to ensure European operational autonomy without compromising the transatlantic alliance. Starting with the 1998 British-French St. Malo declaration that initiated the EU defense project, Germany has been very vocal about the concern that European efforts should not come at the expense of NATO. The 2002 Berlin Plus agreement was the major milestone in combining EU and NATO assets and allowed EU operations to draw on NATO command structures. However, after two EU operations with NATO support in the Western Balkans, subsequent use of the Berlin Plus agreement did not receive unanimous support due to disagreements between non-EU NATO member Turkey and non-NATO EU member Cyprus. Recently, cooperation between the EU and NATO on defense matters has picked up speed again outside the formal Berlin Plus framework. These efforts are in the interest of transatlantic burden-sharing and an example of practical cooperation despite political difficulties.

Germany’s contribution will be important in increasing the operational aspects of European defense. Recently, the new impulses in Franco-German cooperation sparked ideas of revitalizing
the joint Defense and Security Council and increasing the frequency of meetings on different levels. These dynamics also present an opportunity to consider an upgrade to the German Federal Security Council, which in contrast to the U.S. National Security Council does not possess nearly the same level of organizational depth and staff numbers. It has the potential to play a bigger role in shaping the decisions on German military deployment.

Finally, German politicians have to approach the mismatch between the need to increase defense expenditure and the hesitation of the German population to support a military budget increase. While NATO’s abstract 2 percent spending goal is the internationally-accepted standard, it is not very useful—indeed, almost toxic—as an argument in the domestic German debate. However, there is reason to believe that Germans are more receptive to concrete arguments that highlight how the Bundeswehr should tackle challenges in the area of cyber security, terrorism, worldwide pandemics, or deterrence of threats to the postwar European order.

Conclusion

Even though domestic politics is becoming steadily more contested with negative spill-over effects on transatlantic cohesion, there are a multitude of practical ways for Germany and the U.S. to work more closely together. The ideas presented in this essay included: intensified cooperation on strategic communication and energy resilience; a broader Middle East agenda for the P5+1; and initiatives in Germany, and between the EU and NATO, with the aim of fostering European operational autonomy in defense.

Many of the above solutions showed that a strong Franco-German alliance is the prerequisite for a fruitful partnership with the U.S. Only the two Western European powers together command the full spectrum of economic, military, and diplomatic instruments and can be an attractive U.S. partner. For example, in the Middle East, Germany’s extensive economic and diplomatic ties in the region are as important as the French willingness to defend Western policies with the use of military force. As a couple, France and Germany are capable of demonstrating the added value that European allies bring to regional stability and thus to the security of the U.S.

Franco-German cooperation can also contribute to a more equal burden-sharing within the transatlantic alliance. Only France and Germany together can contribute sufficiently to a 360-degree defense of Europe, including a credible deterrence in the east and crisis management capabilities in the south. It is positive that the new German grand coalition wants “to further strengthen and renew German-French cooperation.” The strategic differences on the Iran nuclear deal will make transatlantic cooperation more difficult. It makes it even more important that Germany and France strengthen the EU as an international actor that can cooperate with the U.S. on an equal footing.

At the same time, German and U.S. leaders need to keep the major challenge in mind of reconnecting to voters in a meaningful way. Political elites in Germany will have to explain to their voters that principles of democracy and multilateral cooperation cannot be taken for granted in a new era of autocracy and international competition. Instead, Germany has to step up its international engagement in order to stay relevant in shaping the international order. In the U.S., more can be done to show the advantages of multilateralism and the pursuit of collective goals, a strategy which has served U.S. interests since the Second World War. Finding a new connection to citizens is not easy, not in the U.S. nor in Germany, but worth the repeated effort.
Notes


13 Author’s interview with German Iran nuclear negotiations expert, 18 December 2017, Berlin.


On April 27, German chancellor Angela Merkel made a brief “working visit” to the White House. It was her second meeting with U.S. president Donald Trump and her trip followed French president Emmanuel Macron’s state visit to the U.S. Macron, who charmed his way to become Trump’s first state visitor, reportedly has a much better standing with Trump than Merkel. The Trump-Merkel relationship, on the other hand, can only be described as cool. However, neither cool Merkel nor charming Macron could convince Trump to grant the European Union a permanent exemption from U.S. import tariffs on steel and aluminum, whose expiration date has been delayed for another month. Merkel’s visit was further complicated by Trump’s perception of Germany as the biggest problem of all European countries. The U.S.’ $65 billion trade deficit with Germany has led the administration to criticize Germany, accusing it of using the euro to exploit the U.S.

Much of Trump’s criticism of Germany is not new. Former president Barack Obama also repeatedly criticized Germany’s trade surplus after the global financial crisis. Fellow European member states have heavily criticized Germany for its trade surpluses and leaders of the European Commission as well as the International Monetary Fund have urged Berlin to increase domestic spending and to reform certain sectors. Now, Europeans are finding it difficult to adjust to the Trump administration’s rougher approach. In response to Trump’s criticism, Germany points to the facts: that German firms are the third largest foreign employer in the U.S. (and the largest in the area of research and development) and that Germany is the fourth-largest investor in the U.S. This year Germany saw a decrease of its surplus for the first time since 2009, to around €245 billion from its record high of almost €249 billion in the previous year, according to the Federal Statistics Office.¹

Trump and his punitive tariffs, however, are attacking the EU as a whole, with which the U.S. has a roughly $150 billion trade deficit. Europeans point to existing frameworks that should guide any negotiations with the U.S. (on trade facilitation or even a new transatlantic agreement), and therefore insist on Trump granting the EU a permanent exemption from U.S. tariffs. Europeans also want to avoid mixing different issues as Trump has justified imposing tariffs with criticism of Europe’s defense spending. The European Commission has taken a tough approach toward Trump, with European Commissioner for Trade Cecilia Malmström stating in April that the EC has offered nothing to the U.S. and will not offer anything.² In short, the EU will not be blackmailed. In April, the EU (pushed by Germany) filed a complaint at the World Trade Organization (WTO) rejecting the “national security” justification for the U.S. tariffs and arguing that they are protective measures. Europeans have also threatened to retaliate over Trump’s plan to increase steel and aluminum tariffs and prepared a list of American products to target with tariffs (e.g., whiskey and motorcycles).

In addition, Europeans are finding themselves caught in the middle of a U.S.-China trade spat. In April, Trump threatened to impose additional tariffs ($100 billion), after China had threatened to retaliate should the U.S. impose its punitive tariffs ($50 billion). Beijing perceives this as a reason for Europeans to side with China against the U.S., putting Europeans on the spot to take sides. The
head of the Chinese mission to the EU, Zhang Ming, recently called on the EU to “take a clear stance against protectionism” and noted “China and the EU have a joint responsibility to uphold the rules-based multilateral trade order.”

Indeed, it is in the EU’s interest to maintain the rules of the trade order and there is the notion in Europe that the current U.S. trade policies are counterproductive. The U.S. administration’s withdrawal from negotiating standard-setting agreements, the Transatlantic Trade and Investment Partnership (TTIP) and the Trans-Pacific Partnership (TPP), both of which would have become benchmarks for future rules in the global economy, reinforced this view. The U.S. withdrawal from TPP has also played into the hands of China as it has given China the opportunity, at least symbolically, to present itself as new defender of the global trading system. However, the EU has its own disagreements over trade policy issues with China. Europeans no longer have any illusion that China will quickly evolve toward an open market economy, and are demanding reciprocity while at the same time starting to protect their markets. Trump would find many Europeans, including Germans, agreeing with his call for more protectionist trade policies vis-à-vis China.

There are a number of common interests between the U.S. and the EU, above all regarding their concerns and hopes for their trade and investment relationships with China.

Addressing the Urgent, Together

TRADE AND INVESTMENT

Like the U.S., Europeans have grown wary of the process of indigenization of China’s economic development, its slowing reforms, and the systematic pull of foreign technologies. In particular, Germany’s China policy has been undergoing deep-cutting changes moving from a special economic relationship toward a new phase shaped by increasing tensions and disagreement. Germany’s shifting stance on China is also reflected in the EU’s toughening approach toward China.

In the area of trade and investment, the EU and China have been negotiating a bilateral investment treaty (BIT) since 2014, which not only would replace all member states’ BITs with one standardized set of regulations, but also intends to include the liberalization of market access. The EU-China BIT would be Europe’s first ever stand-alone investment agreement with a third-party country, with the European Commission having the competency to negotiate with the mandate of the member states. However, Brussels is showing increasing frustration that talks on issues such as market access and intellectual property rights are not making sufficient progress. The lack of progress reflects the member states’ frustration over China’s lack of reciprocity, especially with regard to market access.

Their frustration is also reflected in the European Union’s decision in 2016 to deny Market Economy Status (MES) to China—even though it is one of China’s central demands. China points to a key WTO clause that expired fifteen years after it joined the organization, which entitles China to be treated as a market economy even though the EU and the United States disagree. The Chinese government then filed a dispute at the WTO, which is likely to take years to resolve. The MES had been one among many trade policy issues that prevented both sides from agreeing on a broader final communiqué during the 2017 EU-China summit. Beyond a shared conviction to remain in the Paris Agreement on climate change, there were too many disagreements between the EU and China over steel overcapacity and Chinese dumping for the two parties to agree to a common statement at the end of the summit.

China takes particular issue with Germany’s shifting stance. In 2016, China’s news agency Xinhua published a commentary headlined: “Time for Berlin to sober up from China-phobia paranoia.” Chinese scholar Cui Hongjian sees “A slew of anti-China activities has taken place because of rising populist mood within Germany.” In particular, the issue of Chinese investment and influence triggered Berlin to take a tougher posture toward China. Chinese investment flows into Germany have sharply increased and target Germany’s key future industry sectors, a development that is seen in the context
of “Made in China 2025,” a policy initiative to upgrade the Chinese industry by boosting innovation and domestic growth. The worry is that its distinctive focus on Germany’s modern technologies will make China a major competitor in industries in which Germany has an edge.

In 2016, Germany listed fifty-eight Chinese acquisitions and most notably a sharp increase of transaction volume: a total of at least €11 billion in 2016 alone, meeting the total combined volume of the past ten years. China’s sharply increasing investment has also triggered a debate in Germany on the question of Chinese influence that comes with buying major stakes in large German companies. For instance, Chinese conglomerate HNA Group, which bought shares in Deutsche Bank in 2016, became the top stakeholder after a capital increase in 2017. In 2017, the chairman of Chinese automobile company Geely, Li Shufu, bought, little by little, a roughly $9 billion stake in Daimler AG, taking Daimler itself by surprise. At the end of last year the company had rebuffed advances from Li, who now has become the top stakeholder in Daimler.

In order to be able to tackle such substantial investment, Germany adapted its national provisions to the new FDI environment last July. The amendments in its Foreign Trade and Payments Ordinance (AWV) tighten rules for foreign investors and enable the German government to intervene on shorter notice (if public order or security are threatened). In addition, the new provisions clarify better the terms of threats to the public order or security. Stating that in the context of foreign takeovers investment in critical infrastructure can pose a danger, it further defines such critical infrastructure, for example the energy, information technology, telecommunications, transportation, health, finance, and insurance industries. Foreign investors now need to inform the German economic ministry if they are planning acquisitions in these industries, while in the past this was only the case for sectors with a direct military link (dual use).

Notably, on April 27, Germany’s federal states, represented by the Bundesrat, urged Berlin to tighten restrictions for foreign acquisitions in German firms, proposing to lower the stake threshold from 25 percent to 10 percent. Currently, the government can only veto foreign investment if it exceeds 25 percent of shares. Even though China is not mentioned, the push led by the powerhouse state of Bavaria implies that large majorities in Germany’s economically powerful states see the need for more protection from China’s increasing acquisitions in their key industries.

The German government also pushed the debate on investment to the EU level by bringing its concerns forward in a joint letter to the European Commission together with Paris and Rome in February 2017. The EU’s proposal for an unprecedented EU-wide investment screening mechanism is now on the table and needs to be approved by the member states and the European Parliament.

The debate is not an academic one; recent events ensure that investment screening will increasingly gravitate from the quiet conversations of mandarins and think tanks to the front pages of European newspapers and websites. In May, China’s largest clean energy company—China Three Gorges Corp.—made an $11 billion bid for the 77 percent of Portugal’s single largest company—Energias de Portugal (EDP)—which it doesn’t already own. EDP may be the first significant testing ground for the EU’s still-nascent attempts at strategic investment screening, and in any case EDP’s non-negligible U.S. assets may also see Washington seeking to intervene on any deal.

Broadly considered, the aforementioned developments in Europe appear to align increasingly with U.S. interests in maintaining international standards for global free and fair trade, finding ways to tackle overcapacity in primary commodities (steel and aluminum), and increasing Chinese investment and its accompanying influence.

The extant American investment screening mechanism, the Committee on Foreign Investment in the United States (CFIUS), has seen particularly robust application recently. It was most notably used to block Broadcom’s attempted acquisition of Qualcomm, though earlier the Trump administration had denied a move by Canyon Bridge, an invest-
ment fund backed by a Chinese state-owned investor, to acquire American chipmaker Lattice Semiconductor Corporation. Similarly, it rejected the attempted takeover of Moneygram by Ant Financial, the financial arm of Alibaba, as well as a separate attempted investment in semiconductor testing company Xcerra.

Meanwhile, there has also been an effort in the United States to reform and strengthen the CFIUS mechanism, most notably through the Foreign Investment Risk Review Modernization Act (FIRRMA), a bill introduced in the Senate by Senator John Cornyn (R-TX) and in the House by Representatives by Robert Pittenger (R-NC). The bill enjoys bipartisan co-sponsors, and early drafts would have expanded CFIUS review eligibility to any investment in a “critical technology company” and would likely have implicated a far wider array of private equity and venture capital investments, including from American funds involving Chinese investors, than is currently the case. Later drafts honing the language further to “critical technology” after concerns by a number of firms, and additional revisions have been made to exclude from scrutiny investments made by passive investment funds in which the decision-makers are U.S. citizens and are in turn hired by U.S. citizens. Most recently, officials from the administration were engaged in discussions with private sector and congressional stakeholders to further iron out details, with many expecting the renovated CFIUS architecture to be in place by the end of 2018.

GLOBAL OVERCAPACITY ISSUES

Another source of concern in transatlantic trade and investment relations has been global overcapacity in a number of key commodities, most notably aluminum and steel. The steel sector, in particular, has for a number of years been gripped by overcapacity issues, with China a focus of attention due to the opacity of its industrial organization and subsidy mechanisms, and the fact that it currently accounts for around 50 percent of global steel production.

The issue was raised in an increasingly assertive manner in the final years of the Obama administration, and the Global Forum on Steel Excess Capacity was launched in Berlin at the end of 2016 by G20 members and other steel producing countries that together account for more than 90 percent of global steel production. This vector for engagement on addressing the steel overcapacity problem was soon pre-empted, however, by President Trump’s announcement in March that the United States would levy tariffs of 25 percent on imported steel and 10 percent on imported aluminum.

The White House has since issued a series of temporary exemptions for a number of key allies and trading partners, including Argentina, Australia, Brazil, Canada, the European Union, and Mexico, but the future of these exemptions remains unclear, as are the concrete actions being requested by the Trump administration of non-Chinese steel and aluminum producers.

Aligning Interests on Long-Term Challenges

BREXIT AND A STRONG EU

The U.S. has an interest in the stability of the EU economy and eurozone at a time when European leaders are re-grouping to manage the crises within Europe and on its periphery. Brexit resulted in a weakened European foreign policy and the Brexit negotiations between the United Kingdom and the EU have so far been a difficult process. However, there is interest on both ends to ensure a smooth Brexit next year. Germany in particular has an interest in maintaining unproblematic economic relations, as the UK is the third-largest market for German exports. For continental Europe, the British vote for Brexit appears to provide the momentum to drive the EU’s agenda as the debate on deepening the EU likely would not have happened previously. For instance, the UK would not have supported the debate on an EU-wide mechanism for screening foreign investment.

Initiated by French president Emmanuel Macron, EU leaders have pledged to introduce reforms to strengthen the EU after the setback of Brexit. A
stronger Franco-German partnership has emerged as a leading force for Europe (at least symbolically) following the results of both countries’ 2017 elections. Indeed, the two countries coordinated their visits prior to Macron and Merkel’s meetings with Trump in April. But in terms of delivering results, observers and media both in the U.S. and Europe largely condemned Merkel’s visit in particular, but to some degree also Macron’s visit, as a failure. The Washington Post went so far as to call Angela Merkel “Europe’s weakest link.”

Germany and France are expected to take the lead on the EU’s reform process now, even though they have disagreements and Germany has been openly skeptical of Macron’s ambitious reforms plans, including his proposal to create a eurozone finance minister. Nevertheless, both countries recently pledged to deliver a joint proposal to reform the eurozone, mainly focused on deepening the banking union, for the EU leaders summit in June. This shows political will on both sides to unite and to compromise. The outcome of the eurozone reform proposal is crucial for the U.S., too, interlinked as it (still) is with the EU’s and the global economy.

THE ENERGY TRANSITION

When it comes to renewables and other advanced energy technologies, Europe and the United States have both seen their early leadership erode in the face of China’s emergence as a major hub of advanced energy deployment. Consider, for example, that in the early 2010s the United States accounted for more than 40 percent of global electric vehicle deployment, Europe around 20 percent, and China less than 10 percent. Already by 2016, these roles had reversed, with China accounting for more than 40 percent, and Europe and the United States clinging to just over 20 percent. Something similar can be seen in solar photovoltaic deployment, where in the early days of the technology’s growth (mid 2000s), Europe was the destination for more than 80 percent of global deployment, while China and the United States each comprised less than 10 percent. By 2016, China’s share had grown to 46 percent, the U.S. share had grown to 20 percent, and Europe’s share had collapsed to 7.5 percent. Over a longer time horizon, a role reversal in nuclear deployment leadership is also visible, with Europe accounting for as much as 40 percent of global deployment in the year 2000 and China accounting for none, while by 2016 China had grown to account for two-thirds of global deployment versus Europe and the United States combined accounting for less than 5 percent.

The consequences of these shifting positions are significant. 2017 was the eighth successive year in which global clean energy investment exceeded $250 billion, and one in which auctions around the world gave way to a tidal wave of record-setting bids. This included the lowest-ever bid for a solar power project, less than 2 cents per kilowatt-hour, from a consortium led by Abu Dhabi’s renewable energy company Masdar. This was the first time in history that the 2-cent threshold had been breached. China and the Asia Pacific region are increasingly in the driver’s seat when it comes to taking advantage of the rapid decline in clean energy costs.

Today, renewable energy accounts for almost 30 percent of the globally addressable infrastructure market, and was the largest destination for capital expenditure in the Asia Pacific region over the first half of 2017. While U.S. investment in clean energy was the second-highest in the world at $56.9 billion, China more than doubled this, investing $132.6 billion and accounting for 40 percent of the global total. Indeed, China is projected to account for more than half of global solar and electric vehicle deployment in 2018.

It is to some degree understandable, and natural, that Europe and the United States would eventually cede ground to China and other emerging markets in terms of renewables deployment. After all, both have power demand which is essentially flat, so that any growth in clean energy deployment comes from a net replacement of other generation resources. Likewise, Europe and the United States cannot hope to be dominant in all aspects of advanced energy production and exports, in particular the lower value-add aspects of the value chain, such as panel manufacturing final module
assembly in the case of solar.

It is another thing, however, to be losing ground in terms of high value-add, advanced manufacturing, as well as in the innovation needed to expand the set of technology options in the market, create new growth opportunities, and generate outsized value for the markets home to such innovation. As such, Europe and the United States must reconcile not only with the rise of challengers in the advanced energy manufacturing domain, including China and other Asian competitors, but also the natural market failures that prevent promising early-stage research from reaching commercial maturity.

Tools exist to address this—in Europe it primarily takes the form of state-led industrial policy and a close relationship between government and (often at least partially state-owned) industrial champions, while in the United States this is more commonly achieved through preferential tax incentives, or programs such as those found the Department of Energy’s (DOE) Advanced Manufacturing Office (AMO). With the budget for the DOE AMO being targeted for a 75 percent cut by the Trump administration, the time is ripe for a sober, pragmatic discussion between the EU and the United States on how to maximize innovation and commercialization synergies across the Atlantic, to ensure that mutually beneficial technology development is sustained regardless of year-to-year spending fluctuations.

A TRANSATLANTIC RESPONSE TO THE ACCELERATING DIGITAL TRANSFORMATION

The digital transformation introduces new technologies to the way we live and work. On both sides of the Atlantic, it is unquestionably the single most powerful driver of change across our societies and economies. Given the existing profound economic, political, and cultural ties between the U.S. and Europe, progress toward a fully functioning transatlantic cooperation in the digital age requires a common—or at least interoperable—policy framework for the digital transformation.

As much as the digital transformation entails big challenges, both economically and socially, it also opens up new areas for transatlantic cooperation, including non-traditional actors, with the outcomes of a shared U.S.-EU approach being superior than going forward separately or proposing competing models and ideas. The common ground for this shared approach is bigger than with any other region in the world: Both sides of the Atlantic are bringing great technological innovations and a shared belief in liberal values to the table. If the transatlantic partners do not manage to strengthen their cooperation to build a competitive and updated liberal model and to set principles and standards which are to govern the digitally transformed world, others will.

The feasibility of this cooperation will depend upon convergences in key policy areas, with the transatlantic partners taking steps to adopting policies that work on both sides of the Atlantic. It will also require predictability, clarity, and transparency in the way policy frameworks are going to develop so that they can be coordinated and synchronized. Only joint action, with a global outlook, is sufficient to lead to a sustained effort at levelling the international playing field.

Recommendations

A MORE RESILIENT, SELF-SUFFICIENT EUROPE

1. Continue with EU Reforms

The United States has an interest in stability of the eurozone and so has a vested interest in EU reforms, in particular those linked to the financial sector. The Franco-German driver has started with modest steps but in order to provide the stability the eurozone needs, EU institutions and member states will have to further focus on deepening reforms in the future. In order to strengthen the EU institutions’ capacities to deal with financial matters, the EU should work to complete the Banking Union and to create a European Monetary Fund. In order to tackle economic imbalances in the EU, reform could include efforts to better facilitate and distribute investment in the eurozone.
2. Identify an Offramp from the Tariffs Dispute

Despite apparent divergences on trade with the U.S., the EU continues to seek a strong trade relationship across the Atlantic and overall to maintain the liberal international economic order. The looming trade dispute between the EU and the U.S. is hurting both sides in the long run and prevents increasing cooperation on common interests. Both need to get out of the tariffs issue in order to focus on larger concerns such as setting and maintaining standards and rules for emerging economies. It will be difficult to build a constructive trade agenda between the EU and the U.S. and to uphold high standards in the area of trade while failing to reach trade agreements among themselves. Public opinion in Europe, in particular in Germany, has been negative toward TTIP even before the current trade spat began. However, even though both the U.S. and the EU currently have no appetite to revive negotiations on TTIP, it would be feasible to negotiate an agreement that may solve the tariff dispute, such as a WTO-consistent customs agreement.

3. Address Overcapacity via Multilateral Channels

Germany has taken a pivotal role within the EU but also globally to tackle overcapacity in primary commodities (steel and aluminum) in the framework of the Global Forum on Steel Excess Capacity. The U.S. sees Germany as a constructive participant in addressing the causes of overcapacity in the global steel market. This points to a useful path forward for the U.S. and Germany, among the 33 countries participating, to work on specific steps reducing steel overcapacity.

A COMMON APPROACH TO CHINA

The presidency of Donald Trump raised serious questions regarding growing mutual indifference and even divergence between the United States and Europe on how to approach relations with China. Increasing division between the U.S. and the EU could increase China’s leverage to lower the standards of the global economic order. Therefore, both sides should engage in a continuous dialogue on China.

1. Secure Better Trade and Investment Deals

Both sides should work on strategies to secure better trade and investment deals with China. Both the U.S. and the EU must tackle the issue of Chinese inward investments and could, for instance, improve consultation on negotiating two bilateral investment treaties in parallel with China. In addition, the U.S. and the EU should enhance (informal) coordination and even alignment on the question of how to tackle increasing Chinese investment and influence. In some cases, Europeans themselves have not raised national security concerns but other countries that have a stake in European firms, such as the U.S. via CFIUS, played a major role in the withdrawal of the Chinese bid to take over the German firm Aixtron, for instance. The EU could use the U.S. experience with CFIUS as a source of reference in its efforts to adopt a screening mechanism for foreign investment.

For Germany in particular this might also include an uncomfortable discussion on the topic of the planned gas pipeline Nord Stream 2 that connects Russia and Germany. Germany has recently approved the construction and operation of the pipeline, even though the U.S. as well as the EU and some of its member states have criticized the project, arguing it would increase Europe’s dependency on Russia. Berlin so far considers this an “economic project” that “poses no danger to diversification.” However, the government is also confronted with opposition from within Germany and there are some indications that domestic opposition could be shifting the government’s perception. At the beginning of April, Merkel noted during a press conference that the fate of the pipeline project is linked to the future transit role of Ukraine, because “it is not just an economic issue but there are also political considerations.”

2. Work Together to Set Standards

Following the U.S. withdrawal from major trading agreements, the EU set out to conclude its own standard-setting trade deals, in particular in Asia. It is in the process of finalizing negotiations on a free trade agreement with Japan, which is now
expected to take effect by the end of 2019. In addition, the EU is negotiating an agreement with Singapore, which also includes provisions for reciprocal investment. This could imply more competition for U.S. trade relations in Asia, however, the EU’s efforts should be in the U.S. interests as they are countering China’s opportunity for more influence in setting regional or even global trade norms and standards. Europeans should therefore pursue a dialogue with the U.S. administration focused on advancing standard-setting rules for emerging economies in Asia.

GLOBAL ENERGY TRANSITION

The Global Energy Transition poses both opportunities and challenges, a surprising amount of which are shared by both Germany and the United States, despite current differences in posture in current international climate fora. The structural commonalities and shared interests will endure, however, and should form a solid base for quiet, pragmatic cooperation.

1. Credibly Address the Future of Fossil Fuels

Transiting to a low-carbon energy future will take time and fossil fuels are likely to play a significant role in the energy mix of most advanced economies for the foreseeable future. The transatlantic relationship could, and should, become a venue to create a dialogue on the future of fossil fuels. This is particularly crucial for Germany which, despite its impressive success in stimulating the growth of renewable energy deployment, has so far struggled to achieve comparable progress in overall decarbonization of its energy sector, or in the phase-out of coal. This stands in contrast to neighbors such as the UK, which has achieved an overwhelming reduction in coal use at a rapid pace, and at an overall low net cost.

Notably, the question of fossil fuels’ future in decarbonizing energy systems is one involving both technical and political economy dimensions. Important questions such as how to deal with stranded assets and how to make carbon capture, use, and storage (CCUS) economical and technology feasible can only be solved with international cooperation. However challenging, solving these questions—especially CCUS technology—also provides great economic opportunity, which the transatlantic relationship could capitalize on. Projections of how countries can achieve their Nationally Determined Contributions (NDC) almost always include CCUS as one of the necessary elements, yet technology to achieve CCUS on an economical level has not yet been developed.

New policy mechanisms have been introduced in the United States, most notably the 45Q credit, which offers a robust price signal for carbon removal. Further dialogue over this new mechanism, and on the possibility of greater policy harmonization between Europe and the United States, could stimulate additional interest and investment in CCUS globally. This is particularly relevant given that a large number of major international oil companies with a motivation and capacity to advance CCUS are domiciled in either Europe or the U.S.

2. Map the Geoeconomics of the Energy Transition

Europe and the United States are well-situated to begin laying the ground for a more modern conceptual framework of energy security, one that takes into account the technologies, value chains, and key actors that are poised to dominate twenty-first century energy systems.

One area where the United States and Germany are well-poised to exercise leadership is in a comprehensive, transatlantic audit of the vulnerabilities of modern renewable energy value chains, identifying where trade restrictions or other measures could impinge upon the availability or affordability of wind, solar, batteries, and other products. Initial work in sketching out such a conceptual framework has been done by researchers in academia and national laboratories, but this can be further refined by including a more granular decomposition of various different advanced energy value chains, and by including an interdisciplinary group of experts from both sides of the Atlantic. For example, a working group of German, or European, experts from industry, academia, intelligence, and other sectors could be paired with
American counterparts for a one-year process that would in turn submit a report under the auspices of the EU-U.S. Energy Council or another appropriate body.

The energy sector, as well as other advanced manufacturing sectors, are also increasingly dependent on critical materials and rare earths, especially for clean energy technologies such as solar photovoltaics, fuel cells, or batteries for electric vehicles or power sector applications.

The majority of global critical mineral reserves are located outside the transatlantic realm, in Brazil, Democratic Republic of the Congo, or China, for instance. The transatlantic partners are not only highly dependent on imports of these resources, the mining of these critical resources also creates considerable sustainability issues, ranging from local work conditions to environmental pollution, which the EU and the U.S. are more likely to take into account than many other global stakeholders seeking these resources. As such, it places additional importance on finding alternative sources of critical mineral supplies—such as from recycling—that are suited to both projected demand and transatlantic values in sourcing. For example, cobalt from used lithium-ion batteries could reach 22,500 tons in 2025, up from 8,700 tons in 2017, according to a London-based research firm focused on energy storage and recycling. That represents approximately 15 percent of the total amount of cobalt projected to be mined in 2025, or around 7 percent of one forecast of global demand in 2025.

Research labs in the U.S. and EU have begun to develop alternatives to rare earth and avoid a dependency on critical materials. This provides substantial economic opportunities as renewable energy is expanding on a global scale, creating vast demand for resources in clean energy technology. This could provide areas challenged by the energy transition with a new venue of economic development. Moreover, it reduces import dependence. Transatlantic coordination should enhance this research and deepen efforts to recover rare earths from indigenous resources in the U.S. and the EU.

3. Avoid Technological Lock-in

Europe’s common market, innovation strength, and standards-setting capabilities are also of great value when it comes to ensuring that the transatlantic community is a shaper, rather than a bystander, of key advanced energy sub-sectors such as batteries. Goldman Sachs forecasts the vehicle battery market growing from less than $10 billion to $60 billion by 2030. What remains to be seen, however, is whether the current trend of Asian-produced, lithium-dominated battery technologies will continue, or whether the EU and the U.S. can together steer the market away from technological lock-in. If the latter is possible, it will be to the benefit of energy markets, global climate action, and industry in both Europe and the United States.

The challenge is significant and is less about China alone than an entire Asian production platform that is poised to lock in battery markets to useful, but ultimately sub-optimal, lithium-ion technologies just as China’s entry in global solar manufacturing locked in the relatively sub-optimal crystalline-silicon solar panel, and foreclosed opportunities for more promising, efficient—and perhaps one day cheaper—next-generation technologies. Today, Japan’s Panasonic is the largest vehicle battery manufacturer in the world, but is in the midst of being overtaken by China’s CATL after the latter’s $2 billion IPO is put to use in financing a massive manufacturing expansion. Korea, for its part, aims to control 30 percent of the global (lithium-ion) battery market by 2020.

Already, Asian battery producers are expanding their platform to Europe, including South Korean LG Chem’s new lithium-ion factory in Poland, and Samsung SDI’s investments in Hungary. If alternative technologies, such as advanced flow or lithium-air batteries, borne out of laboratories on both sides of the Atlantic, are to survive and compete, then the United States should recognize Europe’s added value and work to ensure that innovation—not just basic manufacturing—is at the heart of a shared strategy.

Last year, the European Battery Alliance was launched by the European Commission to stream-
line the activities of eighty different battery value chain stakeholders. The driver is not only international competition, but also serves a domestic logic: no sooner had diesel-fueled passenger vehicles breached 50 percent of the overall mix in Europe than the “diesel-gate” scandal hit, sowing seeds of diesel distrust that has since seen its share drop below half, and has European automakers searching for new trajectories to ensure they maintain a central role in Europe’s industrial strategy.

4. Jointly Reform and Strengthen Mission Innovation

Mission Innovation (MI) was launched in 2015 by the United States, France, India, and a coalition of business leaders led by Bill Gates known as the “Breakthrough Energy Coalition” as an initiative to collectively “double clean energy R&D funding within 5 years.” The effort has since expanded to encompass twenty-two countries and the European Commission. In order to demonstrate to U.S. policymakers the broad benefits, and limited downsides, of continuing to participate in such an endeavor, Germany and/or the EU can work with the U.S. to identify a number of key reforms and improvements to MI. This could include, inter alia:

— Strengthening and streamlining the measurement and reporting of energy RD&D activities and expenditures—perhaps in collaboration with IRENA;

— Create coordination mechanisms to ensure complementarity, rather than redundancy, with other domains involved in energy innovation, including the military, large industrial firms, and philanthropy-backed private endeavors such as the Breakthrough Energy Coalition;

— Transitioning to goal/outcome-oriented targets for each technology-specific “innovation challenge” area, away from the current funding-oriented targets;

— Volunteering to co-lead the addition of two new challenge areas, energy storage and advanced nuclear, which would be well-oriented to both the technological capabilities and needs of the country’s respective energy sectors.

5. Enhance Asset Utilization in the European and U.S. Innovation Ecosystems

Europe and the U.S. often find themselves as competitors in the downstream parts of advanced energy value chains, including electric and other alternative fuel vehicles, solar panels, and wind turbines. Yet, at the same time, the two together possess the world’s largest innovation ecosystem, particularly when it comes to the energy sector, and the strengths that each bring are largely complementary. The U.S.-EU Energy Council could be resuscitated and revitalized in part by creating a new working group involving other relevant agencies, ministries, and private sector actors, aimed at facilitating greater complementarity between the two powers’ innovation ecosystems and at facilitating greater asset utilization therein. This might include greater facility, personnel, and data-sharing programs between the U.S. national labs and leading European institutions, such as the Fraunhofer Society.

BALANCING INNOVATION AND REGULATION IN THE DIGITAL ECONOMY

The digital transformation requires cooperation on many topics. The following recommendations focus on three key themes in particular: the balance between digitization and cybersecurity, blockchain technology opportunities and risks, and the changing nature of work.

1. Exchange Best Practices on Digitization and Cybersecurity

Digitalization offers vast opportunities to increase efficiency and reduce emissions in the energy sector. Smart homes, for instance, enable homeowners to manage appliances and heating and cooling systems through digital applications. This has the potential to increase energy efficiency and manage energy demand more effectively. Autonomous electric vehicles may become the solution to current mobility challenges such as congestion or low vehicle occupancy, creating chances to reduce car ownership while improving
mobility services in urban settings. These smart energy solutions, however, critically depend on an equally smart cybersecurity strategy that engages governments, citizens, and the private sector. In May 2017, President Trump issued the Presidential Executive Order on Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure, indicating the importance this administration places on cybersecurity in particular for critical infrastructure, such as the energy sector. Germany issued a cybersecurity strategy in 2016 that also notes the importance of addressing threats to critical infrastructures. The U.S., the EU, and Germany have already experienced security incidents in their critical infrastructures. Transatlantic public-private sector cooperation could provide a venue to develop cybersecurity standards in the energy and other sectors.

2. Blockchain Technology

Blockchain is a transformative technology that allows organizing systems in a decentralized way where formerly one central actor was needed. Its wide applicability and disruptive potential will require not only regulation, but also a dialogue on how we want to employ the technology for the best of society.

Indeed, even relatively modern regulatory frameworks are not necessarily being promulgated with any explicit heed paid to distributed ledger technologies. The General Data Protection Regulation (GDPR), in effect from May 25, 2018, introduces a new data governance framework in the EU that in effect requires the complete deletion of certain data upon request by the relevant individual. Under current design, many blockchains are not in a position to be compliant with the GDPR due to the permanency, immutability, and distributed nature of databases maintained on blockchains. There are currently over 1,000 apps being designed on the Ethereum blockchain alone that serve—or seek to serve—commercial uses, and this number is poised to grow significantly over time. Moreover, the bulk of these apps are being developed in the transatlantic space (in the EU and/or the United States).

EU data privacy rules, including GDPR, make a distinction between true anonymization, in which data is processed in such a way so as to irreversibly prevent identification, and pseudonymization. Since hashed records can theoretically be linked to one another, the data protection architecture at the heart of blockchain applications risks being interpreted as pseudonymization, thus exposing it to a greater data privacy compliance burden.

However, if blockchain-based applications are able to be successfully reconciled with extant and prospective regulatory frameworks, there are manifold opportunities for them to contribute to broad societal goals, be it facilitating trade or advancing market-based climate and environmental policy.

A transatlantic working group, involving trade officials from both the EU and the U.S., industry and technical experts, and stakeholders from conformity assessment bodies (perhaps represented by ILAC), could explore the suitability of blockchain-based conformity assessment mechanisms to be introduced in order to reduce frictional and technical barriers to transatlantic trade. The role of distributed ledger technologies in harmonizing balkanized environmental credit markets (e.g., renewable energy certificates, carbon credits, etc.) should also be explored, considering that Germany and the United States are home to both the most mature start-ups in this area and stand to reap the greatest immediate benefit.

3. A New Social Compact for the Modern Marketplace

Meanwhile, on both sides of the Atlantic, preserving and creating new jobs is increasingly seen in the context of the changing nature of work in the digital age and potential threats to employment from digital technologies. Solving issues around the future of work will be crucial for addressing looming distributional challenges and maintaining public support for the digital transformation.

In order to keep up with the pace of technological change, workers need to continually update their skills. Policy can incentivize employers to allow workers “education sabbaticals,” in which they work
part-time or take a break in order to upgrade their skills. As experiments on both sides of the Atlantic have shown, the effectiveness of these policies depends on providing financial incentives for employers to either train their employees or temporarily release them on paid leave. At the same time, policy can ensure workers’ access to such programs by providing information and compliance mechanisms. Policymakers can collaborate to learn from experiments on each side of the Atlantic.

Governing the workplace is a central item on the agenda of tripartite working groups on both sides of the Atlantic. Policymakers should combine efforts to identify common challenges to workplace conditions posed by the digital transformation, and to develop common solutions. Such a working group would be most effective were it to retain the tripartite structure while also including firms doing business in each country, rather than including only firms based in each country.

Reproducing effective forms of worker voice in the workplace also requires updating existing legislation. Maximizing worker voice in the workplace supports the horizontal organizational forms most conducive to technological innovation, but doing so requires the appropriate institutional context. In Germany, new measures must be developed to ensure that employers do not interfere in works council elections and do not hinder workers from implementing works councils, especially in the new firms that constitute the tech sector. Policymakers in the U.S. should reconsider legislation that prohibits works councils in the American workplace. Moreover, due to the transnational organization of production, policymakers should secure worker voice in multinational firms by strengthening the codetermination rights provided by EU legislation for EU-level works councils.

Conclusion

The postwar German-American relationship has been always collegial, often defined by a common purpose, and occasionally enhanced by a personal affinity and warmth among leaders. President Barack Obama famously called Chancellor Merkel his “closest partner” during a farewell visit to Germany on his final foreign trip as president. Earlier that year, at a well-covered address to the Hannover Messe, President Obama made a forceful case for Germany’s contributions to the European project, for the European Union’s contributions to a free and peaceful continent, and for the EU-U.S. economic relationship as a foundation of prosperity, open markets, and high standards worldwide. Germany, despite the trials and tribulations of the eurozone crisis, refugee crisis, and a resurgent set of security challenges on Europe’s borders, could look across the Atlantic and find a partner ready to reassure and reinforce.

These days are no longer.

In 2017 and 2018, we have seen the Trump administration sketch out the contours of a new approach to trade, to multilateralism, and to the transatlantic relationship writ large. The new approach appears aimed at elevating the exigencies of the moment over less tangible long-term ideals, at enlarging the American slice of the global economic pie over growing the pie itself, and at placing transactions, rather than trust, at the center of U.S. relations with the rest of the world. As the waves of President Trump’s often ambiguous and occasionally jarring rhetoric have repeatedly broken against the rocky shore of reality, European leaders are slowly learning how to interpret a very new way of doing business in Washington. While some of the strongest threats and sharpest words have receded, it is increasingly clear that President Trump will not be disavowed of some of his most closely-held priorities, such as trade deficits, in particular that with Germany.

And yet, at the same time, the new paradigm in Washington also creates new opportunities for common cause between Europe and the United States. Nowhere is this truer than in the resurgence of interest in rigorous screening of foreign investment coupled with a strategic industrial policy, not only in the halls of the White House, but also in Berlin, London, Paris, and elsewhere. The rapid increase of investment by emerging powers such as China in a bevy of strategic sectors across Europe, and to a lesser degree the United States,
has sharpened the focus of many politicians and policymakers on both sides of the Atlantic. A flurry of new proposals, driven in some cases by sound policy stewardship and in others by political opportunism, see in China a strategic challenge that requires more modern and muscular trade and investment tools to address. Europe and the United States can search for solutions independently, or together, and it is this uncertain future path that may also determine whether the transatlantic economic relationship over the rest of Trump’s presidency is dominated by antagonism or by cooperation.

Meanwhile, in less neatly and easily politically-delineated ways, the global economy is presenting to leaders on both sides of the Atlantic a panoply of new issues to grapple with, the majority of which are not easily contained within international boundaries. From the rise of data as a critical—and controversial—commodity of the digital economy, to the upheaval of labor markets by automation, the sharing economy, and new business models, to the still-unfurling potential of blockchain and other distributed ledger technologies, the greatest governance chasm of the present moment may be that between twentieth century regulatory frameworks and the twenty-first century technologies fast outgrowing them.

If there is to be a new economic and social compact for the twenty-first century, one that balances innovation with regulation, and one that balances the fast pace of the digital economy with a continued deference to democratic processes, then it is up to Europe and the United States to experiment, iterate, and elaborate such a model. No other two powers similarly combine capabilities and capacity with a deep experience with—and commitment to—Western democratic norms. Despite the headlines of the present moment, focused obsessively over tariff levels and deficit numbers and debt ratios, it may be the promulgation of a credible answer to the digitization and re-organization of the global economy that proves most trying for the transatlantic relationship.

Germans have gathered from the Trump administration that narratives appear to matter much more today than in the past. It is therefore one of the challenges of the transatlantic relationship to develop new narratives that reflect transatlantic common interests. In the sphere of geoconomics Germany’s narrative is not new, strongly endorsing the rule of international law and upholding the standards of the global economic order. However, Germany and other European countries too are facing increasingly inward-looking and defensive attitudes from within and will also have to persuade their own public of the benefits of global free trade. Germany’s dilemma now is that it has to continue encouraging free trade while firming up European trade and investment policies and at the same time resisting the potential slide toward increasing populism within as well as conflicts with outside partners.

“Geography is destiny,” Napoleon is rumored to have said prior to his ill-fated invasion of Russia. This, of course, was birthed by a world in which it still took days, if not weeks, to cross national borders. Today, then, in a world with global value chains, multinational corporations, and a ubiquitous online architecture, it is perhaps economics, as much as geography, that directs the course of history. Geoeconomics, the blending of these two, is having its day in the sun. As the United States, Germany, and the rest of Europe continue to grapple with the shape of a twenty-first century geoeconomic strategy, they would do well to look to one another for inspiration and cooperation.
Notes
5 Cui Hongjian, “Can Germany overcome bias against China?” Global Times, 8 January 2018, http://www.globaltimes.cn/content/1083855.shtml
15 See the website at www.b-t energía
German-American and transatlantic relations are changing rapidly. However, experts disagree on the ways in which they have changed, whether the changes are for the worse, and, more importantly, whether we should attempt to try to rescue the “old” relations. In 1963, John F. Kennedy stood in front of the Berlin Wall and proclaimed, “Ich bin ein Berliner.”¹ The statement was one of support for West Berlin and West Germany two years after the Berlin Wall had been erected. The special relationship between the United States and the Federal Republic, exemplified by Kennedy’s support for Berlin, first began under West Germany’s first postwar chancellor, Konrad Adenauer. After 1950, in the emerging Cold War, the Federal Republic had made an astounding economic recovery. It also became a major ally to the United States in Europe. NATO was founded, as the British general Hastings Lionel Ismay once put it, to “keep the Soviet Union out, Germany down and the Americans in.” Therein lies much of its geopolitical position and significance in German-American relations.² However, the relationship extended beyond these considerations as the Federal Republic was being rebuilt. American models informed West German educational, economic, and media systems as well as public life in many ways.³ Today, the geopolitical concerns of the United States as well as the Federal Republic have changed. They no longer consider each other major partners in a project to build democracy and suppress extremism, particularly communism. In addition, Europe’s demography, the very modes of communication, knowledge, and the forms and shapes of democracy, are also changing rapidly. These changes and what they mean for German-American cultural and civil society relations were the topics of a series of conversations within a group of civil society activists, experts, and scholars as mediated by the American Institute for Contemporary German Studies (AICGS) between the fall of 2017 and the spring of 2018.⁴ This essay discusses the group’s recommendations with particular attention to the importance and role of civil society actors in reviving and revitalizing or reformulating transatlantic, particularly German-American, relations in the coming decades.

An Historical Perspective and Current Changes and Challenges

After 1950, West German-American relations seemed to both countries a necessity based on the mutual interest in promoting democracy and market capitalism, and in keeping communism, represented by Soviet investment in Eastern Europe and elsewhere in the world, at bay. By the early 1990s, the Soviet Union ceased to exist, Germany reunited, and communism ended. This was a time of great optimism not only in German-American relations, but also with regard to the project of European integration and the expansion and strengthening of the European Union. The optimism began fading in the mid to late 1990s to disappear more definitely in the early 2000s after 9/11. German-American relations as they had existed in the Cold War era were severed more definitely in the conflict surrounding the 2003 Iraq War as the two countries disagreed on the necessity of military intervention in Iraq. Media continued to amplify and broaden disagreements and arguments between the European and American partners, and public opinion in circles who paid attention to international relations became increasingly critical of the other country and its position.⁵ In 2008, broad segments of the Federal Republic’s
media and population greeted President Barack Obama’s election and seemingly softer stance on notions such as military intervention and bilateral relations with hope. However, American public opinion on or understanding of German positions and policies scarcely changed as Americans turned increasingly toward domestic issues as they focused on recovery from the 2008 financial crisis and subsequent recession.

Furthermore, as President Obama became invested in foreign policy, including his two “inherited” wars in Iraq and Afghanistan, his administration’s interest in European questions and relations remained relatively limited. He pursued a similar policy toward Germany as he did toward Russia, a strategy of attempting to improve relations through cooperation rather than active engagement. Consequently, while the United States remained a focal point of interest for the German media and broader public, the same could not be said for American interest or investment in Europe. While German-American relations have not improved during President Donald Trump’s tenure to date, the divisions and disagreements in relations, politically and culturally, date further back than 2016 or 2017.

Yet talk of the demise of the relationship may be exaggerated. Recent Pew Research polls show that 68 percent of Americans consider the relations between the two countries “good,” while only 22 percent think that they are “somewhat bad.” Among Germans, 52 percent consider relations “somewhat bad” while 42 percent say that they are “good.”

To transatlanticists, the polls leave many questions open. For example, the polls do not indicate whether a generally benevolent attitude also translates into good knowledge of the other country or active investment in durable relations, nor do the more negative numbers in Germany indicate an unpreparedness to actively invest or take an interest in relations. While 52 percent of Germans are pessimistic about the relationship, this number only constitutes a slight majority compared to more positive groups. Are relations truly problematic and is the public willing to invest in their improvement? What do we truly know about civil society’s engagement with transatlantic relations?

Challenges to traditional German-American relations and agendas include a turn to increasingly nation-centered agendas, visible in developments such as “America First” in the United States or Brexit in the United Kingdom. They herald a weakening of investment in bilateral relations and collaboration that has existed since the early postwar era.

Another concern is the rise of parties and leaders, in the United States as well as in multiple European countries, that are seemingly critical of the very foundation of traditional democratic institutions domestically or internationally. Media and scholarship label these groups and developments “populism.” Jan-Werner Müller discusses the dynamics of populists and their agendas in a recent essay but cautions that “populism is not anything like a codified system.” One should be cautious of binary narratives of good liberal democracies and bad populist movements. However, these rapid political developments are changing the existing narratives of western democracy, the European Union, and German-American relations—their significance and content.

Furthermore, sociologist Ivan Krastev points out the rapid cultural and demographic changes brought by an unusually heavy influx of migrants in Europe. Beyond contributing to the refugee crisis, diversified populations with an alternative historical framework through which to understand German-American relations also mean that traditional arguments for transatlantic relations carry less weight among a broader public on both sides of the Atlantic.

Finally, traditional understandings of German-American relations relied on traditional models of the nation-state, of liberal democracy carried by a national community, its media, legal, and educational systems. New modes of interaction, especially ever-growing social media platforms, sophisticated algorithms guiding and selecting news reporting, the marginalization of traditional media outlets, and a rapidly increasing pace of “news cycles” not only change the content of relations, but also the very format and modes in which they can effectively be transmitted. To sum up, from the perspective of civil society and culture, we
are facing rapid, radical changes and a largely unknown future through a new geopolitical situation; a “changing of the guard” of politically active citizens and political representatives; new modes of effective political interaction that go far beyond the perceived immediate “problem” of populism or current leadership in either country.

Before turning to the question of recommendations, we also need to address the definition and function of civil society in international relations. David Ost in Solidarity: The Politics of Anti-Politics describes the idea of civil society as having become prominent to East European opposition movements in the 1970s. Ost defined civil society as the “public role of citizens outside the government.” The active engagement of civil society, scholars and activists felt, was a necessary aspect of working democracies and a positive force for change in non-democratic states. The focus on civil society and non-state actors in politics constitutes an interesting approach to the current political landscape as described above. A civil society perspective shifts the narrative and interpretive focus away from a top-down perspective, primarily concerned with the actions of either national leaderships or institution-alized political elites tied to capitals and major cities on both sides of the Atlantic. Furthermore, the focus on civil society activity allows us to think not only more broadly and inclusively about political activism, emphasizing the role of non-traditional groups and youth, but also to consider transatlantic relations from a long-term perspective, in terms of leaders who may have only just emerged on the political scene in subcultural contexts but who will become crucial participants in mainstream politics ten or twenty years from now. On the other hand, scholars caution us against automatically assuming that civil society and civil society actors are necessarily a positive force, promoting democracy, human rights, or improved international relations.

Civil society activism in an oppressive society may, in fact, reinforce the anti-democratic nature of that state. Indeed, one should note that populism partially takes its roots in civil society activism originating well outside of established political structures.

The Society, Culture & Politics group involved in AICGS’ year-long project thus wrestled with multiple layers of definitions and questions concerning civil society activism in transatlantic relations. We considered the significance and potential of civil society as a force in international politics on one level. As discussed above, some models of civil society activism that made sense during the Cold War or during late communism may have become outmoded and obsolete in the current climate. What, then, are realistic tasks and opportunities for civil society actors? What are the significant questions and issues that may need to be “fixed” in German-American relations? Is it realistic to assume that there are issues within the transatlantic relationship that are so severe that a large-scale civil society investment is needed (especially when so many other urgent questions in world politics demand attention)? Ultimately, the group arrived at some consensus on the questions discussed and developed some recommendations on ways to revive and revitalize relations. In terms of inclusion and exclusion, we agreed that although the business world and networks technically belong to civil society, we would not include recommendations geared toward them in the interest of a focused approach and particularly as another group within the project worked on economic relations. We were in favor of preserving transatlantic relations founded in democratic values, equal rights, diversity, protection of minorities, and mutually respectful bilateral relations. We also felt that the United States and Germany together have a larger role to play in maintaining and promoting such values globally. However, we did not necessarily agree on which groups and institutions in civil society might work most effectively and contribute toward change, or exactly which aspects of relations needed promotion.

As indicated above, civil society and politics are changing rapidly, in part thanks to developing modes of interaction and communication that repattern the very ways we engage with each other and the world. Powerful civil society and social media initiatives toward change, for example the Ukrainian Euromaidan revolution in 2013, and broad scale movements, such as #MeToo, have contributed to political change on national and inter-
national levels. Well before President Trump’s uniquely social media driven presidential election campaign and style of communication as a political leader, Twitter had become a central tool in politics and election campaigns. Traditional scholarship, traditional media, and educational and political institutions have good reasons to be concerned about the prominence and role of social media in the spread of knowledge, information, and opinion. The social media sphere is highly tribalized, particularly given the way in which algorithms determine our information access and intake; the anonymous culture of online political discourse sharpens the rhetorical stances and levels of verbal violence in political discourse; fact checking becomes difficult given the uncertain origins of information and the high pace of information sharing through social media.

On the one hand, one might argue that the lines between the public and the political establishment have grown thinner in the current political climate and, in the United States, that President Trump himself, while belonging to the economic elites, is a civil society actor who has been able to sideline much of political procedure and sidestep traditional channels of political discourse with the help of social media. On the other hand, it may also be the case that the large information flow in which many citizens exist and the removal of the necessity of anchoring statements in truth combined with the false intimacy that the use of social media channels creates further shield political and economic elites and executive political power from democratic oversight from the public, watch groups, and media. Either way, the Society, Culture & Politics group concluded that social media and its effects cannot be overlooked in a conversation about current-day civil society and current and future transatlantic relations. To make a point about its centrality in the changing sociopolitical landscape, the group decided to present its recommendations as tweets.

Recommendations

In our recommendations we attempted both to understand as well as respond to changing politics and modes of political communication. As longtime members of educational and political institutions, we felt that we needed to learn more about how younger and broader generations of Germans and Americans think about transatlantic relations, their significance, and how they could be rebuilt in new ways. While polling and information centers such as the Pew Research Center provide answers to basic questions about the transatlantic relationship, we believed that a more interactive and detailed approach would yield interesting results.

RECOMMENDATION 1: IDENTIFY COMMONALITIES AND DIFFERENCES

Consequently, our first recommendation is to launch a transnational campaign under the hashtag #WhatMattersToday. This yearlong campaign would initially target 1,000 students of color in each country from various regions. The students would be asked to participate in surveys and write blogs and reflection pieces on their understanding of these particular relations. The campaign would end in a large conference and, if successful, could be extended to other groups, such as senior citizens or school teachers, in the following years. First, such a campaign would give us a keener sense of key issues and concerns within transatlantic relations in wide, non-traditional groups of Americans and Germans.

Second, such a campaign, even if it yielded results that indicated widespread disinterest and limited agreement on key questions, would still build
engagement and empathy across borders. It would indicate commonalities and give more traditional transatlantic institutions a new ground to work from in terms of understanding whether and how the broader public will approach relations in the future.

RECOMMENDATION 2: ESTABLISH CONNECTIONS TO NEW SOCIAL ACTIVISTS IN SOCIAL MOVEMENTS

A second group of recommendations concerned forging connections to civil society participants that constitute future potential political actors and groups. If transatlantic bilateral relations no longer occupy the central position they once held in the political establishment, and we value the task of reviving them, how are we to convince a new generation of political leaders, parliamentarians, or social movement leaders to take an interest in them? In this context, we can look to Poland in the 1980s as a historic caution as well as a model. At that time, Poland was still run by the communist leadership, with which the Federal Republic actively sought to establish and maintain a relationship. Meanwhile, the civil society-based free trade union Solidarity was growing more and more prominent. Historians have noted the inclination by West German political leadership, including Willy Brandt, to ignore relations with imprisoned Solidary leaders in order not to alienate Germany’s primary political partners. This stance proved a mistake as the communist era ended and the leadership of Solidarity moved into key political positions in Poland’s first democratic government. Whether one refers back to the West German student opposition in the 1960s, the anti-nuclear movement in the 1970s, or to Polish Solidarity in the 1980s, history shows us that it is wise to take such movements—and particularly their leadership—into account as they often move toward mainstream politics and into political leadership roles over time.

Today, while neither Germany nor the United States are authoritarian societies, there are powerful protest movements happening in the civil society sphere, well outside of organized politics or institutions. We suggest that the leadership and pioneers of these movements will become tomorrow’s political figures. Therefore, in the interest of forging transatlantic relations for the coming decades, civil society groups and actors can work long-term and engage in dialogue with interest groups, working on specific similar questions and concerns such as peace, social justice, or the environment. In that way, they can build future alliances that will allow transatlantic relations to continue regardless of the shifting geopolitical concerns and focus. Cultural and societal groups have unique opportunities here that established political or economic groups, forced to work with existing political realities and representing the interests of their states or corporations, lack.

RECOMMENDATION 3: ENGAGE IN TRANS-ATLANTIC CONVERSATION ON NATIONAL IDENTITIES IN THE ERA OF GLOBALIZATION

Accepting the reality of the transatlantic rift and the difficulty of sustaining the relationship in its traditional format, we also recommended that civil society groups in both societies focus on identifying new shared interests, objectives, or concerns, rather than repairing or reconciling relations. For example, groups could use ideas of the large-scale campaign of surveys and blogs discussed above. One such shared concern is the anxiety on both sides of the Atlantic about collective national identities in the face of globalization and migration. Populist narratives tend to create exclusionary tales...
in which the populist movement or its leaders represent the “true people” and anyone who disagrees with their representation simply does not belong to the “real” national community. 21 While these narratives and their spokespeople attempt to dominate stories about “who we are,” civil society actors can also participate actively in this conversation with positive stories about migration, open-ended national belonging, successful multiculturalism, or contacts across borders. 22

RECOMMENDATION 4: LAUNCH AN INTERNATIONAL CAMPAIGN THAT PUBLICIZES THE CURRENTLY DAMAGED TRANSATLANTIC PARTNERSHIP

AICGS German-American Dialogue on Civil Society
Launch an #internationalCampaign that publicizes the currently damaged transatlantic Partnership and the necessity of recovering the relationship in order to awaken the public in both sides, particularly Americans, who do not have acute interests in the issue.

Also relevant to a conversation about positive and inclusive national identities and national histories is another of the group’s recommendations, launching an international campaign to address misconceptions and stereotypes in recent transatlantic relations. While an intellectual tradition and undercurrent critical of American culture and cultural imports has long existed among certain European groups, this current was offset in Germany by close postwar cooperation and ongoing cultural exchange. 23 However, after the aforementioned rift in the early 2000s, antagonisms and disagreements between the United States and its European partners deepened. The disagreements extended beyond the disputes about military intervention in Iraq to encompass notions about the two countries’ differing socioeconomic models and cultural values. 24 The disagreement concerning the extent of Germany’s role in international military intervention, according to the Pew Research Center, continues to inform public opinion, with 45 percent of Americans stating that they want European allies to increase defense spending. 25 The implication is that the Europeans are shrinking from their responsibilities in international intervention and military campaigns. However, German-American disagreements were broadly exaggerated and misrepresented by media and social media in 2003-2005. To rectify misrepresentations and negative stereotypes about Germans and Americans, the group recommends a second international campaign, drawing on historical models of nongovernmental engagement in efforts to overcome negative stereotypes or traditionally hostile relations. 26

RECOMMENDATION 5: FOSTER TRANSATLANTIC CIVIL SOCIETY CONVERSATIONS ON CAUSES AND EXPRESSIONS OF DISTRUST IN DEMOCRACY

AICGS German-American Dialogue on Civil Society
Foster #TransatlanticCivilSociety conversations on causes and expressions of distrust in #Democracy. Identify models for meaningful #PoliticalParticipation and #DemocraticRepresentation.

Another possible shared project between civil society actors in both societies involves restoring trust in democracy as a state system more broadly. It is all too easy to dismiss anti-establishment parties and leaders in Europe and the United States as threats to democratic rule of law. Meanwhile, the followers of such parties and individuals would argue that they are exercising their democratic rights. They would also argue that politics have long been dominated by narrow elites, career politicians, and a longtime establishment. 27 The form and shape of the European Union, as well as the sense that a distant EU bureaucracy is responsible for many crucial decisions, contributes to such a perception. Rather than engaging in a demonization of various political camps, civil society groups and networks may open broader and more inclusive conversations about the function, form, and future of democratic participation. Such conversations should be held across national borders by groups in multiple societies and would therefore be conducive to a strengthening of transatlantic relations while at the same time drawing in larger groups of engaged citizens and voters.

Conclusion

Three questions inform the recommendations introduced above and have provided a red thread during conversations of the group throughout the
project in 2017 and 2018. First, what form and shape will transatlantic relations take in the coming twenty or fifty years? Politics, international relations, geopolitics, societies, and modes of communication are changing rapidly. These changes are particularly visible in engagement outside of established politics and institutions. We have attempted to propose ways to gauge the depth of these changes and to respond to them. Second, does civil society continue to play a role in politics and transatlantic relations? Certainly, but that role may not follow Cold War patterns, nor does it have to be a positive one. One should also not assume that civil society engagement would by default defend democratic institutions, so-called liberal values, or international relations. Civil society participants might easily promote an overturn of democracy, nativism, isolationism, or a return to inflexible antagonism in international relations. Despite these cautions, the recommendations and conversation above recognizes non-state activism as carrying unique flexibility and potential for interaction as well as for long-term planning for the future of transatlantic relations. Finally, the conversations do not fully accept the premise that transatlantic relations in their traditional format should be saved. Rather, the recommendations in this essay focus on identifying new interests, formats, and shared concerns that may serve not only to restore or revive the transatlantic alliance, but to reshape non-state relations around interests and concerns more relevant to the twenty-first century and thereby build a foundation for relations into an uncertain future.
Notes

1 See for example Andreas W. Daum, Kennedy in Berlin (Washington, DC: Cambridge University Press, 2008) on this moment of history and the transatlantic relations.


4 The group members, who I also wish to thank for their contributions of sources, thoughts, suggestions, and ideas for this essay, were Felix Berenkoetter, Julie Hamann, Yangmo Ku, Rachel Seavey, Christiane Wienand, and Lukas Welz.

5 Elizabeth Pond, Friendly Fire: The Near Death of the Transatlantic Alliance (Pittsburgh, PA: European Studies Alliance, 2004), 53.


8 For a consideration of the changing world, populism and the effects of demographic change in Europe through the refugee crisis, see Ivan Krastev, After Europe (Philadelphia, PA: University of Pennsylvania Press, 2017).


13 For Ukraine’s Euromaidan, see Jennifer Dickinson, “Prosymo maksymal’ni perepoch’ Tactical and Discursive Uses of Social Media in Ukraine’s Euromaidan,” Ab Imperio 3/2014: 75-93. Precisely today, the news also came out that this year’s Nobel Prize in literature has been suspended as a consequence of the #MeToo movement’s impact.


15 See, for example, discussion by George Hawley, Making Sense of the Alt-Right (New York: Columbia University Press, 2017), 119-121.

16 Timothy Snyder argues in On Tyranny: Twenty Lessons From the Twentieth Century (Tim Duggans Books, 2017) that in order to protect democracy, we must distrust social media and focus our attention on traditional print media and on establishing personal networks.


Civil society is particularly active in both Germany and the United States. Engaged citizens are considered as the backbone of these liberal democracies: American political culture has in large part been developed by citizens’ self-organization and a democratic civil society is an essential part of Germany’s postwar identity. Both countries also are among the leading powers in acknowledging the benefits of civil society for democracy on a global level, in giving relevance to public diplomacy, and in enabling a transnational civil society. Hence, in a time of tension across the Atlantic, hopes are high for civil society to engage as a mediator and to overcome existing division lines. In doing so, what challenges does a transatlantic civil society face? Are its established structures able to act in a changing societal environment? Can a transnational civil society be effective against a growing alienation between both countries?

This essay completes Annika Frieberg’s contribution to this report and aims to further develop several questions that were discussed during the Society, Culture & Politics group’s meetings. Drawing on Frieberg’s descriptions of patterns that characterize the current challenges in our societies, it describes difficulties and opportunities in mobilizing transatlantic civil society relations. It then sets its focus on specific actors, particularly transatlantic youth, and the role of institutions in order to mobilize those actors. Furthermore, it takes a closer look at the potential actors that are currently under the radar, but who could exercise an important position in the future.

Two observations underlie this essay’s reflections on civil society: First, “the” civil society as such does not exist. Civil society is highly diverse and dynamic and hardly measurable. The recommendations can therefore only point out very particular areas of civil society and cannot portray the whole range of diversity inherent to it. Second, the recommendations do not pretend to reinvent the wheel. The current call for civil society engagement clearly proves that civil society is not a concept of the past: Hence, it is not so much about developing new instruments for transatlantic civil society but, rather, to bundle and to strengthen existing ones that have proven themselves as particularly effective, and to broaden their scope by including new actors and by using new networks.

Civil Society in Germany and the United States in Difficult Times

TRANSATLANTIC CIVIL SOCIETY RELATIONS: MIRROR OR MOTOR?

An assessment of today’s transatlantic civil society can go along two dimensions: first, they can serve as a mirror. Both countries face different degrees of the same political and societal shifts: growing distrust in politics, the rise of populism, and the questioning of the liberal democratic model. The results of the past elections laid bare a substantial (in the case of the U.S.) or at least growing (in the case of Germany) divide between parts of society that have lost touch with each other. Politicians, scientists, and journalists, often accused of remaining in their capital’s “bubble,” became aware that they had somehow lost touch with important parts of the population outside this bubble. As a consequence, some call for intensified civic engagement, hoping for civil society to bridge the gap and to restore trust in the political system. By
taking a close look to the situations in Germany
and the United States, civil society actors on both
sides can learn from each other.

The second dimension refers to the actual German-
American relationship and civil society’s potential
role as a motor that brings forward stagnating politi-
cal relations. Political instability in the wake of
Donald Trump’s election as president has chal-
gened Germany to find a way to cope with this
new unpredictably—something it has not yet done.
Quite suddenly, long-time concepts such as “ally,”
“partnership,” or “friendship” seemed unable to help
in overcoming different political positions. In the
past, a solid foundation contributed to overcoming
crises in the bilateral relationship as, for example,
between Chancellor Gerhard Schröder and
President George W. Bush about the Iraq war in
2003 or between Chancellor Angela Merkel and
President Barack Obama about the global surveil-
ance disclosures from 2013. Today, not only are
common interests called into question, but so, too,
is the specific relationship between both countries.
Germany’s discomfort in a situation in which it
seems to be impossible to rely on past achieve-
ments is shown by the reaction of the German
public to the consecutive visits of French president
Emmanuel Macron and Chancellor Merkel in
Washington, DC, in April 2018. The varying recep-
tions given the two European leaders cause the
public not only to see the relationship with the
United States as endangered, but also to question
Chancellor Merkel’s ability to continue to assume
a leadership role in the European Union (EU).
Closer civil society cooperation is hoped for in order
to compensate for the lack of political partnership
in pressing issues.

THE NORMATIVE TRAP OF CIVIL SOCIETY

In both the German and American cases, the
expectations toward civil society are high. Can
transnational civil society actors meet them? For
sure, they can neither bypass stagnation in the
political relationship nor repair flaws in the system
of political representation. A narrow focus on a very
normative view of civil society poses problems and
tends to overlook some of its critical aspects for
democracy.

It would be naïve and even negligent to presume
that civic engagement and particularly transnational
networks in civil society inevitably pursue demo-
ocratic values and boost pluralism by its bottom-up
approach. Civil society organizations can also
contribute to division and polarization in democracies,
particularly in a context of political and
economic crisis. Germany, for example, experi-
enced the connection between a strong civic
engagement in associations and growing illiberal-
ism in the 1920s and 1930s. A dynamic of
mistrust in newly established democratic institu-
tions and political elites, the collapse of the
economic system, and the quest for an alternative
ideological approach to liberalism led to a brutal-
ization of public discourse at that time, preparing
the ground for the authoritarian and dictatorial
backlash that followed.

Today, some social movements such as the
German right-wing populist PEGIDA go beyond the
logic of grassroots movements as progressive and
liberal forms of civic engagement, as they are
presented in most of the academic research on
social movements. By using similar tools and even
reclaiming the popular slogan “Wir sind das Volk!”
from the peaceful revolution that led to German
reunification, PEGIDA deliberately refers to eman-
cipatory movements in the past. Ideologically,
however, speakers and organizers openly diffuse
xenophobic, nationalist, and anti-Semitic tenden-
cies. What distinguishes today’s right-wing move-
ments from similar movements in the past decades
is the degree of professionalization that also
includes the establishment of strong international
networks. Trump’s victory in the 2016 U.S. election
boosted the exchange between groups supporting
him and right-wing movements all over Europe. At
the center of these exchanges are strategies for
public communication and campaigning. Only
recently, former White House chief strategist Steve
Bannon toured across Europe, meeting with
different right-wing populist movements and
leaders, among them Alice Weidel, leader of
Alternative for Germany (AfD) in the Bundestag.

Pointing out these ambiguities in the concept of
civil society does not intend to deny the positive
effects it can have on social cohesion, conflict reso-
ution, and the quality of democracy. However, it is maybe more necessary in today’s political context than before to be aware of the ambiguity of civil society. Its purpose is not automatically the moral good. Civil society is a cross section of society and therefore represents all kinds of attitudes, interests, and actors.

NEW OPPORTUNITIES FOR OLD TOOLS

Citizen engagement and stronger transnational networks can be beneficial for transatlantic relations in 2018 for several reasons: For one thing, our knowledge about civil society structures, actors, and best practices is better than ever before. We can draw on a long experience of non-state cooperation specifically in German-American relations, but also in other national and international contexts. Different experiences of transnational relations can be brought together without trying to just copy structures. This exchange is already taking place but can still be a lot more frequent. Another example of bilateral relations—the Franco-German relationship—can provide important insights for other transnational relationships. Conversely, those relations can themselves profit enormously by including new perspectives. The Franco-German and the German-American relationships were both established in a particular historical context with specific purposes: Reconciliation in the first case, the identification with a common western model in the latter. However, those purposes have evolved and are about to change. Neither the experience of overcoming the animosity and horrors of the Second World War, nor the dedication to a liberal western model are sufficient driving forces anymore. For keeping the relationships dynamic and flexible, constant revitalization and new input are essential.

Several tendencies further favor the reinforcement of civil society: First, forms of political engagement are shifting in favor of civil society engagement. The often-mentioned crisis of democracy—particularly among the young—is only partly true. Whereas the turnout rate of young people in elections constantly declined and engagement of young people in traditional structures such as political parties and labor unions shrank considerably during the past decades in all western democracies, this evolution does not correlate with a general lack of interest in politics and political or societal engagement. Quite the contrary: In the United States, surveys show that civic engagement among college students is higher than ever before. Most recently, the emergence of the student-led protest movement March for Our Lives demanding stricter gun control displays the high commitment of young people to protest movements and their politicization in the U.S.’ current political climate. In Germany, civic engagement in general is increasing: the percentage of engagement in the young cohort is not only the highest, but also the most strongly growing. This trend became particularly apparent during the European refugee crisis from 2015 onward, when the high number of volunteers helped to compensate for the lack of official structures or administration in managing the arrival of a significant number of refugees to Germany. Democracy has to pay attention to this change in political behavior since it will be a continuing and lasting change. Studies have shown that potential first-time voters who abstained from their first election are more likely to abstain in the future. The high awareness of civic engagement as a means for political participation, however, should be encouraged by a higher responsiveness of the system of political representation toward those forms of involvement.

Second, digitalization and technology favor civil society activities in general and transnational civil societies in particular. The internet and social media establish additional forms of engagement, which interconnect with the higher engagement rates among young people mentioned above. Signing online petitions, joining virtual or real-life groups of activists, and organizing protest movements online became an important addition to the long-established repertoire of engagement. Cheap and instant communication across the globe facilitates international coordination. At the same time, it makes the world feel smaller and physical borders seem increasingly blurred. Popular cultures spread more rapidly, influence each other, and make different ways of life more and more similar. Those developments can be a vehicle for a transnational identity (or several transnational identities) to emerge.
Finally, the internet can help make civil society activities in the transatlantic relationship more visible and accessible. The numerous locally-rooted initiatives are important parts of the transatlantic civil society. New media formats give them visibility and greater reach.

However, as was previously the case for the concept of civil society, we also have to acknowledge some caveats and bear in mind that technology is an instrument without any moral purpose. Social media creates echo chambers, allowing the same voices to resonate while it creates insular spaces in which different versions of reality are not in touch with each other. The possibility for everyone to create and spread content, and the pace at which information spreads, makes it easier to influence public opinion and to polarize debate. Moreover, the socio-economic patterns of civic engagement remain unchanged by new technologies: The more educated a citizen is, the more likely he or she is to use participatory platforms online. Education and a higher socio-economic status thus are a prerequisite for a transnational online civil society to emerge. University students from San Francisco, Tel Aviv, Berlin, Seoul, and Capetown may have more in common than residents of the same U.S. city living in areas under very divergent socio-economic conditions. Fighting inequality and disparities in education are therefore of utmost importance in order to make full use of the democratic potential of the internet.

Recommendations to Revitalize German-American Civil Society

RECOMMENDATION 6: YOUTH EXCHANGE NEVER GETS OLD, BUT IT NEEDS MORE DIVERSITY

In the above description about opportunities for transatlantic civil society cooperation, young people appear as decisive actors in a modern civil society. Some may say this insight is old news. Yet, those critics overlook that old models about young people somehow got stuck. The proportion of young people in German-American associations is decreasing; access to the benefits of German-American exchange programs remains largely a privilege for specific parts of the population who share a similar socialization. The narrative of a close German-American relationship as an anchor of western liberalism hardly matches young people’s perception of current challenges. For a long time, the United States was the preferred destination for German high school students to gain experience abroad. However, high school exchanges have been decreasing for several years now. This trend was fueled by the political situation that has emerged since the 2016 elections, particularly the growing uncertainty surrounding the Trump administration’s restrictive immigration measures. Yet the decline started earlier with the growing attraction of other English-speaking countries such as Canada, Australia, or New Zealand. They are often perceived as culturally more accessible, politically more stable, and still exotic enough to promise special individual experiences.

How can we bridge the growing gap between young Germans and Americans? How can they be intrigued to go beyond their respective understanding of the United States or of Germany and reflect on historical, political, economic, and cultural ties between both countries? Exchanges could be more strongly embedded in a comprehensive program providing guidance and space for learning and comprehending, but also for debating differences and similarities. The Congress-Bundestag Youth Exchange (CBYX; in German, Parlamentarisches Patenschafts-Programm, PPP) is a good example of such an approach (which was, by the way, established in 1983 during a cooling off in the German-American relationship). A similar approach could be applied to more decentralized school exchange programs. School exchanges alone cannot automatically create positive attitudes toward the other and eliminate stereotypes. However, they do create a connection to the other. Supporting structures could include politicians (as in the case of CBYX), as well as other institutions such as universities or think tanks with experts on German-American relations, media, or civic education actors such as the Federal Agency for Civic Education (Bundezentrale für politische Bildung, bpb).
Teachers play a specific role in those exchanges, even though they are usually not considered as part of civil society. By investing in teachers’ education and providing more space for transnational and international engagement, school exchanges can regain a dimension that goes beyond the improvement of language skills. Teachers as well as students have to be rewarded for their engagement in this regard by firmly integrating it into their curricula.

It is also necessary to make school exchanges and exchange programs outside school more accessible for underprivileged students and to ensure a diversity in such programs that corresponds to the diversity of German or U.S. society. Regardless of important steps that were made in the past decades to broaden the scope of such programs, more can be done to make the benefits of transatlantic relations accessible to larger parts of the population. A big part of school exchanges takes place in a commercial context by different private providers that require both financial and general support from parents and family. An innovative approach was the “Windows on America” program,\textsuperscript{12} initiated by former U.S. Ambassador to Germany Willian R. Timken. It focused on student groups who were underrepresented in student exchanges until then—young people with a migration background or who attended a school type other than Gymnasium, which provides advanced secondary education in Germany. It is unfortunate that this program is no longer active. In achieving inclusivity, more and better use of digital communication could be a cost effective and uncomplicated way to allow young people of all backgrounds to establish international contacts. Obviously, this cannot substitute for the physical experience of being abroad. However, new digital instruments can be included much more consistently in existing concepts.

To make transatlantic projects attractive to a more diverse group of young people, a first important step is to raise knowledge about them. Still, gaining international experience largely depends on the engagement of specific individuals: an engaged teacher, a motivated school director, well-educated and financially solid parents. A more bundled way of accessing information about existing programs, scholarships, and further civil society activities in the transatlantic relationship could considerably help young Germans and Americans, their teachers, and their families to find out which program fits their specific requirements. The most comprehensive and unique institution of this kind is without doubt the French-German Youth Office (DFJW/OFAJ) established in the framework of the Elysée-Treaty between France and Germany in 1963. This example illustrates the long-lasting benefits of a political initiative to create an independent international institution with the aim of deepening the understanding between the youth of two different countries and of promoting youth exchange. Its success could inspire a transatlantic youth office, which should offer the opportunity to include other Europeans in the long run.

**RECOMMENDATION 7: MAKE USE OF OBSTACLES TO IDENTIFY NEW STAKEHOLDERS**

The current crisis in the transatlantic relationship on a political level requires looking for alternative ways of tackling common challenges. For example, cooperation between civil society networks and local administrations is getting closer and reveals promising room for action. The federal structure of both the United States and Germany allows for municipalities and states to be more or less autonomous in various policy fields. This is the case in climate policy, for example: Fearing the exit of the United States from the Paris Agreement after the election of Donald Trump, international civil society actors prepared for alternative means of enticing the United States to respect the climate goals. They were able to benefit from the well-established networks between activists and governmental representatives forged during the year-long preparations for 2015’s COP21 in Paris. Right after President Trump’s election, donations for NGOs engaged in climate policy increased considerably (a similar boost was experienced by other civil society actors such as the American Civil Liberties Union, ACLU).\textsuperscript{13} But already ahead of Trump’s presidency, regional initiatives provided innovative additions to political regulations on the national level. Let’s take the example of the Under2 Coalition: Following the initiative of the State of Baden-Württemberg and the State of California,
this partnership brings together sub-national governments committed to a considerable reduction of their greenhouse gas emissions. The “Global Covenant of Mayors for Climate & Energy,” which has similar goals, is worth mentioning as well.\(^\text{15}\)

Platforms for cities and regions to exchange knowledge on best practices become increasingly important. Furthermore, cities are more and more capable of being as decisive political actors as national governments are—or even have the edge over the larger player.\(^\text{16}\) On this level, there are numerous ways of including local non-state actors and transatlantic civil society networks. Specific, topic-related transatlantic initiatives should be fostered. They could include policy areas such as migration, integration, investment, infrastructure, energy, or mobility. Making more use of the German-American sister cities in this sense could be a good starting point.

A quite different example for possibilities that include different actors in the revitalization of civil society relations could be closer cultural cooperation, for instance between German and U.S. museums. Again, making use of digital tools could be promising, for example, by allowing the creation of a digital museum on German-American relations that takes into account the close historic, cultural, and economic ties that characterize the transatlantic relationship. The different perspectives on our common history should then not be seen as obstacles, but as means to enhance true dialogue. Such a digital museum can easily be linked with digital classrooms, providing a platform for young people to learn about and to participate in the transatlantic relationship.

**RECOMMENDATION 8: INTEGRATE NEW FORMS OF CITIZEN ENGAGEMENT IN DEMOCRATIC INSTITUTIONS**

Thinking about new actors and new forms of civic engagement raises the question of how to establish a closer link between engaged citizens and their political representatives. To do otherwise will allow the gap that became more and more apparent throughout the past years to widen even more. To reduce the distance between citizens and the political elites, forms of inclusion in decision-making processes other than voting are of particular importance. Citizen dialogues can be one possibility, under the condition that they go beyond a purely symbolic gesture of dialogue between politicians and voters. The current example of citizen consultations on attitudes about Europe’s future, an initiative underway in almost every EU member state and promoted by President Macron, already shows some weaknesses: the consultations are too closely linked to him and his political movement and thus do not meet the criteria of independence and an open-ended approach. Furthermore, it has to be clear that the results are intended to inform parliamentary debates—and then must actually do so.

On a smaller scale, such initiatives make more sense and could even be integrated into transatlantic relations. Regular meetings between a small group of members of parliament who are particularly engaged in transatlantic relations and German and American citizens could help to identify concerns or understand diverging points of view. Then again, a diverse composition of citizens is necessary to avoid maintaining the same thought patterns. In the debate about the Transatlantic Trade and Investment Partnership (TTIP), for example, two blocs faced each other with almost total lack of understanding. Citizens’ rejection of the trade agreement was particularly high among Germans and civil society actors raised their voices quite loudly, expressing fears of lower standards in data protection, consumer protection, food safety, or environmental protection. This could have been mitigated—or even avoided—with a timelier inclusion of citizens in the deliberations as well on the German, the European, and then transatlantic level. To ensure a rather diverse group of citizens being involved in a dialogue with representatives and in decision-making processes, the concept of randomness could create some new dynamics. Randomness has the great advantages of providing equal opportunities, greater diversity, and increased independence.\(^\text{17}\) It would be worth trying this old democratic instrument in our political systems.
Conclusion

A transnational civil society cannot fix the damage that is made on the political level. But it can prepare the ground for the future and set in motion more longer-lasting dynamics that outlast election cycles. Though their function is quite different, German and American civil societies meet the same challenges and undergo similar trends. Political polarization is growing; intermediaries between the political sphere and civic level are increasingly scarce. The latter is one of the most important roles that a transatlantic civil society can play and its actors should be strengthened to be able to face this challenge. While transatlantic civil society actors already have at their disposal the necessary networks and tools, specific adjustments can be made to better respond to changes in demography and global trends. As young people fulfill a special role, they have to be in the very center of initiatives aiming to foster German-American relations. The old narrative of Germany and the United States as driving forces of western liberal democracies has to be adjusted to the global shifts we are experiencing without giving up its ability to give sense to German-American relations.

For this purpose, civil society has to be more inclusive toward different actors. First, it has to better portray the whole range of diversity in our societies and further step out of restrictive clubs and elitist circles. Second, new actors can be identified and build on established networks. In particular, local governance can be more linked to global governance, sometimes enabling more progressive policies than national politics do. Third, the link between citizen engagement and political decisions in our representative democracies can be reinforced by a stronger involvement and more efficient dialogue. In each of those areas, transatlantic civil society actors can play an important role for helping to mobilize and revitalize an active civil society that benefits Germany, the United States, and beyond.

Notes

1 For a closer look at the history of German-American relations see Anika Frieberg’s essay in this report.
5 In this regard, I would like to point out this precise project, the “German-American Dialogue of the Next Generation,” that intentionally aims at bringing together experts from diverse backgrounds and expertise on other areas than the transatlantic relationship.
14 See more about the initiative on its website: http://under2mou.org/1
15 See more about the initiative on its website: https://www.global- coverantsforsyrians.org/
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