

# The Consequences of a Trump or Biden Win for Germany

*Peter Sparding*

## Transatlantic Policy Implications of the 2020 U.S. Election

Few countries have a greater interest in the U.S. presidential election than Germany. Its relationship with the United States is of such existential importance that the outcome is likely to have a bigger impact on the future direction of German foreign policy than the country's own elections in 2021. It is the moment when Berlin will have to make a strategic decision.

Trump has criticized Germany repeatedly and on an array of issues. Yet, his most persistent criticism has come in areas that are not new points of contention: Germany's insufficient defense budget, its vast trade surpluses, and its dealings with China.

These issues are all long-standing (security spending and trade imbalances) or represent widely held and bipartisan views in Washington (the future relationship with China). On all of them there are good reasons for German policymakers to be at least receptive to the U.S. position.

Nobody should expect any quick fixes in the U.S.-German relationship during a Biden presidency. Yet it would offer a window of opportunity to put the relationship on an adjusted—and maybe more mature—footing.

These days, Germany stands out among United States' allies, yet this prominent position is not celebrated in Berlin. In fact, most German policymakers would like a little less attention from Washington. That is because the kind of attention the country has received from across the Atlantic over the past four years has been rather unpleasant. President Donald Trump seems to have a "special relationship" with the country of his forefathers and frequently singles it out in speeches, press conferences, tweets, and interviews—almost always to complain about, denigrate, or threaten it.

The intensity of this criticism and the speed at which the official German-U.S. relationship has deteriorated over the past years have caused diplomatic whiplash in Berlin. Only a few months passed between President Barack Obama's advisors describing Chancellor Angela Merkel as his "closest partner over the course of his entire presidency"<sup>1</sup> (a fact the outgoing president underscored by making her the last foreign leader he called before leaving office in January 2017) to her declaring that the "times in which we can fully count on others are somewhat over" following a meeting with President Trump.<sup>2</sup>

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Over the past four years European Countries have adapted in different ways to the change in tone and attitude from Washington. As Karen Donfried noted in 2019, France reacted to Trump and his perceived unreliability as a partner by ratcheting up talk of strategic autonomy, assuming that U.S. foreign and security policy would not return to a previous state even

after he left office.<sup>3</sup> Poland, she argued, strategically embraced the Trump administration and its preference for bilateral dealings, seeing no alternative to the U.S. security guarantee and not trusting its European neighbors to defend it against Russia. As for Germany, Donfried explained, the Polish and French reactions appeared unsuitable.

Indeed, unlike France, Germany relies on the U.S. nuclear shield and its military is not in a position to realistically pursue any kind of strategic autonomy. The Polish embrace of Trump's transactional and bilateral approach runs counter to everything German policymakers have been building on and toward for decades. The unpopularity of the president in Germany further precludes any top politician from embracing Trumpism. Thus Germany was left to follow a middle path of "strategic patience" (to use Donfried's term): waiting to see how the political situation in the United States would evolve and hoping that while, a return to the status quo ante seemed improbable, a subsequent administration would adopt a more accommodating posture.

Today it seems as if few countries have a greater interest in the U.S. presidential election than Germany, for whom the stakes are high. Its relationship with the United States is of such existential importance—only second to the development of the European Union—that the outcome of the vote is likely to have a bigger impact on the future direction of German foreign policy than the country's own elections in 2021. It is the moment when Berlin's strategic patience will have to make way for a strategic decision—one way or the other.

### **Longstanding conflicts**

President Trump has criticized Germany and its government repeatedly and on an array of issues. Yet, his most persistent criticism has come in areas that are not new points of contention between Berlin and Washington. These are Germany's insufficient defense

1 The White House, [Press Call Previewing the President's Trip to Greece, Germany and Peru](#), November 11, 2016

2 Jon Henley, [Angela Merkel: EU cannot completely rely on US and Britain any more](#), The Guardian, May 28, 2017

3 Karen Donfried, [Three Ways Europe is Looking at a Fraying NATO](#), Defense One, April 2, 2019

budget, its vast trade surpluses, and its dealings with China. In order to assess the differences between the Trump administration's approach and a potential Biden presidency (as well as a potential change in the control of Congress), it is necessary to take a closer look at each of these issues.

### *Germany's Defense Spending*

In 2011, Secretary of Defense Robert Gates famously laid out in no uncertain terms why he saw “the real possibility for a dim, if not dismal future for the transatlantic alliance.”<sup>4</sup> If European NATO members continued to be “unwilling to devote the necessary resources [...] to be serious and capable partners in their own defense,” he said, there would be a “dwindling appetite in the U.S. Congress—and in the U.S. body politic writ large” to expend resources on their behalf and “[f]uture U.S. political leaders may not consider the return on U.S. investment in NATO worth the cost.” Gates pointed out that he was only “the latest in a string of U.S. defense secretaries who have urged allies privately and publicly, often with exasperation, to meet agreed-upon NATO benchmarks for defense spending.” His words received widespread attention in Germany, which—though unmentioned in the speech—was perhaps the most obvious target of his criticism.

The idea that each NATO member should spend at least 2 percent of gross domestic product (GDP) on defense, had been around at least since 2006.<sup>5</sup> George W. Bush and Barack Obama repeatedly implored NATO members to step up their military spending. It was in 2014, under Obama, that the 2 percent goal was first incorporated in a summit declaration. Though not often singled out, Germany was the main addressee of this complaint given its size and wealth.

Yet, despite these precedents, the situation has changed significantly under Trump. He has seemed especially focused on Germany in his criticism, while previous U.S. leaders had usually kept theirs at a broader level. The president has also characterized the matter of insufficient defense spending as money owed to the United States—a narrative that no German public-diplomacy effort has been able to dislodge. Trump has further made significant threats, going as far as to contemplate withdrawing the United States from NATO. This looms large as an especially consequential potential move during a second term. Trump did follow through on one of his threats by ordering the withdrawal of around 12,000 U.S. troops from Germany, citing the country's failure “to pay their bills.”<sup>6</sup> Furthermore, he has frequently linked this to other issue areas, vowing, for example, to punish Germany with regard to trade if it did not ramp up military spending.<sup>7</sup>

***Perhaps most consequentially for Germany, Trump has turned the typically Washington-centered foreign policy debate into a domestic campaign issue.***

Perhaps most consequentially for Germany, Trump has turned the typically Washington-centered foreign policy debate into a domestic campaign issue at rallies. By claiming Germany and other countries are continuously “ripping off” the United States, he has brought the issue to a much wider audience and threatened to turn Germany into yet another contentious topic in American politics. Given Trump's ability to turn almost every issue into an anger-inducing matter among large segments of his base, there is a real danger that coun-

4 U.S. Department of Defense, [Remarks by Secretary Gates at the Security and Defense Agenda](#), June 10, 2011

5 Jan Techau, [The Politics of 2 Percent. NATO and the Security Vacuum in Europe](#), Carnegie Endowment for International Peace, September 2015, p. 3f.

6 Phil Stewart and Ali Idrees, [U.S. to withdraw about 12,000 troops from Germany but nearly half stay in Europe](#), Reuters, July 29, 2020

7 David M. Herszenhorn, [Trump threatens to punish Germany over military spending](#), Politico Europe, April 12, 2019

tries like Germany risk becoming a ball to be kicked in the United States' culture wars.

If Joe Biden wins the election, talk of a U.S. withdrawal from NATO would cease immediately (at least for the time being). He has long emphasized his support for the transatlantic security order and has accused Trump of having taken a "battering ram" to the alliance.<sup>8</sup> He would be helped by the fact that even among Republican lawmakers there is no widespread appetite for withdrawing from NATO. Yet, while the tone and demeanor toward the United States' allies would certainly change with a Biden administration, Germany should not expect a reversal of U.S. policy or an extended apology for Trump's behavior. The conviction that allies need to increase their military spending and provide for their own security is solidly bipartisan in Washington. The 2020 Democratic party platform thus assures that under President Biden alliances would no longer be treated like "protection rackets," but it also vows to encourage partners "to build up their defense capabilities, take greater responsibility for regional security, and contribute their fair share."<sup>9</sup> While this language harks back to the more diplomatic entreaties by previous U.S. officials, the topic is now known to a much wider domestic audience and the urge of the U.S. body politic to keep up or even increase the pressure on underperforming allies will continue to be strong.

### *Germany's Trade Surplus*

The German-U.S. trade imbalance has long been a point of contention between Washington and Berlin. At least since the 2008 financial crisis, the United States has continuously criticized Germany for running vast trade surpluses and for its reliance on economic demand from abroad. At the 2010 G-20 meeting in Seoul, the Obama administration sought to introduce nominal targets, capping trade surpluses and deficits

at 4 percent of GDP, an effort that was successfully rejected by Germany and China. Over the following years, U.S. complaints about German economic policy "took on the character of ritualized nagging."<sup>10</sup> The Treasury Department regularly included Germany in a small group of countries to be monitored for their trade and current account surpluses. In 2013, for example, it criticized the role German current-account surpluses played in resolving the crisis in the eurozone, when it declared that the country's reliance on exports had "hampered rebalancing at a time when many other euro-area countries have been under severe pressure to curb demand and compress imports in order to promote adjustment."<sup>11</sup> While the substance of the critique, shared widely by the vast majority of American economists and many in the U.S. financial system, never truly subsided during the Obama years, the topic of bilateral trade imbalances nevertheless retreated from the forefront of German-U.S. relations, as the situation of the eurozone steadied and other crises, such as the situation in Ukraine, became more urgent.

### *The German-U.S. trade imbalance has long been a point of contention between Washington and Berlin.*

Trade became a major issue in the 2016 presidential election, however. Trump constantly railed against countries, usually China and Mexico, taking advantage of the United States. The measure he used to identify what he saw as the worst perpetrators was the bilateral trade deficit—an indicator he has continued to focus on as president. In doing so, and similarly to the issue of NATO members' military spending, the president has shown a poor understanding (or a willful misunderstanding) of the issue. While the Obama administration argued that Germany's trade surpluses hurt the recovery of the eurozone and contributed to

8 Joseph R. Biden, jr., [Why the United States Must Lead Again. Rescuing U.S. Foreign Policy After Trump](#), Foreign Affairs, March/April 2020

9 Democratic National Committee, [Democratic Party Platform 2020](#), July 2020, p. 74

10 Wade Jacoby, [Surplus Germany](#), Transatlantic Academy, May 2017, p. 3

11 U.S. Treasury Department, [Report to Congress on International Economic and Exchange Rate Policies](#), October 30, 2013, p. 25

dangerous global imbalances, Trump has implied that bilateral trade deficits meant the United States was somehow losing money to other countries. Though China received most of its attention, the administration also admonished Germany on these grounds from the beginning. Within weeks of taking office, the president's trade advisor, Peter Navarro, accused Germany of "exploiting" the United States.<sup>12</sup> Over the last four years, U.S. trade policy toward the European Union (after German officials repeatedly had to point out to the administration that they could and would not negotiate bilaterally with the United States) can be characterized as antagonistic, but without a discernable strategic goal. After an initial flurry of tariffs and other measures against the EU, the focus of the administration shifted to China. And this year trade disappeared as a major issue as the coronavirus pandemic unfolded. The U.S. trade deficit meanwhile hit a record high in August.<sup>13</sup>

***It seems likely that a Biden administration would dismantle Trump's tariffs against Europe.***

Joe Biden is a long-time supporter of trade liberalization. As a senator he voted for free-trade agreements, such as NAFTA, and supported the creation of the World Trade Organization as well as the normalization of trade relations with China. As vice president he supported the Trans-Pacific Partnership and the Transatlantic Trade and Investment Partnership. Yet, it would be unwise to assume that trade policy would snap back to its pre-Trump version under a Biden administration. The debate in the United States has shifted significantly and the historically broad bipartisan consensus among legislators and policymakers regarding trade liberalization is no longer a given.

While polling in recent years has shown a consistent increase in the number of Americans saying they view trade mostly as an economic opportunity rather than a threat, these numbers may reflect a pre-pandemic economic outlook.<sup>14</sup> Previous polling indicates that elevated unemployment rates may increase worries about foreign trade. Given the damage the pandemic has visited upon the economy, a Biden administration would have to focus heavily on the domestic economic picture, while trade policy would likely not be an immediate priority—and arguably not an issue to spend political capital on. Biden's campaign has emphasized stronger "Buy U.S." schemes and has called for massive investments in U.S. manufacturing and innovation.<sup>15</sup> Similarly to some of the Trump administration's rhetoric and reflecting a strong bipartisan consensus, he has advocated repatriating critical supply chains to the United States—not only as a response to shortages of medical equipment during the pandemic, but to improve resilience in areas such as semiconductor production, key raw materials, and telecommunications infrastructure. While clearly not directed at European countries, some observers worry that such moves would lead to an "escalating subsidy wars, not just with China, but with close U.S. allies as well."<sup>16</sup> On the other hand, it seems likely that a Biden administration would dismantle the Trump administration's tariffs against Europe.

Biden has publicly taken a critical view of Trump's trade policies. He has also rejected the notion of trade deficits as a significant measure of success of U.S. policy.<sup>17</sup> Given the broad consensus in the U.S. economic policy community about the negative effects of Germany's vast trade surpluses, however, it is likely that a Biden administration would take a critical view

12 Nick Fletcher, [Trump's trade adviser says Germany euro to 'exploit' US and EU](#), The Guardian, January 31, 2017

13 Ana Monteiro and Reade Pickert, [U.S. Trade Deficit Widened in August to Largest Since 2006](#), Bloomberg, October 6, 2020

14 Lydia Saad, [American's Vanishing Fear of Foreign Trade](#), Gallup, February 26, 2020

15 Biden Campaign, [Made in United States Plan](#), 2020

16 Edward Alden, [No, Biden Will Not End Trade Wars](#), Foreign Policy, October 2, 2020

17 Simon Lester, [Joe Biden on Trump's Trade Policy](#), International Economic Law and Policy Blog, July 5, 2019

on the matter along the lines of the Obama administration's. A return to the period of "ritualized nagging" would thus be probable, though other issues on the transatlantic agenda would take precedence.

### *Germany's Relationship with China*

"Great power competition—not terrorism—is now the primary focus of U.S. national security"<sup>18</sup>, declared Secretary of Defense Jim Mattis, in January 2018 when presenting the new National Defense Strategy of the United States. Together with the previously released National Security Strategy, this document formalized a major shift in U.S. thinking that had been underway for years. It followed on from the Obama administration's "pivot" to Asia, which was at least in part in response to the rise of China. Together with a reassessment of Russia's behavior following the annexation of Crimea, China's increasingly assertive stance has shifted the foreign policy debate in Washington for good. The long post-Cold War period when U.S. policymakers hoped that China and Russia would join the Western-led multilateral order has come to an end. Instead, it is now widely held in Washington that these countries have "concluded that if the liberal order succeeded globally, it would pose an existential threat to their regimes."<sup>19</sup> There is now a broad bipartisan consensus assuming there will be a more confrontational relationship between the United States and other major powers. This shift has wide-ranging consequences in areas, such as commercial relations and supply chains, that affect also engagement with allies and partners in these areas.

Despite Trump's repeated attempts to personally court China's President Xi Jinping, his administration has generally pursued an aggressive China policy. This is especially true with regard to economic policy, where the United States has relied heavily on punitive tariffs as a tool to seek concessions from China. While

to some in the administration (like Trade Representative Robert Lighthizer) this approach has been part of a long overdue strategic adjustment of China policy, Trump has seemed more interested in its potential domestic political benefits. With hopes of reaching a comprehensive trade deal with China before the election thwarted by the coronavirus pandemic, he has returned to name-calling, blaming the country for the devastating effect of the virus in the United States, and to talking about economic "decoupling."<sup>20</sup> Secretary of State Mike Pompeo has similarly taken an increasingly undiplomatic tone toward Beijing.<sup>21</sup>

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The aggressive approach of the Trump administration has also impacted the United States' European allies, which have been faced with increasing demands to "choose sides in the emerging rivalry."<sup>22</sup> From the beginning of Trump's presidency, European policymakers identified transatlantic coordination on China policy as a potential opportunity to engage the new U.S. administration and to bridge the otherwise widening gap across the Atlantic. Yet, the Trump administration's lack of a broader strategy and the president's "euroskeptical attitude, [...] erratic leadership, mixed messages, and numerous counter-productive policies,"<sup>23</sup> have hampered such outreach efforts. In the meantime, European and German China policies

18 U.S. Department of Defense, [Remarks by Secretary Mattis on the National Defense Strategy](#), January 19, 2018

19 Tom Wright, [The Return to Great-Power Rivalry Was Inevitable](#), The Atlantic, September 12, 2018

20 Reuters, [Trump again raises idea of decoupling economy from China](#), September 15, 2020

21 Emilio Casalicchio, [Pompeo urges all nations to "push back" against China during UK visit](#), Politico, July 21, 2020

22 Janka Oertel, [Europe, 5G, and Munich: The China challenge and American mission](#), European Council on Foreign Relations, February 18, 2020

23 Erik Brattberg and Torrey Taussig, [Bonding over Beijing](#), Brookings Institution, September 30, 2020

have also hardened in recent years, but the benefits of this convergence have yet to materialize.

It is in policy coordination toward China that there may be some of the biggest potential for a positive transatlantic agenda under a Biden presidency. To be sure, Biden has not been immune to the shift in the Washington consensus, acknowledging last year that the United States would “have to get tough with China.”<sup>24</sup> But he also has repeatedly emphasized the need to “build a united front of U.S. allies and partners to confront China’s abusive behaviors and human rights violations, even as we seek to cooperate with Beijing on issues where our interests converge, such as climate change, nonproliferation, and global health security.”<sup>25</sup> This approach aligns much more closely than that of Trump with European and especially German preferences, at least in terms of process.

Still, some of the potentially contentious issues would remain. A case in point is the discussion around 5G technology. The Trump administration has put significant diplomatic pressure on Germany and other European countries to exclude Chinese vendors from building up the new technology networks due to security concerns. This is a deeply bipartisan concern in Washington, which will not disappear in a Biden presidency. The question for a Biden administration would be to find a way to overcome the great disconnect between the message Washington has recently conveyed and how many European and German observers perceived it.<sup>26</sup> This need not be a contentious matter, though, as recent political developments in Germany already point to a growing alignment with the U.S. position.

## Conclusion

It has become somewhat of a truism in transatlantic policy circles that the relationship between the United

States and its European partners, and in particular Germany, will not “snap back” to a pre-Trump state if Biden is elected. This is correct in the broader sense. Confidence in the United States as a reliable partner has plummeted in Germany and Trump’s approach to foreign policy—and his unusual personal focus on and aversion toward Germany—have left deep marks. The German-U.S. relationship will be different. If Trump is reelected, it will likely take on a wholly altered form, as Berlin would have to shift from strategic patience to either strategic autonomy or strategic embrace. Waiting out the storm for another four years seems like an inconceivable option, especially as a second Trump term would likely prove to be even more volatile.

***The diplomatic whiplash following Trump’s 2016 win and the experience of a rapidly deteriorating official relationship will remain in the back of the head of many in Berlin (and in Washington).***

Even if Biden were to become president, the German-U.S. relationship would be different. The diplomatic whiplash following Trump’s 2016 win and the experience of a rapidly deteriorating official relationship, which has put into the question some of the pillars of German foreign policy, will remain in the back of the head of many in Berlin (and in Washington). The thinking would be that, if it happened once, it could happen again. However, a Biden presidency would also offer a window of opportunity to put the German-U.S. relationship on an adjusted—and maybe more mature—footing. Biden would likely be the last U.S. president whose foreign policy views are grounded in the historic transatlantic relationship of the Cold War. At a time when United States’ attention will further shift toward the Pacific, a trend that would continue under a Biden administration, he would likely be one of the most naturally pro-transatlantic and pro-European presidents in recent memory. However, much of the potential for a successful readjustment will

24 Sydney Ember and Katie Glueck, [Biden, in Foreign Policy Speech, Castigates Trump and Urges Global Diplomacy](#), New York Times, July 11, 2019

25 Biden, [Why the United States Must Lead Again](#).

26 Oertel, [Europe, 5G, and Munich](#).

depend on how European countries and in particular Germany would react to a Biden presidency.

The contentious issues in the German-U.S. relationship over the past years laid out here are all longstanding (security spending and trade imbalances) or represent widely held and bipartisan views in Washington (the future relationship with China). They are not a phenomenon of the Trump presidency. While the Trump administration's loud and adversarial conduct might have brought some of these issues to the attention of a broader audience on both sides of the Atlantic, it also irritated much of the German public and made it more challenging to discuss the merits of the disagreements.

On all of the abovementioned issues, there are good reasons for German policymakers to be at least receptive to the general U.S. position—as many German experts already are—not in order to impress Washington, but to further their country's interests. The German government has committed itself to increasing defense spending and the experience of the last years, in which it became clear that Germany cannot rely as much as before on others, has only highlighted the need to increase its capabilities. Vast trade

imbalances and Germany's dependency on export-led growth have proven to be a potential weak spot for the economy at a time of increasing global instability. And over the past years there has been a growing realization that China, while still an important market, poses significant challenges not only to German foreign policy but also increasingly to economic interests as policymakers and business leaders try to figure out how to deal with a non-market actor of China's scale.<sup>27</sup>

Nobody should expect any quick fixes in the U.S.-German relationship, even with a Biden presidency. Given the turmoil of the Trump years and the severe damage the coronavirus pandemic has caused in the United States, the main focus of a Biden administration would be on fixing domestic problems. The contentious and increasingly dysfunctional political situation in Washington could furthermore inhibit a new president's ability to reshape U.S. foreign policy, including if Senate approval of key appointments becomes paralyzed for partisan reasons. Nevertheless, a Biden presidency would represent a real chance to stabilize and prepare the U.S.-German relationship for the future. If given the chance, German policymakers should embrace this opening.

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27 See for example: Federation of German Industries, [Partner and Systemic Competitor: How Do We Deal With China's State-Controlled Economy?](#), February 2019



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