

#45

ARMAMENT AND TRANSATLANTIC RELATIONSHIPS

The German Perspective

By

Bastian GIEGERICH

Director of Defence and Military Analysis, IISS

October 2019

*The views expressed here are solely those of the author.
They do not reflect the views of any organisation*

Comment

ABSTRACT

Germany currently has a conflicted view of both transatlantic relations and of armaments policy. Whereas the US is seen as the cornerstone of European security, policy-makers in Berlin are hedging against the possibility that the US might lower its commitment to European security. Germany supports the Europeanisation of its defence industrial base, in close partnership with France, but pursues different priorities on arms exports and to a degree also with regards to third party access to PESCO and the EDF compared to Paris. Recent US interventions in the debate about closer European defence collaboration were criticised in Germany as overblown.

Keywords: *European Defence Fund, Pesco, Germany, armament policy, USA*

Germany currently has a conflicted view of both transatlantic relations and of armaments policy (and of the industry supporting that policy). On the one hand, the United States and NATO are seen as the cornerstone of Germany's security policy and credible deterrence and defence are perceived by experts and policy-makers as being dependent on a US contribution. On the other hand, German Chancellor Angela Merkel (CDU) suggested in 2017 that the US under president Donald Trump could not necessarily be relied upon and that Europeans therefore had to shoulder a greater part of the security burden themselves. In 2018, foreign minister Heiko Maas (SPD) suggested it was time to consider plans for a new world order in which an alliance of multilateralists would protect the international norms and rules on which European security and prosperity depend – the US was not seen to be an integral part of this alliance. Data from public opinion surveys also portrays the US-German relationship as deeply troubled with a majority of Germans in favour of loosening the cooperation with the US (Körber Stiftung 2018).

On the issue of armaments, leaders in Germany have also come to see defence industry as a difficult partner when it comes to ensuring delivery of equipment that is on time, on budget and fully capable. There is little awareness that government and the armed forces on occasion contributed to less than ideal industrial performance through its own decisions or lack thereof. Germany, home to a sizeable and capable defence industry, declares that an armaments policy and arms exports need to be pursued in the context of European collaboration and that a European defence industrial base would be a desirable outcome. At the same time, Germany pursues a restrictive arms export policy that has often provoked the ire of important partners such as France, but also the United Kingdom, who are both keen to access international markets.

This is the political context into which the May 2019 letter written by Ellen Lord, Under Secretary of Defence for Acquisition and Sustainment in the US Department of Defence, and Andrea Thompson, until her departure in October 2019 Under Secretary of State for Arms Control and International Security at the US Department of State, falls (Lord and Thompson 2019). The letter, which portrayed the EDF and PESCO as potentially harmful to transatlantic relations, was widely reported in the media and was actively debated in expert circles, but it did not trigger wider public debate (see for example: Becker 2019; Traufetter and Gebauer 2019). Whereas the Lord-Thompson letter was seen as overblown and aggressive in tone, the substance reminded many German commentators of the infamous 'Three D's' Madeleine Albright coined at the end of the 1990s to set the conditions of further European defence collaboration that would be palatable to the US:

no duplication of efforts, no decoupling from the US, and no discrimination against the US (Albright 1998).

Thus, to a degree the May 2019 intervention was seen to reflect a well-known conflict in US policy, namely to on the one hand ask for greater European contributions to security and defence, but to, on the other, voice concerns when those contributions are framed in the context of greater European autonomy from the US. Then German defence minister Ursula von der Leyen (CDU) very much reflected this position when she said with PESCO and the EDF, Europeans “are doing what our American friends have been demanding we do for years. Our task is to convince our Allies that NATO will only profit from the efforts to create a European Defence Union” (quoted in: Chazan and Peel 2019). Minister von der Leyen had consistently argued that PESCO and EDF were important milestones on the journey to closer European defence cooperation and foundational elements in this regard. After von der Leyen was selected to be President of the incoming European Commission later in 2019, she confirmed that she would seek to continue to boost EDF in that new role.

Underneath the familiar ‘Three D’s’ rhetoric, however, sits a defence industrial logic that is understood in Germany, but not widely discussed. The Lord-Thompson letter is perhaps most revealing in its long-term agenda of stifling competition and controlling the defence industrial playing field. In this sense it is simply a letter by two US officials protecting US defence industrial interests. Other countries and other industrial players, including Brexiting UK, would also take issue, for example, with the way the emerging regulation on EDF and PESCO give control of intellectual property rights - and thus the innovation that they underpin - to entities located within the European Union. It is telling that another US official, Michael Murphy, argued, Europe was “pursuing an industrial policy under the veneer of a security policy” with the EDF and PESCO (quoted in: Erlanger 2019). A cynical observer might note that the US is well positioned to recognise measures to support national industry by limiting competition.

The view that the Lord-Thompson letter might in part be driven by a recognition in Washington that the recent batch of EU defence initiatives is somewhat different from failures of the past - because they provide direct financial and political incentives for cooperation and are supported by regulatory action affecting those outside of the club - holds some currency in Berlin. An unnamed German diplomat was quoted in *Der Spiegel* as saying, “we expected from the beginning that PESCO and EDF might create desires in many countries with a large armaments industry” (quoted in: Gebauer, Kaleta, Schult 2019, transl. by author). This somewhat relaxed attitude extends to Germany’s willingness and readiness to seek compromises around the issue of third-party access and participation in EDF and PESCO. A German proposal from June 2019 to allow for greater

access to PESCO in return for an annual review of such cooperation was reportedly rejected with France seen in Berlin as the main obstacle to compromise, given Paris' desire to promote and protect its own armaments industry.

In this context, the German policy of pushing for a Europeanisation of defence industry is of some relevance. As the 2016 German white paper on security policy and the future of the armed forces outlines, Europeanisation is meant to be a response to rising costs, in part driven by fragmented national defence industrial bases across Europe, and disadvantages in international competitions. Other objectives of the Europeanisation agenda are to build trust among European partners and to enhance the interoperability of European armed forces (Deutsche Bundesregierung 2016, p. 129-130). Despite the disagreement mentioned above and despite the well-rehearsed differences on arms exports between Germany and France, for Berlin, Franco-German cooperation is the most important piece of this agenda. As Jürgen Hardt (CDU), foreign policy spokesman for the CDU/CSU in the *Bundestag* explained, "everybody who values the German-French friendship, must consider the joint development of military capabilities to be an important issue" (Deutscher Bundestag 2019, p. 12367, transl. by author).

In terms of major defence industrial collaboration programmes, Germany has hitched its wagon to France, reluctantly accepting that this means a less inclusive approach to partnership with others than Berlin would be willing to consider otherwise. Upcoming procurement decision for Germany are a different matter, however. On the question of replacing ageing *Tornado* aircraft, investing in air and missile defence capability, and procuring a heavy transport helicopter – to name just a few – US companies are certainly in the mix. Reportedly, von der Leyen's successor as German defence minister, Annegret Kramp-Karrenbauer (CDU), is exploring whether armaments and procurement could be elements in strengthening the battered German-American relationship (Szymanski 2019). ■

REFERENCES

- Albright, M. (1998): The Right Balance Will Secure NATO's Future. *Financial Times*, 7 December.
- Becker, M. (2019): EU weist Drohungen der USA kühl zurück. *Spiegel Online*, 16 May, www.spiegel.de (retrieved 4 October 2019).
- Chazan, G., & Peel, M. (2019): US warns against European joint military project. *Financial Times*, 14 May.
- Deutsche Bundesregierung (2016): Weissbuch 2016 zur Sicherheitspolitik und zur Zukunft der Bundeswehr. Berlin: Bundesministerium der Verteidigung.
- Deutscher Bundestag (2019): Plenarprotokoll, 19. Wahlperiode, 101. Sitzung. Berlin, 16 May.
- Erlanger, S. (2019): Europe Vows to Spend More on Defense, but U.S. Still Isn't Happy. *New York Times*, 6 June.
- Gebauer, M., & Kaleta, P., & Schult, C. (2019): EU-Verteidigungsprojekt Pesco: Wer darf rein in den exklusiven Rüstungsklub? *Der Spiegel*, 28. June.
- Körber Stiftung (2018): The Berlin Pulse. German Foreign Policy in Perspective. Berlin: Körber Stiftung.
- Lord, E., & Thompson, A. (2019): Letter to Federica Mogherini, dated 1 May 2019.
- Mehta, A., & Sprenger, S. (2019): European defence industry could come to regret new US weapons fund. *Defense News*, 30 May.
- Szymanski, M. (2019): Bundeswehr muss vermutlich „F-18“-Kampffjets aus den USA kaufen. *Sueddeutsche Zeitung*, 4 October, www.sueddeutsche.de (retrieved 4 October 2019).
- Traufetter, G., & Gebauer, M. (2019): USA attackieren EU-Pläne für Verteidigungsfonds. *Spiegel Online*, 14 May, www.spiegel.de (retrieved 4 October 2019).

#45

Comment

ARMAMENT AND TRANSATLANTIC RELATIONSHIPS: The German Perspective

BY

Bastian GIEGERICH / Director of Defence and Military Analysis, IISS

October 2019

The views expressed here are solely those of the author. They do not reflect the views of any organisation.

ARES GROUP

The Armament Industry European Research Group (Ares Group) was created in 2016 by The French Institute for International and Strategic Affairs (Iris), who coordinates the Group. The aim of the Ares Group, a high-level network of security and defence specialists across Europe, is to provide a forum to the European armament community, bringing together top defence industrial policy specialists, to encourage fresh strategic thinking in the field, develop innovative policy proposals and conduct studies for public and private actors.

CONTACT [Pilots] :

Jean-Pierre Maulny, Fabien Carlet, Pierre Colomina, Olivier de France, Sylvie Matelly

ares@iris-france.org

+33 (0)1 53 27 60 60

www.iris-france.org/ares

#AresGroup