German Chancellor Angela Merkel is scheduled to meet with President Donald Trump at the White House on March 17, 2017. The meeting—the first between the two leaders—comes amid uncertainty and unease in Europe about the direction of U.S.-German and U.S.-European relations during the Trump Administration. Merkel has led Europe's largest and most prosperous country for almost 12 years and is widely viewed as the most influential political leader in Europe. Most analysts agree that the U.S.-German relationship could play a pivotal role in guiding U.S. policy toward Europe and vice versa.

Merkel Under Pressure Ahead of September Election

Merkel, who heads Germany's center-right Christian Democratic Party (CDU), will run for a fourth term in a federal election scheduled for September 24, 2017. She has enjoyed unprecedented public support throughout most of her time in office but has faced growing political pressure over the past two years. Recent polls show her party in a virtual tie with the center-left Social Democratic Party (SPD).

Merkel has faced strong criticism, including from President Trump, for welcoming an influx of refugees fleeing persecution in Syria and elsewhere. Approximately 1.1 million refugees and migrants arrived in Germany in 2015, though the number dropped significantly in 2016. Although many Germans supported the decision and assisted in welcoming newcomers, the scale of the flows has caused societal tensions and fueled domestic political opposition to Merkel.

Evolving U.S.-German Relations and Key Issues of Concern

For almost 70 years, U.S.-German relations have been based on a mutual commitment to NATO, the European Union (EU), and the broader multilateral architecture developed after World War II, which both countries have viewed as essential guarantors of peace, political stability, and economic prosperity. Germany's steadfast support of these institutions and the principles that undergird them remains rooted in a desire to prevent the reemergence of the kind of nationalist movements viewed as a chief cause of the First and Second World Wars.

Over the past two decades, policymakers on both sides of the Atlantic have called on Germany to play a more active
role in addressing global foreign policy challenges. Under Merkel, Germany has increasingly taken on a greater leadership role on the world stage. The Obama Administration welcomed this development and lauded close bilateral cooperation on a host of international issues. However, at times U.S. officials have also urged Germany to be a more active partner.

NATO and Defense Spending

President Trump and others in his Administration have increasingly called on Germany and other allies to quickly reach an agreed NATO guideline to devote at least 2% of gross domestic product (GDP) to defense spending. Although such U.S. calls are not new, some Europeans express concern about Trump Administration suggestions that the United States could moderate its commitment to NATO if spending increases are not forthcoming. What would constitute such moderation has not yet been specified, however.

Germany, which in 2016 spent just below 1.2% of GDP on defense, is one of 23 allies (out of 28) that do not meet the NATO spending target. Germany contends that it plans to steadily increase defense spending over the coming years. German officials also draw attention to their country's growing contributions to several multilateral military operations, including both NATO's enhanced forward presence in Eastern Europe and training mission in Afghanistan and the international coalition to counter the Islamic State.

Russia

Chancellor Merkel has led the EU response to Russian aggression in Ukraine and elsewhere in the region, including through sanctions on key sectors of the Russian economy. Merkel has faced pressure in Europe and within her own government to ease economic sanctions, which her critics view as ineffective and imposing too high a cost on European economies. Since President Trump's election, German officials have stressed the importance of transatlantic unity and a firm stance on Russia.

Trade and Economic Policy

President Trump and some in his Administration have criticized Germany's export-based economic model. In 2016, Germany was the world's third-leading exporter and maintained the world's second-largest trade surplus, including a $65 billion surplus with the United States. Critics contend that the high trade surplus contributes to trade imbalances that have curtailed global economic growth. Trump Administration officials have suggested that Germany exploits an undervalued euro to the detriment of the United States and trading partners in Europe. Berlin refutes such allegations, arguing that Eurozone monetary policy is set by the independent European Central Bank. Germany maintains that its trade surplus reflects the competitiveness of German companies, not government policies.

Prospects for U.S.-German Relations During the Trump Administration

Statements by President Trump and his advisers about Europe and Germany have caused significant concern in Germany. These statements include Trump's claims that NATO is obsolete, his stated indifference to the EU, and his criticisms of German trade policy. However, German officials have welcomed subsequent Administration statements affirming U.S. support for NATO and the EU.

Merkel and other European leaders appear to remain wary of what they view as a lack of a consistent message on Europe from the Trump Administration. More explicit and steady U.S. support for German priorities in Europe could be especially important to Merkel as she faces reelection and growing pressure to lead the European response to a number of significant challenges facing the EU, such as rising terrorism concerns, the United Kingdom's decision to leave the EU, the Greek debt crisis, and Russian aggression in Eastern Europe.

Many analysts expect Chancellor Merkel to use the meeting with President Trump to underscore that U.S.-German relations and German support for U.S. policy priorities should be based on a strong mutual commitment to NATO, the EU, and free trade. Merkel could offer enhanced German support for a range of Trump Administration priorities, including more equitable burden-sharing in NATO and greater contributions to the fight against the Islamic State. However, she is expected to emphasize that such bilateral cooperation should rest on a firm commitment to the broader
principles that have guided U.S-German relations since the end of the Second World War.