AMERICAN COUNCIL ON GERMANY



2026 Conference Report

"Zerreißprobe: Stress-Testing the Transatlantic Alliance"

46th American-German Young Leaders Conference

July 18 - 25, 2026
Berlin













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INTRODUCTION

An Alliance at an Inflection Point

A week of candid exchange examined what a resilient transatlantic partnership now requires.

The American Council on Germany's 46th American-German Young Leaders Conference convened 53 rising leaders from the United States and Germany in Berlin under the theme "*Zerreissprobe*: Stress-Testing the Transatlantic Alliance." The title captured the week's premise: The alliance is being tested not only by external threats but also by accumulated dependencies, political volatility, uneven economic performance, technological disruption, and a widening gap between what democratic institutions promise and what citizens experience.

The discussions began with a shared recognition that there is no simple return to an earlier version of the relationship. The United States is reassessing the reach and cost of its global role. Germany and Europe are confronting the strategic consequences of relying on Russian energy, American security guarantees, and Chinese markets. At the same time, both societies are struggling with questions of identity, migration, institutional trust, public information, and the distribution of economic opportunity.

A mature partnership cannot rest on nostalgia, automatic alignment, or reassuring language alone. It requires clarity about interests, values, capabilities, tradeoffs, and the commitments each side is prepared to deliver. It also requires a stronger public explanation of why transatlantic cooperation matters in people's daily lives. Across nine sessions, working groups, meetings with public officials and business leaders, institutional visits, and informal conversations, there were several recurring themes:

- Europe must assume greater responsibility for its security while preserving the alliance's transatlantic character.
- Economic efficiency must be balanced with resilience when concentrated dependencies create strategic vulnerability.
- Artificial intelligence is shaping competitiveness, defense, information, and work, but adoption cannot be separated from questions of governance and social legitimacy.
- Democratic trust is earned through competence, accountability, proximity, and communication.
- Social cohesion depends on offering citizens both a meaningful voice and a credible vision of the future.

This report follows the progression of the week and then draws together its principal conclusions. Consistent with the conference's Chatham House Rules setting, the report attributes formal engagements where appropriate while presenting participant deliberations without individual attribution.

KEY TAKEAWAYS

- The transatlantic relationship is evolving from inherited asymmetry toward negotiated reciprocity.
- Security, economic resilience, technology, and democratic legitimacy are now inseparable.
- The alliance's future depends on performance and public consent as much as institutional continuity.





Beginning with Identity

Before asking what the alliance should become, participants examined the political cultures and social expectations it connects.

Participants arrived in Berlin over the weekend of July 18 and 19. A walking tour, icebreaker activities, and informal meals introduced the cohort to the city and to one another. Berlin provided an apt setting for a conference about institutions under pressure: capital marked by division, rebuilding, integration, and the ongoing work of democratic renewal.

The first plenary session – "Where We Begin: Perspectives on the Transatlantic Relationship" – asked how Americans and Germans define belonging and how these definitions shape expectations of government. American identity was often described as civic and aspirational: One becomes American by committing to common principles and participating in a shared project, rather than inheriting a single ethnicity, language, or ancestry. Participants noted the tension between this inclusive ideal and conflicting moments in American history connected to immigration, citizenship, and national identity. Participants also discussed how growing political polarization has intensified disagreements about belonging and what it means to be American.

German identity was described as having moved from cultural and ancestral definitions toward civic membership and constitutional patriotism. Language remains an especially important marker of belonging, even as Germany has become more diverse. Participants discussed the difficulty many Germans still experience in expressing national pride and the extent to which twentieth-century history shapes the meaning of patriotism, security, and responsibility.

The United States places a strong cultural emphasis on self-reliance, entrepreneurship, and protection from government power, while heavily relying on community networks to maintain popular public programs. Germany's social model treats a minimum level of security as a foundation for democratic stability, but it, too, faces debate over fiscal sustainability, demographic pressure, and individual responsibility.

> *"We agree that government must protect human dignity, but we do not always define dignity in the same way."*

Differences over free expression further illustrated how shared principles can produce different institutional choices. American participants tended to view government censorship as a threat to democracy and to see open debate as the best response to harmful ideas. German participants emphasized the constitutional primacy of human dignity and the historical lesson that democratic procedures can be used to destroy democracy. The discussion did not identify one universally superior model. It instead showed that both systems seek to protect liberty and democracy through approaches shaped by distinct histories.

KEY TAKEAWAYS

- Identity in both countries is civic in aspiration, but contested in practice.
- Social policy reflects different expectations about where support should come from, not a simple choice between solidarity and self-reliance.
- Shared democratic principles do not eliminate disagreement over the institutions needed to protect them.

From Diagnosis to Delivery

Discussions at the Bundestag connected democratic legitimacy to the practical performance of the state.

A discussion on economic and social reform turned the focus from national ideals to institutional delivery. The central proposition was straightforward: If democratic governments want to regain confidence, they must function better where citizens encounter them. For most people, public services end not in a federal ministry, but in a municipality, school, licensing office, transport system, or local health institution.

Participants heard about proposals to modernize public administration through simpler rules, stronger municipal discretion, and better sharing of local best practices. The challenge is to distinguish between safeguards that serve a clear purpose and procedures that diffuse responsibility, delay action, and frustrate citizens.

The discussion highlighted the importance of a culture that permits experimentation and acknowledges mistakes. Participants argued that municipalities need resources and decision-making authority rather than a collection of narrowly earmarked funds.

A tabletop exercise later in the day confronted participants with a crisis involving Taiwan, China, the United States, European governments, and private firms. The exercise underscored that strategic competition is not managed by governments alone. Companies control capabilities, supply chains, data, and infrastructure that may become central in a crisis. Decisions in one arena can quickly create operational, legal, and economic consequences across the alliance.

A subsequent conversation with Bundestag member and Coordinator for Transatlantic Cooperation **Metin Hakverdi** (SPD) reinforced the importance of relationships beyond national capitals. German investment, military cooperation, and longstanding cultural ties connect the partnership to America. Participants also discussed the limits of unilateral action, the continued dependence on U.S. capabilities, and the need to explain publicly why cooperation with allies advances national interests rather than constrains them.

The day closed with a dinner with State Secretary and Spokesperson for the Federal Government **Stefan Kornelius**, which was hosted by Pfizer. State Secretary Kornelius reflected on the challenge of communicating complex policy decisions to a public that is often focused on immediate concerns. He emphasized that democratic legitimacy depends on leaders who can explain tradeoffs without resorting to oversimplification. The broader lesson of the day was that legitimacy is built through a combination of institutional performance and political narrative. Governments must deliver, but they must also show citizens who is responsible, what tradeoffs are being made, and how public participation can shape outcomes.

KEY TAKEAWAYS

- Trust is influenced by the quality and speed of everyday public services.
- Local governments need capacity and discretion to make democratic institutions visible and responsive
- Modern crises join public authority and private capability, making coordination a central strategic skill.





The Alliance Under Pressure

At Airbus, Young Leaders examined the assumptions that no longer hold and the strengths the partnership still underuses.

The second day began at Airbus, where the multinational production of aircraft offered a tangible example of transatlantic and European interdependence. Complex systems cannot be built by one country alone. Talent, financing, and technology connect sites across Europe and the United States. Supply chain delays and technological disruption demonstrate how interdependence can create both resilience and vulnerability. Session 2 began with a framing consensus: There is no going back to the relationship as it was. A more useful question is what a more equal relationship between the U.S. and Germany should look like. Some participants argued that the United States is turning inward and must be more selective about where it commits resources. Europe therefore needs to become more self-sustaining. Yet the United States cannot manage strategic competition with China alone.

The debate exposed tension between European demands for predictability and the American electoral cycle. Allies need a durable sense of what the United States will support across administrations. Americans, meanwhile, often view Europe as too slow to act, constrained by fragmented institutions and a political culture oriented toward mediation. Several participants challenged Europe to exercise greater authority, while others noted that the European Union was built precisely to reconcile diverse national histories and prevent conflict.

> *"There is no going back to what the relationship was. The task is to decide what a more equal relationship can become."*

Germany's structural position occupied much of the discussion. Its previous model relied on affordable Russian energy, American security, and Chinese demand for German exports. Those dependencies supported prosperity for years, but proved increasingly risky when all three came under pressure. Correcting them is essential, but the transition is costly and cannot be completed at the speed of a political slogan.

Generational experience also shapes expectations. Younger Americans and Europeans experienced housing pressure, delayed milestones, financial shocks, and widening insecurity. Europeans have watched the United States pull ahead in important areas of growth and innovation, creating a sense of falling behind. Participants connected Germany's search for renewed dynamism to startups, artificial intelligence, robotics, and a response to declining industrial competitiveness.

KEY TAKEAWAYS

- Europe needs greater capability and confidence, while the United States needs reliable partners to address global competition.
- A more equal relationship requires predictable commitments as well as greater European initiative.
- Germany's economic and security transition is necessary, consequential, and inherently gradual.





Security in a New Era

The North Atlantic Treaty Organization (NATO) remains indispensable, but its next phase will require stronger European capabilities and sharper choices across multiple theaters.

The third plenary session explored whether NATO must become more European in order to remain transatlantic. Russia's war against Ukraine has transformed Germany's security debate, accelerated defense investment, and expanded public acceptance of military readiness. Participants described a marked change in attitudes toward defense careers, reserve service, procurement, and Germany's responsibility within Europe.

The emerging model was sometimes described as “NATO 3.0”; an alliance in which European members and Canada carry more responsibility, while the United States remains strategically engaged. This is not a European departure from NATO. It is an effort to strengthen deterrence amid uncertainty about U.S. priorities and the need to address simultaneous pressures in Europe, the Middle East, and the Indo-Pacific.

Trust, however, has been tested. European participants questioned whether future American administrations would respond predictably in a major NATO crisis. They recalled that the alliance's only invocation of Article 5 followed the attacks of September 11, when allies deployed alongside the United States and sustained losses. Political rhetoric that treats allied support as merely transactional therefore carries a particular cost. Participants emphasized that military, intelligence, and diplomatic cooperation continues below the level of political conflict. Ukraine remains an important point of alignment. The alliance still deters shared threats, and U.S. bases in Germany support American power projection and European defense. Interdependence should not be confused with one-sided dependence.

Working groups wrestled with an acceptable end state in Ukraine. There was no consensus on territorial outcomes. Discussion instead centered on the conditions for how the fighting must stop. Ukraine must be able to determine what it can accept, and any settlement must leave Russia deterred from renewed aggression. Young Leaders explored the possibility of building Ukraine into a heavily defended state even if NATO membership remains politically difficult.

Questions surrounding resource constraints were a constant theme throughout the session. New technologies, including unmanned systems and artificial intelligence, can increase effectiveness, but cannot substitute for clear strategic objectives. As one security leader emphasized, alliances must know the destination before choosing the course.

KEY TAKEAWAYS

- A more European NATO can strengthen the transatlantic alliance.
- Burden-sharing concerns capability, command, industrial capacity, and political will, not only spending targets.
- Ukraine's future must combine Ukrainian agency with a credible deterrent against renewed aggression. Strategy requires prioritization across interconnected theaters and constrained capabilities.







The AI Race and Industrial Opportunity

Participants agreed that adoption is unavoidable; the harder questions concern infrastructure, sovereignty, regulation, and who benefits.

The discussion in the fourth plenary session moved from military security to technological power. The United States leads in foundation models, venture capital, and deployment, while China is closing the gap and Europe is working to combine industrial strength with an advanced governance framework. Participants rejected the idea that the debate is simply innovation versus regulation. Most accepted the need for guardrails. The disagreement concerned their breadth, speed, consistency, and effect on investment.

The American approach emphasized rapid deployment, private investment, exports, and a full technology stack extending from minerals and chips to computing infrastructure, software, and applications. The strategic concern is that leadership in artificial intelligence will shape economic power, military capability, and the rules governing future technologies.

The European approach emphasized different advantages: Industrial capability, precision engineering, enterprise data, and experience applying technology in highly regulated systems. Rather than trying only to replicate consumer-facing American platforms, Europe could become a leader in industrial AI. The key is to turn proprietary data into better processes, products, and services while building the infrastructure and financing needed for firms to scale.

Several constraints also emerged, such as Europe's fragmented capital markets, electricity and permitting constraints for data centers, and concerns around cloud sovereignty and dependency on foreign models. Workforce adoption of AI solutions also varies. Participants described a skills gap, uneven experimentation within organizations, and uncertainty about which occupations will be augmented or eliminated.

Young Leaders also raised concerns about the integrity of AI information ecosystems and the potential for manipulation by malicious actors. Mounting environmental pressures associated with electricity, water, and infrastructure must also be addressed. Despite this concern, participants broadly agreed that the answer is not to pause AI adoption. Still, rather institutions should train workers, preserve access to leading models, and define high-risk uses with care.

The most important distributional question remained unresolved: Who benefits from the rollout of AI? If there are slight productivity gains while middle-skilled and highly educated workers face disruption, technology could deepen the same economic insecurity already weakening democratic trust. The alliance therefore needs both a competitive strategy and an adaptation strategy.

KEY TAKEAWAYS

- Europe's best AI opportunity may lie in industrial applications built on engineering strength and enterprise data.
- Regulation should protect legitimate interests without making deployment impractical or investment.
- Infrastructure, capital, skills, and energy are as important as model development.
- AI policy must address the distribution of gains and the transition of affected workers.







China, Technology, and Economic Security

The central debate was not whether to reduce risk, but where interdependence remains acceptable and where it becomes dangerous.

The third day of the conference started at the State Representation of the Free State of Bavaria, where participants examined the U.S. and European approaches to China. China was described as simultaneously a partner, competitor, and systemic rival to Germany. China remains important to German industry and to cooperation on global challenges. Yet German exports have weakened as Chinese firms have become stronger competitors, and strategic dependencies have become harder to ignore.

The war in Ukraine changed the standard by which economic relationships are judged. Efficiency can no longer be treated as the only measure of sound policy when concentrated dependencies create leverage for a strategic rival. Critical raw materials, batteries, pharmaceuticals, electronic components, infrastructure, and advanced technologies all raise questions about what governments and companies must be able to secure during a crisis.

American participants framed economic security as national security. They emphasized dependency on a strategic competitor for goods and inputs that modern societies cannot function without, the loss of manufacturing scale, and the importance of semiconductors, artificial intelligence, telecommunications, batteries, drones, and shipbuilding.

German participants consistently favored de-risking rather than comprehensive decoupling. A rapid break with China would impose severe costs on major industries and is not considered viable. The practical tasks are identifying dependencies, protecting critical infrastructure and sensitive technology, diversifying sourcing and export markets, and maintaining open trade where security risks are manageable.

> *"De-risking is not a slogan. It is the disciplined work of identifying where dependence becomes coercive."*

Working groups considered friendshoring among the United States, Canada, Europe, Japan, and South Korea; stronger investment screening; cooperation on critical minerals; and renewed engagement with emerging economies.

Trade tensions within the alliance complicate a joint strategy. European firms face costs from tariffs and trade diversion, while officials and businesses worry that a transatlantic industrial dispute will reduce the capacity to address shared vulnerabilities. The United States has allies and partners that China lacks, but those relationships create leverage only when they are treated as assets rather than constraints.

KEY TAKEAWAYS

- Complete decoupling from China is neither realistic nor desirable; the response must be sector-specific.
- Critical dependencies should be reduced through diversification, allied production, screening, and innovation.
- Transatlantic tariffs and commercial disputes weaken the prospect of a common economic-security
- Partnerships beyond the West must offer credible economic value and respect national agency.

Competitiveness, Investment, and Connection

Economic resilience requires public investment, structural reform, and private capital to translate strengths into growth.

A discussion with **State Secretary Steffen Meyer** from the Federal Ministry of Finance considered Germany's economic position. Participants heard a case for a two-part response: Substantial investment in infrastructure and security, combined with structural reform to improve long-term growth. Germany's export-oriented model and past period of relative stability had obscured underinvestment and reduced the urgency of reform; however, that context has changed.

Public infrastructure emerged as a concrete priority, including the need to renovate thousands of highway bridges. Germany has made room for fiscal infrastructure and security spending, but money alone will not remove implementation bottlenecks. Modernization also depends on planning capacity, permitting, procurement, skilled labor, and the ability to attract private investment.

The conversation expanded to savings and capital formation. Participants discussed Germany's gradual cultural shift toward equity investment and the need for citizens to see transparent, understandable information about long-term savings. A deeper pool of patient private capital could support innovation while giving households a more direct stake in economic growth.

The afternoon provided space for reflection and connection among peers before local Young Leader alums hosted small groups for Abendbrot. For many participants, the home dinners were a reminder that the most meaningful part of the program often happens around a dinner table, where lasting friendships and professional connections begin. A later gathering with the Freunde des American Council on Germany e.V. connected the 2026 cohort with the broader Young Leader alumni network in Berlin.

These informal gatherings were not separate from the conference's true purpose. Trust between countries ultimately depends on people who can call one another, interpret political change, challenge national assumptions, and continue cooperation when official relationships are strained. The alumni network demonstrates that the transatlantic relationship is not only an institutional arrangement, but also a living community built over time.

KEY TAKEAWAYS

- Germany's competitiveness challenge requires investment and reform rather than one or the other.
- Private capital, household participation, and transparent long-term saving can support renewal.
- Implementation capacity is a strategic asset. Fiscal commitments must produce visible results.
- Personal networks provide continuity when political relationships become volatile.



Democracy Under Pressure

Trust must be earned through competence, accountability, proximity, and a public debate grounded in reality.

Young Leaders approached the discussion on trust from different perspectives. Still, they agreed that declining confidence in democratic institutions has become one of the defining challenges facing both the United States and Germany. Discussions focused not only on what citizens believe, but also on why they believe it and whether democratic institutions are still earning public confidence.

A question of institutional credibility prompted a broader examination of trust as a function of legitimacy, reliability, integrity, and transparency. Participants discussed how public confidence depends not only on whether institutions have authority, but also on whether they consistently deliver results and remain accountable.

Several Young Leaders noted that the United States has experienced a long-term decline in trust in government. While confidence in public institutions was substantially higher in the decades following World War II, contemporary attitudes reflect years of political polarization, institutional gridlock, economic uncertainty, and dissatisfaction with government performance. The discussion emphasized that declining trust cannot be explained solely by misinformation or partisan rhetoric. For example, many citizens have experienced housing affordability challenges, slower wealth accumulation, concerns about economic mobility, and frustration navigating public systems. These experiences shape perceptions of institutional effectiveness in ways that communications strategies alone cannot address.

Participants debated whether the trust crisis is primarily a performance problem or an information problem. Some argued that trust has eroded because governments have struggled to deliver visible results in areas that matter most to citizens. Others pointed out that both the United States and Germany remain prosperous, innovative democracies and suggested that the structure of today's media environment amplifies conflict, failure, and outrage at the expense of a more balanced assessment of institutional performance. The group frequently returned to the possibility that these dynamics are reinforcing one another.

The changing information landscape was also a common theme throughout the conversation. Participants observed that previous generations often consumed news through a relatively small number of shared sources. Today, citizens receive information through highly individualized combinations of social media platforms, podcasts, digital communities, traditional journalism, and increasingly AI-generated summaries. As a result, people may approach the same issue with fundamentally different assumptions about the facts. Young Leaders agreed that democratic compromise becomes more difficult when citizens operate within different information environments and no longer share a common baseline understanding of events.

Discussion also explored the relationship between trust and personal experience. One participant argued that trust develops when what institutions say, what they do, and what citizens experience are aligned. It was also noted that most people rarely evaluate democratic institutions in the abstract. Instead, they form judgments through everyday encounters, such as requesting public services, searching for housing, interacting with schools, navigating healthcare systems, or observing whether leaders follow through on promises. These experiences become the foundation on which confidence or skepticism is built.

Participants further considered whether trust is disappearing altogether or simply changing form. While survey data shows declining confidence in major institutions, many people continue to trust local leaders, colleagues, physicians, managers, journalists, and community organizations. This raises the possibility that trust is becoming more personal and relationship-based. While interpersonal trust can strengthen communities, participants questioned what happens when citizens place greater confidence in individual voices than in the institutions designed to provide transparency, accountability, and democratic oversight.

The working groups connected these themes to broader concerns about democratic resilience. There was widespread agreement that governments face communication challenges, but participants cautioned against treating communications as the primary solution. Trust cannot be restored simply by explaining decisions more effectively. Institutions must demonstrate competence, acknowledge mistakes, provide accountability, and deliver tangible results.

> *"Trust is not a switch. It grows when institutions demonstrate competence, admit mistakes, and remain predictable over time."*

The Young Leaders discussed the power of algorithms, the role of nontraditional media personalities, and the difficulty of distinguishing reliable information from manipulated content. While some favored stronger safeguards for public-interest information, most agreed that regulation alone cannot create trust. Democracies must balance openness with accountability while preserving citizens' ability to encounter competing viewpoints and engage in meaningful public debate.

Ultimately, the discussion produced no quick fixes. Participants broadly agreed that trust is built gradually through competence, transparency, accountability, and repeated demonstrations of institutions' ability to solve problems. They also agreed that democratic societies need compelling narratives about the future. Citizens are more likely to support institutions when they believe those institutions can improve their lives and provide meaningful opportunities for the next generation.



KEY TAKEAWAYS

- Trust is shaped by both institutional performance and the information environments through which citizens evaluate that performance.
- Citizens judge institutions through their lived experiences.
- Fragmented media ecosystems make democratic compromise more difficult by reducing shared factual foundations.
- Accountability, competence, and transparency remain the strongest foundations for rebuilding trust.
- Democratic resilience depends on both effective institutions and citizens who remain willing to engage with differing perspectives.






Federalism, Resilience, and the Capacity to Act

A system designed to disperse power can protect democracy, but complexity must not become an excuse for failure.

Later that day, a discussion on German federalism added institutional depth to the trust debate. Federalism is often criticized for inefficiency, overlapping regulation, and difficult coordination among sixteen states. Yet its democratic purpose is precisely to prevent the country's fate from being determined by a single election or institution. Diversified authority stabilizes the system and creates multiple centers of legitimacy.

Germany's cooperative federalism differs from the American model. Federal laws are commonly implemented by states and municipalities, meaning citizens often encounter regional and local administration rather than the federal government. Informal consultation among ministries, states, and local actors takes place before legislation enters the formal pipeline, helping identify where compromise is possible.

The same structure that creates resilience can blur responsibility. Citizens may not know which level of government made a decision or failed to implement it. Participants argued that authority, financing, and accountability need to match more clearly. Governments should also say more often what they cannot do. Repeated promises without delivery erode trust more quickly than an honest statement of limits. Modernization efforts seek to reduce reporting requirements, make digital communication the default, and require bureaucracy to justify itself. The goal is not to remove democratic checks but to make them proportional and understandable. Simplification is therefore a more useful framework than deregulation.

The discussion also returned to democratic self-defense. Germany and the United States have different legal and political traditions for responding to extremist movements. Young Leaders noted that formal exclusion or prosecution can sometimes increase a movement's popularity, while tolerating antidemocratic behavior can normalize it. There is no risk-free line. Democracies must defend open competition without allowing actors to use democratic legitimacy to dismantle the system.

Healthy institutions therefore need both guardrails and an affirmative narrative. Citizens are unlikely to mobilize indefinitely around warnings alone. Political leaders must explain what democratic government can accomplish, what national strengths deserve pride, and why sustained participation is worth the effort.

KEY TAKEAWAYS

- Federalism disperses power and can strengthen democratic resilience.
- Complexity becomes corrosive when citizens cannot identify responsibility or obtain basic services.
- Simplification should preserve legitimate safeguards while reducing delay and duplication.
- Democratic self-defense requires legal judgment, political courage, and a positive case for democratic life.







Immigration, Demographics, and Belonging

Both countries need immigration, yet legitimacy depends on systems that are orderly, workable, and connected to a shared civic framework.

The final plenary session of the day, placed contemporary debates from a historical perspective. Immigration has always been central to the American story, but U.S. policy has repeatedly shifted between periods of openness and restriction, reflecting concerns about national identity, security, economic needs, and social cohesion. Germany's modern experience developed differently. Guest-worker programs in the 1950s were initially designed to meet labor demands through temporary migration, yet millions of workers settled permanently, establishing families and communities in Germany. Citizenship and integration policy adapted gradually to that reality.

In the United States, the effects of migration are intensely local while federal policy changes are slow and subject to political disagreement. Many cities face immediate demands for housing, education, health care, and legal support. Some participants emphasized migrants' long-term economic and social contributions, while others pointed to how communities under strain may view migrants as competitors for scarce resources.

Germany faces a demographic deficit and needs workers, but its system can delay integration. Participants discussed long backlogs, limited employment opportunities, language constraints, and contradictions between labor-market need and administrative process. Participants discussed the need to remove unnecessary barriers to employment while balancing careful screening, legal procedures, and social integration.

The group rejected a binary choice between unrestricted openness and permanent exclusion. The practical questions are who enters, through which legal pathway, under what conditions, and with what support and obligations. Successful integration includes language, work, education, civic participation, respect for constitutional rules, and a realistic opportunity to belong.

Cultural integration was the most difficult part of the discussion. Participants generally supported pluralism while acknowledging ongoing debates about shared values, social expectations, and national identity. They emphasized that democratic societies must be able to discuss issues such as education, religion, gender equality, public institutions, and the rule of law openly and respectfully. Participants also noted that integration is shaped not only by the willingness of newcomers to adapt, but also by the opportunities and acceptance offered by host societies.

Immigration contributes to economic growth and helps address demographic challenges, and public support depends on institutions that enforce rules consistently, manage migration effectively, and maintain public trust. The discussion underscored the importance of balancing economic, social, legal, and humanitarian considerations in policymaking.

KEY TAKEAWAYS

- Immigration policy succeeds or fails locally even when the legal framework is national.
- Early economic integration is essential and should not be obstructed by avoidable administrative delay.
- Belonging requires reciprocal obligations within a shared civic and constitutional framework.
- Public legitimacy depends on orderly pathways, fair enforcement, and adequate resources.



Leading Through Uncertainty

The final day shifted from diagnosis toward institutional practices that can make democracy more responsive and resilient.

The eighth plenary session considered how leaders can govern when citizens are skeptical, problems move faster than institutions, and the consequences of change are unevenly distributed. A local-government perspective brought the issue down to scale. Citizens often pay limited attention to routine meetings and decisions until a service fails or a standard is violated. Accessibility is essential, but transparency does not automatically produce participation.

Young Leaders explored ways to make democratic involvement more meaningful. Mandatory voting, poll service, citizen assemblies, and digitally enabled deliberation were considered as mechanisms that can bring more people into the process. Experiences as poll workers may reduce suspicion by exposing citizens to how elections actually function. Citizen assemblies can create informed recommendations, though their proposals do not always succeed politically.

The group distinguished simplification from deregulation and discussed regulatory sandboxes that allow rules to be tested in practice. Such approaches can produce evidence before systems are locked in at scale. But experimentation must include accountability so that flexibility does not become opacity or privilege.

Leadership under uncertainty also requires an affirmative strategy. Participants repeatedly criticized political systems that describe threats without articulating a desirable future. Strategy links a clear objective to priorities, resources, sequencing, and public consent. Democratic strategy may be slower to build because it includes more voices, but that inclusiveness can become a source of legitimacy and adaptability.

The workforce consequences of AI sharpened the discussion. Democratic systems have experience responding to disruption in manual and industrial labor, but white-collar and highly educated workers may now face significant change as well. Reskilling and lifelong learning will be necessary, yet traditional transition programs may not be sufficient. Institutions must help people adapt without implying that every loss can be solved by one more training program.

The emerging standard for leadership was demanding: Be accessible, admit limits, communicate tradeoffs, experiment responsibly, measure results, and sustain a coherent direction even when immediate rewards are limited. Trust follows consistent practice, rather than a single announcement.

KEY TAKEAWAYS

- Participation mechanisms must give citizens a credible role in shaping outcomes, not merely a venue for grievance.
- Regulatory experimentation can improve policy when paired with transparency and evaluation.
- Democratic strategy should convert broad participation into clear objectives and sequenced choices.
- AI-driven workforce disruption requires institutional adaptation, not only individual reskilling.





CLOSING SESSION

What Do We Owe Each Other?

The conference concluded by defining the principles of a more reciprocal transatlantic compact.

The final plenary session asked participants to move from diagnosis to architecture. The goal was not to reach consensus on how we move forward, but to lay out how we can clarify what Washington, Berlin, and Brussels should explicitly commit to, where lasting divergence must be accepted, and what we should all stop assuming.

> *"This is less a conversation about separation than about the difficult work that can strengthen a long-term partnership."*

First, the relationship should be built on reciprocity, rather than dependency. Europe should develop the military, industrial, technological, and political capacity to act. The United States should recognize European agency and consult partners before decisions impose significant shared consequences. Greater European capability is not a threat to U.S. leadership; it is a condition for a sustainable alliance.

Second, commitments require predictability and delivery. European governments need to implement defense, infrastructure, and competitiveness decisions with greater speed. The United States needs to distinguish legitimate burden-sharing demands from rhetoric that treats alliances as temporary transactions. Both sides should communicate what they can reliably provide across political cycles.

Third, differences should be managed honestly. The partners will not always align on trade, China, platform regulation, migration, military risk, or the proper balance between liberty and democratic self-defense. A resilient alliance does not eliminate those disagreements. It creates processes that prevent them from destroying cooperation in areas of common interest.

Fourth, values must remain part of the conversation. Interests are indispensable, but they do not fully determine how democracies respond during a crisis. Assumptions about human dignity, rule of law, political pluralism, and international responsibility shape policy choices. The alliance therefore needs sustained dialogue about democratic principles, not only coordination among defense and trade officials.

Finally, each side owes its citizens a practical case for the relationship. The alliance must be connected to security, jobs, investment, technological opportunity, reliable supply chains, and the ability to influence global rules. Public support cannot be inherited. It must be earned by showing that cooperation produces outcomes citizens value.

KEY TAKEAWAYS

- Reciprocity means greater European capacity and greater American recognition of European agency.
- Predictability depends on commitments that survive electoral change and are translated into delivery.
- Lasting divergence should be managed rather than disguised.
- The public case for the alliance must connect principles with practical benefits.







CONFERENCE THEME I

A More Equal Alliance

The relationship is not weakening by becoming less asymmetric; it is being asked to mature.

The strongest theme of the week was that the transatlantic relationship is evolving, not disappearing. The old division of labor, in which the United States underwrote European security while Europe focused on economic integration and social investment, is no longer politically or strategically sufficient. Russia's war against Ukraine, U.S. attention to the Indo-Pacific, and pressure on defense resources have made adjustment unavoidable.

A more equal relationship is one in which Europe can formulate strategy, field capabilities, sustain industrial production, and act with political confidence. It also requires the United States to value allied consultation and accept that capable partners will sometimes disagree.

This transition presents a paradox: Europe seeks autonomy because American commitments seem less certain, but Europe still needs U.S. intelligence, logistics, nuclear deterrence, technology, and scale. The United States urges Europe to take greater responsibility but may be uncomfortable when Europe develops independent preferences. The answer is not complete separation; it is managed interdependence with clearer expectations. The European Union's role is integral to the success of the alliance. Enlargement has strengthened the alliance by incorporating countries with strong transatlantic commitments and by transforming integration into a strategic bulwark against Russian influence. Yet the EU's mediating institutions can make rapid assertion difficult. Participants questioned whether Europe also faces a cultural hesitation about power after decades of defining integration through rules and economic exchange.

The alliance's comparative advantage is not only aggregate wealth or military capacity. It is the network of allies, markets, institutions, companies, universities, communities, and personal relationships that can solve problems collectively. Preserving that advantage requires treating allies as participants in strategy, not customers or dependents.

This is why the conference's emphasis on young leaders matters. The next generation will not inherit the stable assumptions of the late twentieth century. It will inherit a relationship that must be consciously maintained, publicly defended, and repeatedly adapted.

KEY TAKEAWAYS

- Maturity should be measured by capability, agency, consultation, and delivery.
- Managed interdependence is more realistic than either permanent dependency or strategic separation.
- Europe's integration and enlargement are central to transatlantic security.
- Networks and relationships are a strategic advantage that must be actively maintained.





CONFERENCE THEME II

Economic Security, Technology and Social Legitimacy

Competitiveness and resilience must advance together, with workers and citizens included in the gains.

The conference consistently treated economic policy as a matter of security. Supply chains, critical minerals, semiconductors, data centers, industrial capacity, energy, infrastructure, and capital markets determine what democratic societies can sustain under pressure. A system optimized only for short-term efficiency may become dangerously exposed when geopolitical conditions change.

Participants emphasized the need to differentiate sectors in which dependency creates coercive leverage from ordinary commercial exchange. De-risking should be evidence-based, coordinated with allies, and accompanied by investment in alternative capacity. Otherwise, governments may raise costs without reducing vulnerability. Artificial intelligence affects productivity, defense, public administration, media, and labor markets. The United States brings models, capital, and platform scale. Europe brings industrial expertise, research, regulatory experience, and valuable enterprise data. Cooperation can combine these strengths, but only if concerns about sovereignty, data access, cloud infrastructure, standards, and export controls are addressed directly.

The social distribution of technological change is equally strategic. Citizens who experience stagnating opportunity, unaffordable housing, insecure retirement, or occupational disruption are less likely to support open economies and international commitments. Competitiveness policy must therefore create a credible path for people to participate in growth.

Education and retraining are necessary but cannot be relied upon as the only paths forward. Institutions should encourage continuous learning, help firms adopt productivity-enhancing tools, and support transitions where roles disappear. This change also requires investment in public goods that enable mobility, such as reliable infrastructure, accessible services, housing, and institutions that treat citizens with competence and dignity. The economic and democratic agendas therefore converge. Resilient supply chains and leading technologies provide national capability. Broad opportunity and effective public institutions provide the legitimacy to sustain that capability over time.

KEY TAKEAWAYS

- Economic security requires targeted resilience, not a generalized retreat from trade.
- U.S.-European technology cooperation should join American scale with European industrial capability.
- The workforce transition is a central component of AI strategy.
- Competitiveness becomes politically sustainable when citizens can see and share in its benefits.





CONFERENCE THEME III

Renewing Democratic Trust

A skeptical public does not owe institutions automatic confidence; institutions and citizens share responsibility for democratic repair.

Trust connected nearly every topic of the conference. It shaped debate about social programs, NATO commitments, economic reform, migration, media, technology, and leadership. Participants repeatedly rejected the idea that trust can be restored by communications campaigns alone. Institutions earn authority by demonstrating competence, fairness, transparency, and accountability.

Nevertheless, the public information environment matters. When citizens consume personalized streams, shared facts become harder to establish, and compromise becomes easier to portray as betrayal. Democracies need credible journalism, transparent platforms, digital literacy, and public officials capable of communicating through new channels without abandoning accuracy.

Trust also requires proximity. Local governments can show how decisions affect daily life and give citizens visible opportunities to influence outcomes, and federal systems can distribute power and protect democracy. Participation should go beyond occasional voting or grievance. Councils, assemblies, service roles, and structured deliberation can help citizens experience democracy as a practice.

Accountability must apply to leaders and institutions. Admitting an error can build credibility when it is accompanied by changed behavior. Conversely, repeated promises without delivery deepen cynicism. Political leaders should state constraints honestly, explain tradeoffs, and resist the temptation to suggest that every problem has an immediate solution.

Citizens also carry obligations. Open government cannot function if people withdraw completely from civic life, reject all inconvenient information, or demand services without accepting tradeoffs. Democratic renewal requires participation, patience, and a willingness to encounter people outside one's social and informational bubble.

Finally, democracies need affirmative narratives. Warnings about extremism, decline, or geopolitical competition may be accurate, but they do not answer the question of what societies are working toward. Leaders must offer a future that connects national pride with pluralism, opportunity with responsibility, and democratic freedom with the obligations of shared life.

KEY TAKEAWAYS

- Trust follows performance, fairness, transparency, and accountability.
- A healthier information environment requires credible institutions and citizens willing to engage beyond personalized feeds.
- Local participation can make democracy tangible and responsibility visible.
- Democratic resilience needs an affirmative story about the future.







A Practical Agenda for the Next Generation

The conference produced several paths forward.

The 46th American-German Young Leaders Conference did not resolve every debate. Participants disagreed about the pace of European strategic autonomy, the acceptable outcome in Ukraine, the limits of free expression, the role of regulation, the response to China, and the obligations attached to immigration and integration. Those disagreements are not a failure; they demonstrate why the relationship requires continued, candid exchange.

Priorities emerging from the week

- Build a more reciprocal security partnership by expanding European capability, preserving U.S. strategic engagement, and defining commitments with greater predictability.
- Develop coordinated, sector-specific economic-security policies that reduce coercive dependencies while protecting the benefits of open trade.
- Create a transatlantic technology agenda focused on industrial AI, infrastructure, standards, workforce adaptation, and responsible access to data and models.
- Improve democratic performance through simpler public services, clearer responsibility across levels of government, and greater capacity at the local level.
- Strengthen accountability by communicating limits and tradeoffs honestly, acknowledging failure, and showing how institutions learn.
- Design immigration and integration systems that combine legal order, early economic participation, adequate local resources, and a shared civic framework.
- Invest in civic participation, credible journalism, digital literacy, and forums that expose citizens to different perspectives.
- Sustain dialogue across the Young Leaders network.

The alliance cannot be preserved by assuming that past success guarantees future consent. It must become more capable, more reciprocal, and more honest. Our governments will continue to see some problems differently. The work is to ensure that divergence does not become estrangement and that interdependence does not become passivity.

Berlin again demonstrated the value of bringing emerging leaders together. Formal sessions tested ideas. Institutional visits connected policy to practice. Dinners and informal conversations created the trust that makes disagreement productive. Participants left with no illusion that the next chapter will be easy, but with a clearer understanding that it can still be written together.

Acknowledgments

The American Council on Germany extends its gratitude to Airbus, Deutsche Bank, FGS Global, Freunde des American Council on Germany e.V., Lufthansa, Mercedes-Benz Group AG, Noerr, Pfizer, and the State Representation Offices of Bavaria and North Rhine-Westphalia for their support of the 2026 Young Leaders Conference, as well as to individual supporters R. Craig Kennedy (1986 Young Leader) and Markus C. Hottenrott (2002 Young Leader). The Council also thanks the speakers, hosts, alums, steering committee, staff, rapporteurs, and participants whose engagement made the conference possible.


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AMERICAN COUNCIL ON GERMANY

The American Council on Germany (ACG) is a nonpartisan nonprofit organization dedicated to strengthening the partnership between the United States and Germany through dialogue, exchange, and collaboration. Founded in 1952, the ACG connects leaders from government, business, media, academia, and civil society to address shared challenges and promote mutual understanding. Through its transatlantic networks, policy discussions, leadership programs, and exchange initiatives, the ACG fosters informed engagement on key issues shaping both nations and the broader international community.

The American-German Young Leaders Conference

Since 1973, the American Council on Germany's Young Leaders Conference has brought together some of the most promising early- to mid-career professionals from the United States and Germany for an intensive week of dialogue, exchange, and relationship-building.

Each year, approximately 50 participants from a wide range of sectors — including government, business, media, academia, and civil society — convene to discuss the political, economic, and social issues shaping both countries and the wider world. Through panel discussions, workshops, and informal conversations, the program fosters open dialogue, cross-cultural understanding, and lasting professional connections.

The Young Leaders Conference is designed to cultivate the next generation of transatlantic leaders. Participants are encouraged to exchange ideas, challenge assumptions, and explore new approaches to shared challenges, including democratic governance, security, technology, sustainability, and social cohesion.

Over more than five decades, the conference has built a network of more than 1,500 alumni who now hold leadership positions across sectors and continue to strengthen the U.S.–German relationship through their work and collaboration.

The program remains a cornerstone of the ACG's mission to deepen mutual understanding and cooperation across the Atlantic, ensuring that strong transatlantic ties endure through new generations of leaders.

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