



EUROPE'S PROMISE

WHY THE EUROPEAN WAY IS THE
BEST HOPE IN AN INSECURE AGE

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UNIVERSITY OF CALIFORNIA PRESS
BERKELEY LOS ANGELES LONDON

**TABLE 1. THE AMERICAN WAY VS.
THE EUROPEAN WAY**

	<i>European Way</i>	<i>American Way</i>
<i>Political</i>	Proportional representation electoral systems	Winner-take-all electoral systems
	Publicly financed campaigns	Privately financed campaigns
	Free media time for political parties	No free media time, expensive to buy political ads
	Robust public TV and radio, fostering debate	Corporate media, underfunded public broadcasting, limited debate
	Multiparty legislatures	Two-party legislatures
	Political pluralism, choice for voters	One-party districts and states, “orphaned voters”
	More debate and discussion of issues	Poll-driven sound bites targeting swing voters
	Universal voter registration	70 million unregistered (eligible) voters
	Voting on a holiday or weekend	Voting in the middle of a busy workday
	High voter turnout	Low voter turnout—single digits in many races
	National election commissions and standards	Decentralized, hodgepodge election administration
	Upper legislative chambers have little power	U.S. Senate has as much power as the House
	Upper legislative chambers treat all regions the same	Senate, Electoral College give advantage to low-population, conservative states
	More trusting of democracy—Children’s Parliaments, deliberative democracy, Question Time, etc.	Mistrust of democracy and “We the People”
	Foreign policy based on multilateralism, investment, and Marshall Plan–like development	Foreign policy based on unilateralism and preemptive strikes
<i>Media</i>	Diverse outlets, left/right/centrist views	Corporate media gatekeepers, constricted views
	Well-funded public broadcasting (radio and TV)	Weak, underfunded public broadcasting
	Political pluralism—promotion of ideas/debate	Loss of political ideas and debate
	Subsidized, diverse daily newspapers	Failing newspaper industry
	High level of civic literacy	Low level of civic literacy
	More people read newspapers	Fewer people read newspapers
<i>Economic</i>	Better-informed citizenry	Poorly informed citizenry
	Family and community values, social solidarity	Hyperindividualist values, ownership society
	Codetermination—worker representatives on corporate boards of directors and works councils	Hierarchical business structures, little consultation
	Balance of stockholder and stakeholder rights	Stockholder rights are supreme
	Social contract is intact and comprehensive	Social contract is fraying and porous
	High percentage of unionized workforce	Low percentage of unionized workforce

(continued)

TABLE 1. (continued)

	<i>European Way</i>	<i>American Way</i>
<i>Economic (continued)</i>	<p>Labor and management confer more extensively</p> <p>E.U.-wide minimum labor standards</p> <p>National referendums on joining E.U. and adopting euro</p> <p>Trade surpluses</p> <p>Strong euro</p> <p>Low unemployment in most countries, higher in Germany, France, Italy (pre-2008 economic crash)</p> <p>Unemployed have sufficient support</p> <p>Job training and retraining</p> <p>Higher income taxes but lower out-of-pocket expenses, many more services than in U.S.</p>	<p>Adversarial relations between labor and management</p> <p>“Right to work” states and antiunion laws</p> <p>Corporate-driven free trade pacts</p> <p>Large trade deficits</p> <p>Weak dollar, debtor nation funded by foreign creditors</p> <p>Lower unemployment (but if prisoners included, rate is closer to Europe’s)</p> <p>Unemployed can end up destitute</p> <p>Little job training or retraining</p> <p>Lower taxes but much higher out-of-pocket expenses. Total tax and expense burden similar to Europe’s</p>
<i>Energy</i>	<p>Increasing use of conservation, renewable energy, and new technologies</p> <p>More green energy design, green businesses, cogeneration</p> <p>More energy-efficient autos, homes, buildings</p> <p>Efficient mass transit, high-speed trains, vast rail networks</p> <p>First cap and trade system for CO₂ emissions</p> <p>Limited use of carbon taxes to encourage conservation</p>	<p>Energy inefficiency, little conservation or renewable energy</p> <p>High CO₂ emissions, energy-wasteful businesses</p> <p>Energy-wasteful autos, homes, buildings</p> <p>Poor mass transit, sparse rail system</p> <p>No functioning cap and trade system</p> <p>No carbon taxes</p>
<i>Workfare</i>	<p>26% of \$20 trillion economy spent on social benefits, 36% more per capita than U.S.</p> <p>Less than 2% of GDP spent on military</p> <p>Universal, affordable health care for all</p> <p>Top-ranked health care for half the cost in U.S.</p> <p>Paid parental leave following a birth</p> <p>Mandatory paid sick leave for all</p> <p>Affordable, universal child care</p> <p>Generous vacations (avg. 4–5 weeks), more holidays</p> <p>Shorter work hours per week</p> <p>Comfortable retirement pension</p> <p>Inexpensive university education</p> <p>Affordable housing, widespread nonprofit housing developers</p>	<p>16% of \$14 trillion economy spent on social benefits</p> <p>More than 4% of GDP spent on military</p> <p>Patchwork health care, 47 million uninsured</p> <p>Health care ranked 37th globally, spends twice per capita of Europe</p> <p>No mandatory parental leave, paid or unpaid</p> <p>No mandatory sick leave, paid or unpaid—workers go to work sick</p> <p>Sparse and unaffordable child care</p> <p>Short vacations (avg. 2 weeks), few holidays</p> <p>Longer work hours per week</p> <p>Paltry social security retirement; some have savings</p> <p>Escalating cost of university education</p> <p>Escalating housing costs, more homeless people</p>

porated into certain fulcrum institutions that work as an integrated whole, which, when taken together, forms a distinctive American Way, or a European Way, or a Japanese or Chinese or Russian Way. The great historian Arnold Toynbee once wrote, "Countries have characters that are as distinctive as those of human beings,"¹ and each fulcrum institution is a component part of a greater whole that contributes to the formation of a "national character."

As in the past, different national characters exist in the world today, and while the American Way and the European Way share much in common, they also exhibit basic differences that are diverging and were leading to frequent clashes even before the U.N. rift over Iraq. It's as if we are staring at two different paintings, hung side by side, each revealing its intricate web of unwritten rules, agreements, and social contract. While it's possible to stress what Europe and America have in common, it behooves us to recognize the differences as well, and approach this divergence a bit like an art historian might approach a Da Vinci alongside a Michelangelo, straining to understand which work might be the better harbinger of the future. More than we realize is at stake: few in the world wish to emulate the Chinese or the Russian Way, stuck in their authoritarianism and low standard of living, and certainly not the Islamic fundamentalist way, which is synonymous with poverty, bloody conflict, religious intolerance, and women's oppression. But all nations, even Muslim nations, desire the wealth and quality of life of the United States and Europe. Thus, this clash between the American Way and the European Way is about the future direction over the best development model for the world during this make-or-break twenty-first century.

The American Way and the European Way have diverged in two crucial ideological areas: first, in the role and size of the military, with militarism being a core part of the American Way, as we saw in chapters 1, 4, and 11. U.S. militarism acts not only as a projection of international power but also as a stimulus of the economy, a voracious consumer of national wealth, and an indicator of societal values and priorities in a classic "guns vs. butter" tradeoff. America spends more than twice as much of our gross domestic product on the military as Europe spends, while Europe spends at least 25 percent more per capita on workfare spending than the U.S.

Second, while the American and European ways are both founded on capitalist economies, they have diverged in their conclusions regarding age-old debates about individual property rights vs. the common good, liberty vs. equality, and the role of government. These differ-

ences have led to the fashioning of distinct fulcrum institutions incorporating the laws, unwritten rules, and social contracts that guide their respective ways. The European and American ways are deeply rooted in old traditions, even in different branches of Christianity, which will shape any attempts to forge a new transatlantic understanding. Exploring these origins will be instructive to a reading of these ideological differences.

THE PURITANS AND JOHN LOCKE VS. SAINTS AUGUSTINE AND THOMAS AQUINAS

In Europe, the ownership of property and the exercise of individual and commercial property rights are not seen as absolutes as they are in the United States. Rather, they are viewed as a privilege that confers reciprocal social obligations. In the European conception, those who own and hold property—especially the wealthy and corporations that own lots of it—have a responsibility to contribute to the common good for the privilege of exercising those property rights. Article 14 of the postwar German constitution, for example, specifies that “property imposes duties. Its use should also serve the public weal.”²

This in turn affects attitudes toward government. Across Europe, government fosters the conditions in which prosperity can be broadly shared. There is a great commitment to the notion that all residents should have an equal right to participate in economic, political, and social life, and government is more than a safety net of last resort: it is the fundamental vehicle for the delivery of this equality. This is the European consensus, for the most part agreed to by all sides of the political spectrum, right, left, and center, as it was when it was conceived by the conservative politicians of Europe following the devastation of two world wars. They saw the European Way not as some kind of utopian or socialist undertaking but as a pragmatic and carefully constructed barrier against the return of economic depression, extremist politics, and continental war, with a democratic and representative government acting as the principal catalyst of this endeavor.* Today, even leading

*As was previously noted, the European Way does not at all amount to a singular championing of central authority or “big government,” since Europe combines this view with another one calling for “subsidiarity,” one of the defining features of European federalism. Subsidiarity holds that government policy should be enacted at the most immediate and local level of government possible. Nevertheless, national/central governments are conceived as having an active and significant role to play.

European conservatives such as German chancellor Angela Merkel and French president Nicolas Sarkozy support the notion that corporations have social obligations.³ When Volkswagen, which is the largest car-maker in Europe and is 20 percent owned by the German state government of Lower Saxony (where Volkswagen is based), wanted to abolish Lower Saxony's blocking minority rights, Merkel sided with the state government, a position that would be anathema to an American conservative, or even most Democrats.⁴

In contrast, Americans prioritize the principle of protecting individual property rights and commercial interests, which is believed to be best accomplished by limiting the power of government to interfere with those rights. Government is viewed more skeptically as inefficient and inept or, even worse, as a vampire that sucks the life out of the body politic. Government regulation, seen as an infringement on individual property rights, is to be used as little as possible. Recall President Ronald Reagan, one of the most articulate proponents of this view, boldly declaring in his first inaugural address, "Government is not the solution to our problem; government *is* the problem."⁵ President Bill Clinton signed up the Democrats for this detail when, with one eye on reelection, he declared in his 1995 State of the Union Address that the "era of big government is over." President George W. Bush poured it on, bashing bloated government as the excuse for enacting huge tax cuts that mostly benefited the wealthy, and as part of the rationale for deregulating the housing, banking, and financial sectors which contributed to the eventual meltdown of the U.S. and global economies.

Noted British author Will Hutton, chief executive of the Work Foundation in London, told me, "These differing attitudes between Europe and the U.S. are rooted in history and culture, even in religious beliefs. America was discovered as a wilderness by settlers who had risked all crossing the Atlantic and who, as pious Puritans rebelling against the authorities that were persecuting them, believed in their direct and individual relationship with God." They adopted a "work hard, get ahead" creed, believing fervently that industriousness was the best route to God's favor and that God had provided the land for those who could show by their diligence that they deserved it. Surviving on the New World frontier, surrounded by land that was seemingly limitless, the Puritans conceived an individualist rather than a social view of property. Their individual liberty allowed them to worship as they chose, and it also protected them from any coercive government constraint on how they used their private property.

Thus, individual liberty was the foundation of their quasi-theocratic way of life. "Property, ownership, religious freedom and the virtue of independence was thus indissolubly linked as part of God's plan," says Hutton.⁶ Alexis de Tocqueville noticed this quality still present in the United States in the 1830s, commenting, "The Americans combine the notions of Christianity and liberty so intimately in their minds that it is impossible to make them conceive the one without the other."⁷

In the eighteenth century, the ideas of political philosopher John Locke were stirred into this religious stew. Locke's *Second Treatise* provided a theory and epistemology capable of justifying the claim not only that what the settlers found and created was theirs, but also that it was what the divine creator intended. According to Locke, individual property rights were conceived as "natural rights," and government was enacted by individuals to protect those property rights. "That government governs best which governs least" is how Jefferson translated Locke. Adam Smith's *Wealth of Nations* (1776), which immortalized an iconic "invisible hand of the free marketplace" as a divine economic autoregulator, next provided the intellectual rationale for extending this "laissez-faire" philosophy to commercial rights and the economy in general. By that point all the pieces were in place for a new American-minted "religion of individualism," in which individualism was worshipped simultaneously in the religious, economic, and political realms. "Nowhere," says Hutton, "was there any notion to parallel the German constitution's stipulation that property imposes reciprocal duties."⁸

The Puritans, Locke, and Smith were extremely influential with Jefferson, Madison, Washington, Hamilton, and others from the generation of 1776. The defying of royal and religious authorities and the championing of individual conscience and self-determination advanced the necessary pre-attitudes for both early America's democratic spirit and its conception of property and commercial rights. They were two sides of the same coin and became impressed into the U.S. Constitution. It's not that the early Americans didn't believe in a European-style, Rousseau-like "general welfare"; in fact, the preamble to the Constitution reads, "We the People of the United States, in Order to . . . promote the general Welfare." It's just that they believed the best way to promote the general welfare was through individual liberty and the exalting of property rights, with every man as both the king of his own castle and protected from the maraudings of rulers, aristocrats, bishops, and popes. Smith's invisible hand would take care of the rest, and this was the natural order of things.

Unquestionably, the triumph of liberty as an ideology in the new American nation resulted in an unleashing of a certain zestful entrepreneurial vitality—what George Will and John Maynard Keynes before him have called the “animal spirits”—not only economically, but also politically, indeed in virtually all nooks of early American life. The impact was transformative, recorded with a sense of wonder and admiration (though also with a few words of caution) by the French aristocrat Alexis de Tocqueville in his *Democracy in America* (1835), as well as by his philosophical colleague the German Francis Lieber. Lieber, who immigrated to the upstart young republic in 1827 and was to become one of America’s leading writers and scholars on political philosophy, international affairs, and law, published *Letters to a Gentleman in Germany* in 1834, a travel narrative in which he related his impressions of political institutions and culture in his new homeland. Both Tocqueville and Lieber noted that the parvenu nation enjoyed the advantage of a society without the privileged classes found in nineteenth-century Europe’s aristocratic societies, and that this contributed greatly to the unleashing of those animal spirits. But both also noted the natural tensions between liberty and equality, one colliding with the other like cold and hot air fronts. Tocqueville warned about a “tyranny of the majority” that could result if the majority’s liberty ran roughshod over the rights of minorities, thus depriving them of *their* liberty. They saw that the religion of individualism had its limits and could be taken too far. The United States has been struggling with these themes ever since.

Europe, on the other hand, was founded on a feudal and Catholic value system which believed that the exercise of privilege by the wealthy came with wider social obligations beyond mere charity. Typical of this view, St. Augustine in the fifth century A.D. declared, “He who uses his wealth badly possesses it wrongfully.” St. Thomas Aquinas argued that one of the duties of government was to regulate private property for the common good, and that “a Christian is obliged to make his wealth available for common needs.”⁹ The medieval world, despite its episodes of barbarity, fostered a tradition of *noblesse oblige* between the lord or baron and his vassals, in addition to that between the Church and its supplicants, which eventually was transferred to the state as a kind of parental overseer of its citizens’ well-being. Says Hutton, “In Europe the notion persists to this day that property is held in trust for all and only delegated to individuals for as long as they accept reciprocal social obligations.”¹⁰

Unquestionably, one can still see a certain degree of identification

of the European Union with Christian social doctrine, which is ironic, since secular Europe supposedly has abandoned religion, while a more pious America mostly ignores those parts of the Christian theological doctrine of Saints Augustine and Thomas Aquinas. But it's also true that representative democracy as we know it today might never have developed if not for the influence of this seventeenth-century Puritan conception of individual property rights. The notion of the rugged individual, of Jefferson's sturdy yeoman farmers tilling their own soil in a drive toward independence and self-determination, represented an attitudinal milestone on the pathway to democracy. It was a breakthrough, especially compared with the divine right of a king.

Yet each breakthrough often contains the seeds of its own contradictions and eventual obsolescence. One contradiction emerged right away during the early years of the American Republic: the clash between one's individual property rights and enslaving a human being as one's property. As early as 1790, the newly minted U.S. Congress was wracked by heated debate over slavery's future, a controversy that would not be settled until a bitter, bloody civil war was fought seventy years later.¹¹ A more recent contradiction is reflected in the centrality of home ownership to the American dream. The notion of "every person owning his or her castle" has always exerted a greater pull in the United States than in Europe. But it was this same instinctual drive that contributed to the frenzy of the recent U.S. housing bubble, when historically low interest rates, unethical lenders, and media hype pumped up a land rush mentality that stoked millions of Americans to make a financial leap they could ill afford. President Bush tried to tap into these old beliefs and longings when he pushed his concept of an "ownership society," founded on an ideology not that different from Jefferson's concept of yeoman farmers or the Puritan settlers' concept of individual property rights. Nor was it that different from Herbert Hoover's use of the term *rugged individualism* as a paean to American pride, just prior to the calamity of the Great Depression, which showed millions of Americans just how on their own they really were.

Thus, this chasm between today's European Way and American Way was sown many years ago in the minds, psyches, and souls of early American settlers and was cemented into the core of American politics and culture in the form of the U.S. Constitution. Over the centuries, this difference has become magnified and distorted, with the United States very much dominated by a strict orthodoxy protecting individual rights of property and ownership. In a crucial chapter of the American

story, the U.S. Supreme Court in the early and late nineteenth century handed down several key decisions that extended this ideological framework in such a way as to treat corporations as “private individuals” whose property rights also must be protected from government meddling.¹² This legally restricted government’s ability to intervene in business and commerce, and did so under the guise of guarding the *public* interest via the protection of *private* property. Recent Supreme Court decisions have continued to uphold this view, displaying a clear pro-business bias, prompting one writer to rename the nine justices of the Roberts court as “Supreme Court, Inc.”¹³

No doubt Jefferson would be surprised to discover that his revolutionary philosophy has been extended way beyond his sturdy yeoman farmers to include huge multinational corporations. In this age of globalization, multinationals with budgets larger than those of small and midsize nations are treated by the American legal system and politicians as private individuals whose property rights must be protected by limiting the extent of government intervention. So when more and more American corporations walk away from their part of the social contract and eliminate good jobs, health care, and retirement income for workers, they are acting wholly within this ancient narrative by exercising their individual property rights. Like Puritan leaders of yore, they feel justified in mightily resisting any attempts by government to intervene in the exercise of their private property. They feel no allegiance or responsibility to the public weal or the general welfare, especially when it affects their property or business; it’s not part of their DNA. And no comparable notion has been developed in the United States of European-style codetermination, or of states like Lower Saxony having minority blocking rights over corporations.

But this is a perversion of the original doctrine—Jefferson surely would be appalled at how his “yeoman farmer” jurisprudence has provided the justification for tying government’s hands while corporate agribusiness virtually wipes out American family farms. With the U.S. government on the sidelines guided by a *laissez-faire* philosophy, the playing field has become grossly tilted in favor of economic behemoths with few checks on their prerogative. The Puritans and Jefferson saw themselves as empowering small landowners as individual agents who were not beholden to any greater authority than themselves. They never foresaw the huge amassing of fortunes and economic power that would occur over the centuries, and they no doubt would be revolted at the way the doctrine they helped forge has been turned on its head.

In Europe, on the other hand, the idea of the social contract has been extended to the notion that companies and businesses must earn their commercial rights by operating in a socially legitimate fashion and by accepting the responsibilities that accompany ownership. In an age of globalization, this is a doctrine that has greater utility for the greatest number of people, since it provides the flexibility to fine-tune certain parts of a nation's economy. Rather than being locked into rigid and even fundamentalist notions of property and commercial rights, a nation can subject these rights to negotiation and compromise via the vehicle of a pluralistic, representative government. The *political process* then is what allows the *economic process* to be harnessed for the good of all, subject to ratification by a consensus of all sectors of society. Yet as we saw in the previous two chapters, the political process in the United States is largely broken, and the government has become unresponsive as a result of the ongoing use of antiquated institutions and practices; whereas in Europe the use of more modern methods, such as proportional representation, public financing of campaigns, free media time, universal voter registration, robust public broadcasting, and the like, has made government more responsive to the popular majority. This is a portentous transatlantic difference that has large ramifications for the future.

President Franklin Roosevelt's New Deal was the first major counterforce in the United States that tried to head in a European-like direction, crafting a second American pillar based on a social conception of the economy. In the aftermath of the Great Depression, the New Deal utilized government regulation to counter the failures of an unregulated free market system dominated by the wealthy and economically powerful. That resulted in a raft of legislation creating Social Security, a federal housing authority, the Tennessee Valley Authority, and other European-like government interventions. But it took the extremes of a depression to deliver that opportunity, and it rested on a shaky ideological foundation that left stubbornly intact the seventeenth-century "religion of individualism" ideal. Once the hard-earned lessons of economic collapse and the failure of rugged individualism had been forgotten amid the prosperity of ensuing decades, many of the New Deal provisions were eventually repealed, as was the New Deal philosophy. Some in the United States had hoped the Obama administration would be a transformative one capable of reviving this second social pillar, but these old attitudes are deeply entrenched.

Compared with Europe, the American system still regards govern-

ment primarily as the protector of individual property rights, with the U.S. Supreme Court acting as the enforcer of these laissez-faire rules and agreements. That ideological framework reached a new apotheosis in the Bush-Cheney years, with Herbert Hoover's "rugged individualism" morphing into the "ownership society." Both ideologies were underpinned by the same seventeenth-century "religion of individualism," now dangerously transmogrified into a free-wheeling economic fundamentalism in which the big eat the small while government deregulates and mostly stays out of the way.

These contradictions of the American Way came crashing down in 2008, resulting in the Bush administration's near trillion dollar bailout of failing banks and financial institutions. President Bush, a free market ideologue, and his treasury secretary Hank Paulson, who was a former executive of investment banking firm Goldman Sachs, suddenly had to turn to the public sector to save the private sector. Government intervention was necessary to save the economy from the excesses of greedy corporate executives—many of them friends of the president and Paulson—but not to provide health care for forty-seven million Americans lacking it, or paid sick leave, parental leave, better retirement, or more job training. According to the ancient script of American elites, existing contracts calling for \$165 million worth of bonuses to executives at AIG, the behemoth insurance company that had received \$170 billion in bailout money from American taxpayers, had to be honored; but contracts with autoworkers had to be renegotiated to reduce salaries and pensions of retirees in order to save the auto industry. That kind of double standard is just one of the many signs of how much the American elite view their businesses as their individual property, and with a sense of entitlement that resists government meddling, even as they drive those businesses off a cliff.

The contradictions became utter hypocrisy when American leaders told the public that it was necessary to, in effect, privatize the gains of capitalism and socialize its losses. That is truly a radical philosophy, reminiscent of the English and French kings of old who believed in their own divine rights, paid for out of the public coffers. At the end of the day, the Bush presidency showed the tragic limitation of this antiquated American Way, as the religion of individualism reached its historical end game in a winner-take-all society that is wracked by the inconsistencies and contradictions of its internal logic. For in an era of globalized capitalism, the ownership society and its religion of individualism have become little more than euphemisms for workers and their

families struggling on their own like feudal serfs, with little assistance from a government that is living by an obsolete seventeenth-century creed. A more accurate name for the "ownership society" would be the "on your own society."

The whole world is watching to see if an Obama administration will help the United States to regain its footing and its universal narrative, its sizzle and allure. The U.S. used to be the world's leading proponent of freedom and democracy, but Europe has surpassed us in those categories; we used to be the picture in everyone's head when they thought of "quality of life," but Europe and Japan have equaled us there as well; and we used to lead the world economically, extending our influence and might all over the world like an octopus, with bilateral agreements with numerous nations, but Europe has matched and in some ways surpassed us there too, with China nipping at our heels in East Asia, Central Asia, and Africa. The only arrow left in our quiver, it seems, is our military might, but the usefulness of that has been called into question. Suddenly second world countries have more choices of whom to align with—America is just one of them—and the world has fewer reasons to put up with an American Way if it is hell bent on a messianic belief in its own self-importance as the world's "indispensable nation."

The Obama administration, following on the heels of the Bush-Cheney administration's miserable failure on nearly all fronts (prompting many historians to call theirs the worst administration in U.S. history),¹⁴ has inspired optimism for charting a new course away from the sleepwalk of the first eight years of the twenty-first century. But if it is to do so, it must begin with a reevaluation of the American mythology that has relied for too long on a seventeenth- and eighteenth-century conception of individual property and commercial rights. In its time, this ideology was a bold innovation, especially compared with the divine right of kings. It gave us democracy, a thriving economy, and an unheard of degree of self-determination for individuals and families. But today it is an ideology being used to justify the big eating the small and corporations turning their backs on their social role. Today, we live in the age of the divine rights of Wall Street, led by CEOs who stride the American landscape like the kings of old, accountable to virtually no one. Things have come full circle. In a bitter irony, the founding *ideology* of Jefferson and the Puritans is being used to undermine their founding *vision* of a roughly egalitarian society of independent agents.

The European Way's ideology, on the other hand, of a society that

balances property rights with social obligation is a better fit for today's world. In the European conception, each member of the middle class (including those aspiring to the middle class) is empowered, like one of Jefferson's yeoman farmers, to act as an independent agent who is embedded within a supportive workfare structure. In Europe's social capitalist system, the individual risk of living under globalization becomes more broadly shared; it's as if the community network and economic integration of a New England township have been extended to the nation-state, and those nations have been integrated into a vast continental union. While the European Way presents a different ideology from that of Jefferson and the Puritans, it comes closest to preserving their vision and points the way forward. In short, the "sticky glue" of the European Way, the rules, agreements, and social contract that hold it all together, is best suited for this twenty-first-century world.

THE SEVEN CULTURES OF CAPITALISM

Thus, Europe's and America's attitudes toward individual property rights vs. the common good, liberty vs. equality, and the role of government and the social contract are very different, linked to distinct histories, separate Christian traditions, and diverging postures. When combined with Europe's and America's different stances toward militarism and the amount spent on related budgets, these attitudes amount to a fundamental shifting of the ground beneath the feet of the transatlantic alliance. Even more clearly now, we realize we are staring at two very different portraits showing the American and European ways, each displaying its distinctive synthesis of rules, compacts, and social agreements that provide the instinct and drive for their competing visions for the world.

Attesting to the profound depth of these differences, these attitudes are reflected not just among the general populations in America and Europe but even among the business classes. A fascinating book from the early 1990s, *Seven Cultures of Capitalism*, by two business consultants, Charles Hampden-Turner and Alfons Trompenaars, plumbed the views of entrepreneurs from both sides of the Atlantic. The authors previously had distributed questionnaires to some fifteen thousand business managers from around the world who had attended their seminars, using the results of these questionnaires to gauge how values, habits, and cultural styles affect the pursuit of economic success. Respondents in each of the "seven cultures" studied—the United States, Britain,

France, Germany, Sweden, the Netherlands, and Japan—reacted in markedly different ways. Not surprisingly, the authors found profound differences between the American respondents and those from Europe, with British respondents often straddling a line between the two.

European business managers were more disposed to communitarian values, teamwork, and long-term vision, while American managers were hyperindividualists, producing businesses that were hierarchical and narrowly focused on quarterly profit sheets. These postures also spilled over into social attitudes: entrepreneurs in the United States regarded poverty and unemployment as signs of personal failure, idleness, and disgrace; the poor are culpable. But in Germany, Austria, Scandinavia, and Japan they regarded poverty and unemployment as the consequences of workers having to adapt to the ups and downs of the economy and the ill luck of being employed in dying industries; the poor and unemployed must be retrained and assisted to make the transition. The workfare supports in the European countries were seen—by business managers no less—as a way of sharing the burden of the inevitable dislocations of capitalism and as a vehicle for getting people back to work.

French and German managers in particular scored high on the scale of communitarian values. The German managers, for example, were less inclined to fire an employee who is no longer performing satisfactorily but has a fifteen-year satisfactory service record. Only 31 percent of German managers believed this consideration shown to their workers and community to be irrelevant, compared with 77 percent of American managers. Jacques Calvet, former head of leading French automobile manufacturer Peugeot, deliberately counterpointed American business attitudes when he said, "What was good for General Motors was good for the USA? Well, I consider what is good for France is good for Peugeot."¹⁵

But there are signs that some influential U.S. business leaders have begun to notice that the American Way is the wrong way. In a January 2008 speech to the World Economic Forum in Davos, Switzerland, Bill Gates, Microsoft founder and the richest man in the world, sounded practically European when he told the world's business and political elites in the audience that "to harness this power [of capitalism] so it benefits everyone, we need to refine the system."¹⁶ Gates's critique echoed those of the second wealthiest man in the world, American investor Warren Buffett, who has stated that "a market system has not worked in terms of poor people" and that the superwealthy "owe it

J E R E M Y R I F K I N

THE EUROPEAN DREAM



*How Europe's Vision
of the Future Is
Quietly Eclipsing the
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Jeremy P. Tarcher/Penguin
a member of Penguin Group (USA) Inc.
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