

Bush must face up to a rising power

The US has to recognise the new reality of a United States of Europe

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President Bush is scheduled to visit Brussels on February 22, and it may prove to be the most important foreign visit of his presidency. The ostensible purpose of the trip is to confer with European Union leaders. If it were any other head of state making such a pilgrimage, it might not even raise an eyebrow in diplomatic circles. But for Bush, the visit is potentially a watershed event.

EU officials are quick to point out that in the first four years of his presidency, Bush referred to the EU only a few times in passing. Hardly the kind of recognition one might expect, considering the EU is the world's only other economic superpower and a close rival to the US in the global economy. Until recent weeks, the Bush administration has preferred to deal with individual European countries - often making the distinction between "old" and "new" Europe - virtually ignoring the fact that 455 million Europeans in 25 states have forged the first transnational governing space in all of history. The EU is also the world's leading exporter and boasts the biggest internal commercial market on earth. And if that were not enough, the EU's currency, the euro, is now stronger than the dollar on world markets.

But, a sea change may be in the offing in America's relationship to Europe. I understand that behind the scenes EU officials in Brussels have invited Bush to address the parliament in his upcoming visit and the proposal is under consideration at the US state department.

Let me suggest that if the secretary of state, Condoleezza Rice, were to convince the president to make such an address, the positive political fallout might be as significant as Henry Kissinger's bold move to have Richard Nixon visit China 33 years ago. Formally recognising the EU in this kind of very public way could help usher in a new era of cooperation between Europe and America and go a long way to heal the rifts that have developed since the end of the cold war.

Much is made of the vast economic advantages that have accrued to the US from opening up a political dialogue and commercial relations with China. Bush and his counsellors should keep in mind, however, that with all of its economic growth, China's GDP is significantly lower than the EU's.

To a great extent, we Americans and many Europeans have blinkers on. Virtually the entire European continent now lives under a common flag, a single passport, and, soon, a common constitution. But we are still in the habit of comparing Germany or France to the US. In the commercial arena, such comparisons make less and less sense. Most companies I am familiar with in Europe think of themselves as European. That's because

European businesses are increasingly under the umbrella of a common European regulatory regime administered by the EU in Brussels, just as American companies fall under a US regulatory regime administered in Washington.

In many of the world's leading industries, it is European transnational companies that dominate business and trade. European financial institutions are the world's bankers. Fourteen of the 20 largest commercial banks are European. In the chemical industry, engineering and construction industry, aerospace industry, food industry, the drugstore retail trade, and the insurance industry - to name just a few fields - European companies outperform their American counterparts. Sixty-one of the 140 biggest companies on the Global Fortune 500 rankings are European, while only 50 are US companies.

All of this is not to suggest that European companies have suddenly leaped ahead of their American competitors. Economic growth is anaemic, unemployment is high, and EU member states have been slow at integrating their internal market. But, the US would be ill-advised to ignore the long-term economic potential of Europe. Over the next 20 years, the EU member states will establish a seamless transportation, communications and power grid, and create a single set of protocols and policies for governing commerce and trade. Moreover, English will become the lingua franca for conducting business on the continent. If the EU can engage in commerce and trade across its member states with the same ease as we do across the continental US, it may well become the dominant economic power.

In the next two years, the EU member states will probably ratify a European constitution, solidifying a 50-year development to create a United States of Europe. The question uppermost on the minds of European officials is: will Bush seize the historic moment and speak before the European parliament and, in so doing, recognise the reality of the United States of Europe, or will he let the opportunity pass?

• Jeremy Rifkin is the author of *The European Dream: How Europe's Vision of the Future is Quietly Eclipsing the American Dream*.