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And now, the European Dream

Pundit sees end of U.S. as model

By Eric Sylvers

MILAN

He stares you straight in the eyes as he tells you the world can be a better place and that the European Union has the best chance of making it possible. He says it with such conviction that you know he believes it and he gesticulates with just enough emphasis that you find yourself believing it, too.

So it goes with Jeremy Rifkin, consultant to companies and governments on both sides of the Atlantic, a best-selling author and president of the Washington-based Foundation on Economic Trends research institute. Rifkin's books are as varied as they are plentiful — there are almost 20. But for more than a decade he has railed against globalization and the widening income inequality between rich and poor countries and within the United States.

"In a frontier economy, unfettered capitalism makes sense," Rifkin said in a recent interview in Turin, where he participated in a conference organized by the World Political Forum to mark 20 years since the beginning of perestroika, the series of liberalization measures undertaken by Mikhail Gorbachev in the final phase of the Soviet Union.

"But times have changed and Adam Smith's dictum of everybody pursuing their self-interest doesn't make sense anymore now that everything and everybody are interconnected."

Rifkin embraces that interconnectedness and says Europe should do the same to protect its way of life — long vacations, universal health care, strong pension plans and more developed workers' rights — and avoid joining the United States on the road to increased income inequality and uncontrolled capitalism. He wants a more integrated Europe that uses its massive internal market to dictate its own terms and avoid being drawn into competition with the United States and Asia based on lower wages and fewer workers' benefits.

Rifkin, 60, was born in Colorado one day before the Soviet Army liberated Auschwitz, a coincidence that does not leave him indifferent. He takes it as a cue to ponder Europe then and now.

"When I was born, they were still putting people to death in German concentration camps," he said, almost incredulous that the two events



Frances Robert for The New York Times

Rifkin said Europe should avoid joining the United States on the road to greater income inequality and unchecked capitalism.

could have happened contemporaneously. "That was Europe when I was born."

His latest efforts, and book, "The European Dream," are dedicated to informing the world that the American Dream is dying and that there is a European Dream, and way of life, that can become a permanent reality.

This is nothing new for Rifkin, who has been pontificating about the European Dream since his book came out in September. Only now he is getting the ear of European leaders, including Chancellor Gerhard Schröder of Germany, who made reference to Rifkin's work in a recent speech. On March 23, Rifkin spoke at a hearing of the Social Democrats, Schröder's party, in Berlin and then in April he will debate with Foreign Minister Joschka Fischer on the merits of the American and European Dreams.

If this all sounds a bit too fuzzy and academic for the real world, it is only because Rifkin uses the question of the dreams as a pretext to begin a discussion on where the United States and Europe are headed and what can be done to get them on what he maintains is the right road.

"Many Europeans think they must

give up their way of life and move toward the U.S. model, or else they won't be able to compete," said Rifkin, who has lived the past 34 years in Washington but spends about a third of his time in Europe. "These people say, 'Yes, the American model is brutal, draconian, but we must do it.' I don't see it like that.

"The American model is not working and globalization under American stewardship has failed totally."

But looking for answers in Rifkin's vision of the European Dream while trying to make European policies the default for the rest of the world is a cure some economists say will bring more bad than good.

"Income inequality in the U.S. is a problem, but following European practices is not the answer," said Michael Plummer, an economics professor at Johns Hopkins University's School of Advanced International Studies in Bologna. "Many European policies, including labor laws, actually exacerbate inequality. There is no easy fix to income inequality, and it is naïve to think that Europe has all the answers."

Rifkin does note that Europe is plagued by its own problems, includ-

ing bloated welfare programs, a rigid labor market and an aging population. But he says that can be solved, at least in the short term, with more vigorous integration of the European Union.

That will not be easy, he concedes, because the nation-state remains the paramount governmental institution. But it is possible if the member countries begin to see the region's 25 countries like the 50 states are seen in the United States, he says.

"Europeans must start comparing Germany to California," Rifkin said. "Both are the biggest states in their region, yet Germany is larger so the EU comes out on top."

The basic message: If Europeans can get around their fixation with the nation-state, then the EU can compete with the U.S. economy. Rifkin concedes that is a very big "if."

The American Dream, though tarnished and fading, still holds lessons for Europeans, he said.

"You can't have a dream if there is no accountability," he said. "You also need optimism, hope, and you need to be willing to take risk. This is what the American Dream still has to offer the Europeans."

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