

## **The American Dream vs. the European Dream**

### **Independence vs. Interdependence**

In his book “The American Dream: How Europe's Vision of the Future is Quietly Eclipsing the American Dream”, published in April 2014, Jeremy Rifkin describes not only the key differences between the American and the European Dream, he also talks about the European Union and calls it ‘the first truly postmodern governing body’ and argues that this ‘economic superpower that is already rivaling the U.S. has the potential to become a world superpower’.

Jeremy Rifkin is convinced that the new European Dream is a considerable option for the future but he also states that instead of discussing whether Europe should adopt the American free-market capitalist system or not one should maybe look for a third way. In relation to this suggestion he mentions the Scandinavian systems and their success to have a growing economy without eliminating their social programs and benefits. Before I am going to take a closer look at the advantages as well as the disadvantages of the American and the European Dream and which of them is more promising for the future, I will briefly acquaint you with the ideas and ideals of these two dreams, according to Jeremy Rifkin.

Based on two different sets of values that are going into opposite directions these dreams do have nothing in common besides the millions of people who believe in these dreams as well as the aim to achieve freedom and their common beliefs about democracy and human rights.

While Americans do associate freedom with autonomy and therefore independence, wealth and self reliance the Europeans do associate freedom with embeddedness, relations and living a meaningful and qualitative life as well as being sustainable. The autonomy Americans long for, is connected to independence, to be autonomous one needs to be propertied and possess wealth. Only if this is given one has the opportunity to be independent.

The calculation is easy: the more wealth a person possesses, the more exclusive and independent he or she is and the more independence and exclusivity is given, the more security there is.

In contrast to the Americans, Europeans set out to achieve freedom and security by having as many interdependent relationships with other countries as possible. After a long, bloodshed period of wars that lasted longer than a thousand years in Europe the establishment of the European Union was an attempt to find a new way of governing based on cooperation and trust between the parties that were involved. Indeed the European Union is struggling concerning certain aspects like the question how to proceed with immigrants but one may not forget that even though the European Union may fail because it is too ambitious this is the first time ever, such an attempt was made. There is no precedent for it.

For the Europeans, having access to communities is having options and choices to live a meaningful life. The more relations one has the more options and choices there are and with a growing number of relations comes more inclusivity and all together with this inclusivity there will be security.

A dream focused on economic growth, personal wealth, self reliance, autonomy, patriotism, belief and spiritual faith compared to a dream looking for sustainable development, a meaningful and qualitative life, inclusivity and interdependence, which is geared towards leisure, attuned rather cosmopolitan and less territorial, without the desire for personal accumulation of wealth and its is secular to the core.

Now here is the question: which one of these two dreams offers more potential? A dream with a society that lives to work or a dream with a society that works to live? At first one has to be aware of the fact that both dreams or both systems connected to these dreams – the capitalist as well as the socialist system – do have strengths and weaknesses.

The socialist system leaves no one behind and the people feel a sense of collective responsibility. On the other hand there is a lack of individual initiative and the system doesn't stimulate the self-interest of its people, the entrepreneurial spirit and growth are left behind.

The capitalist system works the other way around. It stimulates the self-interest, innovation and entrepreneurial growth and promotes development. On the downside there is no fair distribution of income, in fact the U.S. takes the 24<sup>th</sup> place out of 26, just in front of Russia and Mexico. Another weakness of the capitalist system is that if one lets the market economy go without any control it tends to run wild.

To compare the U.S. to Europe Jeremy Rifkin didn't only take a look at their GDP but also at other aspects concerning the productivity as well as the quality of people's lives including the healthcare system, the crime and homicide rate.

Looking at all these aspects Europe is not as far behind as one might think at first.

The American GDP is higher than the European one at the moment but when one goes back to the year 2003 one can notice that the European GDP exceeded the American one. Looking at the export Europe is ahead of America and China, partly because it has the biggest internal market in the world and in addition to that there are almost one half of the world's largest 140 companies settled in Europe.

When one thinks about the future one might think about the question which of them is more efficient? Is it America, whose population counts only 280 million people, or is it Europe with a population of 450 million people?

At the current state it is definitely Europe that is leading in this field considering that America uses one-third more energy than Europe. Also concerning the way of producing energy Europe is one step ahead concentrating on switching to sustainable and green energy.

Both, America and Europe, do dominate different big industries, but claiming that America is the big economic giant while Europe is falling apart doesn't work. If we looked at the pay checks America would be 28 percent richer per capita but in combination with the distribution of income Europeans are definitely better off. That doesn't mean that there is a totally equal distribution of income in Europe or that there is no poverty – because there is poverty – but nevertheless it is not as extreme as in America.

An important aspect of a system which also will influence the relations to other countries is the foreign policy. Looking at America and Europe one can observe two different approaches to built up relations. The European Union tries to build its relations and partnerships based on cooperation whereas the American approach is partly based on their military influence.

In these two approaches there is a clear difference between the old geopolitical principle with a “win-lose” result vs. the new European approach aiming at cooperation that will at best result in a “win-win” solution and which might be a more promising option for the future.

Last but not least America and Europe do both have trouble fighting their own problems. America is busy finding a solution for its consumer debts while Europe is looking for a way to deal with immigrants and the lack of young people and both have to find a solution how to deal with the disappearing jobs because most of them aren't outsourced or moved to another, cheaper country as politician tend to say. No, all over the world the number of jobs is shrinking due to the progress of automation.

Let's for example have a look at the service sector. While in former times people went to see their financial advisor in person they nowadays prefer to use an online banking portal, because it is more comfortable and doesn't take as much time. The production sector is another area where one easily can observe jobs disappearing in high numbers due to automation. Companies and factories replace more and more workers by machines, because they are faster, more precise and they do cost less.

Drawing a final conclusion and considering all the arguments that were mentioned I would say that America and Europe are interdependent up to a certain point. Both dreams do have strengths and weaknesses but in my opinion non of the dreams is capable of replacing the other one but instead America might look at the values the European Dream contains and consider to maybe rethink some of their own. Moreover it is no option for Europe to eliminate all social programs in order to achieve economic growth because there is no positive correlation between a state without any social benefits and a positive economic growth.

More likely would it only result in an economy with a negative growth and no promising perspective for the future. Without the social benefits the crime rate would increase, there would be a negative GDP and the infrastructure as well as the healthcare system would be deteriorating whereupon the population would get dissatisfied.

Considering that neither complete dependence on the state nor being abandoned and all on your own is a desired condition Jeremy Rifkin suggests to take a look at the Nordic countries as a third option.

Denmark's prime minister describes the Scandinavian system, also known as the Nordic Model, as a combination of a free market capitalism with high social benefits and a large welfare state.

The people have to pay a high taxation which is based on the incomes of each individual and not on the income of the household. In return, funded by the tax payments, the people receive free education and healthcare as well as generous and guaranteed pension payments for retirees.

In appreciation of these qualitative service the people do have a great confidence in the government.

The Nordic Model might offer a way that allows Europe to dream its dream and to have a growing economy as Jeremy Rifkin recommended. The Scandinavian countries Sweden, Norway, Finland and Denmark can be found amongst the most globalized countries and belong to the 10 economically most successful countries to do business in, which demonstrates efficiency of the Nordic Model despite some difficulties it has to face.

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