

PART TWO

Qualities of Life

Preface

How significant is the contemporary influence of the essential difference? In a word, immense. Nowhere are its effects more evident than in how we ordered our post-1945 worlds in Europe and America, and in why we chose the paths we took. In both cases the explanation is the same.

In drawing on our respective practice and experience we rebuilt our lives from the top down and from the bottom up, because it was the only way we knew how. The consequences remain far-reaching. Today we live with these dual approaches to the organization and management of our lives. In Europe it is the institutions of the state that rule. In America government is by the people via their institutions. The twentieth century origins of how this came to pass are found in the desperation and rubble left in the wake of World War II.

In Europe, attachment to rule from the top down allows those who govern to define the relative importance of different qualities of life and how they should be ordered. In turn, a European by-product of this order is criticism of American faith in economic freedom and equal opportunity as misplaced and oversold. In contrast, the singular American approach to life—that freedom is always the first priority, and that everything else is of “a second-order effect”—also has a by-product. Americans have little patience with the European view that, because economic trials and social tribulations are made of many colors and affect everyone, they are too

important be left to the unchecked chaos of free markets. Yet in France, for example, few politicians know how markets work. So, the task of managing free markets is assumed by political elites, most of whom have never held full-time jobs in the real world of hard work. Specifically, in France in late 2006, only 30 of 331 members of the French Senate had ever been active in private industry. So, in October French senators left “their Paris sanctuary in the seventeenth-century Luxembourg Palace to (visit) factories and offices in search of what Finance Minister Thierry Breton . . . calls an ‘economic education.’”¹

These contrasting attitudes, however, seldom evoke provocative newspaper headlines. These are usually reserved for trade disputes, arguments over defense capabilities, and disagreements over threats to national security. While these matters are important, how we order our qualities of life is far more significant in the long term.

This arrangement is subtle, but because it affects the allocation of our budget priorities, it is profound in its consequence. It is here that debate begins between those who defend the rights of the individual and those who champion the wisdom of the state, and also here that disagreement exists on the priority of equality vis-à-vis freedom, and on the value of equal opportunity versus equality of result.

At the center of our differing viewpoints on these subjects is a struggle. It is between competition and growth versus regulation and stability, between the invisible hand of the marketplace at work and the visible, but often hidden hand of the state at the controls. The result is that each of us extols the virtue and justice of our respective economic and social practices—*the European socioeconomic model* versus *the American model*.

Seen from this perspective the following two essays are neither a truncated history of post-1945 Europe and America, nor are they a recitation of differing views on economics and social science. They are much more than that. They are a narrative of the continuing hold that the essential difference exerts on our pursuit of peace and prosperity.