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Europe's long vacation is ending

The realities of globalization and a stressed economy are pushing the continent to be more like - gasp - America.

Frida Ghitis

writes about world affairs

AMSTERDAM - It's 2 o'clock on a Monday afternoon, and the narrow stone streets of old Amsterdam bustle with crowds of all ages. Couples ride their bicycles side by side, pedaling to cramped sidewalk cafes. Sure, the winter was long and the spring sun beckons. But doesn't anyone have to go to work today?

Welcome to Europe, land of long vacations, leisurely afternoon, cappuccinos - and the slow, painful realization that this easy life must come to an end.

A political battle is sweeping through Europe, and it will end with a Europe whose economy looks much more like America's than today's Europe does.

For decades, Europe's recipe of capitalism with a heavy dollop of socialism allowed its people to enjoy what looked like a perfect balance between prosperity and security. Europeans made less money than Americans, but they enjoyed a quality of life that many on the other side of the Atlantic would find difficult to comprehend, with monthlong vacations in the summer, short workweeks, and guaranteed job security, health care and education.

Then came globalization, competition and the cruel demographic reality that an aging population simply cannot pay for the generous benefits of its cushy social net. Making matters worse, another unpleasant reality crashed the party: With high taxes, long vacations, and extremely liberal sick leave and unemployment compensation, European economies had started falling further and further behind the United States. One day, the workers would not be able to provide for the retirees, the unemployed, the students and the disabled.

That's when even leftist governments started rousting their people. In the early 1990s, Netherlands Prime Minister Wim Kok, a socialist, started cutting taxes to try to get the economy moving. Years later, Kok was selected to lead a committee in the European Union seeking ways to stoke the EU economies. The committee concluded that "the impact of the tax and benefit systems in many member states continues to provide serious disincentives for people to enter, remain and progress in work."

Europe vowed to change all that. The vaunted Lisbon Declaration of 2000 declared that the EU would become "the most competitive and dynamic knowledge-based economy in the world, capable of sustainable growth," with "more and better jobs."

Easier said than done. Much.

When the French government tried to change the rules that kept youth unemployment stubbornly high - making it possible, in other words, to fire young workers in the first two years of employment - the streets exploded in riots. The government gave in, but the battle is far from over. And when it's done, as mentioned, economic Europe will be closer to the American model.

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"That is not a good thing," said Edgar Lamaker, 41, a music producer in Amsterdam. "But," he conceded, "it's unstoppable." Like many Europeans, Lamaker sees much not to like in the American model. He believes society should help the weak: "There should be protection for people who get ill or who have less." Still, he thought the French riots were absurd. Individuals should take responsibility for their own lives, he said.

The idea of living in a Europe that is becoming like America - where millions have no health insurance, where students enter the workforce under the punishing weight of student loans - is thoroughly unacceptable to many here. The solution, one 32-year-old psychologist told me, is finding the right balance.

The search for balance will focus on two areas: the role of government and the quality of life. Labor unions in the Netherlands and other parts of Europe have accepted lower wages in exchange for longer vacations. The American lifestyle, in which long weekends often masquerade as vacations, brings a look of horror to the faces of Europeans. It sounds a little too much like slavery to people who say they simply could not survive without a full month on the beach or in the countryside. Most people here enjoy five weeks of vacation a year, in addition to several weeks of sick leave. But permanent disability became so severely abused that it got to be something of a national joke. And, if you should happen to lose your job, a year's worth of unemployment benefits all but ensure that you will take a few months off before you begin looking for another position.

That is hardly unique to the Netherlands, where politicians have been pushing for change for more than a decade. In Sweden, the average worker takes 85 days off each year. You'd think that in France, the 35-hour workweek would make vacations less urgent - and yet, almost nobody works in August.

It's a good time to take a picture of today's Europe, because this picture is going to change.

"European socialism is dying," Lamaker said, a little wistfully.

When governments speak of the urgent need to get their economies growing faster, they stress that they want growth not for its own sake, but so they can hold on to their high quality of life and greater social equality.

In some cases, finding the new formula may lead to social unrest. But these fundamental decisions about the role of government and that "other something" - call it the meaning of life? - will be debated, voted on, and settled gradually.

Europe does not want to become America. The consensus, however, is that America has a better formula for economic growth. Europe will move toward the U.S. model as a sailor navigates toward the North Star: with no desire to get all the way there.

Europeans would love to hold on to their old blend of social safety and capitalist prosperity. Since that is not possible, they will change, but only as much as they need to keep their Old World ways.

ONLINE EXTRA

For the European Trade Union Confederation Web site, go to: http://www.etuc.org/a/111

For Fiscal Study, a Web site surveying economic conditions country by country, see: http://www.fiscalstudy.com/

For International Reform Monitor, which tracks economic changes in 15 countries belonging to the Organization for Economic Cooperation and Development (OECD), go to: http://www.reformmonitor.org/

For the European Commission, which proposed legislation to the European Union, go to: http://ec.europa.eu/index_en.htm

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