

High Fences Do Not Make Good Neighbors It is the Economy, My Friend

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When Christopher Columbus sailed the ocean blue in 1492, Western Europe accounted for about 20% of gross world product. Five centuries later, it is still around 20-25% of world GDP, but its North American daughter has surged to another 25%. The “West”, as we loosely call it, has thus 10% of the world’s population and almost 50% of its economic wealth, quite an achievement from the abject poverty of serfdom Europe and tribal North America. The common ties between Europe and North America grounded on economic well-being, having endured wars, plagues, and blockades, remain immutable despite efforts by politicians to cuff the invisible hand that has guided the North Atlantic to its leadership.

Western wealth has been built around a common set of values on both sides of the Atlantic : hard work, freedom, family, love of peace, rule of law, education, innovation, accountability, all of them a legacy from Old Europe. Technology, economic development and democracy have nurtured each other to give birth to the open societies in which we are living. As North America blossomed after WWII, the equal partnership between the US and Europe has become stronger because of the societal and economic benefits that were spawned. While there remain cultural differences that cannot be ignored, in the wake of the Marshall Plan, Europe found a balance between its traditions and the many things that were thought uniquely American: an MBA, a “unicorn”, Starbucks, and increasingly the English (not British) language. The opportunities of the “American dream” is a young Europeans’ dream.

Despite its lack of political unity, Europe is an economic giant. Europe has become a borderless domestic market for most European companies engaged in tradable goods. Today, Europe and the US are the only two blocs big enough that they could survive a period of extreme protectionism. The European American Chamber of Commerce doesn’t do politics, but as businessmen, we don’t think that’s the way to go. Our economic success is based on fostering competition, not protection from competitors.

Of course, Europe is more complex: you travel 200 miles and everything is different. In the U.S., you may drive 500 miles and the view from the Interstate remains reassuringly unchanged. Europe takes some explaining and that’s exactly what we do at the EACC. We’ve tried it all, and the best way hands down is direct contact between business



people from both sides of the pond. It works because at the end of the day, economics not politics binds people and nations in a more prosperous world.

While the system of governance and regulations in Europe is often criticized for being too complex and ponderous, paraphrasing “Old Blue Eyes” if you can make it in Europe, you can make it anywhere. Success in Europe in the face of labor laws and government meddling, that means you’re really good and you’ll make it big in international markets, à la L’Oréal, Essilor Luxottica, InBev, Michelin, Banco de Santander, Bosch, Zegna. We have seen many Europeans set up shop in the US and go ecstatic on how simple their new world is. It’s a virtuous cycle where contact with the US helps Europe get simpler and nimbler. While it is hard to have any discussion regarding the world’s economy without mentioning China, the principles that drive a planned economy can never and have never worked where freedom reigns. Thus, China’s lesson to our leaders is to manage trade and business at your peril; the free people of the Western world will not stand for it.

At the European American Chamber of Commerce, we strive to foster the business relations between Europe and the United States. Why do we do that? Because as business people, we see huge opportunities in the two most prominent markets in the world; because, as citizens of these nations, we know that millions of jobs depend on the transatlantic exchanges and direct investments between and within these two economic giants; last, because in an increasingly confused world, trade is a force for good. Trade supports our values and standards of living, trade keeps our societies open and inclusive...and, thankfully, peaceful.

Along with the like-minded business members of the EACC, we will continue to fight for our businesses and people. The world might be changing, but our shared values will prevail if we stand together as we have since Lafayette came to the aid of the colonists and G.I. Joe landed on Omaha Beach.

Signed: The European American Chamber of Commerce in Europe and the United States.

About the European American Chamber of Commerce – EACC

The EACC is a private and independent non-profit organization headquartered in Paris with affiliates in New York NY, the Carolinas (Greenville, SC), Cincinnati OH, Princeton NJ, Lyon, Rome and Toulouse. New chapters are being developed in other U.S. and European cities. For more information: www.eaccfrance.com | www.eaccny.com | www.europe-cincinnati.com | www.eaccnj.org | www.eacc-ra.com | www.eacc-carolinas.com

