



## Reliable References

### Student Handout #2: **America Still Beckons**

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The American dream may be a musty old relic in the minds of some American elites, but for Annique Lambe—who arrived in the U.S. 12 years ago from Ireland—it is alive and well. Now a schoolteacher in Manhattan, she marvels at the energy and opportunity that she and other friends who are also recent immigrants from Europe have found on these shores. “New York is a huge place where something is always happening,” she says in a soft Irish lilt. “Now I am a part of it, living among the big towers and the skyline. It seems miraculous to me.”

From the seventeenth century on, waves of immigrants from the European continent played a primary role in forming America. It was not mainly the rich, powerful, or well-connected of Europe who came, but those of a more modest station. A simple working person in America had a far better chance of rising into the comfortable classes than his European counterpart, and his offspring’s chances were even greater yet. Most new arrivals to America eventually enjoyed a leap upward in quality of life and social mobility.

Yet even as the European masses headed to this side of the Atlantic for a better life, some intellectual and social elites insisted that Europe’s culture was better than anything found in the United States. As an intellectual, cultural, and artistic center, Europe was unsurpassed. That belief remains powerful today. Some, like American writer Richard Florida, have even suggested that some of the brightest and most culturally sophisticated young Americans—the much-ballyhooed “creative class”—may in the future seek their fortunes in Europe. Glowing journalistic anecdotes about cities such as Prague, Berlin, Paris, London, and Dublin have suggested that significant numbers of America’s best and brightest may end up expatriating themselves to the continent.

#### **American advantages**

New Yorkers have a perfect one-word response for such claims: fuggedaboutit. Europe may be a great place to visit, but U.S. emigration to the continent is paltry—while the reverse flow from Europe to the United States remains at consistently high levels even with the somewhat bothersome screenings imposed after 9/11. While Europeans are no longer the primary immigrants to the U.S. (that role having been taken over by Latin

Americans and Asians), they remain an important factor in the continuing re-invention of America.

As in the past, immigrants from France, Italy, Germany and other parts of Europe continue to come to America to participate in an economy that is more dynamic, healthier, and generally more open than what they are leaving behind. America's economic appeal has been broadened by Europe's long-term competitive decline; its portion of world GDP dropped from 34 percent to 20 percent between 1913 and 1998, while the United States held its own at about 22 percent of global GDP (even amidst the Third World boom of the last generation).

Most recently, Europe's position has weakened considerably. Since the 1970s, America has created some 57 million new jobs, compared to just 4 million in Europe (with most of those in government). For the last quarter century, the United States has enjoyed consistently higher rates of economic growth and productivity than European countries, and the gap has been widening. The United States is now at the forefront in many critical global industries, particularly finance, technology, and entertainment.

The future doesn't look much brighter for the continent. Under current conditions, according to the European Central Bank, the Euro Zone's overall growth potential is roughly half that of the United States. The wishful notion that the E.U. would overtake the United States as the world's "most competitive, knowledge-based economy" by 2010, much discussed at the time of European unification, has now been dismissed, even by many Europeans themselves, as wildly over-optimistic.

Under such circumstances, the United States remains a tremendous lure for many Europeans, especially younger, educated individuals. This is particularly true in technological fields, where Europe's best brains are leaving in droves. Some 400,000 E.U. science and technology graduates currently reside in the United States, and barely one in seven, according to a recent European Commission poll, intend to return. "The U.S. is a sponge that's happy to soak up talent from across the globe," observes one Irish scientist.

Similar perspectives can be found in a host of other cutting-edge industries, including financial services, where, with the exception of London, New York has an almost unparalleled global appeal. Attempts to build a new European financial center in Frankfurt—sometimes called "Mainhattan" after the river running through the western German city—or in Paris, have failed to meet even modest expectations.

Finally there is culture. Hollywood and the American music industry have long dominated European markets, despite massive government subsidies for the continent's culture-based industries. More recently, even once-powerful European cultural industries such as fashion have become more influenced by American designers and ideas.

## **The European Squeeze**

America's superior per capita income, its leadership of critical global industries, and its higher quality of life are reflected in everything from housing space to consumer prices. This is all the more remarkable given that the country continues to absorb poor migrants from across the globe. America's demographic vitality makes it nearly one of a kind among modern nations.

Thanks to significantly higher fertility rates and immigration, America's population is growing far faster than Europe's, particularly Spain's, Italy's, and Germany's. Europe has far more old people than the United States, and a shrinking workforce. Even amidst high unemployment, there remain persistent shortages of technical workers. Overall labor-force participation in the E.U. is well below that of the United States.

Europe's percentage of the world's population has now fallen below 7 percent, down from 12 percent in 1950. It is expected to drop to barely 4 percent by 2050. These are not auspicious conditions either for future sales or the supply of ambitious workers. In some European countries, such as Italy, the number of deaths already exceeds births. By 2025, the average age in Europe will be 45, six years older than in the United States. By 2050 many European countries—including those of the former eastern bloc—could suffer loss of population.

Europe remains home to the world's greatest historic cities, but many of them are losing people, too. Many American cities have enjoyed healthy population increases—not just sunbelt capitals like Los Angeles, Phoenix, and Houston but also older cities like New York City (largely due to immigration). Growing communities are generally friendlier for both employers and job-seekers.

These demographic factors place Europeans at a disadvantage. Since much of the immigration to Europe comes from poorly educated (for the most part) workers from Africa and the Middle East, it has not appreciably increased the continent's supply of skilled workers. There is also deep-seated hostility to the newcomers among natives; nearly a third of E.U. citizens describe themselves as decidedly "prejudiced" against the continent's current immigrants. In addition, the powerful welfare state mechanisms in Europe tend to keep both newcomers and displaced native workers out of the workforce and on the dole, further exacerbating the pressures on the economy and the social resentments.

To a large extent, Europe has also turned its back on new industries and younger people, choosing security for the current population over future opportunity. So despite large numbers of retiring workers in France, for instance, unemployment among the young has been rising—with joblessness among workers in their twenties now well exceeding 20 percent. The European welfare state also forces younger workers to pay heavily for a radically escalating number of pensioners and benefit recipients. Since 1970, Germany's ranks of unemployed and retired have soared by some 80 percent, while the working population grew by a mere 4 percent. This is one reason why taxes are so high on German and other European wage earners.

## **Moving to America**

Amidst all this, it is perhaps not surprising that a powerful new wave of European immigration to the U.S. is taking place. This trend began in the 1980s, with fashionable affluents from West European capitals, and expanded to include many Eastern Europeans after the fall of communism. The wave has gradually grown to include Russian Jews, refugees from the Balkans, and new Italian, German, British, Greek, Polish, and other immigrants. Eastern European immigrants constituted one out of four New York immigrants in the late 1990s. They have also become an important factor in places like Los Angeles, Chicago, and Boston. Even relatively out of the way places like Utica, New York and St. Louis have been revitalized by waves of European immigrants from new places like Bosnia.

All told, European immigration to the United States jumped by some 16 percent during the 1990s. Europe's percentage of total immigrants to the U.S. rose crisply between 1998 and 2001. Visa applications dropped after 9/11, but then increased last year by 10 percent. The total number of European-born Americans increased by roughly 700,000 during the last three years, with a heavy inflow from the former Soviet Union, the former Yugoslavia, Romania, and France. These new immigrants have dispersed across many parts of the country, but have been especially drawn to New York, California, and Florida. Today's westward human flow across the Atlantic is more critical to the future of the United States than mere numbers can indicate. In contrast to many of our other immigrants, newcomers from Europe, particularly those under 40, tend to be highly educated. And while frivolous "Eurotrash" socialites may gain the attention of the press, most young European migrants are hard-working, professionally serious, and ambitious.

New York City, the traditional center of European immigration, provides an excellent case in point. An analysis of recent census numbers indicates that white immigrants to New York (the vast majority of whom are from Europe) represent the largest number of contributors to the net growth of educated young people in the city. Without the disproportionate contributions of these young Europeans, New York would actually have suffered a net outflow of educated people under 35 during the late 1990s. Overall, there are now half a million New York City residents who were born in Europe.

St. Louis is another city that has benefited enormously from European immigration—in its case, the growth of a Bosnian community now estimated at well over 10,000. Since the Bosnians' appearance on the city's south side, they have transformed their neighborhoods. South Grand Avenue, once a dying thoroughfare, has been turned by entrepreneurial-minded newcomers into a major center of Bosnian commerce. In typical American style, the community is gradually spreading to the city's sprawling suburbs.

"When we got here, South St. Louis was a city of ghosts. But we were survivors," notes Bosnian immigrant and entrepreneur Amir Holtic. "You drop a Bosnian on the moon and he'll survive. We are the people who help give the city a future."

## **Open Culture and Hot Economics**

As Holtic would be quick to point out, an economy is driven, more than anything else, by the energies of people who can still dream. Although many American intellectuals and urbanites hold European cities in higher regard than our own, many young everyday Europeans have discovered that American metropolises are often more exciting, more liveable, and, most important of all, better places to find opportunities for upward mobility.

Many young European professionals slide easily into New York because it is one of the few places in America that continues to feature concentrated European immigrant neighborhoods

like Astoria (Greek), Bensonhurst (Italian), Brighton Beach (Russian), Sunnyside (Irish), and Greenpoint (Polish). Although most young immigrants do not live in these traditional areas, they rely on associations and grapevine networks based there, they find familiar places of worship in these areas, they dine (and work) at local restaurants, and place ads in, and read, newspapers that originate in these locales.

New York's long history of Irish settlement offered Annique Lambe a ready-made entry point. "The Irish history goes a long way here," Lambe notes. "I met an Irishman at a bar my second day in New York. Instantly, the fact that I was Irish was enough. I was in, like I was born here."

But if cultural ties make arrivals in the U.S. relatively painless, it is opportunity that is the real magnet. "In the past," notes one Polish newspaper editor, "it was freedom of religion or politics that pulled us here. Now it's the economy."

Like many former communist countries, Poland has a persistent shortage of good jobs for its large numbers of educated people, and unemployment that ranges above 20 percent. "There are many talented young people in Poland, but not a lot of work," notes Michael Dabrowski, a Polish trader in his late twenties. "Here there are lots of openings for skilled and energetic people."

The largest group of newcomers in New York City today hails from the former Soviet Union. In the 1970s, many came to escape oppression. Lately, they have been coming for economic openings. Max Driven, a 29-year-old Russian from St. Petersburg came to New York eight years ago with \$500 in his pocket. He now works in real estate and already owns several brownstones in Jersey City. He was amazed by how he was able to leverage properties to buy more properties. "There's no financing like that in Russia," he says. "Capital is the key to being here."

With this common draw of financial reward for astute work, U.S. cities are producing the kind of pan-European melting pot that is all too often only a dream on the European continent. "This is a place for Europeans," observes Michael Idov, an immigrant from Latvia who writes in both Russian and English. "Think of all the Brits in the publishing industry. In the art world, every other young person you meet is French or Italian. Most of the Russians are in computer science. It's a kind of pan-European society."

## **The Dream Endures**

It is a distinctly American dream that brings Europeans to America. For most migrants, America became the place to move after it became apparent that personal re-invention and success were out of reach at home. The hunger for greater socio-economic mobility is strongest among those in business. It is not surprising that ambitious young European professionals prefer the faster-paced economic environment of the United States.

“I love the business culture in New York,” says Volker Detering, a former Green Party activist from Germany who came to New York in 1999. Along with his brother Dietmar, he has founded a thriving Web site business specializing in event planning and networking—something that would be exceedingly difficult to establish and grow in heavily regulated Germany.

For newcomers like Detering, there is a kind of magical appreciation for America that even some natives do not recognize. At a time when less than half of all residents of the New York metropolitan area visit the city center at least five times a year (while three quarters claim their lives are barely affected by what goes on inside Gotham), today’s new Euro-originated New Yorkers reveal an almost unbridled enthusiasm for the city.

“To me, with all its flaws, New York is still the most special place in the world,” exults Max Driven. “Petersburg is nice, but New York has everything; it is everything. It’s the place for your ambitions.”

Beneath the European hostility toward America stirred up by 9/11 and the Afghan and Iraq wars, a much deeper verdict on the United States is being rendered by hundreds of thousands of individual Europeans. These men and women, some of their continent’s most energetic residents, are uprooting themselves for brand new lives in America. The continuing immigration of some of the Old World’s best and brightest suggests that the American experiment has not lost its power. Nor have all Europeans lowered their horizons to a mere steady-state replication of past comforts.

Even now, many Europeans dream fiercely of a better place. And for a surprising number of them, that place is still America.

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