I want to thank the German Historical Institute and the ZEIT-Stiftung Ebelin und Gerd Bucerius for awarding me the Helmut Schmidt Prize for German-American Economic History. It is an unexpected honor to receive this prize and to be in the company of the previous distinguished recipients. Like anyone concerned with the history of the German and transatlantic economies, I appreciate that the ZEIT Foundation and the GHI recognize the importance of economic history — a field that for several decades did not exactly have a lot of sex appeal in the historical profession or the broader public. That is changing, however, due to the ideology and reality of globalization, to the successes and problems of the European Union and the Euro, and to the economic crisis that began in 2007/08 and persists in varied forms on both sides of the Atlantic. There is nothing like bank collapses, housing busts, and sovereign debt crises to remind people that economies have complex histories filled with structural shifts and conjunctural swings and a rather promiscuous variety of production regimes, fiscal and monetary systems, and trading partners and patterns.

I feel especially pleased and surprised to have received the Helmut Schmidt Prize, for I do a rather unorthodox kind of economic history; indeed, many who practice quantitative economic history or more traditional business history may not consider what I do as really economic history. My writings pay as much attention to political economy and economic imaginaries as to economic institutions. They are concerned not only with the organization of firms and practices of business associations but also with the organization of production and transformations of the labor process — I began my academic life as a labor historian. I have written extensively on questions of consumption and consumer cultures, but always linking them back to the production regimes and state economic policies with which the consumption of material goods and cultural products is inextricably entangled. My work attends to the factory floor and corporate boardrooms, but equally to spaces usually considered marginal to
economic history, such as kitchens. Although my first book focused only on Germany, indeed only on Düsseldorf with its radical Social Democratic movement and powerful business community, my work became increasingly transnational, focusing first on German-American economic relations in the 1920s, and then on the United States and Europe, capaciousness defined, in the long twentieth century. In the latter work, Germany of necessity features prominently.

The current moment is auspicious for reconsidering U.S.-German economic relations in particular and U.S.-European ones more broadly, for in the era of the European Union, neatly separating the national from the European is all but impossible, as politicians and publics can attest. Three recent controversies have spurred debate about the current state of transatlantic relations and their future development. The first involves the revelations about National Security Agency (NSA) surveillance of German telecommunications, including Chancellor Angela Merkel’s cell phone. Although Germany was far from the only target of interest for the NSA, its secret monitoring raised German concerns about whether the American government regarded Germany as an intimate and trustworthy ally on a par with its English-speaking ones, or as a third-class ally. It led Germans to question whether Germany and the United States had profoundly different values and laws on privacy, as well as whether the German government knew about the NSA programs and had become dangerously “Americanized” in its own electronic intrusions. The second issue involved Syria and whether Germany would follow the United States’ lead and sanction militarized intervention in the brutal civil war there. As in the case of the Iraq War in 2003 and Libya in 2011, Germany did not join the “coalition of the willing.” Neither of these contentious matters focused on the economy — although Germans worried about possible American industrial and business espionage in the wake of the Snowden leaks — but both created tensions affecting the third issue: Central to transatlantic economic relations, this issue involves negotiations around the establishment of a U.S.-European Union Transatlantic Free Trade Agreement (TAFTA) or, to use its official name, Transatlantic Trade and Investment Partnership (TTIP).

This is not the first time since the 1944 Bretton Woods Agreement and the postwar General Agreement on Trade and Tariffs that transatlantic free trade has been discussed, but the current proposals are vastly more ambitious than anything previously recommended. In its
most expansive form, TTIP calls for zero tariffs on goods, free trade in services and investment, and the elimination or “harmonization” of non-tariff barriers, i.e. regulations of all sorts. The current negotiations both suggest the closeness of transatlantic ties and foreground the ways in which American and European economic structures, financial systems, social policies, and approaches to regulation — of everything from banks and labor to cultural goods and genetically modified foods — differ, often substantially. Which European and American policies, institutions, and values can serve as the basis for collaboration, and which are sources of conflict that could significantly narrow any possible agreement or derail it completely?

I want to place the current moment of proposed increased transatlantic economic cooperation in historical context. That context could be extended back to the late nineteenth century, when multilateral transatlantic trade and investment were increasing, and Germany and the United States were challenging British global economic hegemony. Or one could begin in the 1920s, when Germany and some other European states, especially the Soviet Union, were fascinated with Fordism, the American model of mass production and consumption, even if no European country was able to emulate that model in the interwar period. Or one could start with the Depression and fascism, which led to a disarticulation of the global economy, the rise of competing regionalisms, and, in the wake of World War II, the economic devastation of Europe and emergence of America as the global economic hegemon. I, however, want to focus on the decades after 1945.

How might we best understand the changing nature of the West German (and later unified German) economy and its relationship with the United States, which was, alternately and often simultaneously, a model for Germany to emulate or avoid, an adviser, a collaborator, and a competitor? To what extent is the capacious and contentious concept of Americanization appropriate? To what extent did a distinctive German or Rhenish variety of capitalism, more akin to that of other European countries than to that of the United States, persist or emerge? And if so, do such developments, along with the creation of the European Coal and Steel Community (ECSC), the Common Market and then the European Union (EU) and a common currency, make Europeanization a more useful conceptual framework for understanding the German economy?
Finally, what about globalization, that much-used and abused term? What light does it shed on the German economy since the 1970s, when the second wave of modern globalization began? (The first started during the late nineteenth century and ended in the aftermath of World War I.) Should one view the current state of German-American economic cooperation and competition as part of or a response to globalization? Or, as Henry Kissinger rather dismissively claimed in 1973, do Germans and Europeans have only regional interests while the United States alone has global ones?2

I. Americanization

Let’s begin our exploration of the post-1945 German economy with Americanization. In the years after 1945, American military personnel, businessmen, Marshall Plan administrators, labor leaders, foundation officials, and educators moved out across Western Europe to spread the gospel of democratic capitalism and anti-Communism. They encouraged Europeans, and especially Germans, to adopt the “politics of productivity,” to open their markets, integrate their economies, and allow Hollywood films, jazz, and rock ‘n’ roll to circulate freely. “You can be like us” was the American promise — one that many perceived as a threat. But did the combination of aid, investment, multinationals, foundations, consumer goods, and cultural products — all varied forms of American soft and semi-hard power — transform European economies and societies in the ways anticipated by either Americans or Germans?

At issue are not American ambitions, but rather Western Europe’s openness to things American and its ability to adopt or adapt them. While most scholars agree that concepts such as thoroughgoing European emulation or American cultural imperialism are too crude to describe the complex transatlantic interactions, there is much room for disagreement about what postwar Americanization looked like in different areas of economy and society, in different countries, and for different classes, generations, and genders. Indeed, there is much disagreement about how to define that elusive term. Some speak of the transfer of the American economic model and partial convergence, while others opt for cross-fertilization or speak of adaption, negotiation, and the resulting creation of hybrid economic practices, products, and policies.

The essence of the American model is equally open to dispute. For Victoria de Grazia, its core is American mass consumption, with its...
distinctive Fordized system of distribution, new advertising techniques and messages, democratic ethos, consumer citizens, and promise of a dramatically new standard of living. For Charles Maier, the American model that was exported post-1945 was ideological as much as institutional. It was a “politics of productivity,” promoted by mass production, organizational rationalization, new technology, and an open international economic order and that promised not only growth but an escape from the zero-sum distributional struggles and ideological politics of earlier decades. For Marie-Laure Djelic, the essence of the postwar American model — a model that was historically specific but claimed universal validity — was the large multidivisional, rationalized corporation, operating under the constraints of antitrust legislation and competing in oligopolistic markets. Christian Kleinschmidt and Gary Herrigel reject the idea of a unitary American model, embodying the best practices for productivity and marketing. Instead, they see the United States as having offered an ensemble of organizational innovations, technologies, and management and marketing practices, from which Europeans could pick and choose and which they would modify and recombine to suit local institutions, needs, preferences, and prejudices.

America’s influence varied across European countries, depending on the amount of U.S. aid and investment, the size of the U.S. military presence, the strength of prior cultural ties and economic exchanges, and the depth of national resistance to imports from across the Atlantic. France was among the least “Americanized” countries, Germany among the most. But how Americanized did the Federal Republic become?

Opinions vary greatly. Volker Berghahn has traced a gradual post-1945 Americanization of West German business and German society and culture more broadly, for example, while Werner Abelshauser insists that American and German production regimes looked more similar in the late nineteenth century than in the late twentieth. Those seeing — and advocating for — a convergence of capitalist economies around the American model have argued this thesis in various ways. In the first postwar decades, they insisted on the technological necessity of Fordist mass production and mass consumption; from the late 1970s on, they stressed the economic logic and scientific status of Anglo-American neo-liberalism; currently they point to the imperatives of globalization. Proponents of varieties of capitalism — whether they label those varieties market versus


welfare capitalism; liberal market economies versus coordinated market ones; or neo-American versus Rhenish models, to cite just a few of the labels used — deny the rumors of impending convergence and insist on the viability and flexibility of non-liberal, socially embedded and managed models. There is little agreement among historians, economists, and social scientists on the key issues to be analyzed, the crucial periods to be studied or the definition of terms, above all “Americanization.”

When I read the literature on Americanization and that on varieties of capitalism side by side, I sometimes feel that I’m in a room full of blind people describing an elephant. Depending which part of the elephant — or in our case, which part of the economy — you touch, you can describe an utterly different beast. If one focuses on industrial relations and issues of governance — Mitbestimmung (co-determination), national pattern wage bargaining, the high degree of organization among businesses or if you focus on how firms secure financing, train workers, maintain relations with suppliers or choose members of their boards — one sees a Germany that bears little resemblance to America from the 1950s through the 1990s and still differs in significant respects. If you look primarily at production methods, technology, and economic legislation — such as mass production, Fordist technologies and factory organization, and the 1957 anti-cartel law — you find evidence of rupture with past German practices. But historians and social scientists disagree about whether these borrowings substantially transformed the German industrial order or whether they represented an ambivalent and generation and branch-specific embrace of the American model.

When attention is turned to mass consumption and the accompanying spread of commodified mass culture and leisure, the creature being described seems, at first glance, to be remarkably Americanized. Upon closer inspection, the meaning assigned to goods, the ways they were sold, regulated and paid for, and the spaces into which they were inserted seem distinctly German. Abelshauser sees a resurgence of organized business and labor interests in the 1950s and labels them corporatist; Berghahn sees only business influence; and van Hook insists that German institutions and policies remained Marktform (market-compliant), as the Americans and Germans (like Erhard) wanted, throughout the 1950s. Some claim the 1957 German cartel law assured the triumph of the large, American-style, multidivisional corporation operating in oligopolistic markets; others


10 For the strongest recent arguments for the Americanization of production, consumption and culture, see David Ellwood, Shock of America: Europe and the Challenge of the Century (Oxford: Oxford University Press, 2012).
claim it allowed spaces for the reemergence of organized cooperation that functioned in ways similar to cartels. Those emphasizing the Americanization of the German economy focus on the first postwar decades, when the American model meant Fordist mass production by a new corporate order combined with new forms of mass consumption, the expansion of the welfare state, and Keynesianism; and they ignore the troubled career of Americanization since the economic crises of the 1970s. Those stressing Modell Deutschland concentrate on the strength of corporatist institutions from the late 1960s onward and contrast it to the American model in its current guise, a model which stands for a post-Fordist, information technology- and finance-based economy, neoliberal economic policies, and an ownership society that has drastically curbed social rights and eroded the social infrastructure.

All of these arguments capture part of the German-American encounter in the postwar decades, an encounter that had multiple, if unequal agents, with complex and often conflicting motives and goals. Germans, like other Europeans, selected, negotiated, modified, adapted and sometimes completely rejected what the Americans offered and often tried to impose with varying degrees of economic and political coercion. How do we conceptualize the resulting hybrid economic entity?

Despite a strong presence of American firms, products, cultural goods and economic ideas, I would argue that Germany developed a distinctive and European variety of capitalism. First, the degree of borrowing from, negotiating with, adapting and modifying things American varied greatly in different areas of the economy. Second, individual, more Americanized aspects of the economy should not be seen in isolation, but rather in relation both to other, less Americanized ones and within the context of state institutions, economic policies, social rights, and visions of the good life and just society. Finally, the relationship of Germany to the American model has shifted in substantial ways across the Cold War decades and beyond because of the differing ways in which Germany and America have changed. By the 1990s, the new neoliberal American model of speculative stock market capitalism and globalization was in the ascendency; its proponents touted its universal applicability, moral superiority, and historical inevitability. As the German economy slumped and exhibited new rigidities, many Germans looked anxiously and enviously across the Atlantic. Yet they adopted only watered-down versions of

new American practices without fundamentally restructuring many aspects of technology, firm financing, governance, production, labor relations and social policy — a process many label as hybridization rather than (neo-)liberalization.\textsuperscript{12}

If American and German institutions and practices increasingly diverged, so too did the values embedded in and promoted by each model. The American model came to champion competition, valorize risk, and tolerate enormous inequality to an unprecedented degree. By contrast, the more socially embedded German model tried to balance financial liberalization and cuts in a variety of benefits with an ongoing commitment to security and greater equality. Germany seems much less Americanized now than it did in the 1950s and 1960s, but it does look much more Europeanized.

II. Europeanization

Why has a historian who spent years studying Americanization, Americanism, and anti-Americanism in Germany and Europe come to see Europeanization as a concept more descriptively rich and analytically useful for understanding developments in Germany in the second half of the twentieth century? Let me suggest the reasons schematically.

First, the “selective adaptation, creative modification, and innovative hybridization”\textsuperscript{13} that characterized the German reception of all things American was typical of countries across Europe. The experience of engaging with American economic models, commodities, business methods, ideology, cultural goods, and, of course, Americans themselves, became part of postwar German and European economies, cultures, and identities. Second, the context in which the mass production and mass consumption of consumer durables emerged after 1945 in Germany and Europe was very different than that of the United States. In \textit{The Transatlantic Century}, I argue that different varieties of capitalism, social policies, and degrees of state involvement in the economy made European capitalisms more similar to one another, despite important national differences, than to American capitalism. Moreover, the socialist consumer cultures of places like the German Democratic Republic borrowed from and resembled those in Western and Northern Europe in key respects. As the GHI’s Jan Logemann has shown, the balance between public and private consumption was configured in distinctive ways in the United States and the German Federal Republic, as were the cultural values.


surrounding consumption. Mass consumption privileged different spaces as well. For postwar Germans, these spaces were rebuilt cities, while Americans prioritized suburbs. These differences created two divergent versions of consumer modernity, and the West German one looked much like that of other European countries.14

Third, the emergence of shared European economic and social models, goods, styles, and even identity, if only of a thin sort, was aided by the influence of Europeans on one another. Historians have been so absorbed by the influence of hegemonic America that they have ignored or downplayed the complex postwar circuits along which ideas, economic models, goods, people, and cultural products moved among Western and Northern European countries and across the Iron Curtain.

Take, for example, home construction, which was a key driver of postwar economic growth and modernization and a privileged site of consumption on both sides of the Atlantic. The United States endorsed international modernism, especially the glass-wall skyscraper, as the architecture of freedom, but it did not advocate for apartment houses. Rather, Marshall Plan officials and the United States Information Agency promoted single-family homes. German and other Western European office and government architecture balanced American influences and national traditions and concerns, but housing was less susceptible to American influences. National and shared European models carried more weight; funding and ownership patterns differed; and European suburbanization was limited. To be sure, Germans flocked to the 1949 “How America Lives” exhibit in Stuttgart, the 1950 “America at Home” exhibit in West Berlin, and numerous smaller trade shows across Europe that had model American homes, products, and even American actors performing “the American way of life.” Many European architects visited Levittown, but for economic and cultural reasons they did not build the iconic postwar American wood-frame suburban tract houses. Rather, functional, modern apartment buildings were built, many using prefab construction, first in Western Europe and also in Eastern Europe from the 1960s on. The millions of new European homes differed in pedagogical intent as well. The discourse surrounding American homes emphasized affluence, rising expectations, and desires; they were to be sites of individual choice and mobility. In Europe, modern homes were seen as vehicles for pedagogical projects and societal transformation and for modernizing the family and everyday life.15


15 For a fuller discussion see, Nolan, Transatlantic Century, 244-57.
The modern kitchen, with its functional layout and electric stove, refrigerator, vacuum cleaner, and washing machine, was the center of the modern home and consumer modernity on both sides of the Atlantic and the Iron Curtain. But the new household consumer durables were paid for differently, as credit purchase was much more limited in Europe. These durable goods arrived en masse in Western Europe only in the late 1950s and early 1960s and still later in the East, and they were inserted into very different household spaces. They were smaller, more efficient, and often better-looking than their American counterparts. Germans considered the American “fat kitchen” of Marshall Plan displays and magazine stories as economically unattainable and culturally unsuitable. In Germany, as across Europe, the more austere, functionalist, and small kitchen prevailed. The ultimate winner of the famous 1959 kitchen debate between Khrushchev and Nixon may well have been Sweden, widely admired on both sides of the Iron Curtain, the Netherlands, or West Germany — and not the United States, as Americans widely assume.

Similar products, advertised with comparable rhetoric about female domesticity and carefree modernity, took on distinctive characteristics in different national settings, and Europeans came to associate their new kitchens and homes with national or other European models more than with American ones.

Finally, Europeanization is a better term for Germany’s postwar economic development, due to the decades-long process of European integration that began with the ECSC. This development continued through the Common Market, expanded into various efforts at monetary coordination in the 1970s and 1980s, and culminated with the Maastricht Treaty in the early 1990s and the introduction of the euro at the decade’s end. Germany was a key architect of these processes and has been a prime economic and political beneficiary from them — current complaints about the burden of being the strongest EU economy notwithstanding. Germany was a central player in the Europeanization of trade, as trade among what were the fifteen founding members of the European Union doubled between the 1960s and 1990s. Germany is the leading European Union exporter to the United States. Yet in 2008, only 7.6 percent of German exports went to the United States. France, by contrast, received 9.9 percent and the European Union overall received 60 percent. Only 6.5 percent of German imports came from the United States, behind those from China, France, and the Netherlands. And as has been the case for decades, the balance of trade between Germany and the United States remains

---


16   BULLETIN OF THE GHI | 54 | SPRING 2014
in Germany’s favor.\textsuperscript{20} In 2008, 11 percent of foreign direct investment (FDI) in Germany came from the United States, and about 10 percent of FDI in the United States came from Germany.\textsuperscript{21} But the seeming balance of 2008 is misleading. In 2012, for instance, over 61 percent of German FDI went to other countries within Europe (excluding Russia, Southeastern Europe and the Commonwealth of Independent States (CIS)) versus 22 percent to the United States.\textsuperscript{22} This investment data both testifies to Europeanization and represents a remarkable change from the immediate postwar decades, when Germany was only on the receiving end of American investment.

Most German politicians and much of the public, despite their complaints about profligate Southern Europeans, favor the European Union and do not envision abandoning the euro.\textsuperscript{23} Unlike Great Britain, which flirts with exit and hopes for the revival of its special relationship with the United States, Germans understand that European integration is a political as much as an economic project, one that has been central to German economic recovery and political rehabilitation and that accommodated reunification. However strong the ideology and practice of Atlanticism may have been in the first postwar decades, Germany is now first and foremost a European power, and the European Union and the euro mediate its economic relationship with the United States.

Thus Europeanization seems a more useful narrative thread to capture the transformations of the German economy from 1945 to the present, even if it is in constant conversation, and sometimes competition, with Americanization.

\textbf{III. Globalization}

And what of globalization, the concept de jour? Insofar as proponents of globalization claim that this process was a new invention of the 1980s, they are simply wrong, as historians of earlier phases of global economic articulation have shown.\textsuperscript{24} And far from being an inevitable, one-way process, globalization has always been a highly contingent and political project, whose ebbs and flows have been determined by states, parties, and armies as much as by markets and technology. Many scholars of globalization claim that the importance of nation states has declined and that firms and finance have emancipated themselves from the constraints of territorial rootedness and national regulatory processes. That, however, is at best a very partial assessment. Certainly financialization has led to large-scale flows of


\textsuperscript{21} Investment and Trade Relations. http://german.usembassy.gov/root/pdfs/politik/investment_aug09.pdf


capital, damaging currency speculation, and unregulated financial instruments, and Europe has not been immune from these phenomena. German firms have moved production facilities abroad, but on a much more modest scale than the U.S., and most of the relocated German facilities have gone to other European countries or developed economies outside Europe rather than to the global South. National regulatory regimes have been augmented or surpassed by EU ones, but regulation itself has not disappeared.

Despite its European focus, however, Germany is increasingly attentive to and engaged with China and the other BRICs (Brazil, Russia, India, and China). In 2010, 7.1 percent of German outward FDI was in BRIC countries, but trade was more significant. Indeed, in 2012 the combined value of German exports to the BRICs exceeded that to the United States, and China alone accounted for a greater share of German imports than the United States. The future place of the BRICs in German economic life remains an open question, but the German relationship is likely to remain substantially different than that of the United States, both because Germany buys much less from China and because it does not rely on China to purchase its debt.

Although the European Union and the United States are the world’s two largest economies, they exist in a multipolar world. In 1945, the U.S. economy was larger than all others combined; today it accounts for 22.9 percent of global GDP with China in second place, Japan in third, and Germany in fourth. The European Union overall accounts for 25.8 percent. The International Monetary Fund (IMF) estimates that by 2030, the transatlantic share in global GDP will shrink to just over 30 percent and China and India will carry more economic weight than the United States and European Union. From the perspective of Germany, globalization is not simply another name for Americanization. Rather it points to a multi-centered world economy in which the transatlantic economies are major players — but not the only significant ones — and whose contours are being contested on many fronts.

This brings us back to TTIP. Proponents of a more intense and neoliberal transatlantic economic relationship make several arguments on behalf of a formal free trade zone encompassing the United States and European Union. First, given the failure of the Doha Round of WTO talks for trade liberalization, they argue, progress can only go forward on the regional level. Hence there is not only TTIP but also the proposed Trans Pacific Partnership, as well as EU initiatives.

25 At the end of 2010, for example, only 15 percent of total German outward FDI was in developing countries. Jost, “Outward FDI.”


for free trade agreements with Canada and Japan. Second, many advocates of a transatlantic free trade agreement acknowledge the relative decline of the United States and European Union in global perspective but promise that a far-reaching trade and investment accord will provide a means to reassert Euro-American economic leadership globally. According to German publisher and editor Theo Sommer, it could “breathe new life” into the “drifting” transatlantic relationship and “turn the world’s premier security alliance into the world’s premier economic pact.” American political scientist Richard Rosencrance argues that a new transatlantic trade and investment agreement, one eventually augmented by Japan, is necessary to meet the economic challenge of China. Such a partnership would create “the reliable overbalance of power that the international political system need to deter war” with a rising Chinese power.

In this vision, TIPP is as much a political as an economic project. Finally, proponents of TTIP insist that economic growth, increased productivity, and expanded employment can only come via trade liberalization, deregulation, and fiscal responsibility — i.e. austerity. In the post-2008 world, this is not an uncontested proposition, and many economies in Latin America as well as Asia have weathered the crisis better than the North Atlantic ones, which followed neoliberal prescriptions.

But is TTIP likely to come into being? Certainly not by the end of 2014, as President Obama earlier predicted. In 1995, the European Union and United States signed a New Transatlantic Agenda that called for the expansion of trade and “building bridges among our business, civic and academic communities.” A transatlantic business dialogue was established and labor and consumer dialogues followed. In 2007, the European Union, then led by Chancellor Merkel, and the United States, under President George W. Bush, signed a Framework for Advancing Transatlantic Economic Integration. These initiatives yielded much talk but little action, and it is unclear if current negotiations will do better, for they are plagued by both long standing differences on topics such as regulation, agriculture and labor and the recent mistrust sown by the NSA surveillance.

If TTIP does come to pass, how dramatically will it change transatlantic economic relations and the German economy? Estimates about benefits to economic growth range from 0.3-0.5 percent for the European Union and 1.0-1.3 percent for the United States, but these figures are speculative aggregates, and none of them indicate to whom

---


benefits will accrue, a question of great import given growing income inequality across the transatlantic world, including Germany. There will be little impact on trade in goods, for tariffs are already low and the volume of trade is large. FDI may increase somewhat, but it is unlikely to alter Germany’s preference for investing in Europe, a preference shared by other European nations. Agricultural goods remain a stumbling block on both sides, given the political clout of agricultural interests. Greater changes may occur in trade in services, but which side of the Atlantic will benefit most is unclear. Whether and how TTIP would impact intra-European trade or NAFTA is an open question.

The greatest change would likely come in non-tariff barriers, which are also the major obstacles to the passage of the comprehensive agreement business wants. Proponents of TTIP claim it reiterates the same values that guided Atlanticism during postwar reconstruction — “openness to trade and a commitment to market economics.” But trade was much less open in the first postwar decades, capital did not flow freely, currencies were not convertible, and the place of the market in relationship to state and society was very different.

The AFL-CIO hopes that a “harmonization” of regulatory practices and labor legislation will benefit American workers, given the more comprehensive and progressive European policies. Environmentalists and opponents of GMOs fear that harmonization will create a regulatory race to the bottom. The precautionary principle that guides European regulators (i.e. that gives priority to protecting health and prohibiting goods whose safety has not been proven) may be abandoned in favor of regulating only when scientific evidence of danger is overwhelming, as is currently the case in the United States. If the pessimists are correct — and their feared scenario is what most proponents of TTIP want, then the German and European varieties of capitalism and the European social model will be severely weakened. Then Americanization may turn out to be a better analytical category in which to assess the German economy in the long run. I hope not, for a Europeanization of the American economy and social policy would be far more beneficial than the reverse.

Mary Nolan is Professor of History at New York University. She delivered this lecture at the German Historical Institute in Washington upon being awarded the 2013 Helmut Schmidt Prize for German-American Economic History, which is co-sponsored by the German Historical Institute and the ZEIT-Stiftung Ebelin and Gerd Bucerius. Nolan is the author of *Visions of Modernity: American Business*...
and the Modernization of Germany (1994) and The Transatlantic Century: Europe and America, 1890-2010 (2012) and co-editor of Crimes of War: Guilt and Denial in the Twentieth Century (2002). She has published several articles on the politics of memory in Germany, on Americanization and Anti-Americanism, and on human rights and market fundamentalism in Central European History, Politics & Society, and the Radical History Review and in edited volumes.