Despite the recent economic upswing, Europeans continue to feel uneasy about the rise of the service economy, which today accounts for 70% of the Continent's gross domestic product. Instead, we find deep-seated nostalgia for the post-World War II industrial economy. Be it the *trente glorieuse* in France or Germany's *Rheinland Model*, many Europeans to this day reminisce about what they considered a perfect economic system: a predictable, slow-moving society, neatly divided into labor and capital, in which the industrial male worker provided a good living for his family on a single income. The common wisdom is that these were Europe's heydays, never to return. Today's reforms are merely attempts, by this view, to preserve as much as possible of this heralded age.

Entirely overlooked in this romanticized ode to the past is that the industrial era was far from empowering for women. Female economic dependency on men was rampant and professional opportunities limited. The onset of the service- and knowledge-based economy has been a boon to the more than 50% of the population so routinely overlooked in a world in which economic power still overwhelmingly rests in male hands.

But quietly, and impressively, women have seized the opportunities that a new economic era based on services, knowledge and innovation has to offer. The rise of female employment, and increasing economic power that women yield in the 21st century, can only partly be explained by emancipation. Instead, women have been aided by an economic model that relies less on hard physical labor and plays to their innate strengths -- flexibility and endurance or service orientation and the ability to multi-task in diverse, professional environments. And these competencies are paying off as across the EU women hold the
majority of "high-skilled nonmanual" jobs.

Education has been at the center of female advancement. Routinely outperforming their male counterparts, women today have a higher share of highly-skilled workers than men in 16 out of 25 European countries. Among some of Europe's economic top performers, there is a pronounced gender gap among the highly skilled -- in favor of women. In Finland, for instance, 32.7% of the female workforce is highly-skilled, compared to 24.3% of men, according to a European Commission study. In Ireland, the figures are 27.3% and 23.6% respectively, and in Sweden 30% compared to 21.8%. Contrary to widespread misconceptions, the percentage of employees with a college degree is greater in the service sector than in manufacturing. Particularly in Scandinavia, with its disproportionately high share of services, women have benefited from this trend. The rise of educational standards among women went hand in hand with a pronounced increase in female employment rates, which between 2000-2005 rose by more than 2.7% compared to only 0.4% for men.

To be sure, there is still a long way to go, with the overall female employment rate at 56.3%, compared to 71.3% for men. But the trend is clear, and it is unstoppable. Women will hold increasing economic power in the 21st century knowledge- and service-based economy. Female employment rates will rise, as will women's earnings and purchasing power.

A tale of things to come is the remarkable experience of the United States. A recent study by Andrew Beveridge, a demographer at Queens College, found that in New York and other large cities such as Chicago, Boston and Dallas, average wages for young, college-educated women in their 20s for the first time outstrip those of their male colleagues -- and by a significant margin. In Dallas, for instance, these young women now make on average 20% more than their male counterparts, reflecting their increased value in a more diverse labor market, which rewards their ambition, diligence and hard work.

It is not unreasonable to foresee a similar development in Europe, where more women graduate from universities than men. In an economy based on meritocracy, which is a prerequisite for innovation and sustained growth, such a development should be natural and welcomed.

Going forward, Europe needs to take account of these seismic changes in the economy and society. It must urgently rehabilitate the service sector and correct the false image of a low value-added, precarious part of the economy. The service sector is Europe's primary job engine. It has particularly benefited women, who account for almost two-thirds of the net rise in employment in services. Total employment in the EU has increased by over 8.3 million since 2000. That growth has been entirely driven by the creation of over 11.4 million jobs in the services sector. Industry and agriculture shed 1.6 million and 1.2 million jobs respectively during the same period.

Sabotaging or undermining the services sector is not only economically suicidal. It's also a disservice to women.
Europe needs to develop a new, more positive vision of its economic future. The implicit assumption that things can never be as good as they once were is not only depressing and counter-productive but plain wrong. Women today have opportunities that most of their mothers could not have dreamt of. It is in the enlightened self-interest of Europe's male-dominated centers of power to shed their nostalgia, and to take note of new realities. And the millions of women who have reaped the advantages of a new economic age should make their voices heard. Otherwise, Europe will have more memories than dreams, and more history than future.

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