

How Europe Can Chart Its Own Economic Path

Article by Elze Vermaas, Paul Schenderling

April 2, 2026

The industrial debate in Europe today revolves almost entirely around the notion of competitiveness. It is often argued that, in order to keep our industries alive, we must scale back our social and environmental standards. But is that really the only choice Europe has? An interview with Dutch economist Paul Schenderling by Elze Vermaas.

Elze Vermaas: Your previous book, *Er is leven na de groei* (“There Is Life After Growth”), imagined how the Netherlands can shape a post-growth transition at the national level. What motivated you to turn your attention to Europe in your new work, *Continent van de kwaliteit* (“A Continent of Quality”)?

Paul Schenderling: I really wrote this book out of emotion, because since last year a new narrative has begun to dominate. This narrative suggests that Europe is no longer competitive, and that in order to become competitive again, we should lower all the democratic standards we set for the economy. I truly believe this is not the path we should choose and that there is an alternative course with much more positive outcomes for people, the planet, and the economy. Europe is now facing that choice.

In your book, you argue that lowering democratic standards is linked to what you call the “painful divorce between democracy and capitalism”, and that our democratic options are limited by a “golden straitjacket”. Can you explain what you mean by that?

It was always very naïve to believe that democracy and capitalism would go hand in hand. What usually happens is that economic liberalism erodes people’s certainties, and companies ultimately gain so much influence over the democratic process that democracy is severely undermined.

We see this in many different ways today, but let me highlight the two most important ones. The first is that the professional pride of many practically trained people has been completely eroded due to intense global competition among them. This leads to an overwhelming feeling of underappreciation, which manifests in a loss of confidence in democracy.

Second, companies can simply move their capital around the world. This has made democratically elected politicians vulnerable to blackmail: when they make a democratic proposal, companies can always say, “If you go ahead with that proposal, we will move our business abroad.” This also leads to democratic choices being limited to a very narrow set of options that prioritise the business climate – a situation also referred to as a golden straitjacket.

These two trends are driving democracy and capitalism apart and ultimately ensure that those with economic power also gain the most political power.

In Belgium, too, we see a strong focus on the business climate, which means that policy ideas that take a different perspective are quickly dismissed as unrealistic. You use the concept of “trilemma” to describe this dynamic. Can you explain how that trilemma works?

I borrowed the trilemma from the work of Harvard economist Dani Rodrik, who developed it in 2011 in his book *The Globalisation Paradox*. I created a variant of it for Europe in 2025, which consists of three pieces: Hyperglobalisation, the protection of European industry, and the preservation of European social and environmental legislation. According to the trilemma principle, we can only choose two of these at a time. In other words, there are three possible combinations, and Europe is currently at a crossroads.

The first option is that we maintain hyperglobalisation and our social and environmental legislation, but then global competition will destroy our industry – a process that has actually already begun. The second combination we can go for is maintaining hyperglobalisation and protecting our industry. But in this case, we will have to drastically weaken our social and environmental legislation. These two options are currently the main ones in the political debate. You could even say that this is the centre-left and centre-right narrative in Europe at the moment.

Fortunately, however, a trilemma has three possible directions. The third possibility is that we retain our social and environmental legislation and our industry. In this case, we will have to radically abandon hyperglobalisation, which requires pursuing a fundamentally different trade policy.

One of my main motivations for writing this book is to show that, by acknowledging the trilemma, we can start to politicise European trade policy again. Too often, in political debates and election manifestos, trade policy is treated as a kind of law of nature, something that cannot be changed. But it can, and I want to add that third option to the political debate.

How can we best structure our trade policy to avoid both excessive globalisation and excessive protectionism? After all, we also rely on raw materials that come from outside Europe.

If European politicians continue on their current course, there is a good chance that we will swing from one extreme to the other, just like the US has. The enormous discontent that hyper-globalisation creates – for example among the working class – will simply keep building.

If European politicians continue on their current course, there is a good chance that we will swing from one extreme to the other, just like the US has.

Fortunately, there is a reasonable middle ground. Dani Rodrik calls this “globalisation with common sense”. It means saying yes to international trade and no to trade that does not take place under democratic standards.

In my book, I have developed concrete proposals for implementing this approach today. My first proposal is to charge all the costs that companies currently try to avoid outside Europe – for example, the costs of taking good care of employees and the environment – at the European border. Of course, this would not be needed if a company could demonstrate through independent certification that it bears those expenses for its employees and the planet. Such a measure would create a level playing field for international trade again.

My second proposal is to enforce much stricter physical product requirements at the border. This could include, among other things, our warranty legislation, but also product safety requirements. At present, the random checks carried out by customs authorities on the enormous quantity of imported products are far too few to guarantee adequate enforcement. In addition, some of the parcels that we order directly

from web shops outside the EU are not checked at the border. Research shows that a large proportion of these products do not even meet basic safety requirements, let alone comply with the European Union's minimum two-year warranty period. These seas of low-quality products naturally have a huge environmental impact and create unfair competition.

Could you also elaborate on the two other proposals you put forward in your book?

Another way to pursue globalisation with common sense is to bind all causes of exceeding the Earth's carrying capacity – namely, greenhouse gases, toxic substances, and land, water, and material use – to a hard maximum in the form of a quota. Such caps already exist for CFCs and some greenhouse gases, and both have proven to be extremely effective. I believe this mechanism is ideally suited to setting a very clear democratic standard for the ecological impact of the economy, as well as offering plenty of scope for entrepreneurs' creativity and innovation in finding ways to stay within quota and function within democratic standards.

There is also a second proposal that I would like to highlight. I expect that for 70 per cent of people, buying higher-quality goods with a longer lifespan is affordable, but this may not be feasible for the lowest 30 per cent of income earners. I think the proceeds from border levies should be used to finance a quality dividend for the latter group, so that they too can afford better, longer-lasting goods. Such a measure pays for itself: sustainable products are often cheaper over their entire lifespan. This is extremely important for making the green transition a social one as well, and it would be a win-win for both people and the planet.

You argue that our current interpretation of freedom, understood as the ability to consume without limits, is too superficial and that we should strive for a more meaningful form of freedom. Why is that?

I think that growth addiction is the perfect example of this erosion of freedom. We are being enslaved by the economy because we are being manipulated in the most subtle way – namely, through neuromarketing. In my book, I give the example of people literally being put in brain scanners to measure which biscuit contains the optimal ratio of sugar and fat that is truly addictive. And that biscuit then ends up in the shops. In the same way, advertisements are shown to people in MRI scanners to see which ones people click on most compulsively.

While serving human well-being should be our ultimate goal, we have become a means to serve the economy. This reversal has been a historical mistake, comparable to the militarism of the 1930s. Back then, too, people became cogs in a completely out-of-control arms race between European nations, where ultimately no one could see the point anymore. We risk doing that again – not with militarism, but with economism.

*While serving human well-being should be our ultimate goal, we have become a means to serve the economy.
This reversal has been a historical mistake.*

Economists speak of people's "freedom" to buy what they want, when in fact this is ultimately a fake form of freedom. Firstly, because we are heavily manipulated into choosing what we choose – how free are we really to choose that flavour of biscuit? And secondly, because the freedom to consume what you

want is a very superficial form of freedom that does not bring deep and lasting happiness. Real fulfilment comes from long-term relationships and contributing to a greater whole by doing meaningful work.

The more advanced manipulation techniques get, the more difficult it becomes to overcome the growth addiction. And then you might end up in a dystopian situation where politicians will ultimately also use AI and advanced marketing methods to manipulate our political preferences. At this point, even democratic freedom will be at risk.

You yourself are a Christian Democrat. How do you see this philosophy fitting in with Christian Democratic thinking? And how would you convince a liberal of these ideas?

I think it is important for Christian Democrats that the economy not be seen as an end in itself, but that it should truly serve the good life. I share that fundamental conviction, but I believe that many Christian Democrats do not take its radical consequences seriously enough.

As for liberals: the liberal Aldous Huxley [author of the book *Brave New World*], who was wholeheartedly committed to freedom, was extremely wary of growth addiction. That is something he did not express in those terms at the time, but he was very wary of what in his terms and in his time was called propaganda, as well as the highly sophisticated manipulation techniques with which our freedom is ultimately taken away. Huxley spoke of people who ultimately become dodos – birds that have forgotten how to fly. And I think that consumerist society, in which people are thoroughly manipulated into choosing only pleasure and comfort, subordinates true freedom – namely, the ability to develop fully and make choices such as what you want to contribute to the greater whole – to the freedom to consume whatever you want, whenever you want. And so, I also believe that a true classical liberal who strives for that real freedom must set very clear restrictions on how the economy manipulates people to take away our real freedom. That is why a political liberal imposes limits on economic liberalism: because there is enormous tension between political liberalism and economic liberalism.



Elze Vermaas is a staff member at the Belgian socio-ecological think tank Oikos and former vice-chair of the Dutch young Green think tank Jong Wetenschappelijk Bureau GroenLinks.



Paul Schenderling is one of the Netherlands' leading economic thinkers. As co-founder of Postgroei Nederland (Post-growth Netherlands), he promotes a society that thrives within limits of both people and the planet. His bestselling books, influential podcast, and Just Enough Product Guide have helped put sustainable, fair economies on the map in both the Netherlands. A trusted advisor to governments, businesses, and NGOs, Paul is also a prominent media commentator and speaker, known for making the new economy accessible and inspiring to a wide audience. Photo credit: ©Wouter Keuris Fotografie

Published April 2, 2026

Article in English

Published in the *Green European Journal*

Downloaded from <https://www.greeneuropeanjournal.eu/how-europe-can-chart-its-own-economic-path/>

The Green European Journal offers analysis on current affairs, political ecology and the struggle for an alternative Europe. In print and online, the journal works to create an inclusive, multilingual and independent media space. Sign up to the newsletter to receive our monthly Editor's Picks.