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## DECLARATION OF TILBURG

# A CONVENIENT TRUTH

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## **A reorientation of national economies**

We, civilians of the Netherlands, Flanders, and of Europe, call upon a radical re-orientation of our economies. This call is motivated by the fast-growing urgency of global issues, such as climate change, resource depletion, the persistence of wide-spread poverty and increasing global inequality. The urgency of these issues forces us to discuss a necessary transition of all wealthy economies, thus also those of Belgium, the Netherlands and Europe. No matter how fundamental such a reorientation or trend break as we envisage it will be, it will not bring about a decrease in human welfare. On the contrary, it will protect us from even bigger future problems, such as health hazards, environmental degradation, a further increase in the global poverty gap, and armed conflicts and refugee movements. We are in the convenient position that a directional change is currently still possible.

### **Fixation on economic growth**

On 10 January 2008, a conference was held at Tilburg University debating a possible change towards a more sustainable economy based on solidarity. During this conference, the common obsession on economic growth was critically scrutinised and, amongst others, indicators for economic development other than the Gross Domestic Product (GDP) were put forward. At this Dutch-Belgian conference, held on a regular working-day, more than 300 people turned up, from all corners of society: alter-globalisation activists, entrepreneurs, economists, union representatives, politicians, environmental experts, farmers, researchers and teachers from diverse professions, as well as health care and social workers.

### **Fundamental change**

All participants agreed on the urgent necessity of a radical turn of the direction in which the economy is developing. In a panel debate, various politicians, trade union representatives, and entrepreneurs set the urgency level of this re-orientation at 9, on a scale of 1 (not urgent) to 10 (most urgent). Even a reduction of national income as it is currently measured, was thought

to be acceptable. The convenient observation here is that prosperity does thereby not have to decrease, on the contrary.

### **Altimeters**

At the conference, broad support was expressed - in particular by the economists present - for the claim that alternative steering and measurement tools to the GDP are necessary to realise the necessary changes. This traditional indicator is a 'speedometer' of the economy, and merely indicates how fast we are earning money, irrespective of the question whether this growth is generating useful products and services or if it is causing damage to people and the environment. What we rather need are height indicators (altimeters), that indicate how far away we are from a sustainable economy based on solidarity. For example, if we would use the Ecological Footprint as a measuring rod, we would see that for a sustainable economy, our countries' use of materials, space and fossil energy would have to be reduced by roughly two thirds. Furthermore, this reduction would have to be realised within a foreseeable timeframe, for example ten years, if we want to avoid that within 30 to 40 years two planets Earth will be necessary to maintain our level of material prosperity.

### **Alternative instruments of measurement**

Part of our convenient truth is also the fact that already now we have access to alternative instruments of measurement that, despite their limitations, have proven to be valuable. Apart from the above-mentioned Ecological Footprint, there is the index Sustainable National Income (SNI) and the Index for Sustainable Economic Welfare (ISEW). There are also indexes that indicate the welfare and happiness of people. The conference came to the conclusion that it is not necessarily desirable to aim towards formulating a single indicator encompassing all aspects of human welfare. It might even be advantageous for several indicators to exist simultaneously that complement each other in measuring the distance to real sustainability and solidarity.

## **Welfare in the South**

It was commonly agreed that in order for billions of poor peoples' subsistence to be guaranteed, a growth of welfare must take place in the economies of the South. This also implies an inevitable increase in the use of materials and energy. At the same time, it was agreed that the economies in the North, in a material sense, i.e. the use of materials, space and fossil fuels, have to be reduced, but that this should not have to imply a decline in the level of welfare. A meaningful redistribution is necessary.

## **A common vision for the future**

There is an urgent need for a common vision for the future - comparable in its visionary power to the dream of Martin Luther King - which could form the basis of and inspire the common strategy of reshaping the existing, already wealthy economies of the North. A fundamental reform or transition of society is possible, as the commitment of American society and politics for the New Deal, or the reform of the British economy at the beginning of the World War II, for example, have shown. A call that is broadly supported by civil society and positively formulated is necessary in order to create societal enthusiasm for more sustainability and solidarity. This should not be an unrealistic success story, claiming that 'growth and technology we will solve everything'. But it should also not purport doom scenarios calling for a return to the 1930s. In reply to the often-posed question whether there is space for growth, the answer can only be: 'Yes, but only within the framework of more sustainability, more solidarity, higher quality of life and consequently also more human happiness in North and South'.

## **Focal points**

In a more practical sense, there appeared to be great unanimity concerning the first necessary steps. This growing consensus can be summarised in the following main themes:

### **a) socio-cultural**

society as a whole should be prepared - by way of the media, politics, and education - that the continuous celebration of increasing material consumption per capita and the constant growth of physical investment is over.

### **b) structural**

in order to achieve the necessary decrease of exploitation of resources by companies and households, a restriction of staff incomes and company profits will be unavoidable. The financial means thereby created will be primarily used for:

- the reinforcement of investments in environmental protection and in saving human and natural resources;
- the global reorganisation of prosperity, and thereby also the development and maintenance of society's social and ecological "capital";
- the scaling down of unsustainable investments and consumption and production patterns.

At the same time, space will be created for more free time and for more employment possibilities aimed at developing and maintaining sustainable production and consumption based on solidarity, as well as care and cultural development.

### **c) institutional**

a permanent consultation organ aiming towards sustainability and solidarity is needed involving the most important social and civil society actors (preferably according to the Belgian/Flemish model). This organ can possibly be initiated from within a broad social movement and can accompany the economic reforms and if necessary also direct them.

### **d) income reduction**

by means of consultation and if necessary by regulation, an upper limit of net incomes should be introduced.

### **e) taxation:**

the tax system will be reformed to the benefit of sustainable energy forms and environmental protection. Production forms detrimental to people and the environment and high energy consumption will be highly taxed, labour will be taxed less. This tax reformation will stimulate society to invest more in social and environmentally efficient technology, in turn creating more jobs.

### **f) product regulation**

governments will develop comprehensive product standards considering not only health aspects, but also the use of human and natural resources, with the aim of efficiency maximisation.

**We urge for a radical change of our economies, a change that - in a relatively short period of time - will substantially intervene in the scope and form of our production and trading systems, and money generation and consumption patterns. This change is only possible if supported by a broad alliance of social forces. We invite everyone, in particular political parties, trade unions, businesses, academia and social movements, to take a part in this alliance and take responsibility for the transition towards a truly sustainable economy based on solidarity.**

