

# APPLICATION OF THE METHOD OF THE OLD KING BY VIVANT (2004)

## A. VIVANT'S PHILOSOPHY

Its first principle is this: **In the State, or in society, human beings and their ecological environment should be at the centre of any initiative.** The organisation of society is there to serve the citizen – not the other way round. The absolute priority for society is to allow men and women to develop and reach their full potential, and society should do everything to achieve it. It goes without saying, however, that **each person retains responsibility for her/his life and happiness.**

Human beings are not objects who limit themselves to a single function as consumer or worker. Men and women are human beings deserving respect in all matters and **are sovereign inasmuch as they wish to be and have the capacity to be.** They are social actors. Within the limits of their human condition, they are capable of creativity and thus can participate in preparing optimal conditions of life and of society.

The economic system and financial organisations do not represent a goal in themselves. Nor do they represent “higher values”. They are there to serve the people. They are not above the law or the State. The State – that is to say all of us – is organised collectively and democratically so as to render our society viable, durable and agreeable.

The higher instances, of policy, of governance, the economy, justice, public servants, ministers, etc., are the means by which those who live in a country can live together with others and feel they belong to a community.

Vivant actively promotes social justice and fights against all physical, moral or environmental violation.

Vivant would see all the inhabitants of a country feeling secure, both in their relationships with other people and when problems arise. Vivant sees the mission of society as the elimination of fear, despair, poverty, misery and exclusion through **prevention, information and education.** That is why, for instance, Vivant publicly stated, on the 50th Anniversary of the Declaration of Human Rights, that it subscribed to it.

## B. VIVANT'S CONVICTION THAT A NEW SOCIAL SYSTEM IS NEEDED

### 1. A New System

Up to ten years ago our economy was essentially a closed one. Trade was with countries having social security systems similar to our own. There were no obvious opportunities for businesses to re-locate abroad as there are today.

When the Berlin wall came down the world changed. There are today 5 billion consumers in the capitalist world instead of just 1 billion a decade ago.

The number of workers has increased proportionately. But these extra workers earn only a tenth of what our workers earn.

Social security hardly exists in the majority of the countries that are newly participating in the world market.

That is why systems of reduced working hours do not provide a good solution.

Let us look at what would happen if businesses were legally obliged to reduce working hours.

*a) If reduced working hours also means reduced salary*, there will be less money for people to spend. Not only would they live less well, but lower consumption would lead to lower business sales figures, lower production and thus even more unemployment.

*b) If one works less for the same salary*, business production costs go up; exports would suffer and also lead to more unemployment.

Inflation, fuelled by higher prices, would take off again. One could always import goods produced at lower cost elsewhere so as to avoid inflation, but then unemployment would go up even more.

In the context of free trade with low-salary countries, reduction in working hours leads to the country's disintegration.

It is high time our governments understood that the social security of the Welfare State is under threat and that the measures put forward up to now show that the politicians no longer see things clearly, even if their intentions are of the best.

A country that obliges its businesses to pay about 40% of their added value for financing social security cannot compete directly with low-salary countries having no social security.

If we do not wish our social security to go under, there is only one solution: *make imported goods share the financing of our social security.*

That can best be done, for goods produced in Europe, by replacing salary charges with higher VAT. As for goods produced outside the European Union, with child labour, for example, they would be more highly taxed than at present.

**This measure is not protectionist** in the strict sense of the term, because VAT would be the same for goods made at home as for those made in low-salary countries. In fact, this measure provides only partial relief of our businesses' handicap.

The Welfare State therefore needs to be re-thought if it is to survive. The social security financing base **is shrinking** every year. Under the present system, it is based entirely on the salaries of those in work, a small proportion of the population (*only 2,000,000 workers and traders!*).

Reducing working hours reduces this base even further; it is therefore **a mistake**.

It is a mistake **also** because there is plenty of work to be done (health care, maintenance, education...). But this type of work has become *exceedingly* expensive because, precisely, social security is financed by a tax on labour.

Our society is rapidly becoming a service society; and that has economic and philosophical implications.

*a) Economically*, it is the social security financing system that is called into question. Services cannot be taxed as much as industrial products without producing a parallel “black” system.

*b) Philosophically*, there has to be a general realisation that in our post-industrial society there is enough material benefit to go round if only society is organised in **an intelligent manner**. Henceforth, it is human well-being that should be emphasised (*of the mind...*); that is, an economic and social context needs to be created which enables everyone, the whole population, to “feel good”. In practice that means a degree of job mobility which allows everyone to find the right, pleasing, occupation, rather than *to go through life chained* to a job simply because it is a source of income and security. From now on, *social security and work must be disconnected*, be it in respect of income when one loses one’s job, or pension rights or medical care.

## **2. What will happen if we do not change our social system?**

We are moving towards a situation where our hard-won social security is **slowly but surely disintegrating**. Politicians of the traditional parties do not wish to admit it, but the base of social security financing, i.e. the number of people who contribute towards it, **is shrinking**.

Fewer and fewer people work, so there are fewer and fewer people who contribute to social security financing through the collection of employees’ contributions and employers’ contributions linked to employment.

At the same time, the load laid on the social security system is increasing because of early pensions and longer life.

**If nothing is done, the social security system is heading for bankruptcy.**

We already see early signs of it: more and more people are excluded from unemployment benefit and social welfare assistance.

Vivant does not accept that there should be less social security.

In all events, **a new way of financing it must be found**.

At present, the State does everything. Maybe politicians think the citizen is incompetent and of bad faith. There are a thousand regulations and a thousand means of obtaining assistance – and as many controllers – for every decision we have to take.

We want a State based on the rule of law, **but a State based on the rule of comprehensible law**.

The myriad of laws and regulations has become so complex that even the specialists argue and go to court to find out who was right; and we, ordinary folk, do not always understand the rightness. **Think of the suspension of Mr. Conerotte by the Appeals Court, which is the epitome of justice embroiled in procedural procedures (or procedural difficulties).**

Relating to the law of labour and social security, the proliferation of regulations is by no means less. There are about forty systems for promoting employment, which change all the time – as if a tiler, a butcher or the head of a small business can find time to study it all...

It is imperative to **simplify the legislation relating to employment and unemployment**.

## **3. Will the Vivant model result in something different from what we know today?**

No and yes.

No, in as far as, for the majority of people, the new levels of income would not be very different from what they are today.

The big difference is that entitlement to social security will not be conditional on having worked. And the amount one gets will not be influenced by complex calculations or interventions mysterious or political.

Above all, nobody will be left out and *the citizenship income removes the link between work and social security*.

Yes, for it makes work more free, more flexible and better remunerated.

Those who wish to change job can give in their notice before looking for another job, *without suffering a penalty relating to unemployment benefit*.

Naturally, reporting to the labour exchange becomes pointless and it is no social shame to have no work.

People will more easily be able to change job, until they find the work and the boss of their choice. If after several years they want a new professional experience, no problem!

Since there will be fewer people left out, even the well-off will benefit from the new situation, for there will be less criminality and less grinding poverty.

**Our society is rich enough to be able to afford to pay a basic income to all citizens. What are we waiting for?**

#### **4. Why start a new political movement?**

The world is in transition. Since the Berlin Wall fell, the global economic system has grown with the addition of the former communist world (China, India, eastern Europe). The number of inhabitants, and hence the number of economic actors, has gone from 1 billion to 6 billion in just a few years.

No international or national authority seriously asked the question whether a programme of “adaptation” at world level was required. There have just been some interventions, localised (East Germany) and scattered.

No-one has seriously asked what will be the consequences for Europe. Businessmen have seen only the possibility of doing new business in these countries and they have rushed to set up joint ventures and sell our knowhow, often with subsidies paid by the European taxpayer and with the help of our organisations supporting foreign trade.

The results: massive unemployment, accompanied by all its psychological consequences for those concerned, and erosion of the financing of our social security. The young feel the effects immediately, and older people will when there is no more money to pay their pensions.

Globalisation puts Belgium and Europe in direct competition with countries where not only salaries are low, but where there is little or no protection or, therefore, social costs.

Low salary costs in China and India (which represent unlimited manpower reserves – 2 billion inhabitants, 6 times more than in Europe) incite firms to relocate **everything possible**. Even computing services and administrative work join the flight.

In our country, where the cost of labour is artificially high because of the taxation of labour (and social charges), a downward spiral is produced. Increased unemployment is financed through new tax increases which make our labour even less competitive.

**There are two ways out of this vicious circle:**

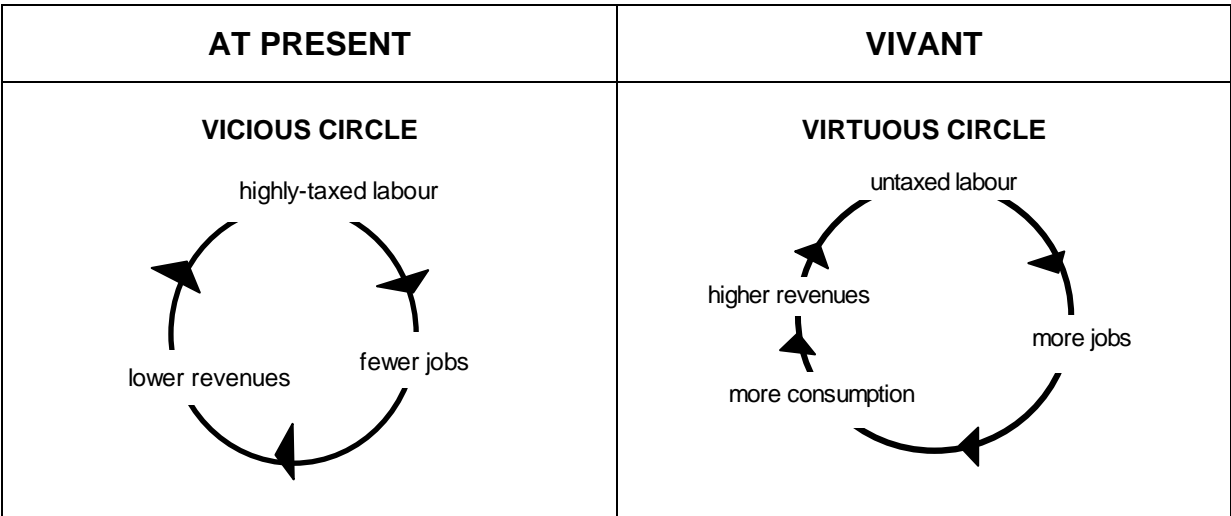
1) Decrease salaries by replacing experienced employees with ill-paid young ones with temporary social status, decrease the minimum wage and set up social policing with sanctions against unmotivated unemployed. This is what your government is doing. **It’s against this that Vivant objects.**

2) Make imported products (from low-wage countries) pay for a part of our social security. In practice, replace the taxation of labour with taxation of consumption (VAT / STC). That is to say, bring the financial base of our social security back to normal. This is what Vivant wants

**AN ECONOMIC LOGIC**



You don’t have to be a PhD to understand!



**Program of VIVANT-EUROPE**

The penalisation of European workers with regard to workers outside Europe must be stopped.

Tax on work kills employment, empties Europe of its skills and jeopardises the funding of our social security.

European social security must be funded by the sale of products in Europe, through tax on consumption, or “social VAT”, instead of making employment unaffordable.

Saving employment and social security means guaranteeing durable human development in an environmentally friendly and social Europe.

**VIVANT-EUROPE IS A MOVEMENT  
FOR THE CONSTRUCTION OF A SOCIAL EUROPE  
AND REGULATED GLOBALISATION**