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*In Favour of a Social Europe,  
the Developing Countries,  
more Humane and  
Environment-Friendly Globalisation*

# **ELECTRONIC VIVANT- EUROPE**

**N° 15 (February 2004)**

## **Editorial**

This month's electronic VIVANT-EUROPE includes a summary of the VIVANT programme.

The implementation of this programme presupposes the introduction of a tax on consumption replacing tax on work.

The summary describes in the space of a few pages the socio-economic implications of these proposals and the impact they would have on the concrete lives of the citizens of Europe.



## SUMMARY OF THE VIVANT PROGRAMME

PRICES QUOTED ARE OF SEPTEMBER 2002

## INTRODUCTION

Vivant's colours, yellow and green, are the colours of Spring.  
This wonderful season of rebirth, the season of buds which want only to open out and blossom -- just like our children, who occupy our minds and for whom we want only the best!  
But shall we find in this world, often with much heartache, enough water and sunshine for each of them, to enable each human being to grow?

For VIVANT the role of the State is precisely to create the conditions which will permit each one of us to develop fully, in total freedom.

To this end VIVANT has conceived a programme **both economic and social**, for the two aspects are interdependent.

All our politicians would like to implement social policies, but tell us, shamelessly, that they lack the means to do so.

Just as they all wish to make the economy flourish and provide jobs for everyone, but talk of unfavourable economic conditions, of other imperatives..., of FATE.

VIVANT certainly does not underestimate the vicissitudes of the economy -- and believes that this is precisely why it is high time to envisage a new organisation of society, founded on some solid ideas:

- A MINIMUM INCOME FOR EVERYONE THROUGHOUT LIFE
- ABOLITION OF TAXES ON LABOUR
- REPLACEMENT OF TAXES ON LABOUR WITH A TAX ON CONSUMPTION.

***All these measures, and many more besides, are detailed in the full programme which you can read on the web site, or obtain through the national secretariat or one of the local Vivant sections.***

### **A Basic Monthly Income for All (indexed):**

From 0 to 17 years	135 euros
From 18 to 24 years	400 euros
From 25 to 64 years	540 euros
From 65 years	800 euros

### **Example**

#### **A family of four with two children aged 14 and 18**

Basic monthly income:  $540 + 540 + 135 + 400 = 1,615$  euros

This Basic Income replaces all other forms of allowances.

Except that sickness and invalidity benefits are maintained.

We explain below how this Basic Income is combined with other forms of income.

Any insurances directly contracted by individuals are not affected.

### **Advantages of the Basic Income**

- Dignity for all. No more unemployment and dependence on hand-outs.
- Everyone is free to work or not to work. No more marginalisation.
- Simplified administration.
- Total transparency.

### **Where does the money come from?**

- From savings on the costs of the numerous organisations which administer social welfare, unemployment benefits and taxes on labour.
- By introducing a modified VAT (1).
- From replacing the present system of benefits.
- From a financial transactions tax.
- From growth of the economy (everyone becomes a consumer, or at least has that possibility, and the number of jobs and overall purchasing power will go up).

(1) In Vivant, VAT becomes STC (social tax on consumption).

### **Abolition of Tax on Labour and Lower Income Tax**

*Employers' and employees' social security contributions are abolished.*

### **Advantages of the abolition of tax on labour**

- Creation of jobs. Employees will cost employers less (1/3 of the present costs).
- Stemming company migration. Fewer companies will find it in their interest to move production to countries where labour is cheap.
- Virtual disappearance of working 'black'. Work done legally will not "cost" more than 'black' work.
- Increase in the distribution of work. Tasks can be shared.

### **Example (in euros)**

	<b>AT PRESENT</b>	<b>WITH VIVANT</b>
<b>Net income</b>	1,340	1,340
<b>Paid by employer:</b>		
▪ <b>Gross salary</b>	1,890	800
▪ <b>Complementary charges</b>	800	0
<b>Basic income</b>	0	540
<b>Total cost of employee to the employer</b>	<b>2,690</b>	<b>800</b>

## Modification of VAT/STC Rates

*When complementary charges on labour are abolished, the cost of the product net of VAT/STC will be lower.*

*A higher rate of VAT/STC will compensate for this: the 6% rate rises to 50% and that of 21% to 100%.*

*Services that can easily be delivered fraudulently will be taxed at 0%; but luxury goods and environmentally harmful products will be taxed at 200% - or even more.*

In this way some products will become considerably more expensive, while others will become cheaper; on average, owing to cheaper labour costs, retail prices will remain practically the same as at present.

### Example (in euros)

Price of an 800-gram loaf of bread

AT PRESENT		WITH VIVANT
0.42	<b>Raw materials</b>	0.42
0.12	<b>Overheads</b>	0.12
0.60	<b>Labour</b>	0.20
0.10	<b>Taxes</b>	0.05
0.17	<b>Profit</b>	0.20
1.41	<b>Total net of VAT/STC</b>	0.99
0.08	<b>6% VAT/STC 50%</b>	0.50
1.49	<b>Selling price</b>	1.49

### Advantages of a higher 'VAT' (STC)

- **Abolition of "parallel" working:**

For example, raw materials will represent the major part of the costs of house construction (instead of labour, as at present); there will be no advantage in building one's house with 'black' labour.

- **Ecology:**

Cheaper labour will make the costs of recycling, repair and recuperation very interesting; less rubbish, less waste.

- **Higher State revenues:**

Everyone shares the cost, it doesn't just fall on the worker. These revenues will pay the Basic Income and the lowering of salary costs. (Today, four million contribute in order to pay 10 million beneficiaries; with Vivant, 10 million contribute and 10 million consume.)

*The higher STC (ex-VAT) will considerably reduce the importation of those products which are cheaper only because made in countries with little social welfare and low salaries (and are taxed at 10% just like Belgian products).*

<b>AT PRESENT (in euros)</b>		
<b>Belgian product</b>		<b>Imported product</b>
30.00	<b>Salary costs</b>	2.50
12.50	<b>Raw materials</b>	12.50
7.50	<b>Overheads</b>	16.20
6.40	<b>40% Taxes 5%</b>	0.30
<b>9.70</b>	<b>Profit</b>	<b>19.3</b>
66.10	<b>Total price before tax</b>	50.80
13	<b>VAT 21%</b>	10.70
<b>80</b>	<b>Selling price in Belgium</b>	<b>61.50</b>

The imported product is cheaper on the market, yet yields greater profit for the overseas manufacturer competing with our products and therefore with our jobs.

<b>WITH VIVANT (in euros)</b>		
<b>Belgian product</b>		<b>Imported product</b>
10.00	<b>Salary costs</b>	2.50
12.50	<b>Raw materials</b>	12.50
7.50	<b>Overheads</b>	16.20
1.50	<b>40% Taxes 5%</b>	0.30
<b>8.50</b>	<b>Profit</b>	<b>8.50</b>
40	<b>Total price before tax</b>	40
40	<b>STC 21%</b>	40
<b>80</b>	<b>Selling price in Belgium</b>	<b>80</b>

Even when the profit from a product made in a low-wage country is brought down to a level comparable to that in Belgium (which would do away with most of the motivation for moving production abroad), the Belgian product becomes competitive.  
Hence: boost to our production and job creation.

**Note:**

The consumption tax is supported by historical and economic logic. It is because the **machine** (industry) **has gradually replaced the human being** (the artisan) that the latter finds himself without work.

However, our rulers continue to tax the human being instead of taxing the machine properly. It is better to free man's labour of tax, while taxing the production of the machine more heavily, so as to retain the same total price level.

**Thus the machine will liberate man – rather than deprive him of his livelihood.**

**Personal Income Tax**

*For incomes up to 1350 euros: no income tax.*

*For all that exceeds 1350 euros: income tax at 50%.*

*Income is calculated for each individual – family members are not clumped together.*

**Advantages of this system of income tax**

- Simplicity and logic.
- Abolition of tax returns.
- Abolition of the complicated administration of the present taxation system.

**VIVANT proposes a personal income tax of 50%  
on that part of income which exceeds 1,350 euros per month (Basic Income included)**

	<b>(in euros)</b>			
<b>EXAMPLES</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Basic Income	540	540	540	540
Salary	810	1,080	1,620	3,300
Gross income	1,350	1,620	2,160	3,840
Excess	0	270	800	2,490
Tax	0	135	400	1,245
Net income	1,350	1,485	1,755	2,595

N.B. In the present system, the employer of someone with a net salary of 2,500 euros has to pay 6,250 euros – if not more!

## **Company Profits Tax**

*Sole tax on taxable revenue: 15%*

### **Advantages of this tax**

- More equality
- Less fraud
- Less company emigration
- Simplification

## **Tax on Financial Transactions**

*All stock and money exchange operations, speculative or not, will be taxed at 0.1% (1/10 of 1%), yielding 2,500 million euros for the fisc.*

### **Advantages**

- Stems short-term speculation.
- Contributes 2.5 billion euros to pay for the Basic Income.

## **Pensions**

A single pensions system (! transitional period required so that no-one should be worse off as a result).

*Guarantee a minimum amount of 800 euros per month.  
Reduce the maximum amount to 2,500 euros per month.*

### **Advantages**

- Greater justice in the distribution of pensions.
- Fewer worries about the future; the Basic Income is granted unconditionally from birth.
- Like all Basic Income, it is individual, does not depend on whether we are married or live with one or more other people under the same roof; and it can be combined with earnings from work if so desired.

***NB. The change we propose in the tax system is the only one which will guarantee pension payments. Just imagine what will happen to our pensions under the present system, where the rule is that those who work pay for the retired! Our rulers know it, since they have already set up an old age fund - but to be financed by theoretical budget surpluses!***

## AND WHAT DOES VIVANT MEAN IN PRACTICE?

### ALLOWANCE(S)

AT PRESENT	VIVANT
<p style="text-align: center;"><b>NUMEROUS... DISPERSED... LIMITED IN TIME... and, above all, CONDITIONAL...</b></p> <ul style="list-style-type: none"> <li>- <b>reduced</b>, for example in case of cohabitation or when a spouse finds work.</li> <li>- <b>always linked to work</b> (to showing that one has worked, or is looking for work, or is retraining, etc...).</li> <li>- working 'black' <b>formally FORBIDDEN</b>, even if it's to help a neighbour out or to make it to the end of a hard month...</li> <li>- <b>requirement</b> to register, to queue, to fill the forms in properly, to submit to <b>checks</b>.</li> </ul> <p>Woe betide you if everything is not in order! Some allowances are so complicated to obtain, and are so little known, that they are not even claimed. And the administration - how heavy, fastidious and above all costly!!!</p>	<p style="text-align: center;"><b>JUST ONE – AND TRANSPARENT!</b></p> <p style="text-align: center;"><b><u>THE BASIC INCOME (BI)</u></b></p> <ul style="list-style-type: none"> <li>• <b>One condition:</b> to be on the national register.</li> <li>• <b>Lifelong entitlement</b> and varying only with age (but indexed, of course).</li> <li>• <b>Individual entitlement</b> regardless of family situation.</li> <li>• <b>NOT LINKED TO WORK:</b> to receive it, it is not necessary to have worked, and nothing prevents you working – on the contrary...</li> </ul> <p>We can earn money in addition to the Basic Income. When we are employed the BI forms part of our salary. When we stop working we keep the BI.</p> <p><i>This income follows us whatever happens, and brings us:</i></p> <ul style="list-style-type: none"> <li>- more serenity</li> <li>- less anxiety</li> <li>- encouragement to be active in business</li> <li>- reduced poverty</li> <li>- less petty delinquency</li> <li>- more respect and greater freedom.</li> </ul> <p style="text-align: center;"><i>It is simple, logical and easy to manage. It ensures equal treatment for all.</i></p>

***In May 2001, the Francqui Prize (Belgium's most prestigious scientific prize) was awarded to Philippe Van Parijs, philosopher, economist, professor at Leuven Catholic University, for his work on the universal allowance - another name for the Basic Income – considering this idea to be the most spectacular social advance of this beginning of the 21st century.***

## WORK

AT PRESENT	VIVANT
<p><b>MUCH TAXED,</b> whence company migrations and failures, whence unemployment and the like (early retirement, short working week).</p> <p><b>MARKED DETERIORATION IN WORKING CONDITIONS</b> for everyone is obliged to accept being subjected to heavier and heavier pressure and sees colleagues as competitors.</p> <p>Obliged to live in <b>fear, harassment, exploitation, submission.</b></p> <p>Need for <b>CHECKS</b> to avoid working 'black' and to make sure all taxes have been paid.</p>	<p><b>UNTAXED,</b> whence huge possibilities for the self-employed, for small- and medium-sized companies – and for the public service - to hire more people.</p> <p>Possibility to <b>CHOOSE</b> or <b>CHANGE</b> jobs... Better working climate, fewer constraints, everyone finds a place and independence.</p> <p>Freedom to live with <b>peace, self-determination, freedom, choice.</b></p> <p style="text-align: center;"><i>No more need of checks... the person who works is applauded, no longer penalised!</i></p>

## SUBSIDIES FOR EMPLOYMENT

AT PRESENT	VIVANT
<p><b>Numerous</b> initiatives, <b>limited</b> in time, <b>reserved</b> for given age groups,</p> <p>→ taking various forms and bearing different names (eg. Rosetta Plan, Training and Employment Plan, Professional Transition Plan, Maribel Plan, reduction of taxes on profits...).</p> <p>Some of these subsidies have been ruled out of order at the European level and must be reimbursed.</p> <p>Always, they are linked to <b>constraints and obligations</b> and require many formalities!</p> <p style="text-align: center;"><b>The employer uses them for the time required, and afterwards the employee finds himself again caught up in the old round: unemployment, training, forms to fill in, while waiting for the next government measure...!</b></p>	<p><b>Just one rule:</b> no subsidies, but abolition of the charges on labour.</p> <p><b>A single measure,</b></p> <ul style="list-style-type: none"> <li>• without time limit,</li> <li>• valid for all age groups,</li> <li>• for the benefit of all, whether self-employed, small- or medium-sized company, large company, the State or State-owned company.</li> </ul> <p><b>Abolition of all systems based on favouring particular groups or with special conditions...</b> and in conformity with European competition directives.</p> <p style="text-align: center;"><b><i>AT LAST, EVERYONE ON AN EQUAL FOOTING!</i></b></p>

## CONSUMPTION

AT PRESENT	VIVANT
<p><b>Enormous</b>, for we live in a consumer society, with temptation at every street corner.</p> <p>But only problems for those without work... and all those offers of credit which daily push them down a bit further!</p> <p>Things are not repaired any more... for labour costs more than the materials...</p> <p style="text-align: center;"><b>SO THINGS ARE THROWN AWAY!</b></p> <p style="text-align: center;">The thing is king, it's the reign of rubbish.</p> <p style="text-align: center;"><b>Controls seem to be difficult!</b></p> <p>VAT merry-go-round: false invoices or none dubious book-keeping...</p> <p><b>and that's why we find sump oil on our plates!</b></p>	<p style="text-align: center;"><b>One of VIVANT's great discoveries:</b></p> <p style="text-align: center;"><b>don't tax labour, tax consumption,</b></p> <p style="text-align: center;">for then, ten million people, not just the workers, contribute to the financing of our society, by consuming.</p> <p>As explained in this Programme, <b>this measure would not increase the cost of living, for it is simply shifting tax from one thing to another.</b> Furthermore, this way of doing things is much more human, for it is more agreeable to spend one's money, for one's own pleasure or that of one's dear ones, and at the same time participate in financing our society without even realising it, rather than to know that for 3 hours out of 4 we are working for the State.</p> <p style="text-align: center;"><i>REPAIRING THINGS WOULD OFTEN BE MORE INTERESTING THAN THROWING THEM AWAY OR REPLACING THEM.</i></p> <p style="text-align: center;"><i>ON BEHALF OF THE PLANET... THANK YOU!</i></p>



## AN ECONOMIC LOGIC

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

AT PRESENT	VIVANT
<p><b>VICIOUS CIRCLE</b></p> <pre> graph TD     A[highly-taxed labour] --&gt; B[fewer jobs]     B --&gt; C[lower revenues]     C --&gt; A             </pre>	<p><b>VIRTUOUS CIRCLE</b></p> <pre> graph TD     A[untaxed labour] --&gt; B[more jobs]     B --&gt; C[more consumption]     C --&gt; D[higher revenues]     D --&gt; A             </pre>

## TRADE UNION ROLE

AT PRESENT	VIVANT
<p>Most of the time they must be content with obtaining the best social conditions for each closure or reorganisation.</p> <p>They are occupied full time with <b>trying to defend acquired rights</b> and forget, or have no time, to look to the future.</p>	<p><b>VIVANT puts the accent on: the individual, developing oneself, and a better quality of life.</b></p> <p><i>In this new context, the trade union will retain its defending and supporting role, and will find again its freedom and independence from employers and political parties.</i></p>

## PUBLIC ADMINISTRATION

AT PRESENT	VIVANT
<p><b>Has a vast number of civil servants...</b> (the world record!) who, in spite of that, are overburdened with regulations and forms, in which even they sometimes lose their way.</p> <p>They are the main victims of the present heavy and complicated administrative system.</p>	<p><b>Simplification</b> in all sectors and at every level.</p> <p>Fewer constraints and more effectiveness.</p> <p><i>Everything connected with consumption will require a raft of competences in order to deal with checking prices and the Social Tax on Consumption, as well as with quality control.</i></p>

## SERVICE JOBS AND PROFESSIONS

This applies to all those services required by or useful to society: teaching, administration of culture, art, sport and justice, policing, health care, care of children, the aged and the infirm, cleaning, waste management,... etc.

AT PRESENT	VIVANT
<p>Fewer and fewer people are providing services to society because of <b>overwork... disappointment, lack of motivation, poor pay...</b></p> <p>Ever greater demands are put upon them, because of lack of staff!</p> <p>And when they feel obliged to demonstrate in the streets they meet with the inevitable reponse:</p> <p style="text-align: center;"><b>“there’s no money”</b></p>	<p>As we have seen, labour costs will go down to one third of their present level. That will make it possible either to hire more people, or to increase some salaries, or to do both at once, so that everyone may benefit...</p> <p style="text-align: center;">both the worker and society at large.</p> <p style="text-align: center;"><b>WITHIN THE SAME BUDGET...</b></p> <ul style="list-style-type: none"> <li>• <b>MORE EQUITABLE SALARIES</b></li> <li>• <b>MORE STAFF</b></li> </ul>

## **DEVELOPING COUNTRIES**

<b>AT PRESENT</b>	<b>VIVANT</b>
<p>PARADOX:</p> <p>In spite of ever-increasing aid budgets, there are more and more poor people . One must ask: who benefits from this generosity?</p> <p><b>Development aid funds</b> have often ended up in the hands of minorities, to the detriment of the populations.</p> <p>Fortunately there are many NGOs in the field who do a magnificent job, yet how little compared with the need!</p> <p style="text-align: center;">And they too suffer from <b>the eternal cry</b></p> <p style="text-align: center;"><b>“there’s no money”</b></p>	<p style="text-align: center;"><b>The BASIC INCOME or UNIVERSAL ALLOWANCE is a concept we wish to export as much as possible.</b></p> <p style="text-align: center;"><i>This individual income would put the brakes on the development of a wild form of capitalism, which exploits the incredible poverty (and therefore the availability) of Third World populations.</i></p>

The Brazilian Senator Eduardo Suplicy, husband of Marta Suplicy, who in January 2001 was elected mayoress of São Paulo (a city of 15 million inhabitants!), writes:

***“The Basic Income is an effective weapon against the lack of economic freedom which drives people to accept semi-slavery conditions of work or to go and seek work in unfriendly places. It is also an effective arm against organised crime (illegal drug trading, trafficking in human beings) and it breaks the vicious circle of poverty and illiteracy.”***

**A law for a basic income was voted in 2004.**

### **Brief Refections**

- Easily evadable taxes are unjust taxes
- Systems that can encourage fraud must be avoided
- In the Vivant system, Basic Income is granted mutually among people through consumption
- The Vivant tax on consumption restores a taxation system of solidarity between all layers of the population

## CONCLUSION

**There is so much that could be said...**

**This programme has been studied by economists and a budget drawn up. The budget not only holds good for the future; it would also at last make it possible to pay back the gifts of previous parliaments: a public debt amounting to 24,789 euros per person... and on which every year we sweat blood to pay the interest!**

Already the traditional political parties are taking up our ideas here and there, and so much the better... But in a piecemeal way, devoid of any global vision! This enables them frequently to grab the headlines!

Their measures are always limited and temporary.

To lower taxes on labour without applying them to consumption only serves to widen the budget gap – and amounts to handing a present to the employers, or to making a temporary reduction in the unemployment figures.

So how can we get in place an economic system which gives us more freedom and less dependency?

Over and above the economic system, **VIVANT** is a state of mind, of confidence in humankind, a new dawn, a wish to live.

**VIVANT** wants everyone to be able to find, through the way society is organised, the means of fulfilling themselves...

**VIVANT** desires that anyone who suddenly wants to make something of his/her life, even after years out of work, should be able to do that...

**VIVANT** is fighting so that anyone who feels weighed down by work or conditions of work should at least for a while be able to give it up, if so desired, without administrative complications and without loss of social welfare.

### **– SO THAT EVERYONE HAS THE OPPORTUNITY TO LIVE**

- ⊗ *IN TUNE WITH DESIRES... OR DREAMS,*
- ⊗ *IN TIME WITH FAILURE... AND ACHIEVEMENT,*
- ⊗ *WITHOUT BEING JUDGED,*
- ⊗ *WITHOUT ADMINISTRATIVE OR OTHER CONSTRAINTS,*

**AND IN ALL FREEDOM!**

– AND SO THAT,  
IN THIS REDISCOVERED INDEPENDENCE,  
EVERYONE SHOULD AT LAST ENJOY FREEDOM OF EXPRESSION.

THIS IS THE ULTIMATE JUSTIFICATION  
FOR THE REFERENDUM, WHICH VIVANT PROMOTES.

**... AND IT IS THE JUSTIFICATION FOR VIVANT!**