



EUROPE

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

ELECTRONIC VIVANT- EUROPE

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1. THE OLD KING

In an ancient civilisation, people had understood **that both parties to a barter became better** off since each developed his abilities and thus exchanged the fruits of his labours with those of others. In those days, **one might**, for example, exchange a sheep against fruit and vegetables from another. Later they invented barter with a time delay: “I give you a sheep now and within three months you give me the agreed amount of fruit and vegetables.”

Since few people knew how to read or write at that time, pieces of metal - or money - came to be used as earnest of the barter agreement.

A system of trade developed that could be applied **to various transactions** ranging from basic needs to the exchange of services: “Jack builds a cottage for Peter; Peter goes hunting for Paul; Paul delivers fruit and vegetables to Jack.”

Some of the older people took to educating children. Those who felt capable of it defended the village against invaders. One, a wise old man, dispensed justice; another was a healer. **For their services they were paid in kind or in money**, which became tokens of trade. Mothers and fathers took care of their children and shared the work.

The system worked well and **profited** the inhabitants of a village or town. **Other towns** had different trade tokens, other moneys, and varied contacts grew up between different communities and gave rise to **commercial exchanges**. The different trade tokens – or moneys – were exchanged, and even people from the same community were happy to accept money originating in neighbouring towns, for it allowed them to buy goods from foreign salesmen. **Very soon traders began to accept moneys from other towns, which increased their opportunities for trading.**

As trade developed, **some crooks** started forging false money. Such forgery was severely punished, and one counter-measure was to mint money out of **precious metal**.

And what happened when **large undertakings of public benefit** were to be carried out? Like the construction of a new road or a port?

That could not be bartered ...

Mostly, **each participated** according to his means and finally everyone became involved in offering their services for realising such large undertakings.

One old King had found another way of doing things. **He minted supplementary coinage**, which he gave to those who worked for the public good.

“I shall see to it,” he said, “that those who receive this money will be quite sure of being able to exchange it, with me or with others, for food or other things.”

Thanks to the new roads, convoys, laden with pepper and salt, coffee and chocolate, were able to reach the town. **The old King** put customs guards **on the gates of the town** and inhabitants who wanted to buy spices from the foreign traders had **to pay taxes proportional to the amount of stuff they bought**.

In this way the King **recuperated the money** he had paid out to the population for working on public projects.

Nothing prevented him from undertaking other major public works so long as his subjects continued to buy foreign goods on which he could raise taxes.

But soon there were no more big public works to be carried out, and the King noticed **that the number of beggars was going up**. Some beggars begged so convincingly that they took in more money than those who worked hard in the fields. But there were also some, unable or too proud to beg convincingly, who remained really needy.

The King said to himself: “Remembering the period of major public works, I shall distribute money, but this time to everybody regardless of whether they’re in need or not. What I shall distribute will not be much but will meet people’s first needs.”

At the same time he instituted **a tax on jewellery** that people came to buy at the town gates. It worked very well. There was less stealing and everyone had more money and spent more.

To buy what? Food from the farmers, better shoes from the cobblers, beer at the inns, spices and jewellery. Farmers and cobblers grew richer, inn-keepers received more and more money; the town guards received more and more by way of taxes on the sale of spices and the well-to-do wanted more and more jewellery. Everything in the kingdom was going very well.

Then the King said to himself: “And what if I handed out a bit more money to everyone, and increased the taxes on spices and jewellery?”

That’s what he did. And at once poverty disappeared. Everybody spent their extra cash so that there was even more trade. More people could afford to buy jewellery and spices.

One day **the good King died**, in peace of mind, satisfied with what he had done for his people. **His eldest son succeeded** him in accordance with the custom in those days, for it had not yet been realised that women were at least as able as men at administration.

The son thought he had understood the lessons of his father. He said to himself: “All I have to do is to continue to work the system set up by my father and gain a bit more money by increasing taxes.” **But he did not give this extra money back to the people.** He just distributed it among the people around him, at his court.

In the beginning that passed unnoticed, but his court started growing and needed more and more money. Taxes on spices, delicacies and jewellery kept going up, and the people, getting nothing in return, were not really satisfied having always to pay more; nevertheless they said that the new King must know what he was about. However, fraud started increasing and the new **King had to engage staff to fight against it.** He also had to build prisons, whereas before there was no need of them.

He acquired the image of a rich and powerful King who pleased the ladies of the court, and invited neighbouring princes to join in his festivities and admire his success.

Faced with this state of affairs, the number of discontents went up and criticism flowed freely. Times became hard, and people began to save money rather than buy spices and jewellery, **which caused the King’s revenues to fall.**

So, he decide **to reduce everyone’s allowances** – those that his father had put in place. He said to himself that people only had to work more to earn their money.

The people’s discontent turned to anger. Beggars appeared in the town again and the citizens had to lock their houses every night to avoid being burgled.

The people spent less and less, and less and less tax revenue found its way into the coffers of the King and his court.

So, the new King decided that when the people traded with each other – for example, 6 chickens against 24 cauliflowers –, one third of the value of the transaction should go to the King: in this example, 2 chickens and 8 cauliflowers.

The King had to engage staff to put the system in place and he had to strengthen the forces of law and order.

All that, naturally, **cost money** and when he looked at his accounts he found that **his reserves were going down every minute.**

But the majority of the people thought that **the King only had their good in mind** (and that, incidentally, is exactly how the King thought about himself). “After all, is he not the son of the good King? No-one could do better. Times are hard and we just have to tighten our belts,” they thought.

The new King went so far down this path that **he began to tax the work** of the nurses looking after the old as well as the work of the women who looked after the children of other women who had to go out and work very hard in order to pay the taxes the King had put in place.

Until the day when certain young people could no longer stand it. They had heard talk of the old King and that in his reign the only taxes were those paid on luxuries, that trading was free of tax, that there were no controls and that practically no police force was necessary, because there were few thefts and little poverty.

So it was that one day this very active group of young people, accompanied by some older wise folk, **left the town with arms and baggage**. They went to set up a new town, sufficiently far away. They built it, together with roads, and there applied the principles of the old King: everyone could trade freely and everyone received each week a sum of money to start the week with. And it turned out that merchants came to the new town, so that taxes could be levied on spices, delicacies and jewellery.

The group of pioneers decided furthermore that, in future, power could not be left in the hands of one person and that all those who had built the new town should designate a responsible chief. **The inhabitants of the town could likewise decide** to replace the chief if he was not benevolent enough. They also decided that everyone should **be able to participate in important decisions** like the levels of the basic allowance and the taxes. In their new town the disaster they had experienced with the son of the old King could never repeat itself.

Roland DUCHÂTELET
(Founder and President of VIVANT)

2. APPLICATION OF THE METHOD OF THE OLD KING BY VIVANT

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:

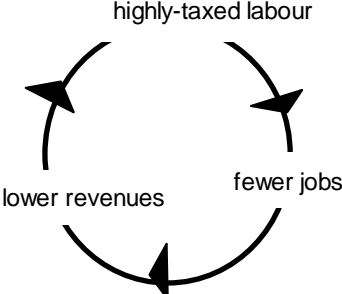
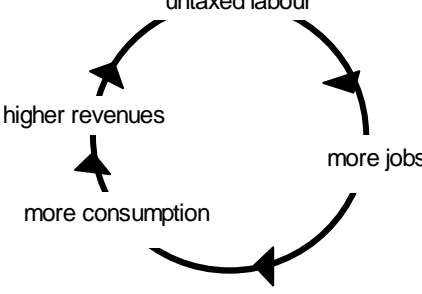
1) Decrease salaries by replacing experienced employees with ill-paid young ones with temporary social status, decrease the minimum wage and set up social policing with sanctions against unmotivated unemployed. This is what your government is doing. **It’s against this that Vivant objects.**

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!

AT PRESENT	VIVANT
<p data-bbox="416 819 635 846">VICIOUS CIRCLE</p>  <p data-bbox="454 884 654 911">highly-taxed labour</p> <p data-bbox="343 1064 502 1090">lower revenues</p> <p data-bbox="574 1052 686 1079">fewer jobs</p>	<p data-bbox="1023 819 1267 846">VIRTUOUS CIRCLE</p>  <p data-bbox="1093 873 1236 900">untaxed labour</p> <p data-bbox="925 985 1085 1012">higher revenues</p> <p data-bbox="1252 1025 1348 1052">more jobs</p> <p data-bbox="949 1086 1133 1113">more consumption</p>



VIVANT-EUROPE

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BECOME A MEMBER BECAUSE:

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**