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

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1. EDITORIAL

Globalisation is a fact.

It is **fortunate** for poorer countries, because it brings **another way of trading**.

It is **fortunate** for all, since trade between peoples, in a reciprocal framework, is good for peace.

Correctly carried out, globalisation should, in the long term, replace the force of arms with the force of law.

It is not utopian to speak of a **global parliament**, of global legislation having regard for the regions, for they will be needed to conserve the investments we have already made.

For its part, VIVANT can contribute to this undertaking, for it proposes nothing less than a better sharing of wealth, with the techniques to realise it.

A globalisation of quality requires intelligent and realistic management which eschews the beating of drums and is inspired by the Common Good.

The globalisation which today creates so many problems will be replaced with a socio-economic structural integration of individuals and local particularities within a global whole.

It is this framework that is envisaged in the articles below on international trade and European development cooperation policy.

Among other things, the limitations of regulation will be demonstrated.

The Common Good, and therefore the good of each individual, should remain the aim of all activity, be it political, social, economic or cultural.

It is on this basis that a society governed by law should be constructed.

2. INTERNATIONAL TRADE

a. Reflections on trade relations between Europe and China

European reactions to the invasion of Chinese goods incites reflection on the political and economic risks the situation creates.

Politically, the European Commission is drawing up protective measures to contain the influx of Chinese goods which China's membership of the WTO (World Trade Organisation) has rendered possible.

Economically, Chinese goods have a competitive edge because they are cheaper.

Unfortunately, the social and environmental norms we know in Europe do not exist in China.

It should be remembered that the WTO governs trade relations and in principle takes no account of the stage of development or of the economic and social policies of Member States. That is not its role.

The main aim of the Organisation is **to liberalise**, to reduce customs barriers as far as possible, so as to facilitate the movement of goods, and thus increase trade and hence wealth.

Consequently, corporations **decide to move their means of production** abroad because the cost of labour in Europe is too high.

Ten years ago nobody could have imagined such growth in China.

The problem with **this absolute rule** of free trade is that if today we are discussing China and textiles, tomorrow we shall be discussing India or other countries which will be pouring their products on to the global markets.

What, in this context, is the role played by the consumer? Why choose to buy counterfeit products, imitations of lower quality? What is the level of consumer purchasing power?

If the object of trade policy is the interest of the consumer, the market should be made more competitive by redistributing capital in other parts of the world and aiming at improved production through a high level of technology and constant research for innovation.

If the interest of the consumer is not the aim, then Europe may keep her industrial structures by practising a protectionism which will isolate her from the irreversible tide of globalisation.

Protectionist measures are not a solution for the future, yet to judge from a Europe that is losing both jobs and leadership, **the freedom given to the market has not brought the good of all**.

In this context of economic warfare, is Europe capable **of recognising the opportunities**, instead of erecting defences against Chinese and Indian threats?

In the face of rapid and unpredictable geopolitical change, some concrete decisions need to be taken which will ensure:

1. Respect of intellectual property rights in the face of counterfeits (commercial terrorism).
2. Introduction of stricter labelling regarding the origin of imported goods.
3. Introduction of more structured rules regarding social dumping.
4. Reduction of subsidies.
5. Elimination of unfair commercial practices.

As for consumers, they have the possibility of creating a **“critical mass”** by exercising a fourfold power:

1. That of **voting** and demanding participative democracy.
2. That of **putting** ethical pressure on businesses through internal action.
3. That of **buying** or boycotting.
4. That of **orienting** investment.

In this way, Europe will be able to continue to keep its undertakings with regard to the WTO and to play a central role in the new economy – thanks to stricter regulations concerning international trade.

The ministerial conference in Hong Kong scheduled for December 2005 will be crucial, **for it should determine the future world order regarding trade**.

b. How to protect trade within the European Union?

The Treaty of Rome of 1957 provides that *“By establishing a customs union between themselves the Member States intend to contribute, in conformity with the common interest, to the harmonious development of world trade, the progressive abolition of restrictions on international exchanges and the lowering of customs barriers.” (Article 110)*

According to Maurice Allais (Nobel Prize for Economics), the unthinking application since 1974 of this Article 110 of the Treaty of Rome has led to massive and unprecedented unemployment and progressive destruction of industry and agriculture.

The Nobel Prize winner suggests introducing a new article in the draft constitution:

“In order to maintain the harmonious development of international trade, the Community (Union) shall set up a system of protection against imports from third countries whose salary levels at established exchange rates are incompatible with the abolition of customs protection.” (Extract from Journal du Mardi n° 217 page 6)

Maurice Allais does not however tell us how to keep harmony in international trade. That question is answered by the VIVANT socio-economic model. First, removing taxation from labour makes it two or three times **less expensive**. Second, taxing consumption means that European products and those coming from elsewhere are **taxed alike**. And this tax on consumption constitutes

- a) **a tool** with which to restore the balance of the level of taxation :
 - in order to secure more justice
 - in order to boost business activity
 - in order that consumption may continue freely in function of a given purchasing power.
- b) **a means** for observing people's purchasing power and of maintaining it as far as possible
- c) **a means of permanent research** by economists, tax experts and various kinds of specialists
- d) **a progressive fiscal** instrument for fine-tuning the economy.

In this way European Union trade will be protected not **by protectionism but by a structural measure which changes the way of financing social security** and compensates at the level of consumption for the lack of taxation on goods coming from countries with low social security. In addition, this measure would also send out **a strong signal** to third world countries to increase their internal consumption and improve social security.

Marilena Di Stasi
Jean-Paul Brasseur

3. EUROPE AND ITS DEVELOPMENT CO-OPERATION

(extracts of the exhaustive program of VIVANT))

a. Foreign policy in Europe

Belgian foreign policy can very well follow that of the European Union. The time when each European country had "its own" area of influence in the third world is well and truly over. Belgium, as the centre of the European Union, has a front-line role to play. It would also be to Belgium's advantage if a democratic, regional and federal Europe realized to the full all its opportunities for profound unification, **including on the social level**. It is therefore of prime importance that an advanced process of democratisation is introduced, very soon, in the European institutions and in the decision-taking process. The influence of the European Parliament should be increased.

b. Development Cooperation

Vivant doubts whether development cooperation is effective as it is being done today. Vivant is against "regulated" aid because it can be **the source of corruption and disloyal competition**. When Western aid is given because the goods or services it provides are not available locally, it

should be consequent upon a European public tender, and should be open to European and non-European companies that can give sufficient financial guarantees for seeing through the project.

According to Vivant, more efficient forms of development cooperation would consist of:

- the enlargement of commercial opportunities, so that the beneficiary country creates its own instrument of prosperity;
- assistance providing adequate management for the execution of development projects, with partners (local ones for example) that enjoy the confidence of the local population;
- support to initiatives that provide small-scale capital in the form of loans to the local population (micro-credit).

In addition, it is necessary to:

- ensure that foreign investments do not favour development inequalities;
- accept as candidates for development aid only countries whose military power has been reduced to a minimum, so that democracy can be established securely without jeopardising sovereignty;
- organise experiments with a Basic Income equivalent (for example, a Basic Income paid out in food) in small isolated communities.

The regular (monthly) distribution of a Basic Income in the third world necessitates effective financial control and social guidance in order to avoid embezzlement of funds.

c. Basic Income in Third World Countries

Vivant also supports the movement in favour of **releasing third world countries from their debts**. Most of these debts have been contracted by authoritarian regimes. Banks granted credits without properly examining the risks. In general, the population of the beneficiary countries was not able to participate in the decision and the people were not the ones to benefit from the credits awarded by the banks. It is therefore not fair that these populations should suffer a fall in living standards in order to reimburse the debts.

Vivant also believes that **the introduction of a Basic Income in third world countries** may be the best way to spend the budget devoted to development cooperation. It is possible to give a basic income of €40 to each Nicaraguan with only 1% of our GNP. In Nicaragua, with a population of about 2.5 million, these €40 are equivalent to €250 in Belgium, since basic products are cheaper. In this way, local markets are created, as buying power is increased. A Basic Income grants greater autonomy and space for own initiative to those who receive it.

Another possibility is to tax heavily the industrial products imported into these countries, as they are often bought by wealthy people. This would provide partial funding for the Basic Income for the whole population.

d. Importance of a Basic Income for the Third World

In June 2001, in São Paulo (pop. 17 million), Brazil, Martha Suplicy, mayor of the city since January 2001, introduced a Basic Income for low wage earners and those with no income. This is accompanied by social aid in the form of management education and protection against theft.

Her ex-husband, Eduardo Matarazzo Suplicy, federal senator of the state of Sao Paulo for the workers' party, has declared:

“Basic income is an efficient arm against the economic unfreedom that pushes people into accepting semi-slavery working conditions or into seeking work in unfavourable regions. It is an efficient means in the battle against organised crime (illegal drugs trade, human trafficking) and breaks the vicious circle of poverty and illiteracy.”

P.S. And **on 8 January 2004** the President of Brazil **Luiz Inacio Lula da Silva** formally sanctioned this project in the course of a ceremony attended by many personalities, including Professor Philippe Van Parijs. **Brazil** thus became the first country where the national legislature has passed **a law introducing a citizen's income.**