



EUROPE

www.vivanteurope.org

Rue Hector Blondiau, 22 7070 Mignault (Belgium)

Tél. FR. : Brasseur J.P. 0499 35 85 72

FR, EN : Roussel Pascal 0473 97 49 67

FR,EN,IT : Marilena Di Stasi 0486 501 83 64



“Liberate work by removing its tax burden and finance
social security by taxing the consumption of goods,
which most often are produced by machine.”

ELECTRONIC VIVANT- EUROPE

N° 31 (April 2006)

1. ROLAND DUCHÂTELET'S INTERVIEW BY « L'ECHO » NEWSPAPER

« Labour must be freed »

Flemish liberals organize Saturday 28 January 2006 a workshop on employment, fiscal system, labour and management of the professional career.

Roland Duchâtelet, President of Vivant, allied with the VLD party, explains the importance of these issues for the economical future of our country.

L'ECHO

How can we make the labour more attractive?

ROLAND DUCHATELET

Two many hindrances discourage labour today. Consider for example a retired teacher. He cannot give after-hour classes neither start any activity without losing (part of) his allowance. Not to mention the heavy bureaucracy that he must overcome.

The labour regulations have become so complex that people are deterred to work.

Moreover, the financial benefit is so small that people are not motivated to leave inactivity.

Grantees are truly imprisoned by their social allowance.

L'ECHO

How can we break this vicious circle?

ROLAND DUCHATELET

A first step in the right direction has been taken with the ALE which allows **to work on top** of the social allowance. This system, now called « titres-services », **should be extended** to other business

fields like Horeca, gardening, tinkering of all kinds, while keeping the required management simplicity. Labour-intensive services **should be free of taxes**.

We have no choice: we can not continue destroy wealthiness with such restrictions. **Adam Smith would turn in his grave**, if he learned that in this country **one million people depend on allowances and are therefore prevented from working**. If these people could work a little while keeping their allowances, **our PIB would grow dramatically**. These people would buy more goods, and new jobs would be created.

Our 60-year-old system **must urgently be adapted** to the new economical situation.

L'ECHO

However it makes sense to set labour taxes.

ROLAND DUCHATELET

It makes just absolutely no sense.

Until 60 years ago, no labour tax ever existed in the history of mankind.

L'ECHO

But until 60 years ago, there was no social security to be funded...

ROLAND DUCHATELET

The problem is that nobody until recently has imagined the possibility to finance social security **differently**.

Our approach consists of setting product taxes replacing the labour taxes.

The prices of the goods we buy include the salaries paid to produce them, since we only replace one tax by another. Even the PS begins to recognize the need to adapt the fiscal load in that direction.

Another funding source not to be ignored is to make public institutions **less greedy**. I think this issue is not duly considered in French-speaking Belgium. In 1950 we had **400000** civil servants; today we have **over a million**.

L'ECHO

Manager voices tell that time-credits have gone too far.

ROLAND DUCHÂTELET

As for me **I don't think so**. Working people should benefit from **a maximal flexibility agreed with the employer**. Funding time-credit is another issue.

I promote the grant of a **minimal base allowance** for anyone taking time-credits, similarly to the ALE system.

L'ECHO

What do you recommend for the reduction of the salary differences with our neighbours ?

ROLAND DUCHÂTELET

Once again, one need to reduce labour costs, possibly personal taxes. But **we should avoid any net-salary reduction, otherwise consumption would be threatened**.

Some employers still have the reaction of reducing worker salaries. **I am totally opposed** to that.

L'ECHO

How do you react to delocalization threats ?

ROLAND DUCHÂTELET

Our products have become poorly competitive, not because of our high salaries, but **because of the overwhelming taxes** on them.

If equivalent taxes were applied to the imported products, **delocalizations would be discouraged**.

L'ECHO

Isn't it a kind of protectionism ?

ROLAND DUCHÂTELET

No because this is no protection of the Belgian companies. Instead our companies are penalized. Such decisions must of course be taken at the **European level**.

2. A EUROPEAN GLOBALISATION ADJUSTMENT FUND TO SUPPORT WORKERS

IP/06/245

Brussels, 1 March 2006

Commission proposes up to **€500 million** per year for a new European Globalisation adjustment Fund to support workers

EU workers will be helped back to work by a new annual fund of up to €500 million, that could benefit every year up to 50,000 workers in the EU, especially in the regions and sectors hit by major changes in world trade patterns. The new 'European Globalisation adjustment Fund' (EGF), proposed today by the Commission, will provide one-off, time limited individual support for tailor-made services to help, for example, workers affected by globalisation with individual wage allowances, re-training or concrete assistance to find new jobs.

President **Barroso** outlined the thinking which led to today's proposal. **“The Globalisation adjustment Fund will express the Union’s solidarity towards those severely and personally affected by trade-adjustment redundancies.** In this way, it will provide a stimulus to respond appropriately and effectively to the adverse impact of market opening. The fund will help workers made redundant back to work because we want a competitive, but also a fair EU,” he said. EU Employment, Social Affairs and Equal Opportunities Commissioner, **Vladimír Špidla**, added: **'This Fund is about people.** In a globalised economy, some workers in particular sectors regrettably lose their jobs. As the EU takes external trade decisions, it is logical that it takes responsibility through this new European Globalisation adjustment Fund, to ensure workers who lose their jobs due to such trade changes are neither forgotten nor ignored in a changing economic environment.'

Acting as a sign of the EU solidarity, **the EGF will complement the efforts of the Member States** at national, regional and local levels. The one-off, tailor-made services to be funded by the EGF include job search assistance, personalised retraining, promoting entrepreneurship, or assisting self employment.

Equally, special temporary **'in-work supplements'**, such as allowances for those participating in training, may be available, as well as complementary wage allowances for workers over 50. The measures are designed to help workers laid off by multinational or national companies, including

SMEs (small and medium sized enterprises), find and retain a new job; the actions will be spread over 18 months.

Find more information on:

http://europa.eu.int/comm/employment_social/emplweb/news/news_en.cfm?id=131