

MOVEMENT



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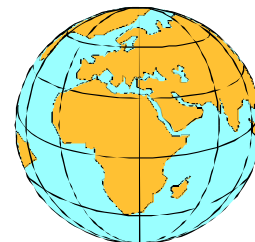
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“Liberate work by removing its tax burden and finance social security by taxing the consumption of goods, which most often are produced by machine.”

ELECTRONIC VIVANT- EUROPE

N° 33 (June 2006)

VIVANT ENTERS THE DEMOCRATIC REPUBLIC OF CONGO



For a Rule of Law Allowing All Citizens of Congo to Live in Dignity

The Congolese political party the Congo Reform Party (Parti Réformateur Pour le Congo, or **PRPC**), registered at Kinshasa, in the Ngaliemaa municipality, Avenue Kinshasa 8, Binza Delvaux, acting through its President in Office Me Aimé Kilolo, and the Belgian party **VIVANT**, registered at 1000 Bruxelles, Bd du Midi 25/27, acting through its President in Office Mr Roland Duchâtelet, have decided to work together with a view to introducing a unique programme to Congolese politics (May 2nd, 2006).

Friendly meetings, workshops and a joint conference held at the VIVANT offices in Brussels have brought the two political parties closer together, according to a mutually expressed desire.



The PRPC agrees to modify its name to **PRPC-VIVANT**, without prejudice to further modifications after elections in Congo in 2006.

The PRPC agrees to adopt the VIVANT colours (green and yellow) and its logo.

The two political entities VIVANT and the PRPC agree to work continuously to form the VIVANT-CONGO party, which will be a sister-party of VIVANT in Belgium.

In this way, PRPC-VIVANT, to become VIVANT-CONGO, is committed to pursue VIVANT's activities in the Democratic Republic of Congo.

A specific PRPC-VIVANT programme for Congo has been worked out in the context of this collaboration.

The aim of the programme is to render the population of Congo happier through an improved quality of life.

At present, 80 % of the Congolese population is living in precarious conditions, surviving by individual effort, to the extent that coins and notes exchanged are no longer being put into the bank but are used to fuel an efficient and inventive parallel economy. Even ordinary objects are being cobbled together using waste materials.

By applying its programme, PRPC-VIVANT aims to encourage **individuals' inventiveness and motivation** by placing trust in them, rather than demanding that they have paid work and subjecting them to arbitrary and persecutory state control.

"To make a plant grow, we first give it water.

We do not wait for it to have grown before we water it."

The State must **distribute money to the population** and in this way make it possible to collect taxes through the population's increased purchasing power. It will be the role of a **basic income** to support purchasing power in this way.

The Measures Put Forward by the Programme

A. SOCIO-ECONOMIC MEASURES PUT FORWARD BY PRPC-VIVANT

Measure I

Introduction of a Basic Income Paid Out by the Congolese State

Every woman of at least 20 years of age with secondary education will be entitled to a basic income. To begin with, the basic income will amount to 100,000 Congolese Francs (€ 200) per year.

Measure II

Proscription of Tax on Work

Salaries will thus be net for employers and for workers.

Measure III Introduction of Consumption Tax on Goods

(In the PRPC-VIVANT programme, tax on consumption is levied exclusively on finished products. Products that are used in production or manufacture and not as finished products are exempt from consumption tax. Thus, anything that is directly part of production or manufacture, such as raw materials or secondary materials (supplies, vehicle fuel, packaging, materials involved in the maintenance of vehicles and machines, etc.), is exempt from consumption tax. On the other hand, consumption tax is paid in the usual way for investments (finished products not directly involved in the process of production or manufacture), such as buildings, machines, office computers and furniture, heating, cars, telephones and equipment.)

For products manufactured in Congo, like beer for example, prices will remain identical to what they are today. Products manufactured abroad, like mobile phones, radios, computers and cars, will be subject to consumption tax. This is similar to the case today. The nature of the various taxes on consumption and their rates will be adapted according to the financial requirements of the State.

Tax on products is a tax that can be adapted very flexibly. It can be modified according to the type of product. A higher tax may for example be levied on products that pollute the atmosphere

There is no tax on the price of proximity services (cleaning, gardening, home maintenance, various kinds of care, catering). Promoting exchange of services means promoting quality of life.

Measure IV Development of the State's Resources

Congo possesses considerable natural resources: land, mineral deposits, petroleum, attractive landscapes.

The country and its provinces should make an inventory of these resources and a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis and business plans for their respective regions. **The aim is not to sell resources, but to cultivate them.** For example, the State can develop land for construction. Too often, such projects have been misused in order to enrich friends, family members or one's self, and this needs to be prohibited. Profits from land development must enrich the population as a whole.

PRPC-VIVANT aims to levy substantial taxes on petroleum and electricity production and export. Congo can make great progress if it uses its natural resources to the advantage of the population.

Measure V Introduction of Electronic Payment Systems

Electronic payment is perfectly possible by means of **mobile phones and the Internet**. In the case of mobile phones, the user's account with the service provider can function as a sort of bank account. Payments can be made according to instructions given by phone, e.g. using SMS.

The user can look at his/her “bank account” via the mobile phone. It is also possible to do this via computer, using a password and an Internet connection.

For payments using a computer and an Internet connection, it is important that programs adapted to this type of transaction are used. Such programs exist and are already in use elsewhere in the world.

With electronic payment, tax fraud can be uncovered years after the fact. In this way, **the traceability of transactions is an advantage enabling corruption of all kinds to be combated.** Paper money and coins will continue to circulate for small payments, and the State will discontinue issuing large notes.

The investment required for the introduction of electronic payment systems is small compared to the advantages such systems bring with them. The greatest advantage is that the efficiency of the payments made by the State or by companies to suppliers or employees is increased, as the risk of their landing in the wrong hands is eliminated.

The only obstacle is therefore the investment. Greater efficiency of economic exchange demands greater efficiency of communication, and a mobile telephone communications network is indispensable for the development of Congo’s national economy. This fact reduces the investment obstacle.

To put the plan into practice, the Congolese State should organise a call for tender to international banks and operators for the introduction and management of electronic payment systems. **This can be made to happen within two years** of the government’s approving the plan.

If Congo proposes a viable economic plan of this kind, it is highly probable that the international community will take an interest in the initiative.

If Congo’s economy develops, the Congolese subjects with a “bank account” will become as valuable as the inhabitants of Bulgaria, Rumania or the Ukraine. This value is expressed when an existing bank buys out a local bank for a high price.

We think that four types of companies could be interested in the project: banks, telecommunications operators, big Internet companies (such as EBay, Google, Microsoft or Yahoo) and big retail companies (such as Carrefour or Wal-Mart). There is a large market share of account holders at stake. If, for example, the Congolese State proposes in its call for tender an operating licence of, say, five years to two or three different operators, this would allow each one of them to have a large market share in the future Congolese banking market, and banks wanting to start up in the Congo would later find it difficult to gain a share of the market.

Tenders should concern:

- a. land **coverage** (by investing in reception and transmission systems for mobile phones and the Internet);
- b. **price charged** per transaction (which must be very low);
- c. any fixed **subscription charges**;
- d. **price** of equipment (mobile phones, computers).

Measure VI
Introduction of “Certificates of Payment” and “Certificates of Receipt”

*(This measure precedes the introduction of electronic payments,
which render it redundant in the form described below.)*

In the interests of a more efficient fiscal system, taxes will be paid by the taxpayers directly to the accounts of the public treasury with the commercial or central banks. Payments will be made using a “certificate of payment”, which will be handed in or shown to the tax services, which will then issue a “certificate of receipt”.

This procedure will prevent corruption and embezzlement of public funds.

The income received in this way will be allocated first of all, wholly or partially and according to need, to the payment of the salaries of civil servants working in the administration, in the armed forces and in teaching, etc. Teaching staff will receive priority.

Measure VII
Encouragement of Development Immigration

Like the USA, Australia, New Zealand and many other countries, Congo has the potential to receive immigrants who can contribute to the country’s development through their talents, their skills and their financial investments.

B. FISCAL MEASURES PUT FORWARD BY PRPC-VIVANT

1. Consumption Tax

Consumption of electricity will be subject to a tax of €0.02 (10 Congolese Francs) per kWh, which will bring in about €100 million. Consumption of petrol will be taxed at \$ 5 per barrel, which will bring in €15 million.

Customs duties will be levied on all imported products (clothes, food, vehicles, radios, etc.). Excise duties will be levied on the production or importation of beer, other alcoholic beverages and cigarettes and tobacco.

2. Tax on Large Incomes

For monthly incomes not exceeding €1,300 there will be no tax. For monthly incomes in excess of €1,300 the portion in excess will be taxed at 50 %.

3. Tax on Wealth

There will be no tax on assets of legal and documented origin. Other wealth, obtained before the introduction of the electronic tracing system, will be taxed at 2 % per annum.

4. Financial Transactions Tax (Tobin Tax)

There will be no tax of this kind.

5. Company Tax

There is no tax on company profits.

6. Production Tax

Petroleum extraction will be taxed at €5 per barrel, which will bring in about €40 million.

7. Export Tax

Raw materials and energy exported from the country will be taxed in order to limit the amount of tax that has to be paid by the citizens. On this idea, a tax of €10 per barrel of pétrol exported can be envisaged, which would bring in about €50 million, and a tax of €0.04 per kWh of electricity exported, which would also bring in around €50 million.

8. Other Measures (Controls)

All businesses (including those individuals freelance and the liberal professions), organisations and public authorities will be bound to **computerise their book-keeping**. Controls will be increased. Notes and coins will no longer constitute legal means of payment for businesses. The fiscal administration, in the case of an enquiry, will therefore more easily be able to gain access to the financial transactions of the companies and individuals involved. No bank secrecy will be applicable where the fiscal administration is concerned. Switching to universal electronic payment is one of the means of enabling faster, more efficient, less costly (no issuing of notes) and more secure (no transport of funds) fiscal control.

For the control of the State budget, a **fourth power** will be set up, the **financial power**. This independent power will be parallel to the legislative, judiciary and executive powers. This measure far exceeds the mere granting of greater autonomy to the central banks. The government's budget policy is to be checked and approved by this financial power. Issuing financial analysis reports will be part of its responsibilities. **It will be responsible for checking the feasibility of proposed budgets** in the short, middle and long term without losing sight of the fact that the financial management of a country is above all the provision of a service to the public.

The execution of this programme requires:

1. Establishing four independent powers, the legislative, the executive, the judiciary and the financial. The financial power is an independent commission for control of the budget.
2. Evolving rapidly towards a system of electronic money.
3. Fighting fraud, corruption and smuggling with modern technological means (information technology, satellite images).
4. Democratically organising village resources through municipal cooperatives: each adult becomes a "shareholder" in the municipal resources and has a voice in decision-making (participative democracy).

This is a wonderful project for Congo:

for its realisation, a State subject to the rule of law has to be established.

**Congo, where 80 % of the population lives in precarious conditions,
has everything to gain by it.**

A VIVANT-CONGO website will be on line soon:

www.vivantcongo.org