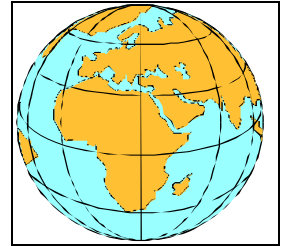




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**“Liberate work by removing its tax burden and finance social security by taxing the consumption of goods, which most often are produced by machine.”  
(+ unconditional Basic Income for all )**

# **ELECTRONIC VIVANT- EUROPE**

**N° 55 (May 2008)**

**Summary :**

1. **The site of Vivant-Europe**
2. **European parliament: citizens' Agora (12 and 13 June 2008)**  
+ **The contribution of Vivant-Europe1**

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[www.vivanteurope.org](http://www.vivanteurope.org)

**will find you the list of published articles  
in the ELECTRONIC VIVANT-EUROPE  
ranked by topics**

**Years 2003 to 2006**

**( Update 050108 )**

**Agora ++ Agora-conclusions ++ List of published articles ranked by topics ++ Basic Income  
Brazil ++ Cartel ++ Ecology ++ Economy, finances, market, taxation ++ Energy  
Euro-Mediterranean Alliance Europe ++ Europe and enlargement ++ European Constitution  
European constitutional treaty ++ Flexibility ++ France ++ Fraternity ++ Freedom  
Globalisation ++ Immigration ++ Justice ++ Manifesto ++ Model social ++ Permanent Forum  
of the European Civil Society ++ Philosophy ++ Policy ++ Purchasing power ++ Questions  
and answers ++ Social capital ++ Social security ++ Society ++ Society of wellbeing ++  
Subsidise Tax on consumption ++ The State based on the rule of law ++ The Third World  
Vivant ++ Vivant-Congo ++ Vivant-Europe ++ Vivant's Programme ++ Work**



Movement VIVANT-EUROPE



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**For a new financing of social security  
A base for the future!**

**To rescue the social security system and jobs**, the first thing to do is to remove the penalties imposed on European workers as compared with workers outside Europe.

**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.

- This is why a new movement is emerging across Europe, in the wake of the Belgian party VIVANT, with the aim of studying new perspectives for the financing of our social security.

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EUROPEAN PARLIAMENT  
CITIZENS' AGORA  
*on climate change*

12 AND 13 JUNE 2008

Tackling climate change is one of **the major challenges** facing our societies. In the light of the countless international studies (Stern report, UNFCCC and IPCC reports, etc.), the European institutions, together with all leading international players, now agree that the environmental, social, economic and cultural effects predicted could be immense. Following the results from the recent World Climate Conference (Bali 2007), and pending the next global summits on the topic (Poznań in late 2008 and Copenhagen in late 2009), the European Union intends to use the whole of this year to look closely at all its policies in this field: energy, transport, agriculture, trade, the environment, development, social policy, research, education, industry etc.

The European Parliament is inviting European civil society to express its views freely and frankly on **this crucial matter** and to put forward its analyses and proposals, while also defining its own role in what is to be done.

CLIMATE  
ANALYSING, PROBLEM-SOLVING, MOBILISING

WORKSHOP TOPICS

Following the success of the previous Agora, work will be organised around crosssector working parties with the aim of attracting a socially and culturally diverse range of contributors and initiating a dialogue which will transcend the traditional sector-specific topics of structured civil society. In rejecting this traditional demarcation, the working parties will enable opposing points of view to be heard and thus allow a consensus or the full range of options within the debate to emerge. Hence the various topics to be discussed in the course of this major European and world debate will be raised simultaneously and from a number of angles in five workshops. Above and beyond the presentation of the main concepts, any specific proposals will be welcomed. Those taking part in the Agora will also need to be aware at all times of the need to synthesise their analyses, to prioritise and, above all, to ensure that all policies are sustainable.

Workshop A – RESOURCES

*The European Union sees its role as protecting life and safeguarding access to essential resources by biodiversity, define priorities for protection or share out these resources in a sustainable manner?*

*Matters to be raised (list for guidance only) and ordered on the basis of clearly defined priorities:*

- **Fossil fuels:** What levels of pollution are acceptable? How to tackle scarcity of resources?
- **Biodiversity:** What indicators should we use? What protection standards should be set?
- **Water:** How to evaluate and manage both freshwater and ocean resources?
- **Agri-fuels:** What kind of development? What impact on biodiversity and the food chain?
- **Territories:** What role for sensitive areas (forests, mountains etc.), striking a balance between sanctuaries and places of human activity?

## **Workshop B – TECHNIQUES**

*The European Union considers itself a driving force for production, from basic research through to distribution. But what policies should be pursued in order to identify real needs, give better guidance for technical decisions or decide between alternatives?*

*Matters to be raised (list for guidance only) and ordered on the basis of clearly defined priorities:*

- **Production:** What are society's real needs? What are the economic and environmental constraints?
- **Transport:** Developments, transitions and limitations?
- **Energy:** What alternatives are there to carbon and other pollutants? What are the costs and risks?
- **Research:** What framework and networks? What resources and technology transfers?
- **Cutting pollution:** What are the economic opportunities? What decarbonisation technologies?
- **Energy efficiency:** How to develop new sectors with low environmental impact?
- **Spatial planning:** What territorial structure and regional policies?
- **Organisation:** what savings and progress can be made through organisational innovation?

## **Workshop C – SOLIDARITY**

*The European Union sees itself as a guarantor of fairness and solidarity. But what policy should be pursued to provide social back-up for the changes needed, protect the most vulnerable and avert conflict between population sectors or regions?*

*Matters to be raised (list for guidance only) and ordered on the basis of clearly defined priorities:*

- **Social:** What back-up processes are needed to assist the most vulnerable? What resources and timetables?
- **Transition:** How can risks, costs and opportunities be shared?
- **Justice:** What are the obstacles to freedom of action? What fairness of access to resources?
- **Health:** Impact and prevention?
- **Development:** A right, but how to develop sustainable models, assistance and knowledge transfer?
- **Tensions:** How to prevent conflicts and develop mechanisms for international regulation?
- **Vulnerable populations:** How to deal with and support displaced or threatened communities?
- **Taking responsibility:** How to develop solidarity between geographical regions and between generations?

## **Workshop D – ECONOMIES**

*The European Union is one of the globe's leading economic powers. But what policies should be pursued to regulate trade responsibly, identify new development indicators and new financial and fiscal tools or minimise risks?*

*Matters to be raised (list for guidance only) and ordered on the basis of clearly defined priorities:*

- **Trade:** What responsible global regulation processes at social and environmental level?
- **Competitiveness:** Danger of decoupling of European economy?
- **Accountancy:** What new growth, wealth and prosperity indicators?
- **Taxation:** What incentives and deterrents, redistribution mechanisms, tax rates and tax base?
- **Prices:** What kind of carbon market? What will it cost to produce and sell cleanly?

- **Competition:** What kind of anti-dumping tools? Social accountability? Transparency?
- **Safeguards:** What method of risk assessment should be used, and at what price?

#### **Workshop E – EDUCATION**

*The European Union can act only on the basis of broad citizen participation that is free, aware and informed. But what policy should be pursued to educate those concerned without standardising them, clarify the arguments and involve as many people as possible?*

*Matters to be raised (list for guidance only) and ordered on the basis of clearly defined priorities:*

- **Education:** What programmes and directions? How to train decision makers?
- **Information:** What expectations? What communicational back-up and verification?
- **Culture:** What new cultural models? How to ensure pluralism of ideas?
- **Consumption:** What consumer models should be encouraged or discouraged, and how?
- **Participation:** How to involve citizens and role of civil society?
- **Demography:** Balance and regulation?
- **Democratisation:** What institutional developments at local, European and global level?

## **THE CONTRIBUTION OF VIVANT-EUROPE TO THE EUROPEAN PARLIAMENT AGORA (5 JUIN 2008)**

*Europe is the first economical power of the planet.*

*Which means can we develop in order to improve the exchange regulation in a responsible way, to define new financial and fiscal tools an to mitigate risks?*

*Also, which redistribution mechanisms, at which rates?*

*How to limit a concurrency that enriches one country and impoverishes the other?*

*Which anti-dumping tool is needed?*

**VIVANT-EUROPE provides two paradigms for a fiscal and social Europe** in order to answer these questions:

VIVANT-EUROPE is recommending a fiscal and social Europe.

Some people object that this will never be possible because social and fiscal systems differ so much from one country to another.

However, the VIVANT model does not seek to introduce linear reforms but rather two PARADIGMS (1) which can be applied together while taking account of each country's special situation.

**The first paradigm : The total abolition of tax on work and the introduction of a consumption tax.**

The rate of this tax will depend on the socio-economic situation in each country, so that each State can raise revenue while respecting its citizens' purchasing power.

E.g. : what is an article of current consumption in one country may be a luxury product in another

...

By this paradigm,

**What is harmonised** is the abolition of tax on work so that every citizen will have the (legal) freedom to do business without any more administrative hassles, since there will be no more working black.

By this measure individual initiatives can be taken in all security

**Associated variations** are the specific fiscal measures in each country

## **The second paradigm : The unconditional Basic Income (2)**

The positive consequences of this paradigm are the following

**1. Rationalisation and simplification of the present social security system with the corollary of reduced administrative costs.**

**2. Guaranteed subsistence** for all – including those who are today excluded: parents at home, artists, self-employed, etc... The Basic Income is a better way of fighting insecurity, for it prevents it. And it does not preclude earnings from work.

**3. Individualisation of social security:** The Basic Income is given to the individual without regard to his/her family or personal situation, whom one lives with, what responsibilities one has, etc. Society was characterised, earlier, by stable employment usually given to the father of the family; today society is one of unstable employment with an increased female workforce, in which all family members claim financial and psychological independence. The Basic Income represents a policy better adapted to such a society and recognises the undeniable dignity of each individual.

**4. Recruitment incentives:** Being able to receive both the Basic Income and a salary encourages the creation of jobs of low financial worth, but of high social value: the district nurse, the social welfare officer, home help for the incapacitated, etc.

**5. Abolition of the unemployment trap:** When welfare allowances are conditional, those out of work must find a job that is financially attractive before letting go of their unemployment benefit and taking up work again. When the Basic Income is unconditional and can be added to salary, even low salaries can give an acceptable total sum. Finding work and taking it up again is no longer penalised.

**6. Reduction of the cost of labour** and, in consequence:

- employers can more easily increase salaries,
- taking up a second activity is facilitated,
- firms will regain their competitiveness, above all internationally, without having to relocate,
- the addition of new activities, requiring the hiring of new staff, will no longer be hindered,
- better conditions for exporting will lead to improvement in the trade balance,
- job creation will occur without the need for State intervention.

### By this paradigm

**What is conjoined :** the level of the Basic Income is calculated for each country in function of its GDP and the level of the net minimum salary, the Basic Income being 50% of the latter.

### **Adaptation of European regulations :**

Given these variations, some European citizens will tend to go and live where the Basic Income is highest.

In order to temper that a simple and effective regulation is required.

We propose the following, while being conscious that it will require further refinement to avoid unnecessary complications

1. European citizens receive the Basic Income of the country where they are domiciled.
2. If they are resident in a different country, they are entitled to the Basic Income of that country only if they have paid work there.
3. A European citizen who acquires the nationality of a country shall be entitled to the Basic Income of this country.

#### **Note :**

Immigrants without work and lacking papers are not entitled to Basic Income. Other specific measures, not unconditional, are required for such cases.

In this context, immigrants **are better off if they register** as regular employees, for then they receive the Basic Income in connection with the employment.

#### **In practice :**

Employers may very well fail to declare some employees so as to avoid income tax.

Prosecutions for such practices would cost less than under the present system which requires prosecution of both employers and those working black.

**What is harmonised** is a Basic Income for everyone, which is unconditional and which does away with the need for administering unemployment and the checking of the unemployed who in fact may work black &c..

(1)

(2)

#### **Basic Income rates in Belgium**

From 0 à 17 years : 150 € ++ From 18 à 24 years : 444 € ++ From 25 à 64 years : 600 €

Over 65 years : 888 €

### **APPENDIX**

## **THE CONTRIBUTION OF VIVANT-EUROPE TO THE EUROPEAN PARLIAMENT AGORA (5 JUN 2008)**

### **TWO PARADIGMS FOR A FISCAL AND SOCIAL EUROPE**

## NOW FOR THE NITTY-GRITTY

### A. Figure showing how the abolition of tax on work and the Basic Income work together

### B. Impact of the Unconditional Basic Income on everyday life

**Basic Income rates :** From 0 to 17 years : € 150 / From 18 to 24 years : € 444  
(monthly) From 25 to 64 years : € 600 / From 65 years : € 888

#### Some examples

##### 1. A couple with no children

Basic Income :  $600 + 600 = € 1,200$  per month

To this sum may be added the two spouses' earnings from work – which will be easier to find, being relieved of taxation and costing the employer 3 or 4 times less than at present (see diagram below).

Both members of this household will be exempt from income tax on income up to € 1,500 per month (Basic Income included).

This means that up to € 3,000 per month this couple will not be liable to tax on revenue.\*

*\*Any individual portion that exceeds € 1,500 will be taxed at 50%*

Note that the VIVANT model, by means of the Basic Income and the tax threshold of € 1,500 per month, **maintains the individual's purchasing power.**

##### 2. A couple with 2 children : (aged 12 and 16 years)

Basic Income:  $600 + 600 + 150 + 150 = € 1,500$  per month

*Children's incomes are never taxed except when they are supplemented by a student income of more than € 1,500 per month (or € 18,000 per year)*

##### 3. A couple with 2 children : (aged 14 and 18 years)

Basic Income:  $600 + 600 + 150 + 444 = € 1,794$  per month

##### 4. A couple with 4 children (aged 8,12,19 and 22 years)

Basic Income :  $600 + 600 + 150 + 150 + 444 + 444 = € 2,388$  per month

##### 5. The case of a person living alone

At first sight, this particular case seems to point up a weakness in the VIVANT model – one can hardly live on € 600 per month!

But, in general, the VIVANT model will encourage many people to live together, who at present live apart (fictitiously?) to avoid the higher taxes due on joint revenues.

### **Additionally, two special cases may be envisaged**

a. People living alone may apply to the Welfare Office, which, according to the VIVANT Programme, will help them (in cash or in kind) to live **above** the poverty line.

**Extract from VIVANT's Programme :** “ *Reorienting the mission of the Welfare Offices : For those who are not able to meet their daily requirements we envisage the possibility of appropriate social assistance.* ”

*VIVANT's Programme provides for a subsidy to Welfare Offices and other specific assistance of € 2.4 millions. (2007 index)*

*Today, such assistance costs € 13.104 millions. (2007 index)*

**(See the Belgian State budget below)**

b. Handicapped people living alone

They will be assisted financially with a supplementary income from the State.

**Extract from the Programme :** *With Vivant, they will have their Basic Income, plus supplementary financial assistance. The sum of the two will be **comparable** to what they receive at present.*

*In addition, they may earn supplementary incomes through paid work without losing their Basic Income or the assistance they get owing to their handicap. New social and public health initiatives will be taken to address their specific needs.*

**As for senior citizens**, in the VIVANT model they receive a Basic Income of € 888 per month from the age of 65 and have a life behind them when (in principle) their purchasing power will have been more regular, allowing them to take out complementary insurance.

In addition, they are free to continue paid work. **(1)**

**Extract from the Programme :** *In VIVANT's socio-economic model, senior citizens will receive a Basic Income of € 888 per month ... Those who at present receive a pension at a higher level will keep it.*

*Those who have worked for several years, and hence contributed towards their pensions, will receive a pension calculated on their contributions. Consequently, where pensions are concerned, Vivant's system will not apply immediately, but will go through a long transitional phase. **(2)** Senior citizens remain free to participate in private pension schemes.*

**(1)** Senior citizens working 6 hours a week (27 hours a month) will gain from this activity :

a. Extra income

b. Probably better health through getting out of the house, taking suitable responsibility and continuing to use their brains

c. Continuity of social life.

**(b + c = savings for the Social Security)**

**(2)** In the transitional period, those who have made contributions will continue to receive their pensions as usual.

### **Conclusion**

We have shown that the Basic Income of the VIVANT Programme **supports** incomes and **limits** the erosion of purchasing power.

On the macro-economic level, € 65 million per year are required to fund the Basic Income in Belgium (2007 index).

This amount will be injected directly into consumption and thus into the real economy instead of going into speculations (like investment fads) that **feed inflation** and decrease purchasing power.

Making a basic purchasing power a right is another way of subsidising employment and the market, for it is a defence against the cannibalisation of the poorest by the rich. **Subsidising the individual** corresponds to the intentions of Article 25 of the Universal Declaration of Human Rights of 1948 :

*“Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control.”*

**Subsidising the individual** in the context of economic efficacy is in reality strengthening liberty, equality and fraternal solidarity.

**Subsidising and helping the individual** unconditionally should be the vector of socio-economic action in the context of a more humane globalisation.

Purchasing power will thus be :

- a. **maintained** in the framework of taxation of consumption without increasing the cost of living
- b. **supported** by the safety net of the unconditional Basic Income.

Pascal ROUSSEL

Jean-Paul BRASSEUR

### **BELGIAN NATIONAL BUDGET (~ 2007) In Billions of EUROS**

<b>BUDGET OF PUBLIC ADMINISTRATIONS</b>					
	<b>EXPENDITURE (GEUR)</b>			<b>REVENUE (GEUR)</b>	
	<b>PRESENT</b>	<b>VIVANT</b>		<b>PRESENT</b>	<b>VIVANT</b>
<b>TOTAL BUDGET:</b>	<b>127,332</b>	<b>108,574</b>		<b>122,46</b>	<b>109,86</b>
<u>Economic Affairs :</u>	6,156	1,75	<u>TAXES :</u>		
Employment	3,72	0,25			
Independents, Professionals and Agriculture	1,50	0,30	<u>On Income</u>	<u>84,936</u>	<u>25,128</u>
Commerce and Industry	0,936	1,20	Salaried, Self-employed & Lib.Pro.	31,62	16,128
<u>Foreign Affairs:</u>	2,532	2,52	Companies	10,776	9,00
Relations with countries	0,456	0,42	Social Charges	42,54	0,00
European Union	1,32	1,32	<u>On Consumption</u>	<u>32,004</u>	<u>66,372</u>
Development Assistance	0,756	0,78	VAT / SCT	19,668	55,572
<u>Social Affairs:</u>	63,792	76,488	Registration	2,436	0,00
Pensions	22,08	0,00	Excise Duties	6,66	9,00
Health Care	15,60	3,10	Customs Duties	1,368	1,80

Invalidity	0,396		0,396		Miscellaneous	1,872	0,00
Unemployment	5,556		0,00		<b>FISCAL</b>		
Career Break	1,956		0,00		<b>CONTRIBUTIONS :</b>	<u>5,52</u>	<u>18,36</u>
Family Allowances	5,10		0,00		Property levies	5,52	6,00
Other (Welfare Offices, etc,,)	13,104		2,40		Basic Income from Companies.	-	9,36
Basic Income	0,00		65,592		Financial transactions levy	-	3,00
<u>Cultural Affairs:</u>		13,956		6,00			
Education/Cultural Affairs/Sports	13,956		6,00				
<u>Security :</u>		4,236	1,356	1,356			
National Defence	3,30		0,00				
Police & Gendarmerie	0,936		0,00				
<u>Justice</u>	1,32	1,32	0,90	0,90			
<u>Environment</u>		7,5		2,10			
Land Use and Transport	7,50		2,10				
<u>General Directorate</u>	6,84	6,84	2,40	2,40			
<u>Interest Charges</u>	21,00	21,00	15,00	15,00			

## Remark

**Present public expenditure** can be compared with that proposed by VIVANT only with great prudence. The differences are as great as they are because the present real cost of a public servant is from 60 to 80 % higher (the basic salary the State pays its employees is already included under VIVANT's 'Basic Income' heading).

Most public activities are in the service sector, which brings the cost of contributions calculated on salaries to over 50% of the whole.

For all public sectors personnel costs amount to some € 24 billion ; VIVANT would reduce that figure to about € 9 billion.

-Subsidies to companies would be abolished. Most payments to individuals (scholarships and similar) would be replaced by the Basic Income.

In summary, expenditure proposed by VIVANT cannot be compared with the present situation:

-because in VIVANT's State budget (under both Revenue and Expenditure), the taxes and charges the State pays to itself (on civil service salaries) no longer appear

-because the expenditure on Basic Income in the VIVANT budget covers a large part of the present State budget, notably the Basic Income to public servants.

