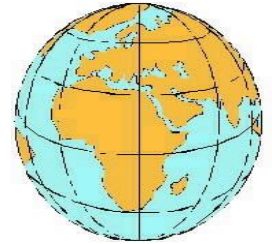




EUROPE

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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)

VIVANT-EUROPE PROGRAM

Preamble

A universal allowance or basic income is the payment to all the citizens of a country, irrespective of income, wealth and professional status, of a single income enabling each of them to satisfy its primary needs (food, shelter, clothing, basic cultural goods).

Summary:

1. Programme summary
2. Schema: the problem and the solution for labour costs
3. The more detailed programme
4. Status of the self-employed in the socio-economic system of Vivant-Europe (for Belgium)
5. The impact of this model on daily life (for Belgium)
6. What are the concrete changes for citizens and the state in the socio-economic model of Vivant-Europe?
7. What this socio-economic model of Vivant-Europe brings to the citizen, the taxpayer, the state and society.

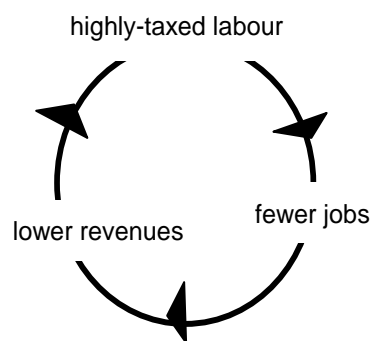
1. PROGRAM SUMMARY

“Liberate work by removing its tax burden and finance social security by taxing the consumption of goods, without increasing the cost of living, (Note page 4) only on finished products, which most often are produced by machine.”

(+ unconditional Basic Income for all)

2. SCHEMA: THE PROBLEM AND THE SOLUTION FOR LABOUR COSTS

The problem




Price pattern for the same product made in Europe and China

Europe	China
VAT	VAT
Employer Tax	Employer Tax
Income tax	Profit
Payroll Tax	
Profit	
Amortization	Amortization
Net salary	Net salary
Raw material	Raw material


Cost of work

For products produced in Europe, the price in store stays stable

Structure of prices today

VAT	 VAT 50	Taxes
Tax on Labour		
Real cost 50	Real cost 50	Cost

Actual cost

 100	55
	45
	Employers' contributions Employees contributions income tax Netsalary 45

With

 Netsalary 45	Salary costs 25
	Basic income 20

3. THE MORE DETAILED PROGRAMME

VIVANT-EUROPE PROPOSES FOR BELGIUM index 2012

- **The introduction of an unconditional Basic Income for everyone.**

From 0 to 17 years : € 175.

From 18 to 24 years: € 518.

From **25 to 64 ans** : € **700**.

With more than 65 years : € 1036.

Even those who have never had a paid job are entitled to a Basic Income, for example parents looking after their children at home, freelancers, persons un entitled to social security, persons living in poverty, etc. – in short, everybody without exception has a right to a Basic Income.

- **The abolition of social taxes on work** (or labour), so as to make employment affordable again.
- **The abolition of tax on private monthly incomes not exceeding € 1,500.**
(50% tax on which exceeds € 15,500 per month. To actually pay 50% for the whole of the tax, we must earn 60,000 per month)
- **Reduction of corporation tax to 15%.**
- **Free health insurance for all citizens (permanent residents).**

Consequences

- **The cost of labour (of employing workers) diminishes radically.**
- **Employment levels rise.**
- **Work and services become cheap again.**
- **Companies stop delocalizing.**

Explanation: If you are currently earning € 1,500 net, you are effectively costing your employer € 3,330 ie three times.

However, when under Vivant-Europe system you receive a Basic Income of € 700 , you will cost your employer only € 800 . Your employer will be able to employ one, three extra people, if desired, with the same budget of € 3,330

- **“Black” work is eradicated, as labour is no longer subject to social taxes.**
- **The State’s expenses are reduced.**
- **The requirement to report for unemployment benefit therefore becomes redundant.**
- **As the price of labour becomes affordable a-gain,** the demand for clandestine workers disappars and they will be less encouraged to immigrate illegally.
- **The efficiency of the public services is increased.**
- **Social exclusion is significantly reduced.**
- **People are enabled to change jobs easily and find the job they like.**
- **People are given the chance to enjoy life.**
- **People are enabled to work as much or as little as they want.**
- **Those who work hard can earn a lot. ● Entrepreneurial initiative is made easier.**

Two hundred years ago, 50% of the population needed to work in order to produce enough food to feed the whole population. Today, the corresponding figure is 2%. And only a quarter of the world population would have to work in order to produce 100% of all the goods needed by the people on the planet, at the same time providing a decent income for each one of them, whether working or

not. This represents an in-credible new freedom... and it is within our reach! The principle behind Basic Income is that you are free to work a little, a lot or not at all.

A Basic Income guarantees you your means of subsistence whatever happens. And working allows you to earn more if you want to.

Everybody has this freedom of choice.

Who is going to pay for it?

The labor tax and tax on physical persons up to € 1,500 per month are deleted and replaced by taxes on consumption which helps fund the basic income.

Note: This tax does not increase the cost of living. Indeed, if we tax 50% a product whose cost price + profit is € 100, its price will be 150 €. If, against the cost price + profit of the same product is only € 65, because the work is zero-rated, its selling price, including tax, will be € 98. This shows just wish that the consumption tax in this socio-economic model, does not increase the cost of living and helps fund the basic income.

Is the project realistic?

Many people name this utopian, but humanity has al-ways progressed thanks to innovations that reactio-naries of the time rejected as utopian.

A few Utopias have in the course of history become irreversible acquisitions: the abolition of slavery, uni-versal suffrage, the women’s vote, paid holidays, obligatory schooling, etc. **What Vivant-Europe offers is both simple and wise** and is only a matter of common sense and represents true progress in the sense of **greater solidarity and conviviality in society.**

Analysis of the price of an 800 g. loaf of bread				
	Present system		VIVANT’s system	
Raw materials:	€ 0.57		€ 0.57	
General costs:	€ 0.21		€ 0.21	
Labour:	€ 0.95		€ 0.31	
Taxes:		€ 0.10		€ 0.06
Profit margin:	€ 0.29		€ 0.29	
	<hr/>		<hr/>	
Total VAT excl.:	€ 2.04		€ 1,44	
VAT:	6% = € 0.1224		50% = € 0.72	
Total VAT incl.:	€ 2.16		€ 2.16	

4. STATUS OF THE SELF-EMPLOYED IN THE SOCIO-ECONOMIC SYSTEM OF VIVANT-EUROPE (for Belgium)

The ordinary self-employed are today subjected to a plethora of taxes. Small and medium-sized enterprises produce at least 60% of the trade riches of Belgium and **they feel they are given no recognition from a meddling administration.** Vivant-Europe proposes more recognition and more simplicity, **in the name of transparency and efficiency.** Vivant-Europe points to future paths towards more simplicity and greater security for whoever wishes to set up in business or who is seeking employment.

.a. At present

At present, the self-employed are hedged about with **a mass of regulations that deprive them of any feeling of security** and prevent them from hiring staff. For example:

- As soon as their business is registered, the self-employed must pay the social security (ONSS), although they have yet no income.
- As soon as they set up their business, the self-employed gets involved with VAT administration, to the point of having to advance to it money they have not yet taken in. Sometimes, therefore, they must take out a loan ...
- As soon as they become self-employed, shopkeepers, artisans, bosses of small businesses, must acquire a **fiscal competence** to allow them to find where they stand in the maze of **laws and regulations.**
- And if they want to take on staff, full-time or part-time, they have to take on administrative work and responsibility for paying a salary, more than half of which is devoted to social costs.
- In addition, there are all those taxes on tools, publicity signs, scales, cold storage, &c.

They are subjected to all these constraints, which place them **in an abnormally risky situation.**

In short, the self-employed are required by the State to have **strong backs and abundant funds.**

b. In the Vivant-Europe model

In our model any person who is self-employed or member of a liberal profession will be required to set up a company from which he or she will draw a salary.

There will therefore no longer be self-employed persons in the strict meaning of the term, for everyone will be paid by a company,*with the same family allowances, pension conditions.

**The idea of the company structure is to improve tax administration, but does not require an excessive capital contribution.*

Company tax (including those of the “self-employed” and liberal professions) would be **15% of net profits instead of the present 33 to 40%.** The single rate **renders tax administration simpler and more open with** (real-time) **automation of book-keeping.**

A survey has suggested that these lower rates of company tax will diminish the manoeuvres of tax avoidance.

c. Advantages of the new model

The self-employed would be able to take on staff **without running great risk**. This will give them more freedom to develop their business, or to spend time on other things or with their families.

Many opportunities are missed because of the present cost of labour. If this is reduced as Vivant-Europe proposes this obstacle to development is removed.

With this socio-economic model **taxes are proportional to net profit gained** (15%), while today they are proportional to the human resources employed to carry out the work.

The new model lowers the risks run by small businesses by reducing fixed costs and offers greater security to aspiring entrepreneurs. Indeed, if their initiatives do not give the desired results, they still have the Basic Income to fall back on – plus the possibility of working for someone else.

In the new model the reduction of the cost of work (*by removing taxation from labour*) is balanced by a **Social Consumption Tax (SCT)**, and there will be no need to check on undeclared work. **However, automated accounting giving the latest position is then required.**

Vivant-Europe seeks to reduce taxation but wants everyone to actually pay what is due to the State. **Any tax that can be easily avoided is an unjust tax.** For this reason all self-employed and members of the liberal professions will constitute companies using a Company Fiscal Account.

In short, with this model the self-employed will become **much freer:**

They will be freed from all social charges and from taxes on equipment used for their work.

They will be rid of much heavy administration.

They will have greater possibilities to recruit personnel, because the cost of labour will be divided by two or three depending on the case, and unemployed status will no longer exist.

5. THE IMPACT OF THIS MODEL ON DAILY LIFE (for Belgium)

Rate of basic income (Belgium 2012):

from 0 to 17 years: € 175

from 17 to 24 years: € 518

from 25 to 64 years: € 700

from 65 years: € 1,036

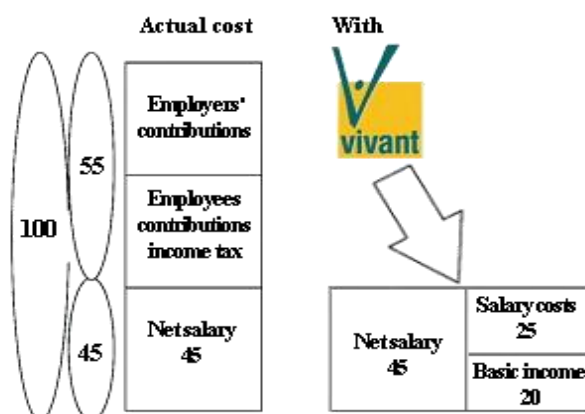
Many cases:

a. A household without children

Basic income: $700 + 700 = € 1,400$

The income of each spouse from an easier job to find must be added to this since it is zero-rated and costs the employer 3-4 times less (See diagram below)

Cost of work



Each member of this household will be tax-free up to € 1,500 (Basic Income included) and individual slice exceeding € 1,500 will be taxed at 50%. This means that up to € 3,000, the couple will not be taxed on their incomes.

Note:

We can see in this case (a couple) that the Vivant-Europe model **supports the spending power** of the Basic Income **and** the individual non-taxation up to € 1,500 per month

b. A couple with two children (12 and 16)

$700 + 700 + 175 + 175 = €1,750$ € Basic income for the family.

The Incomes of children are never taxed unless they are complemented by a student job exceeding € 1,500 per month, or: 18.000 € per year.

c. A couple with two children (14 and 18)

$700 + 700 + 175 + 518 = € 2,093$ Basic income for the family.

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

$700 + 700 + 175 + 1575 + 518 + 518 = €2,786$ the Basic income for the family.

e. One Person

At first glance, this case appears to be a **flaw** in the Vivant -Europe model :one can hardly live on € 700 a month!

In general, the Vivant-Europe model will promote the common life of many citizens who are now living in different places (fictional?) in order too avoid the accumulation of income.

In addition, two situations should be considered:

- The one person may appeal to the CPAS, which according to the Vivant-Europe Programme, will assist that person (in cash or in kind) to live above the poverty line.
- he single disabled person will be financially aided by additional income paid by the State.

f. A pensioner

In the Vivant-Europe model, the pensioner receives a Basic Income of €1.036

(Belgium 2012), from 65 years and may freely engage in paid jobs. In addition, this person will have (in principle) a life where the spending power has been more regular, which will allow this person to take out an additional insurance. Practically, the Vivant-Europe system for pensions cannot therefore be applied immediately, but will go through a long transition period of about 36 years.

6. WHAT ARE THE CONCRETE CHANGES FOR CITIZENS AND THE STATE IN THE SOCIO-ECONOMIC MODEL OF VIVANT-EUROPE?

a. For workers: here is no change because

In the new system, the income corresponding to the guaranteed minimum wage (€ 1500 in Belgium) remains obligatory, but the worker will receive € 700 of the Basic Income and the employer will pay wages of €800. Total: €1500.

b. For the employer, what changes is

- The cost of labour because the latter is zero-rated
- The salary level because it is less important as it is cut by the value of the Basic Income
- The administration is simplified
- The hires, because they are easier and less risky

c . For consumers

Nothing changes for the consumer because the consumption tax that will fund a large part of social security **will not increase the cost of living** (*justification page 4)

Currently it is the labour taxes that primarily provide the necessary money. In reality, all consumers, rich and poor **pay the tax on labour** because it is reflected in the cost price and therefore on the sale price. The financing of pensions is provided by the taxes on labour. It is therefore logical that, in this context, people have to work longer to guarantee that funding.

Vivant-Europe for its part, proposes to **remove tax on labour and services** and to finance the state mainly **by a consumption tax** on finished products, most of which are manufactured by robots.

Here are two applications of the **non-taxation** of services.

a. **When building a house**, what costs is labour. In this new system, work and services are zero-rated, we increase taxes on materials produced by the machine so that the overall cost of the house remains the same. Respecting man for Vivant-Europe is not taxing work any more, but what machines produce. **Thus the machine will liberate man rather than deprive him of his job.**

b. **A visit to a general practitioner** currently costs € 30 and in this cost doctors pass on their own costs of taxes and Social Security. In the new system, the price of the consultation will be no more than ~ €10, which represents a saving for the patient and for the social security.

7. WHAT THIS THE SOCIO-ECONOMIC MODEL OF VIVANT_EUROPE BRINGS TO THE CITIZEN, THE TAXPAYER, STATE AND SOCIETY

a. To the citizen

- The granting of a lifetime safety net (Basic Income)
- A freedom to undertake
- An increase in job offers because labour is cheaper (tax free)
- A tax system that allows financing through the consumption of health care.
- Cheaper untaxed services

b. To the taxpayer

- A practical and painless tax on consumption
- The elimination of the tax on physical persons up to € 1,500 per month (including the Basic Income) and a taxation at 50% on the portion exceeding € 1500.

c. To the state and society

- A funding of Social Security, which has its source (not dried up like work) with revenues of **the whole consuming community**.
- A financing of social security as well as on imports (through the consumption tax)
- A funding through a tax on finished products most of which are produced by machines (robots)
- A new dynamism for the purchasing power is more stable
- Limited risk for undertaking