

Smart

Memorandum
— elections 2019 —

Editorial

At every new democratic election, there is a certain degree of excitement around how candidates position themselves towards different issues and attempt to get noticed by the electorate, or make themselves known to newcomers. The 26th May 2019 elections will be quite peculiar for Belgium in the sense that no less than 3 elections will take place simultaneously, on the same day: the European elections, the federal elections and the regional elections. The implications are of course multiple and concern priority topics that will shape the way we, as European citizens, will all live together.

Rather than losing oneself in a never-ending voting guide which would only superficially address too many of these topics, or worse even, create an opposition between parties to the detriment of the deeper issues at hand, Smart has chosen to focus its memorandum on four key aspects: Europe, democracy, social protection and the shared company as a model of production.

Europe first, given that all European Union countries will be affected (while awaiting the outcome of Brexit). Is the European Union, as it stands today, be able to meet the legitimate needs of our citizens, whether social or in terms of participatory democracy? Quite clearly, our answer is no and we are putting forward concrete proposals that tackle these issues, as we remain convinced that Europe itself is significant in dealing with global issues.

Secondly, democracy. Rather than once again talking about the crisis democracy is undergoing, let's concentrate on the leverage that exists to bring it to life and make it effective, at every level. Let's be creative and dare to experiment in new ways.

Social protection, time and again. This true common asset enables us to be better equipped in order to deal with life's ups and downs. The forces that threaten it however are many: it must be protected at all costs, and, adopting a forward-looking view, must be reflected upon effectively, so that it can be adapted to benefit everyone without exception, first and foremost those in greatest need.

Finally, the shared company as a model of production. Smart, our joint venture, backed up by hundreds of thousands and with international reach, shows it is possible to do business differently. Let's therefore adapt existing regulatory frameworks to align them with this new mode of production.

Enjoy !

Introduction

Smart is a coming together of workers from all horizons, by means of a cooperative, equipping themselves with the means to independently develop their own economic activities and to earn an income that contributes to taxes and social security.

Our shared company was created in Belgium in 1998 and enables thousands of workers to develop their activities in a broad range of sectors. Smart is present in over 40 cities across 9 European countries. In Belgium, Smart has 10 offices.

Smart offers its members an original solution for creating their own salaried employment, providing an array of mutualised services in a broad range of domains: legal, financial, administrative, training, economic support, co-working spaces. In concrete terms, Smart provides advice, training courses and tools (administrative, legal, fiscal and financial) to support autonomous workers with the development of their professional activities. Smart's salaried-entrepreneur status makes it possible to associate social protection with a real entrepreneurial dynamic.

As a cooperative, Smart has made the statutory decision of having no return on capital and of prohibiting any capital gain on shares. It does not filter its partners: passing through for a one day job or developing their career there for over 15 years.

It promotes an active participatory mode of governance and social dialogue, and is all the more efficient given that the question of rewarding shareholders is set aside and that the entity is completely independent from public authorities or subsidies.

A few words about Smart's history...

In 1998, highly concerned with the debate around the social status of artists, an association – the Société Mutuelle pour Artistes (Mutual Society for Artists) is launched, with the ambition of overcoming the administrative difficulties faced by artists and casual workers from the cultural sector.

20 years later, the association has become a cooperative, umbrella to an ever-growing group, whose turnover exceeded 200 millions euros in 2018, backed by 250.000 users, salaried workers and autonomous entrepreneurs, a range of clients and partners, whether members or not.

Our ambition revolves around several fundamental elements: Smart is a shared multisectorial company, centred on the economic activity of people who wish to capture the value of their work and turn it into a professional income as well as into social rights, in the most protective system that exists in Europe today, the salaried status.

Democratising entrepreneurship in a framework that protects the person appears to us as being a way to reconcile value creation, economic dynamism, democratic participation in public life and balanced personal growth.

Europe and its states

On the occasion of the European elections in May 2019, there will for the first time be a risk of seeing an important number of elected representatives contesting the very concept of Europe itself, based upon nationalist or sovereignist ideologies.

Let's make a distinction between the European Union and the European concept in itself. The fact the institution is being contested is a good thing, a proof of its vitality. The fact that the European concept is today contested is more worrying. No state, not even Germany probably, is in a position to maintain a manageable and sustainable social model where all are able to live well, confined to the limits of its borders, its sovereignty and interacting with the world through simple bilateral agreements. No state reaches a sufficient critical mass to compel the markets, tools and operators of the globalised economy to adapt to its economic, environmental, social and fiscal models. Nevertheless, it is this re-embedding of the economy in society, in the way Karl Polanyi¹ understood it, that is at hand.

The only model that is likely to provide a way out of the European concept will be far more brutal than Thatcher's "TINA" (There is no alternative), taking the neo-liberal principle of deregulation further than ever before.

For categories of systemic issues (climate, fiscal and social justice, migration flows, etc.), common action within a legitimate European space of supranational sovereignty is necessary. This legitimacy isn't yet established and its development must be completed and reinforced.

The debate over whether the EU can be reformed or not, whether one should exit the EU or not, is a false debate. The real question is the following: is a supranational European sovereignty, endowed with the highest democratic legitimacy necessary to meet the challenges at hand? Our answer is yes, without a doubt.

Without this supranational sovereignty, that will be imposed on states, and without a democratic legitimacy built upon it, none of the battles related to fiscal and social justice, to the environment and to the climate, to the re-embedding of the economy in society or to the regulation of financial markets can be won.

We ask the parties, candidates and elected representatives to take a non-ambiguous stand

- on the need for supranational sovereignty to address major challenges which we can no longer back away from ;
- on the defense and extension of the European model of the "good life" in which self-fulfillment is key, rather than the blind growth of GDP and company performance ;
- on the fact this European model is incompatible with neoliberal policies, which divide society and tend towards the subjugation of an increasing part of the population.

1. Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time*, 2nd ed. Beacon Press, 2001

Democratic legitimacy, at every level

The demand for democracy in action, one that citizens are close to, is strong. It is all the stronger given that formal democracy, limited to electoral procedures that appoint the people's representatives, is clearly reaching its limits: nobody will do with it any longer. Sartre's perception of democracy in capitalist environments, "a set of formal rights coupled with actual denial" seems highly topical.

Action research, dare we say, in the field of democracy gathers interest from numerous organisations: the European Union of course, its states, regional and local authorities, sometimes down to the level of neighbourhoods, but also labour unions and even companies. Today, researchers such as Isabelle Ferreras² study and promote forms of democracy that impact production tools at their heart, where the social relationships that will in turn structure the political space are forged.

In contrast, reactionary and neo-liberal forces have never ceased to fragilise this very democracy: let's for example recall Macron's outright obligation that potential future candidates of his movement systematically vote for government projects and proposals³. Such an imperative mandate is the antithesis of representative democracy. Whereas in Great Britain, whatever one may think about the mediocrity of current political positions and strategies, the British Parliament gives a remarkable example of democracy in its confrontation with the government.

The deterioration of the image and functioning of certain counter powers (the press, labour unions) is equally regrettable: under attack, they nevertheless struggle to re-establish their own legitimacy, inherited from a world that no longer exists.

Let's also concern ourselves about government attacks against some of democracy's most precious assets: the division of powers, the independence of the justice system, freedom of association and the right to protest, equality of one and all.

Let's finally condemn government policies that seek to downgrade, even to exclude classes of people from citizenship (active, protective): refugees, prisoners, immigrants, sometimes on the basis of their religion or ethnic origin. This also takes the form of making certain rights increasingly difficult to access (accessing the justice system for example), or a slow deterioration of public services (in regard to disabilities or long term illness for example).

The authoritarian temptation, in favour of an infinitely restricted social class and to the detriment of all the others, is palpable, all over Europe. It has, we're sure of it, under the cover of technocratic arguments of efficiency and effectiveness, sought to lead a movement of popular disaffiliation⁴ of citizens from democracy itself. No single democratic tool, such as different kinds of elections (majoritarian, proportional), referendums, "constituencies" or other citizen parliaments, is in and of itself able to meet this real need for democracy on its own: they are all useful in their respective roles and mutual relationships. Recognising the social issue must however come first: democracy is incompatible with the friend/enemy dialectic which has become the intellectual premise of politics across the spectrum, to the

2. Firms as Political Entities, 2018 (<http://firmsaspoliticalentities.net>)

3. «Each candidate who will be invested will, with me, sign the contract with the nation. That is to say he/she commits to voting the major projects, by my side, that is to say to support our project. There will be no rebels [...]» Libération, 14/6/2017

4. as meant by sociologist Robert Castel

detriment of the social issue which according to us, must be central if we are to re-establish democracy, its meaning and procedures. The fantasy of direct, immediate and natural popular sovereignty – as long as we can agree on the meaning of the term, can only result in the disappearance of the disputation, of the debate that structures confrontation, through words rather than in the streets. The dissensus is solely political, always, and it is in this realm that it is endlessly reconfigured, without ever being resolved.

Whether it is about the European Union or Belgium, who renew their federal, regional or community assemblies at the same time, we consider that representative democracy can only function within a complex network of multiple representations, whether operating at the state level or at the level of companies, labour unions, health mutual funds or local areas. There may otherwise soon only be no other choice than between totalitarian power and the exuberant fantasy of "natural popular sovereignty", two sides of the same fake democratic coin.

We summon all levels of power, as well as labour unions and other professional organisations including those of social action and protest, intermediary bodies and companies to enact and reinforce democracy at their own core, endowed with the greatest legitimacy. Moreover, to encourage civic engagement through information, debate, consultation and only subsequently through representation or voting.

We summon future elected representatives and commissioners, no matter which assembly or body they participate in, to endorse the role and convictions of this assembly or body adopting a long term view, freed from a short-term electoral vision and allegiance to parties. The latter are not an end in themselves, by any means: the parties and intermediary bodies are only forms amongst others, necessary for representative democracy to coordinate the debate.

We recommend the European Union:

- to equip itself with strong democratic legitimacy: a sole parliament endowed with legislative power, an executive under parliament control, independent judicial power and of course, the division of these three powers...

We advise Belgium, at every level:

- to draw inspiration from the remarkable example set by the German-speaking community who has recently equipped itself with a citizens assembly, structurally hinged to the parliamentary assembly ;
- to increase transparency and communication around consultation as much as decision-making of all legislative, administrative, operational, management and advisory bodies etc. which contribute to political decision-making processes and the execution of their outcomes ;
- in relation to the two above-mentioned points, to reinforce partnerships with users in all administrations and other bodies in charge of implementing policies: the relationship people have to politics on a daily basis is their relationship to these administrations and bodies.

At the federal level, we recommend:

- guaranteeing the independence of the justice system, and the means for this independence ;
 - granting anyone over 16 the right to vote ;
 - automatically granting all foreigners residing in Belgium the right to vote ;
 - dissolving parliamentary immunity, for all assemblies.
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Social protection

Social protection as it was built in Europe from the end of the XIXth century onwards, admittedly taking different forms and always in the aftermath of social struggle, is an essential component of a social model which must be upheld, promoted and extended. Based on this model, the concept of a "good life" cannot be one of a submissive life or constrained by the so called "natural laws" of the market.

The environment it should address has thoroughly evolved: lifestyles, from family to housing, the distinction between private / public / professional life, forms of work organisations and careers are no longer the same as they were at the middle of last century. These developments are often endured, sometimes chosen: many workers today for example value finding meaning in their work or well-being in their private / professional life balance over income or maximising the value of their degree.

*A livable world for all*⁵ combines, for our part, issues of exclusion, social emancipation and social protection, the latter being the operational strong arm for the first two to be resolved.

Without effective social protection, based on high standards, for each and everyone without distinction, we'll be left in a world of fierce competition, of ever more brutal social relationships and of social and unrecoverable generational divides.

The battle against social dumping must be pursued, at the European level, upwards rather than downwards, which implies – still on this same European level, mechanisms of wealth equalisation and portability of rights, but also of fiscal justice, without which resources will lack. Cooperation without redistribution is a fable with no impact.

All attacks against protection mechanisms, humiliating procedures, the segmenting of populations and segregation, reducing or suppressing rights, administrations left to go adrift, tax evasion, all contribute to:

- disintegrating society until it reaches unacceptable breaking points ;
- delegitimising the social and political history it has been built on ;
- inducing the same popular movement of disaffiliation, social this time, similar to the citizen disaffiliation mentioned above.

We summon the European Union to draw up a European fiscal justice and social security recovery plan, which states can then adapt to their own specificities. A plan far more ambitious than the European Pillar of Social Rights, so as to avoid the Sartrean trap of formal rights and actual denial. A plan that:

- institutes social security as common property and sets ;
 - the general principles and mechanisms for funding social security, while preventing any degradation ;
 - the lowest level of social benefits ;

5. Jean-Yves Pranchère, Esprit n°451, 2019

while extending this protection to all people residing on the European territory ;

- establishes a minimum wage and maximum working hours, as well as basic standards in terms of security and well-being in the workplace ;
- guarantees that no form of work, career, income, workplace relations or organisation of work creates an obstacle to accessing or maintaining social rights, nor diminishing their impact ;
- aims to remove any capacity that states or companies may have to seek out a competitive advantage based on a degradation of social, fiscal and labour standards.

From then on, the EU will apply itself to facilitating the transnationality of social rights, removing any obstacle to the free circulation of people and labour.

We summon the European Union and its states, through social dialogue, to find price regulation systems for the self-employed labour market (freelance type), in order to guarantee these workers a fair wage in exchange for their services.

We recommend Belgium, at the federal level:

As of now,

- to abstain from any cuts to social security funding ;
- to guarantee that no form of work, career, income, workplace relations or organisation of work creates an obstacle to accessing or maintaining social rights, nor diminishing their impact ;
- to put as much effort into administratively simplifying the access or maintenance of social rights for its beneficiaries as the government puts into simplifying the administrative life of companies ;
- to establish the individualisation of rights by putting an end to the cohabitant status ;
- to establish the automaticity of rights (the automatic activation of rights) ;
- to place employer social fraud and tax evasion schemes of companies and owners of large fortunes at the top of their list of priorities, dedicating adequate resources to it ;
- to raise the minimum wage ;
- to opt for progressive taxation over linear taxation ;
- to continue to reduce working time and to go back to a standard age for an end of career (complete or incomplete) set at 65 years old, or after a 40 year long career ;
- to combine all types of income and assets to finance collective needs, restoring a fair balance between deductions from work pay and deductions from company profits, private assets and their income, including inheritance rights and inter vivos gifts ;

- to pursue the uniformisation of different social security regimes, in order to end up with only one social security regime ;
- to put an end to the unbridled search for competitive advantage through deteriorating labour conditions and salaries, fiscal measures that diminish the state's capacity to fund its public services and social security, or through social measures that diminish the level and quality of protection ;
- to remove all measures that are unfavourable to socially insured persons in unstructured forms of employment (multiplicity of working relationships, irregularity, non conventional earnings, etc.).

We recommend the regions:

- to continue to implement the provision of socio-professional support to jobseekers, adapted to their specific experience as well as to the social and economic needs of a territory, no longer seeking to meet statistical objectives or "budget neutrality" ;
- to massively invest in training, and to simplify the sectorialisation of assistance and procedures ;
- to reinforce the assessment and control of the impact on employment of all financial assistance provided to companies ;
- to ensure all public contracts provide high-level social and environmental clauses , while opening them up to new forms of entrepreneurship, particularly collective or shared entrepreneurship.

We recommend communities

- to add a course on the history of social security and labour rights, as well as on the structure of the state budget (and other federated bodies), to the secondary school curriculum.

In the Cultural and audio-visual sector:

- to compel all subsidised organisations to respect types of contractualisation and social standards that:
 - systematically influence the workers' access to social security, particularly by excluding the use of forms of payment such as the "semi-agoral" or collaborative systems (measures taken by De Block and De Croo) or the "Régime des petites indemnités" (a low flat-rate reimbursement rather than a salary - for artistic work) ;
 - provide minimum salary scales 10% higher than the salary scales of branch collective agreement.

The shared company as a production model

Karl Marx⁶ acknowledged it: humanity will never cease to produce, which begs the following questions: produce what, why, for whom, by whom and how? Even the models that project the strongest decline cannot disregard production. Depending on how these questions are answered, specific modes of production forge, and will in future come to forge, the social relationships that structure the political space – which is our present concern at the dawn of the May 2019 elections.

The re-embedding of the economy in society according to Karl Polanyi⁷, which matters much to us, can only base itself on a reworking of our models of production. Global economic and social issues are especially concerned with these questions, and the answers we can bring will build on the themes evoked above: the European concept, democracy and its spaces of legitimacy, social protection and fiscal justice...

From our point of view, one way of reworking our modes of production in accordance with the above-mentioned principles, is embodied by the shared company which is to say, an enterprise characterised by:

- an company with capital ;
- having no return on capital or a return no higher than inflation ;
- the production and commercialisation of goods and services ;
- capital owned by all stakeholders of the production-trade-consumption cycle, yet predominantly owned by the company's workers ;
- capital that structurally cannot be subject to speculation ;
- a mode of governance based on the "one shareholder = one vote" principle without taking into account capital held.

Smart is proof that such an enterprise can be economically efficient, socially useful, and able to deploy itself at the European level like any large company can: over 200M euros of consolidated revenue, the equivalent of 3.000 full time jobs, thousands of members in over 40 cities and 9 countries across Europe. All of this without benefitting from public subsidies, for its core business, and disposing of enough of its own capital to finance its growth and development.

Whether such a company takes the form of a cooperative of production, consumption, work and employment, of a Private Limited Company (PLC) or a Limited Company (Ltd) whose statutes establish such rules, or of any other model, matters little as long as these conditions are met. This kind of shared company naturally has a social aim, from the mere fact it belongs to its stakeholders and its governmental and shareholder control is insured by its workers, whether salaried or not. While it trades and produces, as an institution it is devoid of any profit making objectives, even though its workers pursue such a goal, if only for their livelihood.

6. Marx, Le Capital, 1867, book III, chap. 48

7. Karl Polanyi, The Great Transformation: The Political and Economic Origins of Our Time, 2nd ed. Beacon Press, 2001

According to us this kind of enterprise is better able:

- to sustainably promote short and efficient channels between supply and demand ;
- to neutralise the toxic effects of capitalism as much as possible, without making any concessions on economic efficiency, while reinforcing the workers', clients', users' and consumers' influence on the economic organisation of needs, and how to satisfy them - respecting the highest social and labour standards.

In short, the shared company belongs to those who need it, rather than to those who hope to capture its profit on the sole basis of having invested in it. Not that there isn't any: it is just that it is made available to the collective, within the enterprise.

We call for vast spaces of entrepreneurial experimentation, centred on the preeminence of work over capital, on the mutualisation of risks and tools of production, on cooperation rather than competition, whose dynamics are based on individual and collective independent initiative. It seems on point to promote the emergence of sustainable and maintainable production, using short channels, closest to the needs of individuals and collectives, shaping the organisation of work in ways that are adapted to the workers' life-project... autonomous and solidary.

We recommend the European Union :

- to abandon the dogma of free competition as a founding principle for the Union, in order to free up the capacity of states to equip themselves with public services for all sectors ;
- to acknowledge the shared company - which will be assigned a precise definition, as a full-blown form of enterprise, to which the European Union confers specific rights and missions regarding social and economic development ;
- to admit that each member has the right to act on an individual basis, through the intermediary of the shared company, in what concerns state aid and access to public contracts.

We recommend Belgium, at the federal level:

to also acknowledge and accredit this form of shared company, whatever its legal nature may be.

- to make compatible, socially and fiscally, the role of active shareholder and that of salaried worker in a shared company - on the grounds that the latter cannot, structurally, make an economic profit from his/her role as a shareholder ;
- to give a tax advantage to investments in shared companies.

We recommend the regions:

- to acknowledge the coupling of the active shareholder role and that of occasional salaried worker in a shared company as a legitimate approach to an active job search.
When a shared company is intending to mutualise individual or micro-collective initiatives within a common legal and administrative unit, to make each of these autonomous economic entities individually eligible to all forms of government assistance for entrepreneurs and accreditations, as well as to warrant their individual access to public contracts.
-