Social (?) Capitalism 2035

NO, I am not a communist, no, I don’t hate money, if you would wonder!

I don’t need all the data in the world in realtime to see that capitalism as we have it now, is finite.

There is no infinite growth, or an infinite pile of money to be made. ( Very important to keep in mind if you want to talk long term capitalism and global economics)

If all companies want to grow ,let us say 7% pro year, than they will double there profit in 10 years.

How can every company do this ? There is basically not enough money there.

Actually the only way companies grow is by other companies doing worse (or even stop) and the constant growth of the population. This cannot go on, we need another society and another capitalism.

But there still will be rich and poorer people, companies and government and all the things we have today , but we can do without poverty, war, famine, etc. and “profit” will have another connotation .

This means a capitalism based on personal commitment ,responsibility and effort and the choice of how much work we do and the rewarding of innovative ideas, regardless of who had it AND no greedy grabbing culture (sorry for all those … ) .

But bear with me for a moment and follow me into my way of (disruptive, chaos ) thinking which , on this subject started as early as the age of 10…

I LOVE Fibonacci, he has been in fact a big help in developing my personal way of problem solving : “Fractal association” , this always pushes me from a small , domestic “problem-solution “ issue towards the same thinking on national or global scale. I was very upset when I was thinking on why my wife works so hard and gets so little money ( she is independent and has her own F&B ).

At the same time I was frustrated on the amount of money spilled by my department (National Defense) and the reluctance of “management” to do some fundamental “change”.

…Of course one day, they added up into a concept … Social capitalism.

I divided economy into two sorts of ” companies” the PORG and the BORG. ( Nothing Star Trek-like)

The PORG (in Dutch, my native tongue, it’s WORG) is actually a “Profit ORGanization” and a BORG is a “Budget ORGanization” (e.g. government).

The difference between them is that PORG needs to produce **Profit** and BORG provides a service, coupled to the **BUDGET** they get.

( \* I need to stress that there are some inconsistencies in this way of cataloging companies but for the sake of the explanation I keep to these two )

For PORG this means :

Cost (resources , personnel, support, operations, growth, profit) add up to the price of the provided product or service

For BORG this means :

Cost ( personnel, support, operations, growth ) add up to the budget needed to provide a product or service

Notice that the main difference is that the C (resources) in a BORG is gone. These resources are the assets that are bought and are altered to obtain value adding (such as raw materials) , resources bought in a BORG are only needed to produce the service ( paper for printer, computers , etc ) and are situated in the C ( Operations) as with PORG . And of course there is no “profit” to be made in a BORG.

In a way this is a different presentation of OPEX and CAPEX.

In a PORG , the goal today is to keep , or better augment the C (profit) , with profit I mean the volume of money not strictly needed for all the first C ‘s ( thus money that can go towards extra bonuses, dividend payment, expansion, etc ) When C (Profit) tends to drop, there will be a price augmentation of the product or the discharge of personnel ( other options aside) this has two major (and very important ) effects : the cost for the people or companies who need these products will go up , thus provoking there product price to go up (etc, etc , etc) and the drop in workforce stresses the community by poverty , crime, welfare to be provided etc. so two things we realy can do without ! .

I don’t see “**Profit**” to be measured in absolute figures for me means it only means **happy shareholders** , so we should STOP making more profit each year , the same is good enough! Prices of products or PORG services should NOT get higher because of the rise of the cost of all those C under the influence of extra, needed capital for government , key there is efficient government !

The other issues towards companies are explained below.

In a **BORG** there is a certain service to be provided ( police , defense , hospitals , public schools , welfare etc.) these services could be seen as constant or expanding towards “more” .

Budget is adapted in accordance of the need. (so also bad government means higher budget…) , these kind of businesses should have a separate way of being taxed or not taxed at all , because of the common service for the society, which will reduce their costs and provide a **cheaper service which benefits the community and government expense** .

In general terms , the only really relevant point to be taken in account for buildup op “price” is the cost of harvesting raw materials (oil, electricity, minerals, textile, … ) if the cost goes up because of higher effort to produce them , this is the ONLY reason for price augmentation…

This PORG & BORG thinking has also some other implications but these are not relevant for the following explanation on “Capitalism 2035”

**Facts to work to :**

**Government** as explained above will need to get as efficient as possible, because bad governing provokes higher need of budget and thus higher taxation for individuals and companies.

(taxation should be as low as possible and standardized and constant with a minimum of savings the government is obliged to have each year (or budget period) , so ONLY SPENDING 85 % of the total GDP (!) , and a big part of expenses can only be done AFTER a budget period (which is one year) , like expenses for things NOT directly linked with the basic functioning of the government, such as welfare or extra financial help (premiums) for whatever purpose ) so this government cost , instead of getting bigger, will stay **constant** for companies and individuals or will be extremely logical and well monitored ( a new function of the banks) and there will always be a certain financial buffer .

This has an important basic fact : the government long-term business plan, but again basic (BORG) thinking here : Max number of public servers per capita and the max cost of this, the max OPEX cost , the cost for infrastructure and other community works, … these will all be estimations but after a certain reference period they will become pretty stable and predictable . (and the obligation of course for everybody to try to cut the costs with more efficient working or processes)

Exceptional extra cost for the government (new not foreseen infrastructure, disaster relief,.. ) should be taxed in a common sense and spread for everybody concept . This extra taxation should be presented simple and stupid ( for example : each company gets a bill for $ 10,000 (or better a percent of its profit ) every individual for $ 100 (or better a percent of their pay) , with the reason ( a new bridge that got broken unexpected ) total extra taxation should also be limited per year ) , this taxation should also be done automatically from the paycheck.

Companies that do the work or deliver goods, could be asked to be paid over a couple of years , with a little interest .

**Companies** , instead of having the urge to grow , driven by higher costs and greedy (?) shareholders, will have no need to augment prices of a product, because there is no higher (government) cost . (…)

Companies and society in a whole should get rid of the unbalanced and **ridiculous** pay scales or remunerations !

There is a need for a **standardized pay scale** for all functions and positions, this will facilitate business planning . This also means that you will be able to plan your entire career, and yes, I’m sorry for the opportunists, no bonuses ,or extra’s or whatever in this concept . (you can get more, don’t worry , see below)

This pay scale should be well thought over. What do you pay a doctor, a policeman, a builder? It will be something like now , the differences will be there, just fixed for **everybody** and also here because there will be no currency depreciation (fixed prices will do that…) .

I can live with some extra’s ( like additional payment for night work, but this list will be limited ! )

The profit a company makes will be maxed out but in a logical, balanced way ( no exorbitant wages and fixed , low taxes ) , and all companies will need a minimum of capital buildup (savings) and a minimum and maximum on dividend payment ( this will be regulated and can only be altered if there are major changes in business such as a fire with costs or other drastic costs not coverable with its minimum capital buildup or share capital and reserves )

This means that shareholders will be able to see the company business prediction based on exact figures in the beginning of a year (budget reference period), with an exact idea of dividend in normal conditions (besides those unforeseen costs .)

If companies want to do **investments**, they will do so in a planned and controlled way, writing a **“Call for investors”** .Anyone can participate for this (also banks or the company itself ) and the “**crowd** “ will do the financing , the company can decide the interest themselves ,and taking **full responsibility** if it fails and a will pay a minimum taxation on this investment for government ,this means that this money will be REAL money, money that already is there (!) and not virtual money. If the investment fails, everybody loses his money , but the risk is contained to the investors and for this investment and this amount only .

**Banks** will be government owned or at least controlled, there sole function : managing the REAL money , they need to have (for instance) 95% of their tradeable money in their possession .

They should be funded by a small amount of fixed cost per client ( amount for every bank the same ! ) and will have some new functions such as the management of automatic deductible costs and payments for individuals and companies and the monitoring of allowable investment credits and the management of those call for investors.

**Individuals** will work 25 to 30 hours a week for their function, this mean that a bigger amount of people will do the working ( further industrial automation will produce **less** work available, which shouldn’t mean less workforce but less hours **for the same pay** ! ) Actually this is the only logical way of thinking because the only other solution is higher unemployment with all its negative fallout.

If the mass of needed man(labor) hours in a company drops, the total amount of work hours per person will be dropped accordingly .

(\* So a company having 1000 people working for them ( times 30 hrs) will buy a machine that reduces the need for manual labor with 200 , than they will keep the 1000 , and divide the labor hours over the 800 people ( 24 hrs ) but keep paying them the same money (so they keep the same standard of living,(\*) this is a tricky part : what’s in it for the company or the CEO/CFO/ … ? THEY GET EXTRA MONEY FROM THE GOVERNMENT AND THE BENEFITED WORKERS , one time and modest ! , the amount should be in function of the downgraded workload, and of course still to be studied )

EVERYONE should contribute with working !!!!!! So there WILL NOT be unemployment. If needed, adapted work will be provided based on the capability of the person if we talk about disabled or even chronically ill people , not dying is close enough of being “fit for work “ .

… this idea is far from complete, has some (or even many) lose ends but this should be the way we rebuild our society and capitalism . ( my complete study is in a primary fase, but I didn’t want to wait to share, …)

As I said, there will still be rich people ( CEO/.. ) you can still get more money, by working extra hours in facilities where there is extra temp work or by investing into companies (your own ? ..) or by handing out ideas, or studying for a new function or starting your own business… but most important, this could be a great social model, and adapted to the reality of the not so far future where there will be lesser work available, and we don’t want a polarization with a rich part and a very poor part of society…

This society will, in the end evolve to a society where the world will work together with common goals and with common responsibility for global assets and the entire community.

And everybody will have quality of life, ample free time , time to study or do whatever.

**Monetary system** will be based on REAL money, the only factor that is going to influence the price of products and services will be the cost of elementary, natural assets (which should cost, to produce , actually nothing or minimum in relation to their use )

**Companies**  will all be profitable (because investments and risks are trapped in modules and separate investments ) and bases on need only (and not on greed)

**Determining the official share value** is just a **yearly** event with simple mathematics… ( you could say based on the difference between the planned business plan & profit and the effective. ) So you can trade the shares, but the real value setting will be done after one year (budget period) .

**TRADEABLE ITEMS**

Oh yes trere are some **“tradeable items”** : as said, **shares** are only officially revalued **each year**. In between they are freely tradeable but this will not (directly) influence the value at all !

**Workhours** , every individual needs to work x hours (between 25-30 for example) for an amount of money, however he could decide to work only 15 hours (maybe he has a wife that makes a lot more money..) and trade the hours to somebody else that would work these hours in him/her place.

**Ideas**, innovation, will level up our society constantly! And it will tend to a society with maybe no work at all, but every idea that makes it to a developed ( AND positively evaluated) concept , will be rewarded with money, and this for everybody which was involved in the development and decision making/taking, regardless of position, education, former accomplishments etc. ..... that’s actually involving the creative class permanently.

And of course **“personal items”** or goods.

**Housing** will be a challenge ! Everyone should be able to have a house, but only for personal use !

This means **NO RENTING** !!

You can have more than one house , but you **cannot** rent them to others, you may sell them with “profit”, but that’s it. (So YES, also here you can make money and even speculate ! ) And the payment for housing will be deducted from your paycheck automatically.

This implicates that there will be **NO homeless** people ! AND ( this will be a big challenge) we need mixed communities where richer and poorer people are blended … this will stop polarization between “rich” and “poor” but will emphasize the difference in “ more” or “less” - working people as a **choice** rather than a social , educational or financial imbalance . And so you will have big and small houses mixed at a lakeside.

(\* Social **nuisance** ( littering, rumor, theft etc.) will be points to be solved by other means that just repressive fining , this could mean that one could get relocated BY LAW if there are repeated problems… (objective data gathering is of course an important fact !This rather touchy issue has also still some loose ends , but This should be a socially balances way of living together, so if someone gets relocated his house can come free for anyone else who wants to live there, and the can swap houses ( this actually means a better house for the new inhabitant with better value (although not necessary) and a loss in value for the one getting “ deported”, but after this he can of course try to change houses again.

There doesn’t need to be a sort of “ghetto” thinking (preferably NOT) because of this mixed community there will be a higher social awareness and checking and this should also attack the perception of individuals that they are born in poverty and that this is their habitat for life… I was born poor , so I know how poor people think ! )

**All planned “investments” and used assets such as electricity, water , telephone and internet share, house, other will be deducted of the individuals paycheck automatically, and can only be part of his total paycheck or the family paycheck , so nobody can overinvest with bankruptcy as a treat** ! (…)

**YES THIS MEANS THAT BASIC NEEDS SUCH AS ELECTRICITY WATER TELEPHONE INTERNET AND HOUSING WILL BE PAYED IN ADVANCE !!!**

Social Capitalism, let go a part of our absolute freedom, regulate (automate) basic payments and cut the unsocial exorbitant remunerations and government as a tool, etc. …

**Jimmy Van de Putte**

**9041 Oostakker**

**Belgium**

**Contact :** [**Jimmy.vandeputte@mil.be**](mailto:Jimmy.vandeputte@mil.be)

**Mobile : +32 479 40 82 52**