

DEMOCRACY WITHOUT POLITICIANS

THE SECOND PILLAR.

In the explosive novel '**It Could Just Happen**' a terrorist plot destroys not only a government but causes a reset of how citizens must learn how to govern themselves.

There are no political parties and no professional politicians.

County Councils and Parish Councils combine to produce communities.

Each community have a randomly selected governing group who use the Edward de Bono Six Hat procedure to find the answer to complex problems.

The Chairman, assisted by a diverse group of advisors, provide questions for each community to debate and find answers for.

As the author of that book, I have been asked to provide further details (by way of a vlog) on each of the seven pillars of governance.

THE SECOND PILLAR.

You've Got to Make the Money Before You Can Spend It!

There are two parts to this podcast: The first part is about creating wealth for all, whilst the second part deals with taxation – it's introduction and its exponential growth. But first we need to review a potted economic history:

Napoleon, it was reported, described England as a nation of shopkeepers. Later, he amended this to a nation of merchants.

Global Britain became Great Britain by trading around the world thanks to astute merchants, intrepid sailors, and the Royal Navy that protected the vital sea lanes. Britain had finally departed from a feudal age of tenant farmers working for aristocratic landowners to the possibility of creating individual wealth for an entrepreneurial few who had the vision to trade internationally.

The industrial revolution added impetus to this trade. Men and women flocked into the towns and cities to turn the coal and steel and imported cotton into manufactured goods for the world economy.

Employers took advantage of this cheap labour force and workers were forced to accept minimal reward for maximum effort.

It took two world wars, a burgeoning trade union movement, and eventually a Socialist political party to redress the balance between employers and employees.

However, a generation later, this movement became counterproductive when the trades union movements pursued demands that led to overmanning, restrictive labour practices that made many industries financially unviable. This was further exacerbated by the challenge from Asia where a low-cost labour force was quick to develop their own industrial muscle.

Back in the UK, the service industry prospered, and high-tech start-ups proliferated. Politically, the extreme left and right of the main two-party system withered as the politicians scrambled to gain the centre ground. Tax and spend was seen to be vital to convince the electorate that they should vote for the party that would provide the best services. Note, that the best services were not necessarily the most cost-efficient.

Boom and bust continued until the 'sick man of Europe' was allowed to join the EEC (a trading group within Europe). It took more than four decades to discover that they had not just joined a trading group, but a supranational organisation maintained and organised by a vast, unelected, bureaucracy. Sovereignty was to be sacrificed on the alter of a Federal State of Europe and governed by a political elite (I use the term loosely as there are several flawed politicians from previous posts in Europe within the governing echelons).

In June 2016 the UK electorate had a referendum on whether to leave the EU. A surprise 1.74 million majority voted to leave. More than three years later parliament was still arguing about how this would be achieved as many of the dogged Remainers tried to reverse the result.

The military thriller, 'It Could Just Happen' moves from the Middle East to an international plot to destroy Parliament. The storyteller was unaware that a pandemic was about to ravage the planet yet alone foresee that Russia would go to war with Ukraine. The economic turmoil that these two seismic shifts are still playing out will doubtless affect us all. Overriding these problems looms the existential climate change that threatens all life, as we know it.

Thus, the title of this podcast: 'You've got to make the money before you spend it' might offer a suitable roadmap that may help us to navigate the economic trials and tribulations of the future.

The evidence from the last two or three decades demonstrates what technology can achieve. With the advent of AI and robotics, fusion technology, hydrogen power; and with renewable energy overarching every endeavour to provide sustainability, I have outlined the immediate requirements that will require national partnership funding.

Very many successful businesses have also been developed by entrepreneurial individuals. It is interesting that we don't even have a word in the English language to describe an 'entrepreneur'! It simply requires a person with the vision to see something that was previously unseen. Then, to have the drive to turn that vision into a reality. Our educationalists must be able to nurture that idea and allow creative juices to flow and develop. Students should be encouraged to believe that it is possible to create their own company. The more successful ventures may be created that will allow the economy to expand and provide well paid jobs for the many. To achieve this, people must have the ability to bring together a team that will embrace all the required skills of design, manufacture and engineering, media exposure, with the all-important financial controls. The vital production of a business plan that will translate the passion of the entrepreneur to a finance provider. Banks should not be the first choice of funding which should be specialist lenders using crowd funding principals with a mixture of equity and loan finance. Experience shows that whilst good ideas are important, the ability to bring together a team of people to cover the various disciplines is paramount.

Start-ups are never easy, a proportion of them will fail, but the fear of failure must be taken away – in the United States you are not considered to be a successful businessperson unless you have suffered bankruptcy more than once!

Taxation should be an important factor (but more of this later) enough to say that we should aim to provide the perfect place to launch successful start-ups and to encourage people from all over the world to set up shop in the United Kingdom.

Farming and fishing need to be adapted to provide a sustainable, independent food supply for the country using hydroponics, aquaponics, and genetically modified crops (farmers have been modifying crops ever since they rubbed the seeds off a blade of grass!).

The country needs to be totally independent for all its energy requirement. The scientists will continue to work towards fusion energy,

whilst wind, solar, wave, and hydro power will play their part. Nuclear energy needs to become the stop gap energy source whilst these sciences are further developed. The modular mini nuclear presently being developed by Rolls Royce is precisely what is required.

An innovative, sustainable economy needs to be produced by sowing the seeds of entrepreneurship during our early education process. By having funding available. By providing tax incentives. By applauding business success and not castigating business failure.

For the lucky few who get signed for a premier sports team, or produce a hit record, write a best seller, or become a super influencer on a social media platform, we congratulate you. However, it is the people that employ the most people and provide the best terms, rates and conditions for their workers that deserve the most plaudits.

Work life balance: several countries have implemented a four-day week with a three-day weekend and the result has been an increase in overall productivity. An alternative suggestion would be to produce a work pattern of four, ten-hour days, on, and four days off (the traditional weekend was based on the biblical six days shalt thou labour but as Sundays are no longer sacrosanct this could easily be changed). As described in 'The First Pillar' the educational timetable should also mirror this work pattern.

Edward de Bono's Six Hat theory should not only be adopted at board room level, but representative boards should also be produced on a regular basis to ensure company best practice and enhanced productivity.

Providing four days off every four days also means that an individual needs sufficient disposable income to enjoy the newfound leisure time. Thus, net take home pay become a serious consideration and should provide motivation for improved productivity. In addition, the workplace environment and general ethos needs to create the most enjoyable experience possible.

Young people are not usually interested in pensions. This must change, for as longevity continues to increase, we need to ensure that there are sufficient funds to ensure a comfortable life in old age. The practice of paying into a government scheme that isn't funded but simply funds the pensioners of today means that the pensions for tomorrow can only be paid for by the workforce of tomorrow. If the government was not the major stakeholder I would go so far as to describe it as a Ponzi scheme! This is stupid, and typical of so many fiscal measures that bare no real thought for future generations.

National Insurance (NI) paid by both employee and employer was originally designed to fund the National Health Service. Social Security,

and Pensions. In fact, it has simply become another tax along with Income Tax, Value Added Tax, Capital Gains Tax, Dividend Tax, Corporation Tax, Inheritance Tax, Council Tax, and a whole host of other taxes like Fuel Tax, Vehicle Road Tax, Alcohol Tax, Betting Tax, Airport Tax, and I'm sure that there must be more that I've missed!

It is obvious that every society have certain requirements:

They need to feel safe from harm – both from external aggressors and from domestic criminals.

They need to be able to receive health care from birth to death.

Education should be available to all throughout life.

Each of the above areas would be investigated and costed in detail with a budget allowing for every contingency. These amounts to be ringfenced. I will deal in detail with each area as separate podcast.

I would argue that every person over twenty years of age should pay income tax. There should be no personal allowances and it would be a flat rate percentage not exceeding 15%. VAT would be abolished and replaced with Purchase Tax where the tax would increase in line with the assumed luxury. Savings – interest, dividends, etc would be tax free to encourage thrift and saving for the future. Corporation Tax would also be set at 15% but there would be generous incentives for reinvesting in a company to ensure innovation and sustainability. Net earnings above a determined ceiling should be donated to a charity of the payee's choosing.

Every adult should pay 5% of their income into a National Pension Fund which would be invested in rental housing (rents linked to RPI that will fluctuate in line with the monthly inflation rate to ensure required growth). Excess funds can be used for other infrastructure investments controlled by a central authority and audited by competent authorities.

Crowd funding platforms should eclipse bank lending for new business ventures and individuals should be encouraged to invest in companies that interest them.

The absence of social security provisions is part of this design except for disability provision which will become part of the future health budget. Job Seekers, Universal Credit to be phased out and be replaced and administered by local communities.

The enormous waste of money from previous government ministries has resulted, it could be argued, when both politicians and civil servants must deal in billions when they are often not competent to deal in millions! Small is beautiful when required services are brought down to a manageable size and ringfenced and funds are used to produce the required services providing full transparency at a local level.

If, like me, you think that our present tax system is not fit for purpose for the twenty-first century, and that most politicians and civil servants haven't got a clue about developing long term business and motivating entrepreneurs we are all singing from the same hymn sheet. The written script for this podcast has been published on www.phoenixfilmandpublishing.com. discuss it with friends and family and

Thank you for listening to these very important questions.

let's hope that one day we might see some of the required changes take place.

My next podcast is 'Defence from an external threat' and will deal with how we might better arrange our national defence from an external enemy.