

National Reform Programme **2018**

April 2018

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1. Introduction

In this National Reform Programme (NRP), the various governments report on the structural reforms that have taken place since the country-specific recommendations of 2017 and indicate which measures may be expected in the near future. The measures are complementary to the budgetary measures developed in the Stability Programme. According to the governments, the reforms meet the findings contained in the Country Report, the country-specific recommendations for 2017, the priorities of the Annual Growth Survey, the path towards achieving the Europe 2020 goals, and contribute to the implementation of the European Pillar for Social Rights. This year's NRP is presented in a context of particularly good macroeconomic results for the Belgian economy. Those results are detailed in Chapter 2 and come from an environment with relatively stable income inequality which is rather low compared to other EU Member States.

The most striking of these reforms is the 'summer agreement', which was concluded within the federal government on 26 July 2017. The Agreement is the first step in a series of reforms that will be developed and implemented during the remainder of the government's mandate. Among the measures with a significant effect on economic potential are lower corporate tax, an exemption on dividend taxes, and increased flexibility in the labour market.

Other measures were implemented outside the framework of the summer agreement. For example, the second phase of the tax shift was implemented with a reduction in employers' social security contributions, and adjustments to the personal income tax system. The third and final phase will take place in 2019-2020. Furthermore, the fight against social dumping in the construction industry was stepped up, including with a phased reduction of wage costs for shift work on construction sites. In 2020, this reduction will have reached cruising speed and amount to 604 million euros.

Progress was made in the areas of infrastructure and investments with the 'investment pact' and the launch of an 'energy pact'. The national pact on strategic investments is in line with the European Investment Plan. It is intended to be an incentive for public and private investments in strategic sectors, such as transport and communication, as well as education and healthcare. The federal and regional governments aim to provide a stimulus of 60 billion euros by 2030. The federal and regional Ministers of Energy presented their vision for an interfederal energy pact to their respective governments in December 2017. Each of those governments have since given their agreement, although the federal government's agreement came with reservations. The pact lays down a vision for the Belgian energy system by 2050 and clarifies the various goals, including those relating to the climate. It lays down the foundation for a coherent medium and long-term strategy for adjusting the energy system by formulating a number of important measures aimed at accelerating the energy transition.

In the process of structural reforms, there is close cooperation between the communities and regions – including both the governments and the parliaments – and the social partners. The reform plans of the communities and regions are attached in full to this report as Annexes 1 to 5. They provide a detailed explanation of their measures for the implementation of the country-specific recommendations. Those programmes also identify progress in the regional Europe 2020 targets and the measures that support the achievement of those goals. The opinion of the social partners is also attached to this report.

In the framework of the European Semester, an intensive dialogue is taking place – both in the fact-finding mission and in bilateral meetings – between the departments of the European Commission and the respective levels of government in Belgium. Each of those levels (federal, communities, regions) brings up its measures in the framework of the European Semester

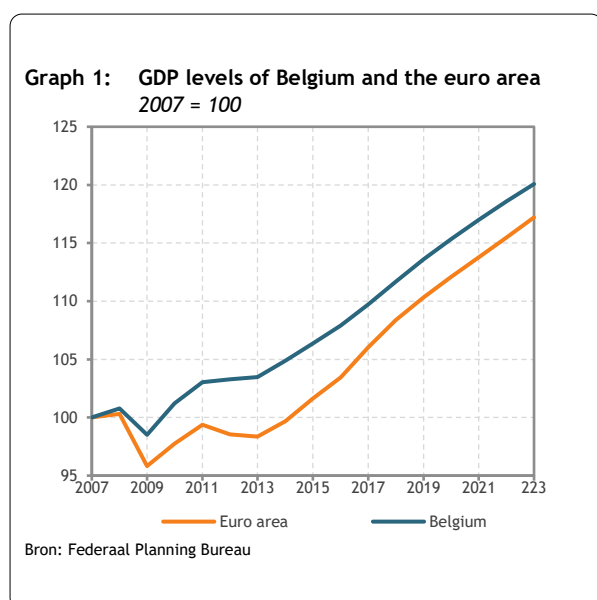
2. Macroeconomic scenario

These projections describe the main assumptions and results of the Federal Planning Bureau's (FPB) 2018-2023 economic forecasts for the new Stability Programme and the NRP. The figures were approved by the Board of Directors of the national accounts institute (Instituut voor de Nationale Rekeningen / Institut des Comptes Nationaux) on 19 March. The projection has been prepared on a no-policy-change basis. It factors in the information available on 14 March 2018. Therefore, the measures of the budgetary control for 2018 could not be taken into account.

Table 1: Key figures of the economic medium-term projections
Evolution in %, except when mentioned otherwise

	2017	2018	2019	2020	2021	2022	2023
GDP in volume	1.7	1.8	1.7	1.5	1.4	1.4	1.3
Consumer price index	1.7	1.7	1.3	1.5	1.6	1.7	1.7
Domestic employment (change in '000)	65.9	57.3	47.9	46.4	33.9	28.1	26.3
Domestic employment (change in %)	1.4	1.2	1.0	1.0	0.7	0.6	0.5
Employment rate (persons aged 20-64 years)	68.5	69.1	69.7	70.3	70.8	71.3	71.7
Unemployment rate (FPB definition)	10.4	9.7	9.3	8.8	8.4	8.0	7.5
Unemployment rate (Eurostat definition)	7.2	6.7	6.5	6.2	6.0	5.7	5.3
Current account balance (National Accounts - % of GDP)	-0.2	-0.5	-0.3	-0.5	-0.6	-0.7	-0.9

The GDP growth assumptions for Belgium's trade partners in 2018 and 2019 are largely based on consensus projections, while the IMF projections of October 2017 were used for the period 2020-2023. GDP growth for the euro area as a whole is expected to reach 2.2 % in 2018 and 1.8 % in 2019. Over the period 2020-2023, growth is projected to further decelerate to 1.5 % on average. Belgian GDP growth amounted to 1.7 % last year. The Belgian economy should continue to perform strongly in 2018 and 2019 (1.8 % and 1.7 % respectively), with private consumption gaining strength in particular. Over the period 2020-2023, the economy is believed to experience less robust growth, averaging 1.4 %. Compared to the euro area, GDP growth was stronger in Belgium, especially immediately after the economic-financial crisis, as shown in Figure 1.



The output gap (which stood at -0.9 % of potential GDP in 2016) is expected to close in 2019. The calculation of the output gap is directly based on an estimate of potential growth. It is based on the European Union reference method but applied to the statistical concepts and project framework of the FPB's national macroeconomic models.

The total number of jobs created over the period 2018-2023 would be 240,000, or an average of 40,000 per year. The number of salaried employees in the private sector is expected to increase by 176,000, the number of self-employed by 54,000 and public-sector employment by 10,000 units. Measures aimed at reducing labour costs for wage earners support employment growth, especially during the years 2017, 2018 and 2020. The employment rate (20-64 years old) is expected to gradually increase from 67.2 % in 2015 to 70.3 % in 2020 and to 71.7 % in 2023. The number of unemployed people (including the non-job

seeking benefit recipients who are completely unemployed) is expected to decrease by a total of 150,000 over the period 2018-2023, taking into account the further increase in the labour force.

Belgian inflation, as measured by the national consumer price index, was strongly boosted in 2016 by some exceptional factors. The influence of these facets largely disappeared in 2017, but inflation (2.1 %) remained more or less stable as a result of the increase in oil prices. Underlying inflation is expected to pick up strongly over the projection period as a result of the acceleration in labour cost growth. The consumer price inflation profile in the projection is mainly determined by the oil price evolution in euro. A further increase in the oil price will result in an inflation rate of 1.7 % in 2018. A temporary drop in oil prices in 2019 will weaken inflation to 1.3 %, but after that Brent prices will rise anew and inflation will pick up to 1.7 % in 2023.

3. Country-specific recommendations

3.1. Budget and taxation (Recommendation 1)

COUNCIL RECOMMENDS that Belgium takes action in 2017 and 2018 to pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Belgium's public finances. Use windfall gains, such as proceeds from asset sales, to accelerate the reduction of the general government debt ratio. Agree on an enforceable distribution of fiscal targets among government levels and ensure independent fiscal monitoring. Remove distortive tax expenditures. Improve the composition of public spending in order to create room for infrastructure investment, including on transport infrastructure.

The main fiscal measures which have been taken or which have entered into force since April 2017 are described below. Budgetary policy is extensively laid out in the Stability Programme 2018-2021.

The 'summer agreement' 2017 (Accord de l'été / Zomerakkoord) concluded by the *federal government* contains three main complementary pillars at fiscal level: the first pillar focuses on the corporate income tax reform (CT). This reform aims to support corporate activity and strengthen companies' competitiveness, while at the same time simplifying the tax system.

In addition, the 3 % crisis contribution is replaced by a new 2 % contribution in 2018, which will then be reduced to 0 % in 2020. The corporate income tax rate is thereby reduced from 33.99 % to 29.58 % in 2018 and to 25 % in 2020.¹

Together with this reduction in the nominal tax rate, a number of measures have been taken to benefit companies. For example, SMEs benefit from a temporary increase in the investment deduction from 8 % to 20 % in 2018 and 2019. The deduction for participation exemption increases from 95 % to 100 % in 2018, thereby allowing a complete exemption of subsidiary dividends. A form of fiscal consolidation will be introduced in 2019.² In addition, the exemption from the withholding tax on earned incomes for scientific research will be extended to include holders of a bachelor's degree in 2018.

The reform is financed through an extension of the taxable base, notably by restricting certain tax schedules, eliminating various tax deductions, and aligning with international action to combat tax avoidance (BEPS and ATAD). Penalties and compliance are also reinforced. One of the compensatory measures relates to the change in the notional interest deduction. This will now only apply to the 'incremental' equity instead of the total outstanding amount of equity. A minimum taxable base (a 'basket') is also introduced. It includes restrictions on various deductions, such as previous losses, notional interest deduction carried forward, etc.

The second pillar of the summer agreement focuses on activating savings to benefit the real economy and finance companies. Dividends from shares will be exempted from the withholding tax³ and the exemption which currently applies to interests on savings accounts will be cut by half, in order to encourage a shift to shares. In addition, this pillar will also include an extension of the Tax Shelter system for start-ups to growing SMEs.

¹ The tax rate for the first tax bracket for SMEs (the first 100,000 euros in profit) amounts to 20.40 % in 2018 and 20 % in 2020.

² A system of limited fiscal consolidation will be introduced: all different entities within the same group will still have individual tax bases, but they will be able to contribute to the group's loss, if certain requirements are met. An entity will therefore be able to deduct a 'group contribution' from its taxable profit. This group contribution will be taxed for the company that is making a profit, in the same taxable period.

³ The exemption applies to the first 627 euros in dividends in 2018, and the first 800 euros in 2019.

Finally, the third pillar of the agreement will contribute to fairer and more equitable taxation by introducing a subscription tax on securities accounts. This tax is to be paid by investors/natural persons when the average securities value equals or exceeds 500,000 euros.

The second phase of the tax shift was fully implemented in 2018. Measures taken during the first phase are reinforced to further strengthen companies' competitiveness and the citizens' purchasing power.

For employers, the rate for basic employers' social contributions is reduced from 30 % to 25 %. Reductions for low wages are also increased. Several measures in the persons' income allow for an increase in net income, especially for employees. The rate of the deduction for lump-sum professional expenses is increased to 30 % across the board. The 30 % tax bracket is eliminated and integrated into the 25 % tax bracket reducing thereby the overall income tax rate. The income threshold for the increased zero-rate band will be raised, to the benefit of all employees. The third and final phases of the tax shift will be implemented in 2019 and 2020.

In addition, single employees with low wages and dependent children will benefit from an increased zero-rate band and deductibility for childcare from 2018 onwards. This will help them balance their work and private lives. Moreover, tax expenditures will be limited through increased selectiveness in awarding tax benefits to non-residents.

The *Flemish Region* has made significant efforts to simplify its taxes. For example, there was a significant reduction in donation tax rates. In addition, the Flemish government intends to base its car tax on the polluter-pays principle and examine a system comparable to the kilometre tax, to be applied to all vehicles.

In addition to the 2014 full inheritance tax exemption on the family residence for surviving spouses or legally cohabitating partners, donation duties and registration duties (anyone buying a house-main residence benefits from a 175,000-euro abatement since 2017) have also been reduced in the *Brussels-Capital Region*. Car taxes will also be thoroughly reformed to improve the air quality in Brussels. The reform will be based on a report from a working group of six fiscal and environmental experts, which is expected to be published in spring 2018.

The *Walloon government* has approved a tax reform which entered into force in 2018. The objective is to increase households' purchasing power by easing the tax burden and facilitating access to property. This reform includes the elimination of radio and television fees, an abatement of 20,000 euros on registration duties on the purchase of a first residence, and a complete inheritance tax exemption on the family residence for the surviving spouse or legally cohabitating partner. Tax collection will also be improved.

3.2. Labour market and education (Recommendation 2)

THE COUNCIL RECOMMENDS that Belgium takes action in 2017 and 2018 to ensure that the most disadvantaged groups, including people with a migrant background, have equal opportunities to participate in quality education, vocational training, and the labour market.

3.2.1. Creating equal opportunities in education

The communities have implemented reforms relating to school financing and modified the criteria for determining the amount of the financing. In *Flanders*, part of the operational resources for regular primary and secondary education is granted based on four social indicators: the home language, the mother's highest level of education, whether the pupil receives a school allowance, and the neighbourhood in which the pupil resides. There is a growth path to increase the total share of the allocated

budget based on these criteria from 14 % in 2009-2010 to 15.5 % in 2020 for primary education and from 10 % to 11 % for secondary education. Pupil guidance centres supporting many pupils who meet these requirements will also receive additional funds. The centres will devote particular attention to guiding underprivileged pupils, truancy, and drop-outs. In the *French Community* a decree of July 6, 2017 determines the new way of calculating school funding. This will take into consideration the income per inhabitant, education level and unemployment rate. Schools will be categorised annually.

Reforms focusing on vulnerable groups and the creation of equal opportunities will be implemented. In *Flanders*, reforms in the adult education sector will include a new financing system which places more emphasis on vulnerable groups. Priorities will be offering opportunities to obtain lasting qualifications (diploma secondary education, professional education certificate, language courses, etc.). In addition, the procedure for requesting school and study allowances was further automated, thereby ensuring financial support for the most vulnerable population groups.

Establishing an adequate education policy offering equal opportunities to all vulnerable population groups requires a better understanding of the structural issues which form the basis for this vulnerability. The *French Community* was involved in financing the education diversity barometer (Baromètre de la diversité de l'éducation) developed by the Interfederal Centre for Equal Opportunities. This extensive research focuses on structural processes causing inequality among pupils. In the *French Community*, teachers mention that "they are aware of the importance of doing so, but that they feel insufficiently equipped to make reasonable adjustments (40 %), or to adequately teach newcomers (80 %) or classes of pupils with a high degree of linguistic diversity (70 %)."

In addition to the *Flemish* actions described above, other measures also positively influence education opportunities for underprivileged groups, and more specifically groups with a migrant background. These measures include investments in school infrastructure, additional educational and administrative staff, modernising education, additional funding and the implementation of projects and action plans relating to language and diversity.

3.2.2. Combating discrimination in the labour market is a priority

In the summer agreement, the *federal government* decided to start performing mystery calls. In addition to investigating and observing infractions on the antidiscrimination laws, social inspection services will be authorised to pretend to be (potential) clients or employees, to determine whether actual discrimination based on protected characteristics occurred, if there are objective indications of discrimination, or if a complaint or report was filed, supported by datamining or data matching. In *Flanders*, there is an agreement with the service voucher sector (subsidised household work) regarding mystery calls. The *Brussels-Capital Region* approved an antidiscrimination decree which entered into force on January 1, 2018. This provides regional employment inspectors with legally binding means to perform discrimination tests to check whether employers based in Brussels actually comply with antidiscrimination laws. In addition, Brussels is preparing actions to reinforce the diversity policy within the local public sector of the Brussels region.

There will also be additional information and awareness campaigns to promote diversity and combat discrimination. The *Walloon Region* (with financing by the ESF) will launch an extensive information campaign in companies to promote diversity and combat discrimination. *Flanders* also launched an antidiscrimination campaign in the context of the action plan against employment-related discrimination (Actieplan tegen arbeidsgerelateerde discriminatie) and provided sectors with financial support (through sector covenants) dependent on the adoption of a non-discrimination code of conduct. *Federal public services* will pay more attention to equal opportunities in all stages of the hiring process. The *Brussels-Capital Region* encourages private and public companies to approve diversity plans by offering guidance by the public employment agency (Actiris) which also awards 'diversity labels' and which

has been providing additional support since 2017. In addition, practical guideline for implementing diversity plans in local government were issued and provided to all relevant stakeholders at the local authorities in Brussels at the end of 2017. In 2018, the region aims to reform the tools to promote diversity, so they better meet companies' needs and fit the corporate context.

In 2017, the focus on a rapid integration of asylum seekers in the labour market was reinforced. For this project, both the Flemish and Walloon regions worked closely together with the Federal Agency for the Reception of Asylum Seekers (Fedasil). *Flanders* wants to guide asylum seekers to jobs as soon as possible by offering them a short integrative course combining a language course with professional training and an on-the-job language course. *Wallonia* wishes to inform asylum seekers on the services provided by employment agencies through information campaigns in asylum centres. During their integration process, from their arrival in the centre until they receive their residence permit, asylum seekers will receive structured information on the services offered by employment agencies. In addition, *Wallonia* reinforced the conditions of the mandatory integration course by offering more French language courses and civics courses, by expanding the target audience and by increasing collaboration with municipalities and regional integration centres. In the *Brussels-Capital Region*, *Actiris* closely collaborates with first-line partners working with immigrants to facilitate their integration into the labour market and to encourage them to have their diplomas obtained abroad recognised in either of the communities. *Actiris* also organises bimonthly information and orientation sessions in its offices with translators and interpreters working from and into Arabic, Dari and Pashto.

In order to truly understand the poor performance of underprivileged groups in the labour market, the collection of information and monitoring of the situation of these groups is indispensable. At the *federal level*, a continuous monitoring of people's position in the labour market based on their country of origin or migrant background is guaranteed. In the same context, the *Flemish Region* has initiated an academic research programme focusing on migration and integration.

3.2.3. Additional focus on specific target groups

In addition to the focus on people with a migrant background, there are also measures to improve the integration of other groups with an underprivileged position in the labour market. The *federal government's* summer agreement also includes measures to stimulate employers to hire young people or keep older employees working longer. The starters' jobs scheme, which should enter into force on July 1, 2018, intends to encourage employers to hire young employees between the ages of 18 and 21 by reducing the cost for the employer while maintaining the net salary. In order to keep employees working until the age of retirement, the government wants to offer companies a financial stimulus to keep their employees working. An activation subsidy was introduced on January 1, 2018 for employers who have older employees at home while paying their salaries. This applies to older employees who have been made inactive, and totals between 10 % and 20 % of the gross monthly salary. The percentage depends on the age of the employee and on whether the employer also offers training. In addition, the summer agreement also stipulated an option for older employees to be on 'part-time retirement'. The employee will continue to accrue pension rights for the hours that they continue working.

The reintegration of employees who are unfit for work remains an important issue for the federal government. Together with the social partners, they will monitor the existing legislation to promote reintegration and evaluate it to investigate the first results and to see which modifications would be required to have the system functioning optimally. Psychosocial problems including burn-out often cause long-term absence due to illness. That is why it is important to reinforce the prevention of psychosocial risks in companies to reduce the burn-out risk. Part of the employers' contributions for at-risk groups will be used to finance projects aiming to prevent burn-out in these sectors and focusing on a future-oriented organisation of employment. Of course, this will be complementary to and in collaboration with the occupational health and safety services. Starting from January 1, 2018, employers will also be

encouraged to regularly discuss options for digital disconnectedness with their employees, without this automatically implying a right to be disconnected as it currently exists in France for example. It is rather a right to discuss this topic within the company, with any agreements possibly being included in a collective agreement or in the employee manual.

Student jobs will also be expanded. In all sectors youth aged 16 and older will be allowed to work on Sundays. Since July 1, 2017, students who alternate between working and studying can conclude student contracts, so they can have a student job when they are not going to school or taking training or when they do not have to be at work. This contract will only apply to work performed for a different employer than the one where they are receiving practical on-the-job training. Finally, the federal government will also pay special attention to employment of immigrant women, who are more disadvantaged than women with a Belgian background.

The regions have mostly concluded the reform of their target group policy. Only in the *German-speaking Community* has the new target group policy not yet entered into force (January 1, 2019). There are activation premiums for young people under 25 years of age, long-term jobseekers (unemployed for at least 12 months), older people (over 50 years of age) and people who have difficulty being employed for various reasons (e.g. underqualification, lack of language knowledge, mental problems, etc.).

In addition, *Flanders* implemented several reforms aimed at vulnerable unemployed people in 2017 and 2018. From this year onwards, the system of temporary work experience which started in 2017 for social benefit recipients will be expanded to all long-term jobseekers.

Jobseekers who are not yet ready for a (more extensive) temporary work experience can apply for a work experience in an accessible working environment, through the so-called *Wijkwerken* (neighbourhood work). In 2018, work-care tracks (*Werk-zorg trajecten*) with a duration of maximum 18 months will be implemented for jobseekers with medical, mental, or psychiatric problems. An internship is combined with care and guidance to work provided by the public employment service (*Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding – VDAB*) or one of its partners.

During the *interministerial* employment conference of February 28, 2018, an agreement in principle was concluded to grant some jobseekers a temporary 'non-available' status to allow for a more differentiated approach for those suffering from medical, mental, and psychiatric problems.

In *Wallonia*, the reform of the measures to promote employment has entered into force. Wallonia grants an 'employment allowance' (which the employer deducts from the salary) for a period of 12 months for any person under the age of 25 who has been unemployed for 18 months, for a period of three years (degressive) for any person with low or moderate education under the age of 25, and for a period of two years (also degressive) for any jobseeker who has been unemployed for more than 12 months. The reform is also aimed at jobseekers and employees over the age of 55 (reduction of contributions relating to age).

The *Brussels-Capital Region* has a new measure which grants an activation allowance to jobseekers who have been unemployed for 12 months. The activation allowance is granted for a period of 30 months. People under the age of 30 who do not have a secondary education diploma and jobseekers aged 57 and over will also benefit from this allowance when they register with Actiris. In order to support sustainable employment, employers must hire the jobseekers for a period of at least six months and for at least a half-time job. Simultaneously, a professional training subsidy aims to stimulate the employer to train their newly-hired underqualified employees during the period that the activation allowance is granted.

3.3. Innovation and market performance (Recommendation 3)

THE COUNCIL RECOMMENDS that Belgium takes action in 2017 and 2018 to foster investment in knowledge-based capital, in particular with measures to increase digital technologies adoption, and innovation diffusion. Increase competition in professional services markets and retail and enhance market mechanisms in network industries.

3.3.1. Foster investment in knowledge-based capital

According to Eurostat, knowledge-based capital has increased by 25 % since 2010, just below the average increase throughout the euro area.⁴ This means that Belgium is just above the average in the euro area in 2017 (knowledge-based capital vs. GDP). Of course, this only includes that part of knowledge-based capital which is measured in Eurostat statistics. For gross investments in ICT, Belgium is ranked fourth in the euro area (percentage of GDP), according to Eurostat, though the amount has been growing more slowly (since 2010) than average in the euro area.⁵

Extensive projects aimed at developing, applying, and deploying digital technologies were developed in each of the three Belgian regions. These projects contribute to the diffusion of innovation as intended in this recommendation.

The *Flemish* policy to support company digitisation is based on three main pillars: (1) ensuring high-performing infrastructure to be used by companies and private persons, (2) supporting companies in their digitisation processes, (3) ensuring that the Flemish active population has the required competences for the digital transformation. With regards to infrastructure, Flanders is working on developing strong knowledge centres for digitisation and ICT. At the end of 2016, iMinds was incorporated in Imec (Interuniversitair Micro-Elektronica Centrum), after which the Flemish government awarded the institution 29 million euros in additional funds for 2017, with total subsidies now exceeding 100 million euros. Digitisation is also an area of focus in some of the newly selected innovative company networks (Innovatieve Bedrijfsnetwerken – IBN) in the context of the Flemish cluster policy, i.e. for Digitising Manufacturing, Green Light Flanders, and Smart Digital Farming. Digitisation is also a driver of Flanders Make in its initiatives relating to the transition of the Flemish manufacturing sector to Industry 4.0.

There have also been various initiatives relating to the application of digital technologies. Early 2017, Antwerp set up a smart city testing environment (Slimme stad proeftuin) which allows companies, researchers, inhabitants, and the city to experiment together with smart technologies which may contribute to more agreeable and sustainable urban living. The objective is for the Antwerp living lab to become the largest European testing environment for Internet of Things (IoT) applications. Subsequently, a call for proposals was launched in October 2017 relating to ‘City of things in every Flemish municipality’ (budget 4 million euros, max 200,000 euros per granted project). The Smart Flanders project also fits within this vision. It is managed by Imec and aims to support the 13 major Flemish cities and the Flemish Community Commission in the Brussels-Capital region in their evolution towards becoming smart cities.

Wallonia further implemented the Digital Wallonia plan. In September 2014, the Smart Region charter was approved, which ties into the general objective to digitally transform Walloon cities and municipalities through for instance mobile applications offering various types of services to all inhabitants. In the context of the Smart Region concept, and in order to create a dynamic, the Walloon government

⁴ Source: ec.europa.eu/eurostat regarding Gross fixed capital formation by AN_F6 asset type.

⁵ Source: same.

approved a 30-project Wal-e-cities portfolio in June 2017, for a total budget exceeding 20 million euros (with ERDF co-financing). This portfolio includes a transversal technology project and four thematic projects (Mobilité urbaine – urban mobility, Energie et environnement – energy and environment, Marché transparent d'échange de données au coeur de la gouvernance urbaine – transparent Transparent exchange of information in the heart of city governance, Environnement urbain et bien-être du citoyen – urban environment and well being of city dwellers) which tie into the inhabitants' needs. A final transversal project (Évaluation économique et transfert vers le tissu industriel wallon – economic evaluation and transfer to the Walloon industry) completes the portfolio.

Thanks to the W.IN.G⁶ fund's good results, the funds are refinanced for an amount of almost 7 million euros to support new projects. A new fund containing 5 million euros was created to only support ICT start-ups in 2018-2020. A first mission targets Silicon Valley. In the context of partnerships between private companies and the regional investment company (Société Régionale d'Investissement de Wallonie – SRIW), note the creation of an interactive digital centre for virtual and enhanced reality should be noted. It will receive funds amounting to almost 10 million euros.

More and better diffusion of innovation among actors and companies is also established by the new *Flemish* cluster policy which reached cruising speed in 2017 with 4 spearhead clusters⁷ and 14 IBN. 2018 will see the birth of a fifth cluster, *Flanders' Food*, in the food industry. Various modifications to legislation relating to R&D&I financing and the redistribution/introduction of some supporting measures for companies in 2017-2018 (for details, see §4.2.) will contribute to lower thresholds and an improved technology absorption level in companies.

For the *Made different Wallonia* project launched in January 2017, the partners motivated approximately 350 companies to think about this topic; over 120 companies were asked to thoroughly analyse their situation; over 60 companies assessed their digital maturity or are doing so and scanned their activities (or are doing so) to evaluate the gap between their actual situation and their objectives. Measures taken in the context of Start Up Wallonia are continued which facilitates structuring the ecosystem to guide start-ups. Prior to this project, additional investments will be made to equip schools with digital tools and initiatives will be taken to familiarise pupils and teachers with programming.

The *Brussels-Capital Region* also makes a lot of investments in the digital economy. The digital economy is one of the intelligent specialisation areas included in the regional innovation plan (Plan regional pour l'innovation / Gewestelijk innovatieplan). The region selected 19 projects, for a budget exceeding 11 million euros in the context of its new Team Up action which aims to encourage collaboration between academics and companies working on artificial intelligence.

The NextTech plan was also set up. The objective of the plan is to foster an environment supporting and encouraging the creation and growth of companies in information and communication technologies in the Brussels-Capital Region. It is based on three pillars: facilitate, train and communicate. The overall budget for the NextTech plan amounts to almost 8 million euros, the majority of which will be assigned to the first two pillars. This fits with the Bedigital.brussels strategy and aims to improve Brussels' world ranking in digitisation. The Brussels-Capital Region also supports numerous other collaborations, for example in (intelligent) mobility.

With regards to education, the *French Community* takes action to implement digital knowledge, know-how and competences in the reference systems, as identified in Digcom 2.1: The Digital Competence Framework for Citizens.

⁶ W.IN.G is the Walloon investment fund for digital start-ups.

⁷ In June 2017, the Flemish government signed cluster pacts with the following spearhead clusters: Catalisti (sustainable chemistry) and SIM (smart materials), VIL (logistics), and in December 2017 with Flux50 (smart energy networks).

Following a recommendation of the OECD, the *federal government* created a new innovation-deduction scheme. It replaced the historic deduction for income from patents. Thanks to this new scheme, companies can deduct 85 % of the income from intellectual property rights from their taxable base. The new innovation deduction does not only apply to patents but also to a number of additional property rights, including copyrighted computer programmes, plant variety rights for new plants and orphan drugs (for rare diseases).

In March 2018, the Group of Ten – the top negotiators representing trade unions and employers – published a text on digitisation and the labour market in the future. This vision statement by the social partners should offer building blocks directing the digital revolution; it focuses on eight cornerstones.

3.3.2. Increase competition

In the first half of 2017, all three regions transposed Directive 2013/55 regarding the recognition of professional qualifications. Since the sixth state reform, regions have the authority over 27 regulated professions, while the federal government maintains the authority over intellectual professions. In *Flanders*, the qualification requirements for 16 of these regulated professions were eliminated on January 1, 2018, after evaluation by the Flemish innovation and entrepreneurship agency (Agentschap Innoveren en Ondernemen – VLAIO).⁸ The quality of the service is ensured by other existing regulations. For the remaining 11 professions, all related to the construction sector, the evaluation is still ongoing.⁹ The *Walloon Region* is currently discussing with the various sectors to prepare for the implementation of the directive. This includes the modernisation of conditions for setting up a business, while protecting consumers, and the valorisation of the profession and the education. Regardless of this, the profession of travel agent has been deregulated since January 1, 2018. In the *Brussels-Capital Region*, the list of regulated professions will stay as it is, for now. However, the relevance of this list relating to the region's objectives will be evaluated.

Measures from the *federal* summer agreement may have a positive influence on the competitiveness of the retail sector. The introduction of flexible jobs and the possibility for night work for online retail are specific to this sector. The following action has been taken to reinforce competitiveness in retail. First, territorial delivery restrictions are being investigated at Benelux level. Conclusions will be presented to the European Commission because this is a cross-border issue which is preferably solved at a European level. Second, the Belgian Competition Authority (BCA) was asked to update its 2012 investigation into market functioning and regulation, and to formulate specific recommendations. Third, a discussion is initiated with the main supermarket chains on the conclusions of the retail prices monitoring agency (Prijsobservatorium / Observatoire des prix) that many food products and beverages are significantly more expensive in Belgium than in the neighbouring countries (10 % on average). Finally, an evaluation of the so-called 'restricted period'¹⁰ which precedes the six-monthly seasonal clothing and shoe sales is ongoing. The *Walloon Region* is thoroughly evaluating the decree on trade establishments. The evaluation is currently in a phase in which strengths and weaknesses are evaluated. Based on this analysis, the texts will be amended. At the end of 2018, the regional plan for retail development (Schéma régional de développement commercial – SRDC) will be updated. The new SRDC elaborates a global vision on retail. This means that it can serve as a guideline for the criteria to allocate permits, so actions can be

⁸ The professions include: meat processor-wholesaler, dry-cleaner/dyer, restaurant owner or caterer, baker, intersectoral motorized vehicles, mobile activities, motorized vehicles with a maximum weight up to 3.5 tonnes, motorized vehicles with a maximum weight exceeding 3.5 tonnes, butcher, pedicurist, hairdresser, cosmetologist, masseur, optician, dental technician, and mortician.

⁹ The professions include: installer/refrigeration & cooling technician; structural construction; drywalling, cementing and flooring; activities involving tile, marble, and natural stone; roofing and waterproofing; installing and repairing joinery – glazier, general joinery; finishing activities; installation of central heating, climate control, gas, and plumbing; electrotechnical activities and general contractors' activities.

¹⁰ For two periods of four weeks in December and June, no price discounts may be publicly announced for these products.

explained right away and can be easier to read for all stakeholders involved. As a consequence of the *Flemish* decree on the retail establishment (Integraal handelsvestigingenbeleid – IHB) of 2016, a new permit system will be implemented in 2018. This system will integrate the retail establishment permit (Handelsvestigingsvergunning) into the previously unified environmental permit (Omgevingsvergunning). This simplifies the process thanks to the one-stop shop and integrated application. Another simplification consists of a reduction of the number of retail categories from over twenty down to four. A monitoring system will be introduced to check the effectiveness of this legislation. The regulation of large trade establishments exists mainly because of mobility and urban planning reasons. By no means does it serve to impede competition or the establishment of new stores. A new project (2018 -2020) is being prepared to support retailers with digital transformation. The tools and information available on the related online portal will be updated. This time, the project will focus on action and implementation rather than raising awareness. The *Brussels-Capital Region* is preparing to clarify and simplify legislation relating to retail establishments. This will be done by amending the Brussels code for urban planning (Code bruxellois de l'aménagement du territoire – CoBAT / Brussels wetboek van ruimtelijke ordening – BWRO). In addition, 2018 will also see the approval of a new commercial development plan for the Brussels region.

The market functioning of network industries will be improved on a number of aspects. The *federal government* and the Belgian Institute for Postal Services and Telecommunication (BIPT) develop measures to increase competition in telecommunication. Firstly, changing provider was already simplified in July 2017. The new provider is now responsible for ensuring the customer's technical and administrative transfer. Secondly, the price simulator will also be made more user-friendly. Thirdly, the BIPT published a new market analysis which should serve to simplify access. The *Walloon region* is working on a thorough reform of the electricity and natural gas distribution system operators. The government approved this reform at second reading in February 2018. Regarding market functioning, the reform will better ensure independence from other actors and the principles of corporate governance are generalized.

The *federal government* is also preparing some general measures to improve market functioning. They will reinforce the BCA procedures to make its actions more efficient and guarantee more legal certainty for enterprises. A bill is currently being written to ban abuse relating to economic dependence in business relationships. This is based on two kinds of legislation: competition law and law regarding unfair business practices.

4. Europe 2020 objectives

4.1. Employment

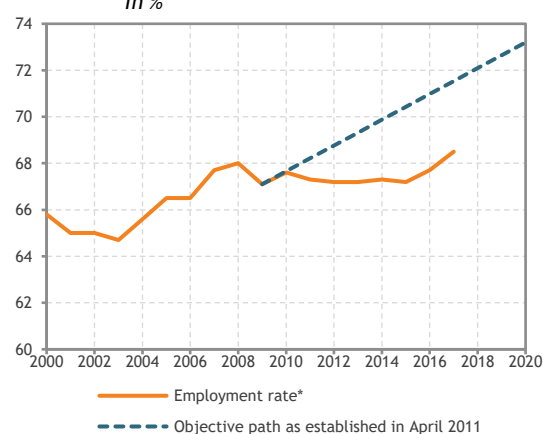
Table 2: Employment targets
In % (unless stated differently)

	BE2010	BE2015	BE2016	BE2017*	BE2020	Required job creation 2017-2020**
Employment rate 20-64	67.6	67.2	67.7	68.5	73.2	356 641
Female employment rate	61.6	63.0	63.0	63.6	69.1	198 828
NEET (percentage of young people neither in employment, education or training)	10.9	12.2	9.9	9.3	8.2	
Employment rate 55-64	37.3	44.0	45.4	48.3	50.0	54 788
Employment rate gap between non-EU citizens and Belgians	28.4	25.8	27.2	28.2	<16.5	

Source: Eurostat

*) Break in series because of a thorough reform of the Labour Force Survey. **) Numbers

Graph 2: Employment rate 20-64 and pathway towards the 2020 target
In %



Source: Statbel (Statistics Belgium), Labour Force Survey

*) 2017: break in series because of a thorough reform of the Labour Force Survey

4.1.1. Job creation and increasing the employment

Job creation and increasing the employment rate remains a priority for Belgium.

The FPB expects 104,000 jobs to be created in the period 2017-2018.

In part, this will be thanks to a further decrease in labour cost stemming from wage cost moderation in the renewed Act of 1996. Labour cost will decrease further in 2018 when the next phase of the tax shift enters into force. This will include a strong focus on the lowest wage categories where the employment effect will be strongest.

At the *federal level*, employment law will be further modernised to increase flexibility in the functioning of the labour market. Notice periods during the first three months of employment will be shortened. In order to promote job growth in e-commerce, the legal framework for night work and work on Sundays will be relaxed. Flexi-jobs, a form of employment in which an employee who is employed for at least 80 % at one or several other employers, can earn an additional income under highly favourable conditions in certain sectors defined by law, will be expanded to include retail, hairdressers, and bakers, and will also be accessible to pensioners.

Further action will be taken to guide vulnerable groups to the labour market (see §3.2). Sustaining employability also remains an area of focus.

Further efforts will still be needed to meet the 2020 objective. This will include reinforcing economic activity, entrepreneurship and innovation policy, better performing education, and a better functioning labour market.

Additional support for work-family balance measures is also important. For example, the *Flemish government* will continue to invest in childcare. They set aside a budget of 19 million euros to create additional places in 2018, including income-dependent places. *Wallonia* is also continuing its investments.

In July, they decided to create over 100 additional places and the Walloon investment plan (Plan wallon d'investissement, see §5.3) also includes a 48 million euro budget for the construction of new daycare centres. The *Brussels government* continues to support the creation of new places in daycare centres. Measures to stimulate employment (approx. 9 million euros in 2018) will allow for the creation of over 1,800 new places in 2018. This will partially happen through neighbourhood contracts. The *Commission of the French Community in Brussels* will spend approximately 7 million euros to create 564 new places in daycare centres in 2018. In addition to childcare measures, service vouchers are another element in support of a better work-family balance.

4.1.2. Managing the imminent shortage in the labour market

Nonetheless, shortages in the labour market are imminent and some vacancies cannot be filled in.

Wallonia and Flanders concluded a new collaboration agreement in February 2018 to stimulate inter-regional jobseeker mobility. This agreement covers various topics: better matching of offer and demand, improving language courses and organising awareness campaigns. In addition, knowledge of Dutch will be considered a competence, rather than a prerequisite. The target is to employ 2,500 Walloon jobseekers in the Flemish labour market annually. *Flanders and Brussels* are also working together on a large-scale campaign to promote job opportunities in the communities surrounding Brussels among jobseekers in Brussels.

In addition, *Flanders* also intends to reform its policy on attracting and keeping international talent in 2018. On the one hand, the policy will be amended to meet European requirements with regards to seasonal labour, IT, research, and internships. On the other hand, *Flanders* will also investigate how it could do better in attracting international talent, in part by means of the Flemish universities and research institutions, and how this talent can then be transferred to companies.

In order to better meet companies' recruitment needs the *Walloon* public employment service (Forem) has created a unique enterprise service desk. 'Enterprise consultants' each manage a sector-based company portfolio. In the very near future, companies will be able to request access to jobseeker profiles and they will be able to contact jobseekers directly. *Wallonia* also wants to offer financial stimuli for training for labour bottlenecks.

In the *Brussels-Capital Region* a transformation from the existing 'profession reference centres' (Beroepsreferentiecentra / Centres de Référence professionnelle) to 'training and employment centres' (Pôle Formation Emploi / Opleidings- en Tewerkstellingspolen) aims to stimulate the organisation and development of and an increase of employment in the target sectors (especially for labour bottlenecks) to support economic and social development in the Brussels territory. The integration of resources (infrastructure, equipment, staff, budgets, etc.) is the added value of these future centres. The first training and employment centres for jobs in IT and logistics are scheduled to open in September 2018, and the one for technological manufacturing is scheduled to open in October 2018. Construction and hospitality are next on the list. In addition, the collaboration between VDAB and Actiris also aims to stimulate mobility among jobseekers in Brussels who wish to improve their knowledge of Dutch in a professional context.

Dual learning will become a form of education in its own right, equal to all other forms of secondary education. Combining learning in school and learning on the job allows this type of education to simultaneously increase young people's motivation and to better meet the needs of the labour market.

From September 1, 2018 onwards, dual learning will be further implemented in *Flanders*. From September 1, 2019, it will be generalised. In *Wallonia*, the dual learning reform was finished mid 2017 by award-

ing subsidies which offer education centres the opportunity to increase pupil guidance in both the education centre and in companies. In addition, the French-speaking office for dual learning (Office Francophone de la Formation en Alternance – OFFA) which was created recently, wants to ensure better management of dual learning, promote it, and better manage the internships. Exemption criteria for jobseekers wishing to start on a dual learning trajectory have been relaxed. The *Brussels-Capital Region* grants subsidies to companies in Brussels that offer a person between the ages of 15 to 25 a dual learning training for a period of at least six months. These companies must appoint a mentor who teaches the young person these competences. Mentors may take on no more than four dual learning pupils.

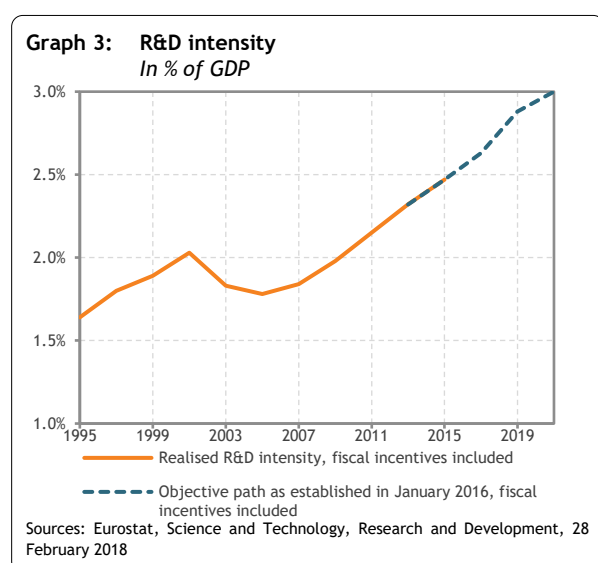
In addition to meeting the Europe 2020 work target, the abovementioned actions will also contribute to the implementation of the European Pillar of Social Rights.

4.2. R&D and innovation

Table 3: R&D target
In % of GDP

	BE2010	BE2011	BE2013	BE2015	BE2016	BE2020	Required change 2016-2020
R&D intensity, fiscal incentives included	2.05	2.15	2.32	2.47	2.49	3.00	+0.51

Sources: Eurostat, Science and Technology, Research and Development, 28 February 2018



In 2016, Belgium spent 2.49 % of its GDP on research. This is an improvement over the good result in 2015. At least, this became apparent from the preliminary 2016 estimates published by Eurostat. Belgium is thus ranked sixth in the EU, thereby confirming its recently obtained status as one of the most research-focused countries in Europe. The gap between the average R&D intensity in Europe and Belgium’s R&D intensity has been widening every year since 2010. In addition, the private sector R&D intensity rose to 1.73 % of GDP in 2016. The European average is 1.32 %. The private sector clearly drives this increase in R&D intensity in Belgium. The other sectors, higher education and private and public-sector research institutes maintain a markedly slower growth rate

in terms of R&D intensity.

A preliminary analysis of government budget allocations for research and development (GBARD) for 2017 shows a significant increase compared to 2016. In 2017, joint budget allocations will probably increase by more than 10 %, after the 2016 increase of almost 6 %. Like last year, fiscal aid for research and development has also increased. Tax credits for R&D and the deduction for patent income have increased to 932 million euros in 2014 (the most recent number), almost double the 2012 figures. Expenditures for the partial wage withholding exemption for researchers have been increasing slightly every year. In 2015, they amounted to almost 800 million euros. If we combine all national financial sources (GBARD and fiscal aid for R&D), all Belgian governments combined spend over 1 % of GDP on R&D. In addition, we should note that an additional 700 million euros was freed up for research and

innovation in 2016 and 2017 in the European framework programme Horizon 2020 context. This corresponds to roughly one third of all (national) competitive research funds.

The leitmotif throughout the research and innovation policy reform process for all Belgian governments can be summarised as follows:

- Continuing institutional reform and revision (and implementation) of regional innovation plans and decrees;
- Additional resources for various important research actions;
- Building bridges between innovation and research policies, for instance by further developing the cluster policy and by further emphasising valorisation of research;
- Implementing new initiatives with an important focus on the digital revolution.

In 2017, the *Flemish government* approved the amendment to the decree on the organisation of and funding for its science and innovation policy. This amendment served to finetune its policy and existing structures, such as merging the five centres for innovation in the Flemish provinces under one structure, the non-profit organisation Team bedrijfstrajecten (Company trajectories Team). The revision of existing R&D&I supporting tools and the introduction of new tools continues with, for example, the approval early 2018 of a legislative framework for financing of and/or participation in international research infrastructures by Flemish institutions early 2018. The *Brussels-Capital Region* revised its regulatory framework for R&D&I support, implementing a number of actions included in its regional innovation plan which was approved in 2016. This must enable the Brussels Institute for Research and Innovation (Innoviris) to support all types of innovation with additional resources and target more users. In *Wallonia*, the renewal of the regional innovation strategy and implementation of the Smart specialisation strategy led to a revision of the existing supportive measures. For example, a new Win2Wal programme will be set up in 2018, which aims to promote strategic research in universities, polytechnic schools or affiliated research institutions, in addition to fundamental research, and to identify projects from Walloon companies in the context of S3. This process continues in 2018, mainly in the context of a trial financed by the European Commission. The supporting tools for companies are also further simplified to increase efficiency.

All governments include additional actions for R&D&I. In the *Brussels-Capital Region* government budget allocations for R&D have increased by 12 % between 2016 and 2017 to a total of almost 50 million euros. In 2017, the *Flemish government* decided to allocate an additional 160 million euros recurring budget and a one-time 39 million euros investment budget of (30 million euros of which are allocated to a third TIER1 supercomputer). The additional recurring budget is mainly intended for its cluster policy, Imec and research mandates for the Research Foundation Flanders (FWO). The total 2017 budget for science and innovation from the Flemish government amounted to 2.435 billion euros.¹¹ In 2018, 115 million euros is intended for new policies at the Department of Economy, Science & Innovation (EWI), with part of this budget already invested in actions relating to economics. The remainder is written in as a one-time 90 million euros investment provision, part of which will be spent on R&D&I. In *Wallonia*, the regional investment plan includes a significant budget increase, more specifically for the creation of new or reinforcement of existing technological excellence platforms and the development of digital infrastructure. In addition, two new actions will also be developed in 2018, aimed at stimulating SMEs to participate in European R&D&I programmes (by supporting the creation of the project and the im-

¹¹ This amount matches the expenditures for innovation (in a broad sense of the word) in various Flemish policy areas.

plementation of the ‘seal of excellence’). The government of the *French Community* has decided to increase financing for the F.R.S - FNRS by 8 million euros in 2018, which is an increase of approximately 5 % of the 2017 annual budget for the F.R.S-FNRS. The EOS budget (Excellence of Science), which replaces the IUAPs (Interuniversity Attraction Poles, see above), and which supports collaborative research between universities in Flanders and Wallonia, amounts to 14 million euros. Therefore, the total budget increase for fundamental research set aside by the French Community will be 15 % (i.e. 22 million euros). The BEL-SME programme which allows SMEs from all three regions to set up collaborations will also receive additional funding. The Team Up project is the main focus of the actions developed by the *Brussels-Capital Region*, with active participation of academic as well as commercial teams. The project intends to strengthen knowledge, to transfer intellectual property rights from academic research to the private sector and to transform these into prototypes to enter new economic markets.

The innovation and research policies are further aligned. In addition, collaborations between various research actors (companies, universities and research institutions) are also stimulated. *Flanders* eliminated three existing supporting programmes and replaced them with ‘development projects’ (Ontwikkelingsprojecten, for innovative ideas which may change and strengthen companies in the short term) and ‘research projects’ (Onderzoeksprojecten, for building knowledge which will be the basis for company changes on the long term). For each of these projects an additional funding of 10 % (for medium-sized companies) or 20 % (SMEs) and up to 10 % additional funding for collaborations between otherwise independent companies are budgeted. A draft decree was approved to support collective research and development and collective knowledge-sharing projects, in addition to a decree on funding for incubators. *Wallonia* will continue to invest in competitiveness centres (Pôles de compétitivité) with new projects, the new Medtech Wallonia initiative, and collaboration with other regional actors. A ‘medtech accelerator’ will also provide support to start-ups (e.g. in medical technology), entrepreneurship and the development of business models. In addition, Wallonia has created a new framework to support the valorisation of research conducted at universities and polytechnic schools. The Creative Wallonia programme is implemented further, with the creation of creative hubs and living labs. The *Brussels-Capital Region* provides additional funding for joint research either between private sector companies and academic institutions (Team Up projects, see above) or for co-creation or living lab projects in, among others, (smart) mobility. Valorisation of research is supported through the new electronic platform for the four incubators in Brussels: ICAB (information and communication technologies and engineering), Greenbizz (green technologies or sustainable business models), BLSI (biotechnology, medical equipment and e-health) and EEBIC (innovative start-ups in general) which offer various legal and technological services.

4.3. Education and training

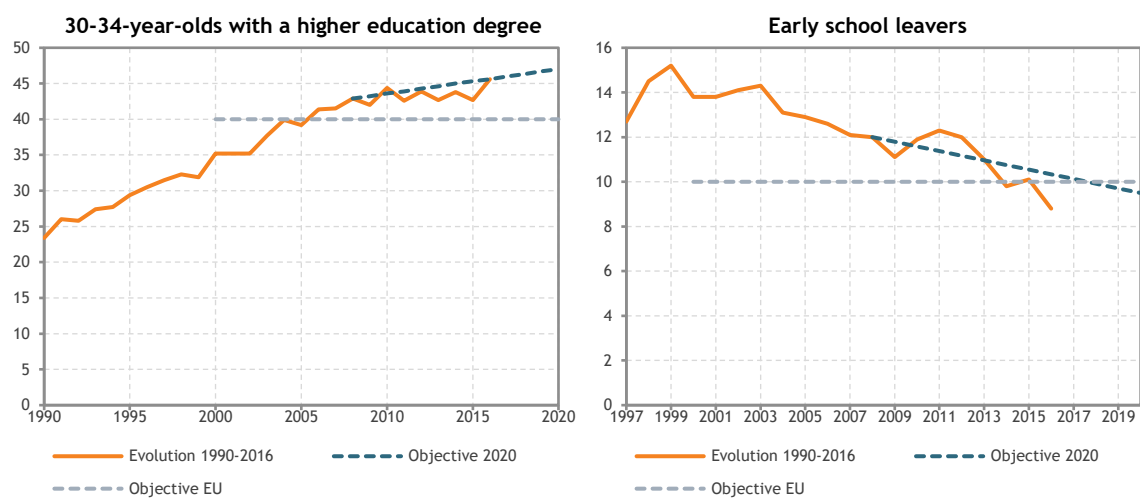
Table 4: Education targets
In %

	BE2015	BE2016	EU2016	BE2020	Required change 2016-2020
30-34-year-olds with a higher education degree	42.7	45.6	39.1	47.0	+1.4
Early school leavers	10.1	8.8	10.7	9.5	-

Source: Eurostat

Education policy in Belgium falls within the remit of the Flemish, French, and German-speaking communities; training policy is included in community and/or regional competences. Below, we will discuss new regional and community initiatives relating to the Europe 2020 targets for education and training.

Graph 4: Education and training indicators
In %



Source: Eurostat

4.3.1. Higher education

Belgium has committed to raising the percentage of persons aged 30-34 with a higher education degree to 47 % by 2020. This objective is more ambitious than the overall EU objective (40 %). In 2016, Belgium was ranked ninth within the EU with 45.6 %.

Flanders mainly focuses on developing higher professional education as a full-fledged component of higher education to attract students who are not currently enrolling in tertiary education. In 2017, all Flemish schools received access to the Columbus orientation test. Since April 2017, all pupils in their final year of secondary education receive general feedback about their options in higher education if they have participated in the test. Since 2017-2018, general entrance exams are required for integrated teaching programmes. These exams were introduced to increase enrolment in teaching programmes and reduce the number of drop-outs. From 2018-2019 onwards, non-binding entrance exams will also be required for civil engineering and civil engineering-architecture programmes. Financial year 2018 will also see an increase in operational budgets for universities and polytechnic schools. A click mechanism will result in a budget increase of almost 25 million euros. An additional 15 million euros increase is also included in the implementation of the 2013 integration decree.

The council of ministers of the *French Community* has approved a decree to revise the bursary system on August 30, 2017. This decree aims for more social justice in the application of the principle. The revision intends to adapt the criteria to current education and to families' sociological reality. The new legislation expands bursary allocation criteria to students staying behind who were previously excluded thus penalising them twice. In addition, the new legislation will now take into account the income of all members of the household. Over 141,000 requests for bursaries were submitted for 2016-2017, of which almost 53,000 for higher education and 88,000 for secondary education. The adjusted overall budget for 2017 amounts to approximately 68 million euros. On August 30, 2017, the government of the French Community also approved a decree which defines admission criteria to masters' programmes for holders of an academic bachelor's degree. This decree aims to ensure student mobility and re-orientation, while simplifying the admissions committees' task. The council of ministers of the French Community has also approved a decision expanding the existing list of English-language mas-

ter's programmes with a strong international dimension. Finally, four collective higher education structures were created aimed at encouraging lifelong learning and continuing education among various target groups.

The *German-speaking Community* considers expanding the dual learning programmes offered in higher education. They will also create a new bachelor's programme in social work and youth work. With regard to continuing education offered to primary and secondary school teachers, the Haute école is preparing a new programme for 2018-2019 which includes a course on heterogeneity and class differentiation in order to better support pupils with learning disabilities.

4.3.2. Early drop-outs

By 2020, the percentage of early drop-outs in Belgium should be reduced to 9.5 %. This objective is more ambitious than the overall EU objective (10 %). In 2016 the Belgian drop-out rate was 8.8 %, compared to 10.1 % in 2015 and 9.8 % in 2014.

The pact for excellent education (*Pacte pour un enseignement d'excellence*) by the *French Community* aims to improve students' competences, better support their education paths (through remedial teaching), improve governance (by managing schools) and mentor the various stakeholders in education. The first actions of the September 2017 pact concern, among others, the allocation of additional resources for support in early education and administrative reinforcement for primary and specialised education. The implementation of the other actions continues according to a schedule that has been set and budgeted for. The reform will allow for the adoption of a multidimensional plan to combat early drop-outs, both within the French Community and in collaboration with the regions. In addition, the pact predicts a 50 % reduction of early drop-outs by 2030. The French Community also ensures that digital know-how and competences are included in competence frameworks. The decree of July 6, 2017 also determines a new calculation method for differentiated education (see §3.2.1). School campuses using differentiated support have lower socio-economic indexes. These campuses will have periods to hire teachers and will receive additional funding for training inside or outside the classroom, remedial teaching, study counselling, French classes, individual support, pedagogical advice, training, group assignments or mentor projects in the context of combatting early drop-outs. In total, the policy action will cover 25 % of all pupils enrolled in mandatory education in the French Community.

The pupil guidance reforms in *Flanders* (see also §3.2.1) is implemented with an eye to managing various phenomena which cause early drop-outs (e.g. failure in school, wrong choice of study, a lack of motivation, being held back in school and truancy). The action plan on combating drop-out (*Samen tegen schooluitval*) is also implemented further. This plan consists of over 50 actions relating to the right to education, truancy and early drop-out. Thirty actions have already finished, the other half is still ongoing. The implementation of the modernisation of secondary education in school year 2019-2020 is still being prepared. Elements such as the introduction of basic literacy, differentiation and transition opportunities will reinforce the orienting nature of the first two years of secondary school. The new, transparent, and simpler arrangement of study programmes offered in the last four years of secondary school and the possibility of creating domain schools and campus schools will have a positive effect on the study choice and orientation process. The dual learning system will be further implemented in Flanders as a pilot project, starting from September 1, 2018. From September 1, 2019 onwards, dual learning is implemented generally as a fully qualifying learning trajectory in addition to full-time secondary education. At that point, 55 dual learning trajectories can be introduced. Strengthening early education will contribute to combatting the number of unqualified school leavers, while a reform of adult education will provide important compensatory opportunities for early drop-outs. One of the strategic objectives of the new strategic plan on literacy (*Strategisch plan geletterdheid, 2017-2024*) is a significant increase of the number of young people graduating from secondary education with sufficient literacy competences so they can autonomously function and participate in society.

In 2017, the *Brussels-Capital Region* created the ‘school contract’ (Schoolcontract / Contrat école) to improve relationships between neighbourhoods, schools and youngsters. A school contract serves to have schools and pupils integrate as good as possible in the environment and the neighbourhood, through an appropriate planning and lay-out of the school campus and its immediate environment. The school contract mainly aims at schools with poor reputations, which currently have vacant places for pupils. Every year, the region selects two schools in Brussels. A budget of 2.5 million euros will be reserved per school contract. In 2017, the Brussels-Capital Region allocated a budget of 1.9 million euros to 405 extracurricular projects combatting early drop-outs in schools in Brussels, in the context of the programme truancy prevention (Dispositif d’accrochage scolaire / Preventie schoolverzuim). In 2018, the Brussels-Capital Region will develop a new policy framework covering this area. One of the main reforms is a transition from yearly project-funding to three-year project funding.

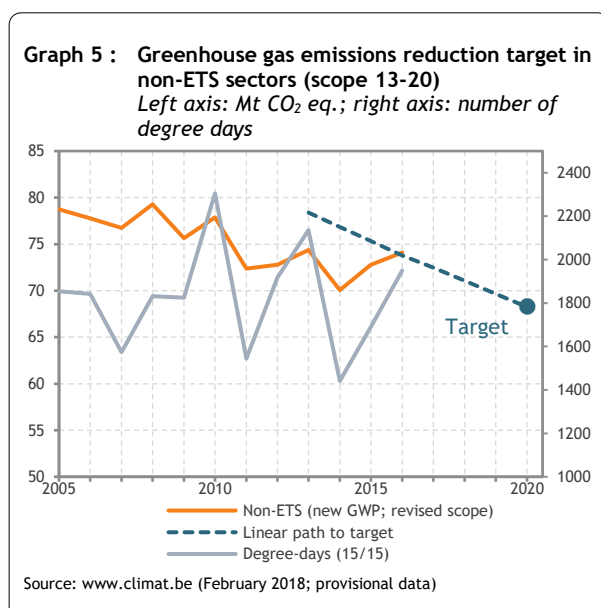
The decree of June 26, 2017 regarding newcomer participation in education led to the creation of similar systems for newcomers with temporary shortcomings while learning the school language in the *German-speaking Community*. Currently, schools’ daily task is to integrate pupils with a migrant background and newcomers. The abovementioned decree aims to increase human and financial resources for the education and integration of new pupils by focusing on language acquisition. A university programme for teachers working in classes with newcomers was set up in order to offer newcomers high-quality education.

4.4. Energy and climate

Table 5: State of affairs in 2015 and 2016 and climate-energy objectives for 2020

	BE2015	BE2016	BE2020	Required change 2016-2020
Greenhouse gas emissions non ETS, scope 13-20 (Mt CO ₂ eq)*	72.8	74.1	68.2	-5.9
Share of renewables (%)**	7.9	8.7	13.0	4.3 pp
Primary energy consumption (Mtoe)**	45.7	49.0	43.7	-5.3

Sources: *) www.climat.be (February 2018; provisional data); **) Eurostat (February 2018; provisional data)
pp: percentage point.



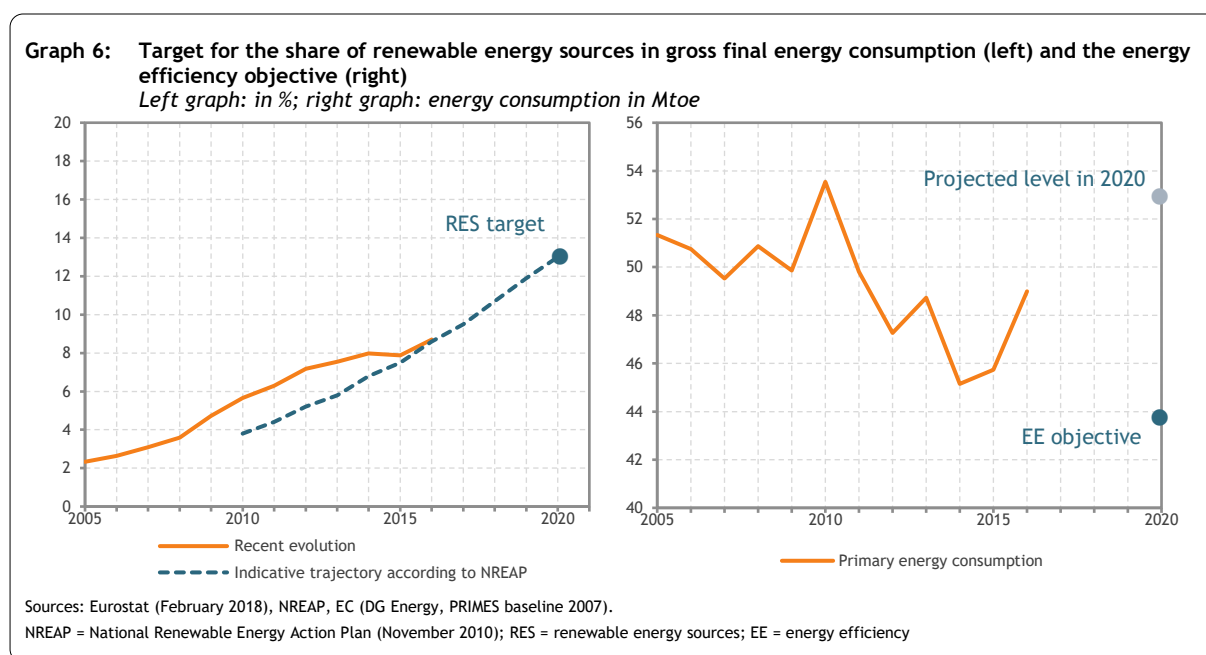
The climate and energy package of the Europe 2020 strategy contains three targets for Belgium, to be achieved by 2020: (1) a 15 % reduction in greenhouse gas emissions compared to 2005, in sectors not included in the European emissions trading system (non-ETS sectors), following a linear trajectory (yearly emission ceilings) from 2013 to 2020, (2) a 13 % share for renewable energy in the gross final energy consumption and (3) an indicative target to reduce primary energy consumption by 18 % compared to projections for 2020. The table and figures below visualise these targets and show Belgium’s current position vis-à-vis the targets.

In 2016, greenhouse gas emissions in non-ETS sectors increased for the second subsequent year

to 74.1 Mtoe. They still remain below the 2005 level (-5.9 %), but for the first time they exceed the reduction trajectory laid out for the 2013-2020 period (73.8 Mtoe in 2016). Emissions depend for a large part on heating requirements and 2016 was much colder than 2014 and 2015.¹²

After a more moderate growth between 2012 and 2015 (see figure 6), the percentage of renewable energy in the gross final energy consumption increased sharply in 2016. This percentage is slightly above the indicative trajectory as laid out in the Belgian Action Plan for renewable energy which was presented to the European Commission in November 2010: 8.7 % vs. 8.6 % in 2016. In 2016, the gap with the 13 % target for 2020 was 4.3 percentage points.

Finally, primary energy consumption, which is one of the two indicators used to define the indicative energy efficiency target, has increased sharply compared to 2015. In 2016, primary energy consumption (49 Mtoe) was approximately 5.3 Mtoe over the Belgian target of 43.7 Mtoe by 2020.



Climate and energy competences are distributed over the federal level and the three regions. On January 20, 2017, a collaboration agreement was signed with regards to the distribution of 2020 climate and energy targets over the regions and the federal level and relating opportunities. The main policy actions that various entities have defined and decided in this context, but on the long term as well, are briefly summarised below.

The *federal state* has committed to implementing new policy actions including an action targeting passenger transport: the mobility allowance or ‘cash for cars’. This action provides an alternative to company cars provided by employers. The employees’ allowance is subject to the same fiscal and parafiscal system as company cars. The relating act was approved by Parliament on March 16, 2018 (and will enter into force retroactively on January 1, 2018). In addition, there is a complementary draft bill – based on proposals made by the social partners – which will give employees access to a more flexible mobility budget. The budget is based on the ‘total cost of ownership’ (TCO), the total yearly cost that the employer covers for the company car and relating costs (fuel, insurance, maintenance, taxes, etc.). The

¹² In Belgium, approximately one third of non-ETS greenhouse gases is emitted by residential and tertiary sectors, with emissions resulting mainly from heating buildings (other sources of emission include cooking and warm water production for sanitary purposes). However, the distribution varies significantly across the regions.

other actions focus on stimulating electrically-assisted cycling, reducing the energy consumption of the national railroad company (NMBS/SNCB, for traction power as well as for other purposes), levelling excise duties on petrol and diesel, implementing the Ecodesign directive and the regulation on fluorinated greenhouse gases.

In the *Brussels-Capital region*, the air-climate-energy plan (Plan air-climat-énergie / Plan lucht-klimaat-energie) which was approved in June 2016 includes the actions planned to contribute to climate and energy targets. The final actions taken with regards to (1) renewable energy and energy efficiency in buildings include: the local action programme for energy management (Programme local d'action pour la gestion énergétique – PLAGÉ / Lokaal actieprogramma voor energiebeheer – LAPEB) which determines new energy requirements for both old and new buildings in the tertiary sector, the INNOVATE project, an awareness campaign (Climate.brussels) and the continuous adjustments to energy subsidies for the residential sector, funding for projects in the public sector (SolarClick and NRClick), federations of small and medium companies or the non-profit sector (NPACK ENERGIE); (2) mobility: the introduction of low emission zones (since January 1, 2018) throughout the region, the mandatory and specific actions relating to company mobility plans, the start of the European BENEFC project for investments in energy infrastructure (natural gas, electricity) and the commissioning of new electrical and hybrid buses by the local public transport company MIVB/STIB.

Wallonia has added new concrete actions and initiatives to its 2022 air, climate and energy plan which was approved in April 2016. With regards to renewable energy, they gave concessions to build wind farms on Walloon highway service areas, set up a flexibility mechanism for green certificates to better support less-used technologies, and they reserve a 50 million euros investment for the development of chemical storage of renewable electricity in Wallonia (Power-to-gas). Concerning energy efficiency, the Walloon government has acknowledged the Walloon long-term strategy for energy renovation of buildings and approved a draft bill on the renovation of public lighting (LED) in municipalities. Renovation premiums for residential buildings were adapted to take the residents' level of poverty into account, and funds will be reserved to build and renovate public buildings and improve the energy efficiency of public and non-commercial tertiary-sector buildings in the context of the Walloon investment plan (extraordinary UREBA programme). For transport, the Walloon government approved the mobility vision FAST¹³ (Vision FAST - mobilité 2030, see also §5.3). Of these actions, we should mainly emphasise a modal shift (to bicycles and public transport) and substantial related investments (bike paths, etc.). The Walloon government also approved a preliminary draft for a decree reducing local pollution caused by motorized vehicles. This also includes the introduction of low emission zones and a gradual reduction of the number of diesel cars.

Flanders committed to reducing non-ETS emissions by 15.7 % by 2020 compared to 2005. The path towards and the actions to achieve this target are described in the Flemish mitigation plan 2013-2020. On February 9, 2018, the second progress report was presented to the Flemish government. This progress report is publicly available via https://www.lne.be/sites/default/files/atoms/files/VORA2016-2017_Mitigatie.pdf. Flanders is taking various steps to improve energy efficiency. For example, the building sector sees the introduction of the E-level requirement for non-residential buildings, a new inspection protocol to improve the quality of energy efficiency certificates, new policy instruments to financially support energy renovations and the reforms to the Flemish energy loan. For the non-ETS industry, the Flemish government has set up pilot projects to investigate the creation of miniature energy agreements for SMEs. Initiatives taken in 2017 to increase renewable energy production include: the implementation of the actions laid out in the memorandum Zonneplan 2020 (Solar plan 2020 - publication of a solar map, etc.) and Windkracht 2020 (Wind power 2020 - supporting local governments,

¹³ FAST means: Fluidité, Accessibilité, Santé/Sécurité et Transfert Modal (Fluidity, Accessibility, Health/Safety and Modal transfer).

acceptability), the identification of areas where setting up a district heating system is economically viable, determining a regulatory framework for the creation of heat and cold networks and the green heat call (13 projects were selected). The transport sector will see the implementation of the Flemish action plan Clean Power for Transport (which includes the installation of charging stations). The zero-emission bonus was modified, and premiums for electrical and hydrogen cars increased.

Finally, we must also underline the *federal* long-term (2030 and/or 2050) energy strategy which is or will be partially based on certain *regional* initiatives (Visie 2050 and Stroomversnelling in Flanders, the Plan air-climat 2030 in Wallonia and the Plan énergie-climat 2030 / Energie- en klimaatplan 2030 in the Brussels-Capital Region). The *federal government* has prioritised the following targets: (1) ensuring the security of energy supply; (2) complying with the Paris agreements; (3) making sure energy remains affordable for companies, including electricity-intensive companies, and for households; (4) maintaining the highest possible safety level for the installations. These commitments are translated into concrete actions in a federal energy strategy which includes action relating to energy standards, capacity remuneration mechanisms, monitoring, the development of an NECP¹⁴, burden sharing, offshore wind energy and the energy pact. Additionally, new technological evolutions proposed by the *regions* which fit within the implementation of the energy strategy are not excluded.

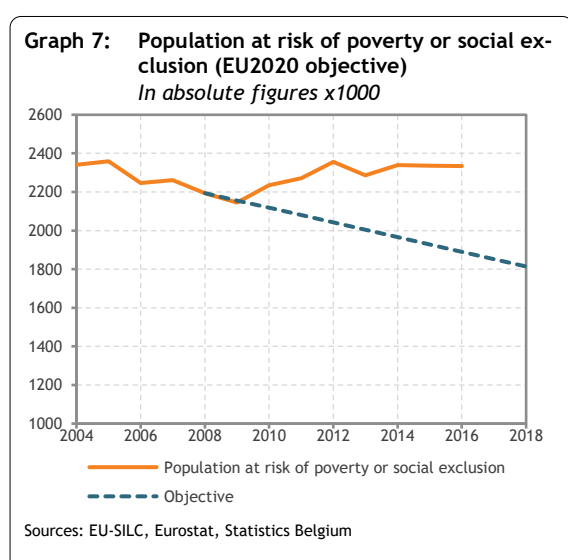
4.5. Social inclusion

Table 6: Social inclusion target
In absolute figures x1000

	BE2008	BE2016	BE2018	Required decrease 2016-2018
Population at risk of poverty or social exclusion	2,194	2,335	2,336	521

Sources: EU-SILC, Eurostat, Statistics Belgium

The indicator ‘risk of poverty or social exclusion’ remained stable between 2015 and 2016. There have also not been any significant changes since 2008. The stability in the overall number of people at risk of poverty or social exclusion since 2008 is the result of a decrease among the elderly (from 22.9 % to 16.4 %) and an increase among the population of active age (from 20.1 % to 21.7 %), especially among low- and medium-skilled people.



4.5.1. Ensure social protection for the population

Increasing the employment rate is the cornerstone of the *federal policy*. An income from employment protects against poverty and working contributes to sustainable social inclusion. More people at work means increased financial sustainability of social protection. Social security also focuses on groups with special needs. In January 2018, the waiting period for the incapacity to work system for self-employed people was reduced from one month to two weeks. It is also being worked on better recognition for informal care providers. New additional pension schemes for employees and self-employed persons are currently being prepared. A number of (minimum) amounts in social security and social assistance have been increased beyond the index adjustment. Additional funds will be reserved in 2018,

¹⁴ NECP means: National Energy and Climate Plan

2020 and 2022 to further increase social assistance benefits to the poverty threshold (focus on singles and parents). The policy also aims at better and more efficient social protection services: optimisation of operations, combating social fraud, automatic awards of rights to combat non-take-up, implementation of the state reform.

At the end of 2017, a preliminary report on the implementation of the *federal* plan on poverty reduction 2016-2019 (Federaal plan armoedebestrijding / Plan fédéral de lutte contre la pauvreté) was presented to the council of ministers; 22 of 61 actions have been fully implemented. The *Flemish* action plan against poverty 2015-2019 (Vlaams actieplan armoedebestrijding) was evaluated and modified with a focus on work, housing, education, family, and social services. In this context, we can also report the following actions: a call for projects to stimulate social infrastructure in the vulnerable neighbourhoods of big cities and the implementation of a service registry. The Flemish government wants to promote basic social rights at a local level through a new decree on local social policy which gives municipal authorities a central role in the matter, among others through an integrated broad reception. The *Walloon Region* has started a participatory evaluation of the social cohesion plan 2014-2019 (Plan de cohésion sociale). The reform of the programming plan 2020-2025 (Plan pour la programmation) is continued. The Walloon government approved the third report on the implementation of its plan on poverty reduction (Plan wallon de lutte contre la pauvreté). An evaluation will be conducted with a new focus on employment, education, and housing policy. The autonomy insurance (Assurance-autonomie wallonne), which should enter into force on January 1, 2019, will enable funding of home assistance at every age and will include a flat rate compensation for people aged 65 and over who lose their autonomy. The *Brussels* action plan on poverty reduction (Plan d'action bruxellois de lutte contre la pauvreté / Brussels actieplan armoedebestrijding) will be updated and will be presented to the Brussels Parliament in spring 2018. The results of the discussion on non-take-up of social benefits and underprotection in the Brussels Parliament will be published early 2018. This will mainly focus on the progress of the Brussels-Capital Region in education, work, access to housing, access to medico-sanitary services, combating homelessness and exceptional support for specific population groups.

4.5.2. Reducing child poverty

In February 2018, the *Walloon government* adopted the decree on the management and payment of family allowances (décret relatif à la gestion et au paiement des prestation familiales). For every child born on or after January 1, 2020 the household will receive a basic allowance of 155 euros up until the child's 18th birthday and 165 euros for children aged ages 18 and 24. The new system will be simpler and easier to understand than the current system and provides for an addition for children in households at risk of poverty and material deprivation. For children who turn 18 on or after January 1, 2020 the right to an allowance is automated until the age of 21. At a *federal level* there will be additional financial support for low-income single parents with dependent children. For this group, the deduction for childcare will be increased. In 2018, a federal call for projects to combat child poverty (Kinderarmoede effectief en efficiënt bestrijden / Lutte effective et efficace contre la pauvreté infantile) will be launched. This will reinforce the role of the social welfare centres (CPAS/OCMW) in combating family poverty. The goal is to detect problematic situations in time and offer integrated assistance to children and their families. The *Flemish government* will continue its policy aimed at preventing and combatting poverty among families with young children, in order to break the generational poverty cycle. The child allowance reform also contributes to this. Projects concerning leisure participation are set up, and funding for perinatal coaching for vulnerable young families is expanded. The informal network of people in poverty is reinforced and forums for experience-exchanges for newcomers under age and functionally illiterate women with young children are structurally embedded. Childcare is expanded, and youth care receives additional support. Projects on preventative family assistance will also receive support. Education policies will include cost management.

4.5.3. Active inclusion of people removed from the labour market

In order to stimulate the return to the labour market of people depending on social security allowances, the *federal government* is preparing new regulations for the basic welfare (reforming the socio-professional exemption), income replacement allowances for people with a handicap and incapacity for work benefits (permitted work in social security). The principle is that efforts to return to the labour market should not entail a financial penalty. These measures also include accountability in the context of the income guarantee (Inkomensgarantie-uitkering – IGU / Allocation de garantie de revenu – AGR) This IGU/AGR is given to people who are against their will working part-time. Together with their employer, they sign a statement indicating that they do want a full-time job. There will also be additional support for the transition to a full-time job. On the one hand, employers who do not assign additional available hours to people with an IGU/AGR within the year will have to pay an accountability contribution of 25 euros per month per employee. On the other hand, the involuntary part-time employees with an IGU/AGR will be submitted to regularly check whether they still meet the requirements. In 2018, the MIRIAM project which offers women in single-parent families receiving a basic living allowance more opportunities for socio-professional inclusion through intensive individual and group support, will receive funding from six new CPAS/OCMWs. The federal government will also fund training for all CPAS/OCMWs who want to put this method into practice. *Flanders* launched a call for projects on ‘outreaching work’ (Outreached werken) focusing on families with a very low work intensity. The goal is to approach the target group and increase parents’ work intensity and enhance the children’s opportunities for education through an integrated approach. New systems for neighbourhood work (Wijkwerken) and temporary work experience have been introduced, a new decree on work and care trajectories has been approved, a hiring incentive for long-term jobseekers was introduced and the number of places in social economy increased. The *Brussels-Capital Region* has made all of its employment schemes (target group policies, activation, programme) accessible to all jobseekers, including those who are excluded from any unemployment or activation benefits. *Wallonia* will emphasise skills validation, qualification schemes for adults, the reform of articles 60 and 61 of the organic law regarding CPAS and a revision of admissions criteria for Forem-courses in the context of its new focus on employment and education in the Walloon plan on poverty reduction.

4.5.4. Combating inadequate housing and homelessness

Flanders is making significant investments in the social rental market, leading to large numbers of new and newly renovated social housing units. In 2018 as well, the government will free up additional funds. The binding social target is monitored, social housing organisations receive support, and a trial for new forms of housing was launched as well. At the *federal level*, Housing First Lab has developed a basic and advanced training for people in the field. The lab includes several partners, including regional authorities. A consortium of NGOs was assigned a pilot project to put a model of assistance schemes into practice. Currently, a social assistance reform is being finalised. After this reform, beneficiaries can be assigned a reference address, so they can maintain their benefits and/or get them back even if they lose their housing. In June 2017, the *Walloon government* has adopted a preliminary draft of a decree to organise reception for nomadic groups by the provinces, together with the municipalities. With regional support, every province must have at least one equipped caravan park and three temporary parks from 2020/2021 onwards. The Centre de Médiation des Gens du Voyage et de Roms (mediation centre for nomadic groups and Romani) will be tasked with the continuation and expansion of its current tasks. In December 2017, the government approved a revision of rental agreements. The objective is to ensure stability, legal certainty and clarity of tenants’ and landlords’ rights fostering mutual trust between both parties. Funds have been reserved to improve living conditions for people with disabilities and increase the number of places in residential care facilities. In February 2018, the *government of the Brussels-Capital Region* freed up a budget for calls for projects, aimed at municipalities, for the creation of emergency and transit housing units. In March 2018, the Joint Board of the Common Community Commission will present a draft ordonnance regarding emergency aid and the integration of homeless

people to the Parliament. One organisation will be responsible for emergency shelter and care, another will focus on social inclusion and housing policies. All tasks in the field to assist homeless people will be backed by the stabilisation, through accreditation, of innovative programmes which have been tested in the region since 2014 (Housing First, street work, etc.). The thematic section of the 2018 Brussels poverty report investigates appeal options in case of non-compliance with the right to housing, with a focus on eviction.

4.5.5. Reception and integration of people with migrant backgrounds

In the *Brussels-Capital Region*, the Joint Assembly of the Common Community Commission adopted an ordonnance regarding required civics courses for newcomers in May 2017. The preliminary draft was subjected to a poverty test. Negotiations regarding collaboration agreements with the Flemish Community and the French Community Commission are still ongoing. In the context of an inclusive and horizontal integration policy, the *Flemish government* is taking action in all policy areas to integrate people with a migrant background (the *Vlaams horizontaal integratiebeleidsplan*, which will be updated in 2018). In 2017, 22,000 people started a free integration course, both on a voluntary and a mandatory basis. In the context of the asylum crisis, the Flemish government freed up additional resources for integration courses, toddler participation and parent participation. *Wallonia* is reinforcing the actions included in the integration trajectory. In addition, there is an INTERREG project which aims to support an integration programme for refugees with qualifying courses, job coaching and employment. The *Belgian national platform for Romani people* will continue to organise meetings to combat discrimination in 2017-2018, with a focus on the empowerment of young people and women.

5. Other reforms and use of structural funds

The measures picking up on the country-specific recommendations and those that contribute directly to achieving the goals of the Europe 2020 strategy are not the only ones that are of significant importance for structural economic growth. Other facets of economic policy also play a role, particularly a modern industrial policy, promoting entrepreneurship, public investments and the European structural funds.

Pursuant to the European Council's recommendation, Belgium has set up a national productivity council. The bill on this subject is currently being discussed by Parliament. The proposal contains plans for cooperation between existing institutions at federal level (Secretariat of the Central Economic Council, the National Bank of Belgium and the Federal Planning Bureau) and at regional level (all three regions). Work is scheduled to begin in June.

5.1. Industrial policy

The *Brussels-Capital Region* is working on the transition to Industry 4.0. As announced in the regional strategic plan (*Stratégie 2025 / Strategie 2025*), the economic and social council for the Brussels-Capital Region and all economic government agencies have given thought to the policy needed to preserve the existing industry and to prepare for the future of urban industry. After that reflection process, an industrial action plan for the region will be adopted by late 2018.

The *Flemish government* is also working on Industry 4.0. In the framework of the regional strategy (*Visie 2050*), the government approved its memorandum entitled 'De sprong maken naar Industrie 4.0' (Taking the leap towards Industry 4.0) in the spring of 2017. In 2017, activities relating to all five main lines of the Industry 4.0 action plan were started.¹⁵ For instance, two calls for projects were made, respectively relating to living labs in Industry 4.0 (*Proeftuinen in Industrie 4.0*) and about support for transitions in the cluster domains. Seven living lab projects were presented at Imec and are scheduled to start in 2018. A few strategic research centres and spearhead clusters are involved as well. The new Flemish cluster policy (see §3.3.1) contributes to better absorption of technology and diffusion of innovation. In that context, there are also projects aimed at specific target groups, such as retail trade. In late 2017, the Flemish government approved the bilateral Flemish-Dutch chemical strategy, as well as the trilateral strategy for the chemical industry with the Netherlands and North Rhine-Westphalia.

In the *Walloon Region*, calls 19 to 21 of the competitiveness centres ran. Twenty projects were approved, with a total government contribution of 40 million and a total investment of 65 million euros. Actions were also undertaken in the area of industrial reconversion, in particular focusing on the Charleroi basin after the closure of the Caterpillar site. In that context, it was decided in July 2017 to implement the CATCH plan. For a period of three years, an annual amount of 1 million euros will be made available for that plan. In November 2017, the cooperation agreement with the federal government regarding the establishment of free zones was published. It shall run for six years.

The circular economy is being supported in all three regions. In the framework of the *Walloon* investment plan (see also §5.3), 75 million euros has been made available for projects in this area. In addition, 60 million euros will be invested in renovating and expanding the network of recycling centres. In

¹⁵ (1) Maintaining a platform that disseminates information and raises awareness about Industry 4.0; (2) Strengthening the knowledge base; (3) Accelerating application by providing targeted support to enterprises, depending on their familiarity and involvement with the transition; (4) Contributing to good environmental conditions; (5) Supporting international cooperation, especially at European level.

July 2017, a system of vouchers for the circular economy (Chèques économie circulaire) was approved. With these vouchers, for which around 3 million euros have been made available, business can call on the services of experts. The *Flemish government* took note in 2017 of the concept paper entitled 'De transitie naar de circulaire economie doorzetten' (Keeping up with the transition towards the circular economy), which, like Industry 4.0, fits in the context of the Visie 2050 strategy. In 2017 and 2018, the focus was placed on the circular city, circular purchasing and circular entrepreneurship, and on topics presented by external stakeholders. As regards circular purchasing, a Green Deal was started in June 2017, with 86 purchasing and 47 supporting organisations. In the course of 2017-2018, 10 million euros are made available for circular economy projects; 63 such projects have already been started. In February 2018, the *Brussels-Capital Region* launched its third call for projects called Be circular for the purpose of supporting the development of innovative pilot projects that are in line with the concept of the circular economy in Brussels. The annual budget for the call for projects amounts to 1.5 million euros.

5.2. SMEs and the business climate

Measures for the promotion of entrepreneurship can be subdivided into financial and non-financial support. Financial support can be subdivided into subsidies and supply of capital. In October 2017, the *Walloon government* approved an orientation memorandum for the reform of financial instruments and support to enterprises. This is meant to lead to a coordinated regional approach to investments and the creation and financing of enterprises. The 'Prêt coup de pouce' programme is extended to late 2019. It provides a tax incentive for individuals who lend their savings to young entrepreneurs. By June 30, 2017, around 2 million euros had been brought together, and the tax incentive amounted to around 450,000 euros. These amounts are expected to quadruple. The European Commission approved a scheme for rescuing and restructuring SMEs. The support fund amounts to 20 million euros and will run until 2020. The SOGEPA increased the strength of the Fast Track accelerated procedure for SMEs experiencing financial difficulties. A new instrument (Early Warning Scan) was developed by the agency for enterprises and innovation (Agence pour l'Entreprise et l'Innovation – AEI) to help SMEs identify the first signs of financial difficulties. The *Brussels-Capital Region*, in order to lower the rate of bankruptcy among SMEs, developed instruments to identify enterprises experiencing difficulties, provided support to pilot projects concerning touch-and-go loans, and strengthened SMEs' capacities through guidance provided by project managers financed through micro-credits and financing provisions for loans on credit. As regards access to financing for the self-employed and SMEs, the *Flanders* participation agency (Participatiemaatschappij Vlaanderen - PMV) launched the new brand PMV/Z in 2016 that bundles together a number of financing instruments: the start-up loan+, SME co-financing, the guarantee regulation and the win-win loan. The results for 2017 were positive.¹⁶ As regards the financing of SMEs, the *federal government* decided to make it easier for SMEs to obtain bank loans by compelling the banking institutions to provide more information about collateral and guarantees and by adjusting the ceiling for qualifying for reinvestment allowances.

In 2017, the SME portfolio (KMO-Portefeuille) of the *Flemish authorities* supported a total of 53 million euros to around 130,000 small projects in the area of education and training and buying in advice. In addition, the SME growth subsidy (KMO-Groei subsidie) granted a total of 8 million euros to around 300 SMEs as support for recruiting or hiring external expertise necessary during a transformation, innovation or internationalisation project. At *federal level*, measures were taken to improve the social sta-

¹⁶ The results for 2017 were as follows: 131 start-up loans (Startlening+) concluded for an average amount of 47,875 euros (total investment of 6 million euros), 117 SME co-financing (KMO-Cofinanciering) deals approved with an average amount granted of 195,077 euros (total investment of 23 million euros), a record amount of 261 million euros in the guarantee scheme (Waarborgregeling) in 1,944 commitments (for each euro of guarantee, 2.4 euros in investments were made in 2017), and 2,555 loans were registered under the win-win loan (Winwinlening) for a total financing of 60 million euros.

tus of self-employed entrepreneurs. The measures included an extended scheme of possibilities for reduced social security contributions for entrepreneurs starting up their business, and years spent in education may be taken into account for the calculation of pensions for the self-employed. Measures for the financing of growing companies included the extension of the tax-shelter measure and reform of the statute of the 'Private PRIVAK' which increases the attractiveness of this vehicle. Of particular interest to SMEs in the 2017 summer agreement is the fact that the corporate tax rate on the first 100,000 euros of profit is reduced to 20%. In *Wallonia*, a new measure co-financed by the EFDR helps SMEs to reduce their energy consumption and to develop eco-innovation projects.

Non-financial measures were also taken in the three regions. The *Brussels-Capital Region* provides for a thorough reform of access to professions, which will be simplified and adapted to become in line with the European framework. One important aspect of the reform is the abolition of inadequate central examination commissions and the replacement thereof with the possibility of validating acquired skills. In order to encourage entrepreneurship, one of the Region's priorities in 2017 involved supporting the transition of Brussels-based SMEs to new economic models, in particular through the promotion of innovative social entrepreneurship, support for projects in the area of the circular economy and e-health, and establishing a new cluster – *hospitality.brussels* – in the culture, tourism and events sector. In *Flanders*, the requirement to be in possession of the certificate of basic knowledge of business management (*Basiskennis Bedrijfsbeheer*) in order to pursue a self-employed occupation (Decree of the Flemish government of March 9, 2018) will be abolished on September 1, 2018. The government is focusing more on the continuous development of skills and targeted training, both for beginning and existing entrepreneurs. To this end, it approved an action plan for improving entrepreneurial skills. In the framework of the multiannual Flemish strategy on internationalisation (*Een gezamenlijke meerjarige internationaliseringsstrategie voor de Vlaamse economie 2017-2021*), which the Flemish government approved late 2016, further work will be done towards the international marketing of goods and services and towards attracting and retaining foreign direct investments. Priorities were set and initiatives were taken in five areas.¹⁷ In the *Walloon Region*, the *NWOW-PME* platform was launched in November 2017. This programme helps SMEs to implement the *New Way of Working (NWOW)*, both by deepening existing practices and developing new practices. Finally, in December 2017, the government selected 13 projects for flexible workspaces in rural areas.

5.3. Public investments

The aim of the national pact for strategic investments (*Nationaal pact voor strategische investeringen / Pacte national pour les investissements stratégiques*) involves supporting growth and job creation, and thereby maintain our social protection model. This project is based on a transversal vision, namely accelerating and strengthening strategic investments in the country's main sectors, both in the public and private spheres, by 2030.

A strategic committee was set up in March 2017. It was tasked with formulating recommendations that would form the cornerstone of the future investment policy in Belgium. In the meantime, nine working groups were set up which are currently hard at work. The topics currently on the agenda are digital technology, mobility, energy, security, education and healthcare. The purpose of these groups is to promote a bottom-up and inclusive approach through which it is possible to gauge and gather as much information as possible from the various representative stakeholders in those sectors. The ultimate goal of the strategic committee is to compile a full report containing 4 to 5 very concrete major recommendations for the political world by June 2018.

¹⁷ Life sciences and health; food; solution-driven engineering and technology; smart logistics; sustainable materials, raw materials and chemistry.

In order to promote public investment, Belgium very recently adopted a position paper aimed at modifying the flexibility clause for investments under the Stability and Growth Pact. This position paper will be presented and discussed at European level in the coming months.

In addition to these activities, which are of vital importance for public investment in Belgium, every entity in the country has drawn up a preliminary list of priority projects. At this stage, the list is not exhaustive or final, pending the conclusions of the strategic committee. By 2020-2021, these projects will amount to over 9 billion euros, of which over 1.7 billion at federal level.

The concrete projects of the *federal government* include the completion of the regional express network (Réseau express régional – RER / Gewestelijk Expressnet – GEN) aimed at increasing the capacity of the suburban railways around Brussels; the development of MYRRHA, the first prototype of a nuclear reactor controlled by a particle accelerator; and the construction of infrastructure linked to the implementation of justice missions and the maintenance and strengthening of security. The *Walloon* answer to the investment pact is the aforementioned Walloon investment plan (Plan wallon d'investissement) for 2019-2024 that was presented by the regional government on January 17, 2018. An amount of some 5 billion euros is foreseen for mobility, energy, research and digitalisation, as well as for public housing, social action, education and the environment. Concrete projects include rolling out the digital electricity meters (400 million euros), the expansion of the natural gas network in industrial zones (100 million) and the further increase of the coverage of the telecommunications network (50 million). Certain texts and procedures will be updated to speed up investments. Two committees were set up to ensure the guidance and technical and financial monitoring of the plan. In the *Flemish Region*, the government freed up an extra 610 million euros per year until the end of the legislature (2018-2019) for mobility and public works, schools, healthcare, R&D and business infrastructure. In addition, the Flemish government continues to provide for additional resources for investments via alternative financing and via participations and loans. As a result, the amount set aside in the 2018 budget for the new school-building PPP was increased from 300 to 550 million euros. In addition, the Flemish government has set aside 285 million euros for additional loans in the context of the construction of social housing. In order to make a coherent Flemish policy on combi-mobility, the Flemish government has set aside a further 100 million euros to better participate in developing integrated hubs, such as decentralised parking facilities. Finally, 75 million euros have been set aside for additional investments in promising innovative industrial enterprises.

Mobility is an important point of interest for strategic investment. Belgium occupies a central location in Europe, at a crossroads of transport flows. Together with intensive domestic passenger traffic, extreme pressure is placed on the networks of various modes of transport. In particular, there is increasing congestion on the motorways, which may adversely affect economic potential. It is being tackled by investing in the road network and by promoting modal shift. In 2017-2019, the *Flemish government* will invest 5.8 billion euros in transport infrastructure, an increase of almost 30 % compared to previous years. In 2018, 1.5 billion euros of that amount will be spent. The largest part is for the road network (652 million euros in 2018, excl. Oosterweel) and the waterways (280 million euros in 2018). Initially, the focus will be placed on the major road infrastructure projects around the traffic-sensitive trajectories of Antwerp (Oosterweel project) and Brussels (R0). The works for the Oosterweel project recently started, and the works on the Ring around Brussels (R0) will begin in 2019. In addition, 32 'major works' will take place on the motorways to ensure smoother and safer traffic. In 2018, major investments will also be made in a number of ongoing water-related infrastructure projects, including the lock at Terneuzen (60 million euros), the Seine-Schelt link (49 million euros) and upgrades to the Albertkanaal (40 million euros). An amount of some 1 billion euros is earmarked for public transport and cycling amenities. Flanders is also working on a new mobility plan. It includes the main lines for sustainable mobility until 2030, building on the Vlaanderen 2050 long-term strategy. In the *Walloon Region*, the government approved the FAST vision (see also §4.4). The FAST vision focuses on the modal shift and combined traffic. It focuses on three areas: management, investments and behaviour. Around 20 % of

the Walloon investment plan (1.1 billion euros) is earmarked for mobility. In addition, some 150 million euros will be made available for upgrading the existing road network in 2017 and 2018. As regards public transport, efforts will be made towards integrating train and bus networks and developing GENS. The EFSI has lent 210 million euros for the construction of the tram network in Liège. In the *Brussels-Capital Region*, in 2016, the government approved a multi-year investment programme for the tunnels, amounting to 750 million euros for a period of ten years. Within the same model, in 2017, the Region developed a multi-year investment programme for bridges and viaducts with a budget of 24 million euros for inspections, security, maintenance and repair works scheduled to take place between 2018 and 2021. This is in addition to the investments in building and expanding the metro network (1.5 billion euros for the period of 2015-2025).

In the context of the energy transition, both *Flanders* and *Wallonia* are working on the large-scale introduction of digital electricity meters. Wallonia is also investing in windmills along motorways and small-scale biomass power plants. However, plans for a large-scale biomass plant were abandoned. In Flanders, work is being done on the development of deep geothermics and a regulatory framework for heat and cold networks. The Flemish energy strategy (*Vlaamse energievisie*) 2030-2050 from May 2017 is the guideline for new policy and investment decisions in the areas of improving energy efficiency, stimulating the production of renewable energy, expanding a flexible energy system, financing the energy transition and developing a smart innovation strategy.

5.4. Structural funds and investment funds

The programming of the Structural and Investment Funds is currently at cruising speed: in late 2017, decisions had been taken for 69 % of the funds (in total cost). As explained in the various sections of this NRP, those funds are part of the concrete achievement of the objectives of the Europe 2020 strategy and the fulfilment of the recommendations of the Council. More specifically, this relates to supporting the competitiveness of SMEs (18 % of the Funds), R&D and innovation (12 %), employment (16 %) and social inclusion (14 %), the effective use of resources, adaptation to climate change, and the low-carbon economy (26 %).

In the context of the rollout of the regional smart specialisation strategies (S3), the emphasis is placed on investments, the dissemination of technologies and the commercialisation of innovation, in particular through measures for supporting SMEs (also in the form of financial instruments), pilot and demonstration projects and other initiatives. Together, they form an adapted framework in response to Recommendation 3. Flanders and Wallonia are particularly actively involved in the pilot projects of the Vanguard Initiative (*Flanders* is the co-leader of the pilot project relating to 3D printing) and will participate in various partnerships selected by the European Commission for inter-regional cooperation (two of which will be led by Flemish stakeholders: 3D printing and bio-economy). Flanders is currently updating its S3 strategy, which was approved in 2014, in order to bring it in line with the new cluster policy. The European Commission selected *Wallonia* as a test region for the industrial transition and will provide the region with support for developing its S3 strategy in 2018 in order to meet the challenges of industrial transformation. In the *Brussels-Capital Region*, a few innovative projects were started up with the aim of supporting the rollout of the region's S3 strategy, including the living labs in the sector of sustainable construction.

Projects developed in the framework of the ESF meet Recommendation 2. They relate in particular to lifelong learning and inclusion in the labour market, in particular for young people and the most vulnerable groups, social inclusion and combating discrimination and early school dropout. A portion of the actions is targeted at migrants. In September 2017, the European Commission granted an additional amount of money to the region to help it extend its participation in the Youth Employment Initiative until 2020.

6. Involvement of stakeholders

6.1. At political level

The programme came about thanks to intensive cooperation between the federal government and the governments of the regions and communities. The regional governments also involve the various stakeholders in the design of their own programmes (annexes 1 to 5). As regards Flanders, particular mention can be made of the intensive involvement of the Flemish Parliament in preparing the Flemish Reform Programme.

The cooperation between the federal government and the governments of the regions and communities is also reflected in the bilateral meetings between the European Commission and Belgium throughout the European Semester, as well as in the fact-finding missions in which they participated.

The unions and civil society were also involved at various times in the preparation and progress of the programme. Dialogue and mutual cooperation with the different sectors of our economy are priorities for the various governments. The following section further discusses the involvement of the unions in the creation of the National Reform Programme (NRP) and – more generally – in the European Semester. The contributions of the Central Economic Council (CEC / Conseil central pour l'Économie – CCE / Centrale Raad voor het Bedrijfsleven – CRB) and the National Labour Council (Nationale Arbeidsraad – NAR / Conceil national du Travail – CNT) have been attached to this NRP (Annex 8).

6.2. At the level of social dialogue

Belgium has a strong tradition of collective bargaining and social dialogue. The unions always enter into collective bargaining agreements (CBA) and other agreements at inter-sectoral, sectoral and company levels. They also form the management committees of most social security institutions. In addition, they also have their seats in the federal and regional consultative bodies, and the governments inform and consult with them at all levels about all policy areas relevant to them. They are often also asked to implement policy measures decided by the governments. The Act of 1996 permanently mandates the CEC with monitoring Belgium's competitiveness. The act, which was amended in 2017, requires the CEC to report on employment and competitiveness (Rapport sur la compétitivité et l'emploi / Verslag werkgelegenheid-concurrentievermogen) .

This approach was also used in the framework of the European Semester. The federal social partners are kept constantly informed of the progress of the Semester through the representatives in the committees (the EMCO and SPC delegations periodically inform the NAR/CNT, the EPC delegation is regularly invited by the CEC). They are invited annually to make a contribution to the NRP. The social partners also discussed this issue this year. They provided a contribution to the NRP via the NAR/CNT, which also contained the contribution of the CEC

In its contribution, the CEC set out the objectives to be achieved by the economic policy and which form a coherent and interdependent whole. In a context of major societal changes and challenges, the CEC argues for a prosperous and sustainable society: prosperity requires sufficient creation of wealth and employment for strong social cohesion. Sustainability comprises three components: environmental sustainability, financial sustainability and external equilibrium.

This year, there are four focus areas. The first relates to investments, in relation to which the CEC also issued various recommendations. The other two relate to two societal challenges that the interlocutors

addressed in accordance with their interprofessional agreement 2017-2018: the digitisation of the economy and mobility. The fourth focus area is an analysis of the issue of GDP/inhabitant, which is lower in Belgium than in the reference countries.

They were also consulted between the publication of the draft country-specific recommendations and the discussion thereof in the committees and bodies of the Council – although this often happened under time pressure, since deadlines in that procedure are very short.

The regions and the communities, each according to their own practice, also organise consultations with the social partners in the framework of the Semester. The European Commission also organises regular meetings with the social partners, including in the run-up to the preparation of the Country Report, and the Belgian partner organisations have always been very active in their respective European umbrella organisations.

The shaping and implementation of the policy within the framework of the European Semester generally takes place in cooperation with the social partners, in particular in the area of employment and social policy. This may include prior opinions about the proposed policy, such as the federal measures within the context of the law on feasible and manageable work (*wet wendbaar en werkbaar werk / loi concernant le travail faisable et maniable*), or prior agreements between the social partners that are subsequently converted into legislation, such as the Flemish reform of training incentives for employees.

Annex 1: Reform programme of the Flemish Region and the Flemish Community

Preface

The present Flemish Reform Programme (Vlaams Hervormingsprogramma/VHP) 2018 is the eighth in a row to be drawn up by Flanders and the fourth to be presented by the current Government of Flanders. More than ever, the Government of Flanders is convinced that compiling its own reform programme is an important lever for involving public authorities and stakeholders in Flanders more closely in the European Semester and subsequently further enhancing public support for it. Europe continues to show great interest in the practice developed for the Flemish Reform Programme. Flanders already explained this practice in greater detail on several occasions over the past years, like for instance during the European Week of Cities and Regions in October 2017.

Like in previous years, Flanders' reform programme offers a customised response to the country-specific recommendations 2017-2018 and the challenging Europe 2020 targets. Flanders provided a lot of detailed information during the fact finding mission of 10 November 2017 between the services of the European Commission and Belgium. The measures listed in this Flemish Reform Programme (FRP) should also guarantee that the European Commission is presented with a sufficiently detailed picture of the measures Flanders is taking within the framework of the European Semester. This FRP also addresses recent developments in the context of the European Semester, which is why Flanders' implementation of the social scoreboard has been included as well.

The Government of Flanders keeps urging the European Commission to give more region-specific recommendations and analyses. This would allow Flanders to take more customised measures in response to the country-specific recommendations, which will be a win-win situation for both Flanders and the European Commission. In this way, a last important step can be taken to complete Flanders' structural involvement in the European Semester. The position taken by the Government of Flanders is also endorsed by the 3 May 2017 Flemish Parliament Resolution on region-specific analyses and recommendations in the context of the European Semester. Over the past years, the Flemish Parliament has played an important role in designing the FRP, which makes it a pioneer compared to many other parliaments in the European Union.

The Government of Flanders is convinced that, through the measures it presents in this FRP 2018, it continues to create a positive spiral of budgetary discipline, structural reforms and investments. By stepping up the work done to deliver sound public finances during the first years of this government's term of office, the required budgetary room was created to make greater efforts to fully concentrate on investments now. From now on, the Government of Flanders will annually invest €610 million in infrastructure in four key areas: mobility and public works, school construction, welfare, research and development and corporate investments. The Government of Flanders is thus a government of investments, as clearly shows from this FRP. Flanders also still attaches a great deal of importance to implementing structural reforms. It was the only federated state in Belgium to submit several requests for support within the framework of the Structural Reform Support Programme.

Geert Bourgeois

Minister-President of the Government of Flanders

This document is the English translation of the Flemish Reform Programme (FRP) 2018. The official version of the FRP (in Dutch) was approved by the Government of Flanders on the 30st of March 2018 and can be found at <http://www.vlaanderen.be/int/europese-unie/en/article/flemish-reform-programme-2018>.

Executive summary

The Flemish Reform Programme (FRP) is the Government of Flanders' response to the challenges arising within the scope of the European Semester. Through its own reform programme, Flanders assumes the required ownership. The FRP constitutes the basis for Flanders' contribution to the National Reform Programme (NRP) and is also delivered to the European institutions. The FRP 2018 is composed of 5 parts.

PART 1 describes the main macro-economic developments in the Flemish Region. A lot of indicators are green. They include the rising growth figures for the Flemish GDP, the high ratio of total investment (including residential buildings) to the GDP (24.5%) in 2017, the increase in total employment by 1.4% in 2017 and the growth in the export of goods to €304.2 billion (1.5%) in 2016.

PART 2 describes the measures taken by Flanders within the framework of the major economic challenges (the three country-specific recommendations (CSRs) and investment challenges) and reflects the main focus of the FRP.

With regard to **CSR 1 (public finances and taxes)** Flanders aims to achieve a structurally balanced budget in 2018 as well. To that end, it focuses on a growth-friendly budgetary consolidation, while paying the necessary attention to public investments in economic and social infrastructure. To further improve the quality of the public finances, Flanders is also working to introduce performance-informed budgeting and spending reviews in the budgetary process. In 2016, the Flemish authorities instituted a debt norm to keep debts under control. This debt norm has two objectives: to secure a favourable rating and to maintain a positive net asset position. If additional efforts need to be made to keep debts under control, the Flemish authorities may consider, inter alia, selling ESA-8 participations which are deemed not necessary or not strategic. A whole series of measures, such as the annual road tax and the tariff structure for the gift tax, have been implemented to further simplify tax legislation in Flanders. With regard to the mobility taxes, a tax shift was also aimed at which gradually shifts the various vehicle taxes from a property tax to a tax based on the polluter pays principle.

As far as **CSR 2 (labour market and education/training)** is concerned, Flanders continues its efforts to guarantee equal opportunities for access to quality education, vocational training and the labour market for the most disadvantaged groups. Reference can be made, for instance, to measures regarding pupil guidance, the financing of schools, dual learning, the financing of adult education, poverty reduction, the participation in pre-primary education, the prevention of radicalisation and polarisation, training pathways for educational qualifications, work experience for the young, temporary work experience, neighbourhood work, 'Integration through Work', the action plan for combating work-related discrimination and the focus on the work-family balance (use of service vouchers and childcare).

For **CSR 3 (knowledge-based capital, innovation, competitiveness)**, reference can be made to the support provided by OECD within the framework of the 'Skills Strategy for Flanders' to design a strategy for building, maintaining and utilising in-house human capital to stimulate employment and economic growth and enhance social inclusion and participation. In 2017, the Government of Flanders adopted 4 Orders on research, development and innovation (R&D&I) support for businesses. 2017 was the first full year of operation of the new cluster programme of the Flemish authorities which started with 4 spearhead clusters and 14 innovative business networks (IBN). Recently (autumn 2017), the programme was stepped up with the publication of a second call for IBN proposals. 2018 sees the start of a 5th spearhead cluster 'Agri-food'. Flanders also keeps focussing on digitisation, which is in fact an important part of the Industry 4.0 action plan. After the establishment of a Smart Cities living laboratory in Antwerp in January 2017, a project was launched in October for the submission of proposals within the framework of 'City of Things in each Flemish municipality'. The Smart Flanders project also ties in with this. For 16 regulated professions the vocational qualification requirements are lifted as of 2018.

For 11 other regulated professions (building sector) the analysis is still ongoing. The Government of Flanders also decided that the requirement to hold the business management basic knowledge certificate to perform self-employed activities, as main or secondary activity, will no longer apply as of 1 September 2018. An action plan was adopted to reinforce entrepreneurship competencies, and a new licensing scheme for retail trade will become operational in 2018.

The Government of Flanders remains a **government of investments**. From now on, it will annually invest €610 million in infrastructure in four key areas: mobility and public works, school construction, welfare, R&D and corporate investment. With the additional investments in mobility and public works the Government of Flanders is earmarking the record amount of €5.8 billion for investments across the different modes of transport for the period 2017-2019. This sum does not include the Oosterweel project. Apart from the investments in the four key areas, other investments are also made in energy infrastructure and smart grids (roll-out of digital meters, etc.). A raft of specific projects, like the Green Deal 'Circular Purchasing', is to underpin the transition to a circular economy. Continued efforts are made to promote the business environment. Reference can be made, for instance, to the financing instruments of the Flanders Holding Company (ParticipatieMaatschappij Vlaanderen/PMV), the additional focus on the internationalisation strategy of the Flemish economy, and the elimination of administrative barriers, e.g. the integrated environment permit and the Governance Decree.

PART 3 looks at the state of play of Flanders' Europe 2020 targets.

Research and development (R&D). Flanders further invests additional funds in R&D, which translates into a continuous increase in R&D intensity to 2.67% in 2015. In 2017, the Flemish authorities spent an additional (recurring) budget of €160.3 million on R&D&I and made another (one-off) investment of €39.1 million in R&D&I, of which €30.8 million was spent on a supercomputer. In 2018, €115 million will be earmarked for new policy in the economy, science and innovation (Economie, Wetenschap en Innovatie/EWI) domain, part of which has already been invested in economic measures. In early 2018, the Government of Flanders also adopted a regulatory framework for the financing of and/or participation in international research infrastructures by institutes in Flanders.

Climate and energy. The challenges facing Flanders in this area remain significant. In the period 2005-2016, non-ETS greenhouse gas emissions in Flanders were found to have stabilised. A limited decrease was recorded from 46.3 Mton CO₂-eq in 2005 to 46.1 Mton CO₂-eq in 2016, which is a 0.4% decrease in 2016 compared to 2005. Positive results can be presented in terms of energy efficiency. On the basis of the projected figures for 2016 (23,443 GWh) the target is amply reached. Although the target of 10.33% (25,074 GWh) of renewable energy is far from achieved, it must be noted that the share of renewable energy is growing. To cope with the energy and climate challenges in the long term, the Government of Flanders adopted the Flemish Energy Vision 2030-2050 (Vlaamse Energievisie 2030-2050) in May 2017. In the course of 2018, a Climate Vision 2050 (Klimaatvisie 2050) is to be drawn up as well and by mid-2018 an integrated Climate and Energy Plan 2021-2030 (Klimaat- en Energieplan 2021-2030) will be elaborated. In the meantime, the Government of Flanders keeps pushing for improving energy efficiency in buildings and businesses through the energy performance and indoor climate (energieprestatie en binnenklimaat/EPB) legislation, the upgrading of the energy performance certificate (EPC), the renewal of the financial support instruments and the energy policy agreements, among other things. In terms of renewable energy the energy plan with underlying sub-targets was updated to meet Flanders' target of 25,074 GWh of renewable energy. The solar plan and the wind plan will help make this target feasible.

Employment rate. In 2016, Flanders recorded an employment rate of 72.0%, which is slightly higher than the 71.9% it reached in the period 2013-2015. This upward trend continued in the first three quarters of 2017 (72.8% in the third quarter of 2017). In particular the employment rate among the elderly keeps rising. As a result, Flanders is edging closer to its employment rate targets for the age groups 50

to 64 and 55 to 64. The employment rate for people with a migrant background remains fairly stable. Nevertheless, Flanders is still taking resolute measures to increase the general employment rate as well as the employment rate of disadvantaged groups (see response to CSR 2).

Education. The share of early school leavers reached 6.8% in 2016. The European target of 10% was thus amply met. Flanders' target of 5.2%, however, not yet. As for the share of 30 to 34-year olds with a higher education degree, Flanders has met the European target of 40% and with 47.3% the Flemish target of 47.8% is within reach as well. Both education targets are still attainable by 2020, and the necessary measures are being taken to that end. The measures regarding early school leaving include the reforms of the pupil guidance system and adult education, the modernisation of secondary education, the roll-out of dual learning, the reinforcement of pre-primary education and the strategic literacy plan. For higher education graduates, the measures include higher vocational education, the orientation test Columbus and the increase of the operating budget for university colleges and universities.

In the fields of **poverty and social exclusion** Flanders is in second position in the EU, which is an excellent performance. However, meeting Flanders' Europe 2020 target remains a great challenge. Focus is placed on the main Flemish levers for poverty reduction, viz. the right to social services, the right to a family, the right to education, the right to work and the right to housing.

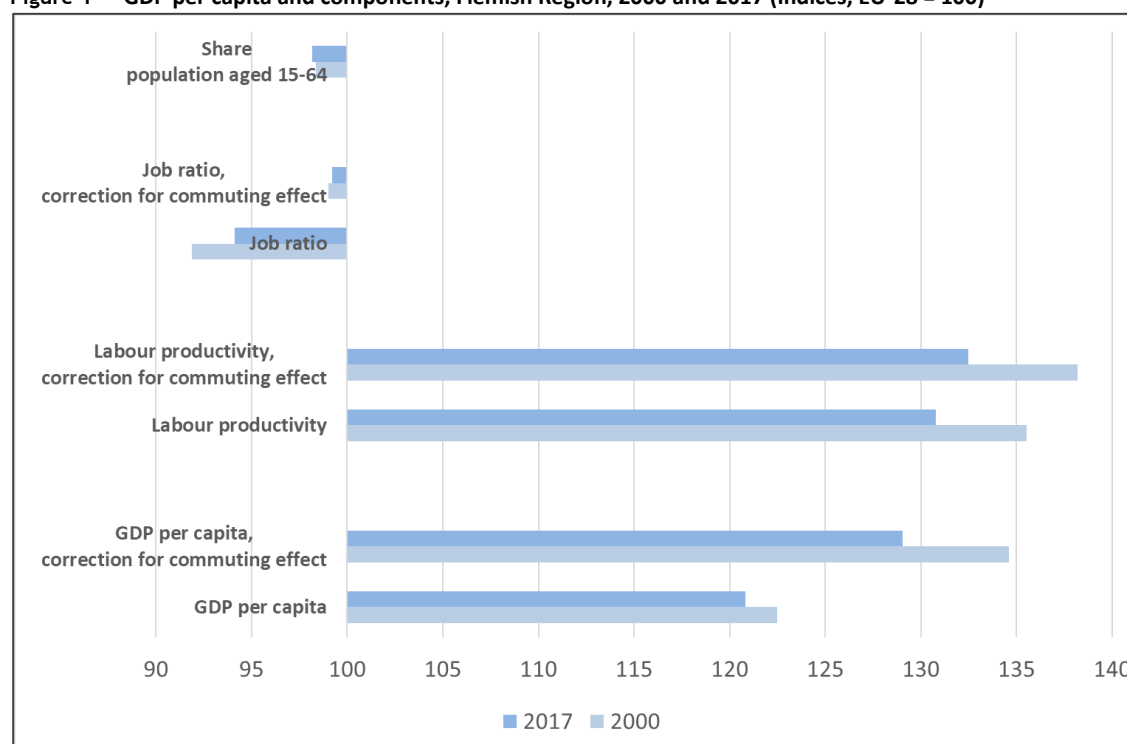
PART 4 discusses the use of the **structural funds ERDF (European Regional Development Fund) and ESF (European Social Fund)**. With regard to the ESF, plenty of projects and calls were financed in response to CSR 2. In many of these calls guidance for vulnerable groups, including people with a migrant background, took centre stage. In 2018, several calls will be repeated. No less than 72.73% (€127.7 million) of Flanders' available ERDF budget has already been committed between 146 projects, which makes ERDF-Flanders rank among the better performing countries in the EU. The bulk (82.12% of the funds) is spent on the priority 'Innovation'. The Flemish authorities are currently updating their Smart Specialisation Strategy (S3). In 2017, Flanders was active in 5 pilot projects of the Vanguard Initiative (VI) and is heading the 3D printing project. In the new EU interregional partnerships, Flemish participants will lead the consortia for 3D printing and bioeconomy.

PART 5 describes the measures for strengthening **public support** for the European Semester in Flanders. Like in previous years, the FRP was enriched with contributions from the Flemish Parliament. The Flemish social partners and the (supra) local authorities and stakeholders offered a lot of good practices which address the CSRs and which illustrate that the successful implementation of the European Semester is the responsibility of all levels of government and stakeholders.

1 Macro-economic developments in the Flemish Region

In 2017, the Flemish Region represents 59.6% of the Belgian gross domestic product (GDP) and 57.5% of the Belgian population. The **GDP per capita** can be estimated at €35,800 PPPs (Source: Flanders Statistics) in 2017. This is 21% above the average in the EU-28 or 12% higher than the EU-15 average. Between 2000 and 2008, the Flemish Region lost ground compared to the EU-28. In 2000, the Flemish GDP per capita indeed exceeded the EU-28 average by 22%, whereas in 2008 this had dropped back to +16%. The financial and economic crisis had a comparatively less severe impact on Flanders' economy. As a result, the GDP per capita in the Flemish Region was again 20% higher than the average in the EU-28 by 2010. Flanders' position compared to the EU-28 has not changed much since then. In comparison with the EU-15, this 'welfare surplus' of Flanders remained constant at approximately 5% between 2000 and 2008. From 2009 onwards, the Flemish Region has been catching up in this respect as well. The Brussels-Capital Region (BCR) is a geographically small area. As a result, a relatively large number of people living in the Flemish (and Walloon) Region commute to the BCR. With a correction for this commuting effect, the Flemish GDP per capita increased to approximately €38,300 PPPs in 2017, which is 29% higher than in the EU-28 and +20% higher than in the EU-15.

Figure 1 GDP per capita and components, Flemish Region, 2000 and 2017 (Indices, EU-28 = 100)



Bron AMECO, HERMREG, AMECO, HERMREG, processed by Flanders Statistics.

The GDP per capita is a measure for the produced prosperity and can be broken down into three factors (Source: Flanders Statistics). Flanders' main asset is the **labour productivity**. This indicator is estimated to be 31% higher than the EU-28 average and 22% higher than the EU-15 average in 2017. Flanders owes this asset to the high level of education of the working population and the capital-intensive production method. Between 2000 and 2017, the Flemish Region lost some of its lead to the EU-28 (+36% in 2000; +31% in 2017). This is due to the fact that the economies of the new Member States are catching up. The Flemish Region even gained some ground compared to the EU-15 (+19% in 2000; +22% in 2017). More generally speaking, the rise in labour productivity in Flanders, as well as in Belgium and the EU-15 in general, seems to be somewhat disappointing (in the Flemish Region +0.2% on average over the period 2016-2017). The National Bank of Belgium (NBB) attributes this to the economic difficulties resulting

from the debt and euro crisis which followed on from the financial and economic crisis of 2008-2009. As a result, it took longer for the economy to recover. Innovation, duly considered structural investments and more competitive product markets should boost the productivity of the economy.

The **job ratio**, i.e. the share of employment compared to the population of working age, is at 66.1% in the Flemish Region in 2017. This is lower than the European averages (EU-28: 70.2% and EU-15: 71.3%). Naturally, the proximity of the BCR as source of employment has an important effect on the job ratio. With a correction for commuter movements the Flemish employment level is 69.7% in 2017. In the long term, the job ratio in the Flemish Region is rising (2000: 60.3%; 2017: 66.1%). The Flemish Region scores a bit lower on the **share of the population at working age** (63.9% in 2017) than the average for the EU-28 (65.1%) and the EU-15 (64.6%).

According to HERMREG's medium-term forecast, **Flanders' GDP** would **increase** by +1.8% in both 2017 and 2018. However, these estimates were made in July 2017. Meanwhile, the economic research institutes are a bit more optimistic. In July 2017, the Federal Planning Bureau (Federaal Planbureau/FPB) still estimated the Belgian real-terms growth at +1.6% for 2017 and 2018. In the autumn the FBP adjusted these estimates for Belgium upwards to +1.7% because of the favourable development of economic activity in both the developed and emerging economies. Specifically for Belgium, the favourable development of the domestic costs contributes to the growth in exports. The NBB as well recently estimated the increase in the Belgian GDP for 2017 at +1.7%. All of this means that the growth figures published for Flanders will very likely be adjusted upwards at a later time, given their significant weight in the Belgian economy. Between 2009 and 2012, Flanders' GDP grew annually by an average of 0.9% in real terms. This is in contrast with the decrease in the EU-28 (-0.3%). Flanders owes this relatively good performance to the growing employment during this period (on average +0.5%), whereas the EU-28 was faced with an average annual drop of -0.7% during the period 2009-2012. This illustrates the stronger social buffer in our region. Between 2013 and 2017, Flanders' real-terms growth was on average +1.6%. This is analogous to the average EU-28 growth during this period. In both the Flemish Region and the EU-28 employment and labour productivity contributed in more or less equal measure to economic growth.

The GDP should be considered together with the **disposable income**. The latter is a measure for the income which the inhabitants of a region have actually earned, irrespective of the location. Flanders' real disposable income dropped by an average of 0.7% per year between 2010 and 2014, but increased by +0.7% in real terms in 2015. This would amount to 0.8% in 2016. In 2017 and 2018, a real-terms growth of respectively +1.3% and +2.1% is expected (Source: HERMREG 2017). This improvement is mainly due to a strong increase in wages (lower tax burden) and a rise in the net income from capital over these two past years. Flanders is a prosperous region. In a Eurostat ranking of 26 EU countries in 2014 the Flemish Region is in third position with regard to disposable income in purchasing power parities, behind Austria and Germany. No data are available for Luxembourg and Croatia.

Investments are important for the economy's innovation potential. In 2017, HERMREG estimated the total investment (including residential buildings) at 24.5% of the GDP in the Flemish Region. This is almost the same level as in 2000. The indicator was the lowest in 2002 (22.0%) and the highest in 2008 (25.7%). Flanders scores high from an international perspective. With an investment-GDP ratio of 24.3%, it was only passed by Ireland (29.3%) and the Czech Republic (25.0%) in 2016.

Total **employment** in the Flemish Region grew by 1.4% in 2017. The other tradable services (mainly business services) and healthcare and social services delivered the largest contribution to growth with 0.7 percentage point (pp) and 0.4 pp. In 2015, employment grew by 1.5%. For 2018, a growth of +1.1% is expected (Source: HERMREG 2017). The **employment rate**, i.e. the share of employed people compared to the population aged 20 to 64, was at 72.0% in 2016 (Source: Statbel - LFS) and remained mostly stable in the years following the outbreak of the financial and economic crisis. Among men a decrease

was recorded from 78.3% in 2008 to 76.3% in 2016. However, this was counterbalanced by an increase among women from 66.1% in 2008 to 67.7% in 2016. Among the 55-64 age group (men and women combined) there is a marked rise from 34.3% in 2008 to 46.7% in 2016. However, the employment rate in this older age group still needs to be given attention, since more than half of the population in that age group is active in the EU-28 or EU-15. The total employment rate is a bit lower in the EU-28 (70.8% in 2016), but is higher in each of our neighbouring countries, with the exception of France. The employment rate is manifestly lower in the Walloon Region (62.6%) and the Brussels-Capital Region (59.8%). The Flemish **unemployment rate** in the 15-64 age group amounted to 4.8% in 2016 (Source: Statbel - LFS), which is clearly below the level of the EU-28 (8.6%) and EU-15 (9.1%).

Flanders is an **innovation-driven economy**. A prerequisite for this is a highly-educated working population. In 2016, the share of the population aged 30 to 34 with a higher education diploma was 47.3%. This is slightly better than the Belgian result (45.6%) and above that of the EU-28 (39.1%). These past years, this share has been growing even more. In 2008, the indicator in the Flemish Region was still at 43.6%. In 2016, 8.5 people out of 100 were employed in knowledge-intensive sectors in the Flemish Region. This is just below the share in the EU-28 (8.7%), which is due to a weaker industrial component. The percentage of R&D expenditure in the GDP is an important measure for the orientation towards innovation. According to Eurostat, the Flemish Region has a score of 2.67% in 2015 (2.47% for Belgium and 2.03% for the EU-28). The percentage of R&D expenditure to the GDP has been on the rise these past few years.

The **export of goods** of the Flemish Region increased by 1.5% in real prices in 2016 (Source: INR) and amounted to €304.2 billion. The international order books grew until the summer of 2017 and have remained at a high level since then. The principal export market is the EU-28 (70.3% of Flemish exports in 2016). It mainly concerns the key countries of the EU-15 (65.1%) and in particular neighbouring Germany, France and the Netherlands. The emerging trade blocs gained importance in Flanders' exports until 2012-2013. After that, their share slightly decreased. In 2016, the BRIC countries accounted for 6.5% of Flanders' exports. For the N11, this was 3.8%. The 5 main products together represent 44.6% of Flanders' exports in 2016. It concerns vehicles, chemical products, pharmaceutical products, machinery and mechanical appliances and petroleum products. The top 5 has been declining in importance for 3 years now. This is owing to the category of petroleum products (share of 13.1% in 2013 to 7.0% in 2016). Foreign direct investments are vital for a country or region because they often go hand in hand with the integration or expansion of establishments and jobs. In addition, expertise is also fed into the local economy. According to Flanders Investment and Trade (FIT) the Flemish Region attracted 215 projects of foreign investors in 2017. These projects represent an investment of about €2.08 billion, which is 11.4% more than in 2016. The export of high-tech products accounted for 10.3% of Flanders' GDP in 2016 (calculations by Flanders Statistics on INR data). For the EU-28 this was 4.6% (Eurostat - 2015 figure).

2 Measures within the framework of major economic challenges

The Country Report Belgium 2018

On 11 July 2017, the Council made three country-specific recommendations¹⁸ to Belgium. These measures refer to (1) budgetary objectives, (2) the labour market and education and (3) the knowledge-based capital, the competition in professional services markets (business services) and retail and the market mechanisms in network industries.

Flanders again took active part in the fact finding mission (FFM) of 10 November 2017 between the services of the European Commission (COM) and Belgium and tried to present and clarify Flanders' reform measures as clearly as possible to the COM services. The purpose of the FFM was to deliver input which could be taken into account by the COM services in the draft Country Report 2018. Just like last year, the Member States were given the opportunity to formulate remarks on the draft Country Report (30 January 2018), which Flanders again made use of. In the final Country Report 2018¹⁹ (7 March 2018) many of the amendments submitted by Flanders have been taken into consideration.

The Government of Flanders believes the enhanced dialogue between the COM services and Belgium (federal government and Communities and Regions) within the framework of the European Semester generates substantial added value. However, it would still like to establish a direct dialogue with the COM itself. During its consultations with the federal government and the COM services Flanders continues to systematically point out the importance of including region-specific measures, analyses and data and therefore delivers a growing amount of region-specific data to the COM services. However, according to the Government of Flanders a great deal of progress is yet to be made in terms of the inclusion of region-specific statistics in future country reports.

The Government of Flanders is convinced that the measures included in this FRP implement the CSRs 2017 (see 2.1. through 2.3.), a number of investment challenges (see 2.4.) and the Europe 2020 targets (see Part 3). Important elements from the Country Report 2018 which require further attention were addressed as well.

2.1 *Country-specific recommendation 1*

Pursue a substantial fiscal effort in 2018 in line with the requirements of the preventive arm of the Stability and Growth Pact, taking into account the need to strengthen the ongoing recovery and to ensure the sustainability of Belgium's public finances. Use windfall gains, such as proceeds from asset sales, to accelerate the reduction of the general government debt ratio. Agree on an enforceable distribution of fiscal targets among government levels and ensure independent fiscal monitoring. Remove distortive tax expenditures. Improve the composition of public spending in order to create room for infrastructure investment, including on transport infrastructure

2.1.1 **Budgetary elements**

Thanks to the efforts amounting to €2 billion which it has made since its entry into office, the Government of Flanders can also aim at a budget in structural balance in 2018 (see Draft Budget Plan 2018).

The Government of Flanders endeavours to achieve a growth-friendly budgetary consolidation by concentrating on structural measures (like more efficient public structures) and at the same time continuing to reinforce public investment in economic and social infrastructure. From now on, the Government of

¹⁸ [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017H0809\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32017H0809(01)&from=EN)

¹⁹ <https://ec.europa.eu/info/sites/info/files/2018-european-semester-country-report-belgium-en.pdf>

Flanders will **annually invest €610 million in infrastructure in four key areas**: mobility and public works (see also 2.4.4.), school construction (see also 2.4.5.), welfare (see also 2.4.6.), research and development and corporate investments (see also 3.3.). Apart from that, the Government of Flanders will still earmark additional funds for investments through alternative financing and through participations and loans. In the 2018 budget the investment budget for the new public-private partnership (PPP) ‘school construction’ is raised from €300 to €550 million. Besides, the Government of Flanders appropriates €285 million for additional loans within the framework of social housing construction. To make a coherent Flemish policy on combined mobility possible, the Government of Flanders also reserves €100 million to promote participation in the development of integrated mobility nodes, such as peripheral car parks. Finally, €75 million is set aside for additional investments in promising innovative industrial businesses. To further improve the quality of the public finances, Flanders is working on the introduction of performance-informed budgeting and spending reviews in the budgetary process.

2.1.2 Debt elements

In 2016, the Flemish authorities instituted a debt norm to keep debts under control. This debt norm has two objectives: to secure a favourable rating and to maintain a positive net asset position. If additional efforts need to be made to keep debts under control, the Flemish authorities may consider, inter alia, selling ESA-8 participations which are deemed not necessary or not strategic.

2.1.3 Tax elements

A whole series of measures were introduced to further simplify tax legislation in Flanders:

- In the tariff structure for the gift tax the tax bands were drastically reduced to 4, as opposed to the 24 bands that were used until then.
- In the annual road tax an administrative simplification was implemented for the reimbursement for combined transport (Decree of 23 December 2016).
- In the annual road tax, the more favourable tax regime for vintage vehicles was standardised (Decree of 16 June 2017).
- The tax on unfit and uninhabitable housing was decentralised (Decree of 23 December 2016).
- In the income tax the tax relief for roof insulation was abolished, which now requires a total renovation (Decree of 23 December 2016).
- Finally, a draft Decree is currently on the table with approximately 10 rationalisation measures.

On 16 March 2018, the Government of Flanders finally approved the draft decree for the reduction and simplification of the purchase tax. The new rules will apply for sales agreements as of 1 June 2018.

With regard to the mobility taxes, a tax shift was also aimed at, which gradually shifts the various vehicle taxes from a property tax to a tax based on the polluter pays principle. Apart from the inclusion of environmental and air quality features in the tariff structure of existing taxes, a kilometre charge for heavy goods vehicles was also introduced. The further roll-out of a similar system for the other types of vehicles is being closely examined (see also 2.4.4.).

2.2 Country-specific recommendation 2

Ensure that the most disadvantaged groups, including people with a migrant background, have equal opportunities to participate in quality education, vocational training, and the labour market.
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2.2.1 Activation measures at full speed

Some of the most important Flemish policy measures in the policy area ‘Work’ were thoroughly reformed over the past years, in particular following the 2014 state reform and the end-of-career measures of the successive federal governments. These reforms are now beginning to gain momentum.

Flanders’ **target group policy** entered into effect on 1 July 2016 and will reach cruising speed in 2018. With this policy the recruitment of low- and medium-skilled young people, over-55s and people with a work-limiting disability is stimulated through wage cost reductions. With these measures more than 250,000 working people in Flanders will be supported in 2018. They represent about 10% of employment in Flanders. The target group discount for low- and medium-skilled young people is targeted on young people with a low wage and is mainly intended to facilitate the entry in the labour market of these more vulnerable young people. The reason is that a difficult entry in the labour market may also negatively impact the rest of their careers. The target group discount for over-55s encourages employers to keep older employees at work longer. A greater incentive is provided for the recruitment of jobseeking over-55s who often have difficulty in finding a new job after they have become unemployed. A recruitment incentive for employers will also promote a smoother transition from unemployment to work for long-term jobseekers.

The **activation** and guidance of these older jobseekers has already been reinforced over the past years. The minimum age for exemption from availability for the labour market is being gradually lifted by the federal government. The Flemish Employment and Vocational Training Service (Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding/VDAB) is extending its guidance provision at the same pace to include increasingly older jobseekers. In 2018, the age is at 62. Contrary to before, jobseekers aged between 50 and 55 receive the same guidance as other jobseekers, which results in rising outflow and satisfaction levels. Jobseekers between the ages of 55 and 62 are offered adjusted guidance.

The **service voucher** (dienstencheques) scheme (see also 2.2.5.) is a growing success. In 2017, the scheme employed over 88,000 people in Flanders. Just under half of them are people with a migrant background. The users mainly include people in their thirties.

In 2018, the Government of Flanders launched the **transition premium** (transitiepremie), i.e. financial support for jobseekers who want to become entrepreneurs. From 15 March 2018, this premium will alleviate the financial insecurity during the first months when a new company is formed.

2.2.2 Transition from unemployment to work for vulnerable groups

After the reform of the target group policy (see also 2.2.1.), which is oriented to all working people, several measures that were targeted on vulnerable jobseekers were reformed. Again, it mostly concerned measures which were regionalised during the last state reform and which had not always been well suited to the Flemish activation policy.

The **temporary work experience** (tijdelijke werkervaring) scheme which started in 2017 for people on social assistance was already successful in its first year of operation. During the first year, more than 5,400 people on social assistance were given a work experience as part of their competence-enhancing activation pathway, with the purpose of helping them move on to mainstream economic sectors. Since 1 January 2018, the temporary work experience has been extended to include all long-term jobseekers. Several older measures, such as the global projects and the youth bonus, are being converted to work

experience places. During the pathway the participants retain their status as jobseekers, unless they are persons on social assistance entering the scheme on the basis of Article 60, who receive an employment contract.

Apart from temporary work experience, the **neighbourhood work** (Wijk-werken) scheme was introduced as well on 1 January 2018. This is a reform of the former scheme of local employment agencies (plaatselijk werkgelegenheidsagentschap/PWA), in which jobseekers can receive a small allowance on top of their unemployment allowance by doing a limited number of hours of work experience in an easily accessible working environment. This measure is primarily intended for jobseekers who are not yet ready for a (more intensive) temporary work experience. Just like the temporary work experience, neighbourhood work aims to activate people to mainstream economic sectors.

For jobseekers with medical, mental, psychological or psychiatric problems, the **work-care pathways** (Werk-Zorg-traject) will start in 2018. These temporary pathways last a maximum of 18 months. During this time participants do an internship while receiving care counselling at a welfare institution, a psychiatric hospital or a public social welfare centre (Openbaar Centrum voor Maatschappelijk Welzijn/OCMW), for instance, and while receiving guidance to work by VDAB or one of its partners. The number of hours per week is increased depending on the participant's capacity and the moments when he or she receives care counselling.

2.2.3 NEET young people

In cooperation with local authorities and youth organisations, VDAB takes on a new approach to guide young people who are not in education, employment or training (NEET) via partners to **specialised NEET consultants** of VDAB. In addition, VDAB will develop structural cooperation with the Adult Basic Education Centres (Centra voor Basiseducatie) around literacy training (digital skills, calculation, language) for jobseekers.

Existing ESF projects which guide young people who do not register with the employment service to VDAB are continued. In addition, school-leavers who have so far stayed under the radar are better detected in 2018 because the databases of Education and VDAB are linked to each other to be able to offer them a more customised service as well.

Existing measures are of course continued, including VDAB's **training pathways for educational qualifications** (OnderwijsKwalificerende OpleidingsTrajecten/OKOT). These pathways allow jobseekers to attend a full-time programme in daytime education without losing their unemployment allowance. The programme can be attended in full at an education institution, or in part at VDAB or one of its partners. These pathways have turned out to be very successful in getting jobseekers without qualifications into work in shortage occupations.

In accordance with the European Youth Guarantee young people who register as jobseeker are offered a job, internship or training programme within 4 months. Of the young people who are not in employment yet after 4 months, some 200 to 300 low-skilled young people undertake a **work experience pathway** (Werkinleving voor Jongeren/WIJ!) each month. These work experience pathways guide these young people to the labour market step by step. After the success of the past years, the third series of WIJ! pathways was launched in the autumn of 2017.

2.2.4 People with a migrant background

In 2017, the VDAB project '**Integration through Work**' was set up in cooperation with the Agency for Integration and Civic Integration (Agentschap Integratie en Inburgering) and the Federal Agency for the Reception of Asylum Seekers (Federaal Agentschap voor de Opvang van Asielzoekers/Fedasil). Together with these partners VDAB wants to get refugees into work as soon as possible through short, integrated pathways. This approach will be fine-tuned in the next policy year. Training courses are provided as integrated as possible and language and technical competencies are pooled into one package. Through partnerships with education, the social economy and local authorities focus is placed on language coaching at work for participants in workplace learning.

The **Action Plan for Combating Work-Related Discrimination** (Actieplan ter Bestrijding van Arbeidsgerelateerde Discriminatie) was extended with actions in the field of monitoring and penalisation. An agreement on **mystery calls** was concluded with the service voucher sector. These calls will mainly be intended to raise awareness. However, if repeated violations are established, the Flemish inspectorates will intervene. In the new generation of sectoral covenants 2018-2019, the financial government support was made dependent on the adoption of a sectoral code of conduct for non-discrimination.

2.2.5 Focus on the reconciliation of work and family life

The Government of Flanders continues work to improve the reconciliation of work and family life.

It keeps investing in **childcare for babies and toddlers**. €19 million is earmarked for creating additional places in 2018, including extra income-based places. Because parents pay a contribution based on their income for these places, childcare becomes more affordable. A larger number of income-based places also implies greater accessibility, since organisers with an income tariff subsidy must respect a number of priority rules. Absolute priority must be given to children from families where childcare is required in the context of the employment situation (retaining or looking for work or following vocational training to that end), as well as to children from single-parent families and low-income families, and to foster children.

Thanks to a renewed provision of more extended opening hours and emergency childcare places the **flexible childcare** offer is better attuned to the demand. This offer is the response to a study into the needs and requirements of (potential) users of flexible childcare and the related obstacles that existed on the side of the providers. The Government of Flanders appropriates around €2 million to implement this new offer as of 2018 onwards. The new regulation on this offer is currently being finalised.

Further to the concept memorandum of the Government of Flanders a parliamentary initiative is expected shortly to regulate the future organisation model for extra-curricular activities by decree. The central objective is to create an integrated provision of extra-curricular activities which: offers children opportunities to develop and the possibility to enjoy themselves in their spare time, allows parents to participate in the labour market, follow (vocational) training and/or take part in activities that contribute to their personal development, and promotes social cohesion and equal opportunities. To achieve this, initiatives will join forces in a local partnership with a view to creating an integrated provision for all children from pre-primary age, with the local government fulfilling a director's role. In time, the current financing for childcare settings will be converted to financing for the local authorities for extra-curricular activities. A thoughtful transitional period will be provided for.

To optimise the policy regarding **inclusive formal childcare**, a comprehensive analysis will be carried out in 2018 to map the experiences and needs of parents with children with special needs on the one hand and the support which childcare settings need to be able to implement inclusive childcare on the other hand.

Within households not only the care for children or other persons requiring care is time-consuming. Other household chores like cleaning, ironing and shopping also take up a great deal of private time. With the **service vouchers** (see also 2.2.1.) the Flemish authorities offer families a simple and affordable instrument to 'buy in' domestic help. This allows them to continue to work full-time, whereas household chores would otherwise make this impossible.

2.2.6 Worker mobility

To address the large number of skills-shortage vacancies, workers from outside Flanders are recruited as well, primarily from the Brussels-Capital and Walloon Regions, but also from across the national borders. In February 2018, VDAB concluded a **new partnership agreement with** the Walloon Service for Employment and Vocational Training, **Le Forem**, with the aim of annually guiding at least 2,500 Walloon jobseekers to Flemish jobs, including in the West Flanders border region. In 2016, 51,088 Walloon people worked in Flanders. In Brussels, VDAB and the Brussels Regional Employment Service, Actiris, have been housed in the same building since 2017, where they are also establishing a careers resource centre together. VDAB and Actiris are also jointly working on a large-scale campaign to promote employment opportunities in the periphery around Brussels among Brussels jobseekers.

Moreover, in 2018, the policy for attracting and retaining foreign talent will be reformed. On the one hand, the policy is adjusted to meet the European requirements regarding seasonal work, ICT, research and interns. On the other hand, it is examined how Flanders can better attract foreign talent, including via the Flemish universities and research centres as attraction poles, and how this talent can more easily move on to Flemish companies.

2.2.7 Dual learning

In the school year 2017-2018 **dual learning** exists in Flanders as a pilot project with 21 programmes of study. However, this will be further rolled out from 1 September 2018 onwards. As of 1 September 2019, dual learning will be generalised. At that time it will be possible to introduce 55 dual programmes in cooperation with the sectoral partnerships and the Flemish partnership. Dual learning is similar to all other types of secondary education. However, because 'learning at school' and 'workplace learning' (at least 14 hours a week) are combined, this learning pathway will increase the motivation of many young people. To ensure quality training, not only the teacher, but a mentor as well will be responsible for guiding and training the young people and for evaluating them at a later stage. Cooperation between the education and work domains is extremely important here.

2.2.8 Reform of the training incentives

On 11 July 2017, the Government of Flanders and the social partners concluded an **agreement Education and Training (Golden Spurs Agreement) on the 'reform of the Flemish training incentives for workers'** within the Flemish Economic and Social Consultative Committee (Vlaams Economisch en Sociaal Overlegcomité/VESOC). In 2018, the 5 building blocks of this agreement will be made operational: a labour market-oriented and forward-looking training focus, a generic quality framework, a training database, a uniform monitoring and evaluation system, and the promotion of transparency and digitisation.

VDAB also works to improve the training provision by offering more opportunities for **workplace learning** and by better aligning the various schemes for workplace learning with each other.

2.2.9 Focusing on quality education with attention to equal opportunities

When calculating the **operating budget** for schools in mainstream primary and secondary education in Flanders, part of this budget is allocated on the basis of four social indicators: 1) language spoken by the pupil at home, 2) highest level of education of the mother, 3) whether or not they receive a school allowance, and 4) the neighbourhood where the pupil lives. A growth path will allow the share of the total budget allocated on the basis of these socio-economic status (SES) indicators to increase from 14% in 2009-2010 to 15.5% in 2020 for primary education and from 10% to 11% for secondary education.

The **pupil guidance** system in Flanders is being reformed with the aim of (more) clearly demarcating the roles and responsibilities of the various actors concerned. The funds which a pupil guidance centre (Centrum voor Leerlingenbegeleiding/CLB) will receive in the future, will be tailored, amongst others, to the needs of the pupils it offers guidance to. This will reinforce the centres which support a large number of pupils who meet the SES indicators. Moreover, CLBs will be instructed to cooperate more closely and increasingly share their expertise across networks. In this way they can offer all pupils a more qualitative and equally oriented provision. Finally, the centres will also devote more attention to the guidance of disadvantaged pupils, truancy and early school leavers.

The reform of the **adult education** sector introduces a new financing system which, more than before, places emphasis on vulnerable groups, viz. people without a secondary education diploma, jobseekers, people with insufficient literacy skills, prisoners, people who do not sufficiently master the Dutch language, etc. Priority is given to offering opportunities for obtaining sustainable qualifications, such as a secondary education diploma or a certificate of vocational training, language training or Dutch as a Second Language training. As such, the reform not only enhances participation in lifelong and lifewide learning, but also helps develop equal educational opportunities for vulnerable groups.

In 2017, the implementation was started of the **Action Plan for Participation in Pre-Primary Education** (Actieplan Kleuterparticipatie) which was launched in December 2016. The plan aims at maximum participation in pre-primary education (enrolment and attendance) from the age of 3, taking vulnerable groups as the focus. Actions include providing targeted information; supporting parents and raising their awareness, in particular parents from vulnerable groups; promoting cooperation with and between local actors, and enhancing the participation of specific groups which do not sufficiently participate in pre-primary education, with the main focus being on travelling parents and pre-primary children. The measure which allocates schools with a growing number of non-Dutch speaking pre-primary children under five a **premium of €950 for each additional non-Dutch speaking pre-primary child**, will also apply in the school year 2017-2018. The idea behind the premium is to initiate and reinforce the Dutch language skills of infants.

In 2017, it was decided to improve the subsidisation for the organisation of **tutoring for pupils** in 2018. The subsidisation call is open to higher education institutions whose students offer study and homework guidance, study motivation, and language and family support to vulnerable pupils in primary and secondary education. Thanks to the project the learning and development opportunities of pupils increase, parents become more involved and students learn how to deal with poverty and diversity.

In 2017, the competent Flemish Minister granted €100,000 to three projects around **homework guidance** in Ghent, Ostend and Bruges/Blankenberge. These projects offer homework guidance, study skills development and language stimulation in an easily accessible manner and provide family support at home to some 400 socially vulnerable households. In this way work is done to prevent and eliminate educational delays, reinforce parents and offer parenting support within the framework of the children's school careers. Future teachers, remedial educationalists, applied psychologists, health visitors and social workers are given the opportunity to put the theory into practice during their training.

The Flemish authorities finance relevant **research and monitoring activities** conducted by the Education Research Centre (Steunpunt voor Onderwijsonderzoek/SONO). Relevant lines of research within the centre are focused on the equal educational opportunities policy, language stimulation measures in education, the M-Decree (Decree containing measures for pupils with special educational needs), financing in pre-primary, primary and secondary education, the review of the new enrolment policy, and the monitoring of study costs. The Flemish Ministry of Education and Training also co-financed the **Diversity Barometer Education** (Diversiteitsbarometer Onderwijs) which was carried out in Flanders by Ghent University (UGent) and the Catholic University of Leuven (KU Leuven) on the authority of UNIA, which is the Interfederal Centre for Equal Opportunities (Interfederaal Gelijkekansencentrum). The results of this research were presented in February 2018.

Several initiatives for the **fight against poverty** promote equal opportunities in education. In 2017, the procedure for the application of **school and study allowances** was further automated. As a result, financial support is guaranteed for the most vulnerable groups. In 2017-2018, a **study cost monitor** is being implemented in mainstream and special pre-primary, primary and secondary education. The results of this study inspire a stronger policy on cost control and equal educational opportunities. Also in 2017-2018, a network of 45 schools takes part in an in-service training programme on the theme of poverty at school and the realisation of inclusive education in the project '**Together against unpaid school bills**' (Samen tegen onbetaalde schoolfacturen). The Flemish Minister for Education and Training financially supports this project that was launched in April 2017 for an amount of €248,000.

In June 2017, the Government of Flanders adopted a new **action plan for the prevention of radicalisation and polarisation**. The goal of the existing action plan from 2015 was extended to include the objective of preventing social instability, promoting citizen participation and safeguarding a shared community founded on democratic citizenship and respect for other world views. More specifically in the field of education and training the plan aims, among other things, to strengthen the capacity and resilience of both pupils and teachers and to professionalise schools and teachers with regard to radicalisation, inclusion and diversity in the classroom.

In the context of the **Flemish Horizontal Equal Opportunities Policy 2015-2019** (Vlaams Horizontaal Gelijkekansenebeleid 2015-2019) and the related Action Plan 2016-2017, the education and training policy area worked on a number of actions regarding gender awareness and gender equality, the LGBT theme, children with special educational needs and children with a vulnerable socio-economic background. New actions are currently under development for the period 2018-2019.

Within the framework of an inclusive and horizontal integration policy, measures are being taken in all Flemish policy areas for the integration of people of foreign origin. These measures are laid down in the **Flemish Horizontal Integration Policy Plan** (Vlaams Horizontaal Integratiebeleidsplan) which will be updated in 2018. In 2017, about 22,000 free civic integration programmes were started, either on a mandatory basis or not. Specifically within the framework of the asylum crisis, additional funds were earmarked for civic integration programmes, participation in pre-primary education, youth welfare, trauma assistance for children in education, housing assistance and psycho-social care, among other things.

In addition to the aforementioned measures, the **following measures** also have a positive effect on training opportunities for disadvantaged groups and in particular people with a migrant background: the implementation of the M-Decree, the organisation of priority in-service training (2017-2018) on the M-Decree, the roll-out of the modernisation of secondary education, the reform of the dual learning scheme, the provision of additional funds for the organisation of 'Dutch as a Second Language' courses in adult education, the extension of the project 'Small Children, Big Opportunities' (Kleine Kinderen, Grote Kansen) which was launched in 2016 and focuses on teaching future pre-primary teachers how

to deal with deprivation and diversity, the roll-out of the new Strategic Literacy Plan 2017-2024 (Strategisch Plan Geletterdheid 2017-2024) with specific focus on certain target groups, the allocation of additional funds for follow-up school coaches who support, guide and monitor OKAN pupils (pupils in reception classes for non-Dutch speaking newcomers) in their transition from the reception classes to mainstream education, and the development of a uniform registration system for vulnerable groups by the higher education institutions.

2.3 Country-specific recommendation 3

Foster investment in knowledge-based capital, in particular with measures to increase digital technologies adoption, and innovation diffusion. Increase competition in professional services markets and retail, and enhance market mechanisms in network industries

2.3.1 Fostering investment in knowledge-based capital

On 30 January 2018, the OECD project “Skills Strategy for Flanders” was started. With this project the OECD for the first time assists a federated state, following 9 countries, in designing a strategic approach for building, maintaining and utilising in-house human capital to promote employment and economic growth and increase social inclusion and participation. Since challenges, such as digitisation, will put skills under great pressure in the future, Flanders will be able to work out a skills strategy across the policy areas, thanks to the OECD.

In 2017, the Government of Flanders adopted **4 Orders on R&D support for businesses**. They encompass support for research (short term), development (long-term) and talent, as well as support for business consortia that engage in interdisciplinary cooperative research (Interdisciplinair Coöperatief Onderzoek/ICON) with knowledge institutes. The **first 2 Orders** will abolish 3 R&D&I support instruments for businesses from 2018 onwards, viz. the SME programme²⁰, the Sprint projects and the R&D business support. As of 2018, these 3 programmes will be converted to **two new (adjusted) types of innovation support**, viz. **development projects** for innovative ideas which can change and reinforce the company in the short term, and **research projects** to build knowledge which, in the long term, will lay the foundations for changes within the company. For each of these two support measures an additional bonus of up to 10% (medium-sized companies) or 20% (SMEs) is allocated, and a 10% bonus in case of cooperation between independent companies. The purpose is to develop more targeted and more accessible innovation support so as to have a greater effect on businesses in Flanders. The **third Order** creates a regulatory framework for existing **Baekeland and Innovation mandates**. The **fourth Order** refers to support for **R&D projects for partnerships between companies and research organisations** within a broader context. The content of the supported R&D project differs from traditional R&D business projects, and several provisions have been included to avoid market distortion in keeping with the provisions of the European framework regulation.

In early 2018, the Government of Flanders also adopted a **preliminary draft Order for support to projects of collective research and development and collective knowledge diffusion**. This will constitute the future legal basis for the Order on support to projects for innovation stimulation, technological advice and collective research at the request of Flemish Cooperative Innovation Networks (Vlaams Innovatiesamenwerkingsverband/VIS) which expired in late 2017. On 9 February 2018, the Government of Flanders gave its final approval to the **Order on the subsidisation of incubators** which adjusts the existing Order, inter alia by tightening the requirements for the co-management of knowledge institutes and placing focus on the financing of infrastructural investments.

²⁰ Until late 2017, the SME programme granted support to either innovation projects or feasibility studies in SMEs.

2017 was the first full year of operation of the **new cluster programme** of the Flemish authorities with the start of 4 spearhead clusters and 14 innovative business networks (IBN) that are operational. In June 2017, the Government of Flanders signed **cluster pacts** with spearhead clusters Catalisti (sustainable chemistry), SIM (smart materials) and VIL (logistics) and, in December 2017, with Flux50 (smart energy networks). These pacts are agreements specifying the commitments of the government, the cluster organisation and the cluster members for the next 10 years. In 2018, a 5th spearhead cluster, Flanders Food, is started in the agri-food domain. For the **innovative business networks** (IBN) a new call for proposals was published in the autumn of 2017. The project proposals are currently being evaluated.

All these initiatives help improve the diffusion of innovation and lower thresholds for companies. **Digitisation** is another major point of focus. It is part of the **Industry 4.0 action plan** (see also 2.4.1.). Apart from that, digitisation and the development of Internet of Things applications also take centre stage in a whole series of other initiatives. The Flemish policy supporting the **digitisation of companies** is founded on 3 major pillars: (a) delivering high-performance infrastructure which companies and private individuals can use, (b) supporting companies in their digitisation processes and (c) making sure the active population in Flanders has sufficient skills for the digital transformation. With regard to infrastructure, Flanders is working on strong research centres for digitisation and ICT. In late 2016, the Interdisciplinary Institute for Broadband Technology, iMinds, was incorporated into Imec (Interuniversity Micro-Electronics Centre). Following on from this, the Government of Flanders granted the merged institution an additional amount of €29 million for 2017, which means it now receives an annual subsidy of more than €100 million. Digitisation is also an important component for Flanders Make, which receives €15 million extra to establish an additional branch in West Flanders. Some of the newly selected innovative business networks (IBN) have digitisation as one of their areas of action, like for instance Digitising Manufacturing, Green Light Flanders, and Smart Digital Farming.

The **5 new spearhead clusters** also have an important responsibility in supporting the digitisation of companies. Flanders is an active member of the **European Platform of National Initiatives on Digitising Industry** which was set up by the COM in 2017. At the beginning of 2017, Flanders, Imec and the City of Antwerp created a **Smart Cities living lab** where companies, researchers, residents and the city can jointly experiment with smart technologies that may contribute to a more pleasant and more sustainable city life. Via Imec the Flemish authorities annually invest €4 million in this City of Things project and its expansion to the rest of Flanders. This digital innovation increases the city's economic power. Moreover, the insights acquired through the City of Things project can help the city and companies to collect and use data to take effective decisions and design innovative smart applications. The idea is to have the Antwerp Living Lab grow into the largest European living lab for Internet of Things applications. In October 2017, Flanders Innovation & Entrepreneurship (Agentschap Innoveren en Ondernemen/AIO) launched a call (budget of €4 million, with a maximum of €200,000 per allocated project) for proposals within the framework of '**City of Things in each Flemish municipality**' (City of Things in elke Vlaamse gemeente). This gives all the Flemish cities and municipalities the opportunity to submit proposals for Internet of Things. With this project they can gain an understanding of the technology, the needs of users and the business side, with the assistance of Imec. Much attention is paid to an open approach to make sure that applications that are developed in one specific municipality also offer opportunities for applications in another city. This will cause the number of data connections, partnerships and, ultimately, innovative applications, to grow substantially. The **Smart Flanders project** (budget of €1 million for the period 2017-2019) is also in line with this vision. It is co-managed by Imec and aims to support 13 Flemish cities and the Flemish Community Commission (Vlaamse Gemeenschapscommissie/VGC) in the Brussels-Capital Region in their development towards smart cities. The purpose is to evolve to open and agile smart cities and to meet specific needs (or solve specific problems) by analysing and using large data sets in those cities. Within the Smart Flanders programme Imec works together with cities and other relevant actors on the design of a supported open data charter, 1 to 2 pilot projects per year in which smart city data sets are opened up, a maturity check in terms

of smart cities and open data in cities and the VGC (in cooperation with the Flemish Cities Knowledge Centre/Kenniscentrum Vlaamse Steden), access to and the implementation of reference models for Open & Agile Smart Cities (OASC), and the facilitation of the use of the City of Things living lab in Antwerp. Examples of solutions for urban challenges include an optimal parking policy, less traffic jams, the implementation of a sustainable distribution of goods to and from the inner city, air quality improvement, health promotion, etc.

2.3.2 Increasing competition (business services and retail)

Following the 6th state reform of 1 July 2014, the competence for the establishment legislation, which regulates access to the pursuit of certain professions, was transferred from the federal government to the regional governments. Apart from the general requirement of **business management basic knowledge** for anyone wanting to manage their own business, 27 **regulated 'craft' professions** come since that date under the EWI policy area within the Flemish public administration. For the 27 regulated professions as well as the business management basic knowledge AIO initiated a thorough evaluation process during which the professional federations concerned were surveyed. The evaluation was carried out in different stages, given its scale and the need for a swift response. The analysis for 16 regulated professions²¹ has been completed. It shows that the regulation on these professional qualifications which regulate access to the profession was no longer justified, proportionally expedient or desirable. The Government of Flanders Order of 14 July 2017 (Belgian Official Gazette of 9 August 2017) repeals the **professional qualification requirements** for these **16 regulated professions** as of 1 January 2018. For the other **11 regulated professions**²², which all belong to the building sector, the analysis is still ongoing.

The analysis of the business management basic knowledge certificate was completed as well. On 9 March 2018, the Government of Flanders decided that the requirement to hold the **business management basic knowledge certificate to perform self-employed activities, as main or secondary activity**, will no longer apply as of 1 September 2018. In addition, an **action plan to strengthen entrepreneurship competencies** has been adopted, which is to increasingly focus on the continuous development of skills. It builds on existing good practices and offers more targeted training for both starting and established entrepreneurs.

The **new licensing scheme for retail trade**, which will integrate the licence for commercial establishments into the uniform integrated environment permit (see also 2.4.1.), will enter into effect in 2018. A control system is also built in to assess the impact of the new legislation. The legal basis for the new licensing scheme is a decree which was adopted by the Flemish Parliament in July 2016. The decree has a simplifying effect, since only four main retail trade categories are left, whereas their number previously exceeded 20. In terms of procedures, the integration of the commercial establishment licence into the integrated environment permit also amounts to a simplification (one-stop shop, integrated application). Currently, a **new project** is being prepared to **support retailers in the digital transformation** during the period 2018-2020. The instruments and information on the portal are being updated. This time the focus is on action and implementation and not so much on awareness-raising.

²¹ These professions are: butcher wholesale, laundry/dry-cleaning, restaurant owner/caterer, baker/pastry maker, car body-worker/panel beater/painter, bicycle/moped, repair motor vehicles max. mass < 3,5 ton, repair motor vehicles max. mass > 3,5 ton, slaughterer – pork butcher, chiropodist, hairdresser, aesthetician, massage therapist, optician, dental technician, funeral undertaker.

²² These professions are: refrigeration contractor, mason, plasterer, tiler, roofer, glazier, joiner/carpenter, painter/decorator, central heating/plumber, electrical equipment/repair/install, building contractor.

2.4 Responding to investment challenges

2.4.1 Continuing to promote the business environment

In late 2017, the Government of Flanders adopted the **joint Flemish-Dutch chemistry strategy** as well as the **trilateral strategy for the chemical industry between Flanders, the Netherlands and North Rhine-Westphalia**. In the spring of 2017, the Government of Flanders took note of the **Concept Memorandum “Initiation Memorandum for the Transition Priority ‘Leaping forward to Industry 4.0’”** (Conceptnota: “Startnota transitieprioriteit ‘De sprong maken naar Industrie 4.0’”) and the **Concept Memorandum “Initiation Memorandum for the Transition Priority ‘Going ahead with the Transition to a Circular Economy’”** (Conceptnota: “Startnota transitieprioriteit ‘De transitie naar de circulaire economie doorzetten’”) (see also 2.4.3.). These memorandums define specific steps for moving forward, including how to manage the transitions. With regard to **Industry 4.0**, the action plan consists of 5 main lines: 1) Maintaining a platform which disseminates information on Industry 4.0 and raises awareness; 2) reinforcing the knowledge base; 3) speeding up the application by offering targeted support to entrepreneurs, depending on their familiarity with and involvement in the transition; 4) promoting good environmental conditions; 5) supporting international cooperation, mainly at European level. In 2017, activities were started for all these topics. Within the context of the third item, 2 calls for projects were launched, one on living labs in Industry 4.0 and the other on support for transitions in the cluster domains. Moreover, a number of projects were initiated which were oriented on specific focus groups, such as retail trade, and concentrated on digitisation (e-commerce). The new Flemish cluster policy increases and improves innovation diffusion among actors and companies. In February 2018, **7 living lab projects** will be presented at Imec within the framework of **Industry 4.0**. They will be launched from 2018 onwards. Several strategic research centres and spearhead clusters participate in these projects as well. One example of such a project is the ‘Living Lab Industry 4.0 for Agri-food’, involving Flanders Food and the Institute for Agricultural, Fisheries and Food Research (Instituut voor Landbouw-, Visserij- en Voedingsonderzoek/ILVO).

With regard to **access to financing** as well existing initiatives are continued or new ones will be embarked on. In 2016, the Flanders Holding Company (PMV) launched the new brand PMV-Z (Flanders Holding Company for the Self-employed/ParticipatieMaatschappij Vlaanderen voor zelfstandige ondernemers) which offers a ‘customised standard solution’ and pools a number of financing instruments: the Start-up Loan+, SME co-financing, the Guarantee Regulation and the Win-Win Loan. For 2017 the results were as follows: 131 start-up loans were taken out for an average amount of €47,875 (total investment amount of €6.3 million), 117 SME co-financing operations were approved with an average allocated amount of €195,077 (total investment amount of €22.8 million), and a record amount of €260.9 million was allocated under the Guarantee Regulation in 1.944 commitments. For each euro of guarantee a €2.4 investment was realised in 2017. Under the Win-Win Loan scheme 2,555 loans were registered for a total financing amount of €60.3 million. In 2017, it was decided that the PMV and Flanders’ public radio and television broadcaster (Vlaamse Radio- en Televisieomroeporganisatie/VRT) will set up a joint venture to invest in the growth of promising enterprises that are active in the Flemish media sector, with the purpose of further professionalising and internationalising the media ecosystem. The new initiative will offer a combination of financing and investment resources that are tailored to the company’s needs, viz. capital participations or loans (either subordinated and/or convertible or not) or a combination of both. The authorised capital of the joint venture is fixed at €10 million, committed in equal proportion by PMV and the VRT.

As for **international entrepreneurship**, it is of vital importance to further internationalise and reinforce the competitiveness of Flanders’ economy. On 25 December 2016, the Government of Flanders took note of a joint multi-annual internationalisation strategy for Flanders’ economy for the period 2017-2021. **Flanders Accelerates! (Vlaanderen versnelt!)**, which is the internationalisation strategy of the

Flemish economy, aims to have more Flemish companies export and strengthen Flanders' position as operating base for foreign investors. This is to arm Flanders' economy against the growing competition and groom Flemish companies for future challenges. An additional amount of €1.7 million is appropriated for the internationalisation of the Flemish economy, which takes **Vlaanderen versnelt!** up to cruising speed in 2018. These extra funds originate from the European Regional Development Fund (ERDF) and the Flemish Hermes Fund.

Continued efforts are also made to **reduce administrative barriers**, including the issuing of licences. Simplified, sound instruments remain a priority for the Government of Flanders. On 23 February 2017, the Flemish authorities, the provinces and a couple of municipalities started to apply the **integrated environment permit**. All the other municipalities followed their example as of 1 January 2018. The integrated environment permit replaces and combines the town planning permit, the land division permit and the environmental permit. Applications are submitted to a one-stop shop, viz. the Environment Desk (Omgevingsloket), which has been operational since 1 January 2018. After that, one public consultation and one advisory round are organised. The environmental permit of limited duration is changed into an environment permit of unlimited duration. This allows the permit holder to make corporate investments without having to take account of the permit expiry date. However, the public consultation and the protection of man and the environment continue to be guaranteed.

On 9 March 2018, the Government of Flanders adopted the **draft Governance Decree** (Bestuursdecreet) which constitutes the legal framework for a more open and agile government in Flanders. One of the main new elements in the Governance Decree is the fact that each new administrative procedure, e.g. the application of subsidies or licences, will be submitted to the Flemish authorities by digital means from the very start onwards. An analogue variant will still be in place as well.

Finally, the Spatial Policy Plan Flanders (Beleidsplan Ruimte Vlaanderen) (see also 3.4.3.) encompasses investments in logistic developments and makes sure that functional industrial sites offer suitable space to companies, which also promotes the business climate.

2.4.2 Investments in energy infrastructure and smart grids

On 19 May 2017, the Government of Flanders adopted the concept memorandum **Energy Vision Flanders 2030-2050** (Vlaamse Energievisie 2030-2050) and on 30 June 2017 it approved the initiation memorandum 'Realising an Energy Transition' (Zorgen voor een Energietransitie). These documents serve as guidelines for new policy and investment decisions regarding energy and are oriented to the following priority areas: increasing energy efficiency, promoting renewable energy production, developing a flexible energy system, financing the energy transition, and designing a smart innovation strategy. In Flanders the energy transition is being rolled out through the project 'Stroomversnelling' (literally translated as Rapids). Apart from that, an Interfederal Energy Pact is being negotiated. In this pact agreements will be made between the three regional governments and the federal government on the strategic long-term choices for our energy system, including the nuclear power phaseout.

The Flemish authorities have been investing for years in improving energy efficiency (see also 3.4.3.) and stimulating renewable energy production, in line with priorities from the Renovation Programme 2020, the Renovation Pact and the Energy Plan 2020 (6 October 2017). However, to facilitate the energy transition, a **smart energy system** is required as well. The digital meter for electricity and gas is the next big step in the transition. In February 2017, the Government of Flanders adopted a concept memorandum which initiates the **large-scale introduction of digital meters from 2019** onwards. A regulatory framework for allowing and fostering greater flexibility in the energy system is under preparation as well.

In addition, the Government of Flanders has laid down a regulatory framework in the Energy Decree for the implementation of **heat and cooling networks** to stimulate investments in this area.

Cooperation with all the stakeholders is essential to realise the aforementioned targets. For this reason, a cluster pact was concluded in December 2017 between the government and companies from the energy sector, pooled together in the **spearhead cluster Energy (Flux50)**. In this cluster pact the parties concerned (Flux50, Government of Flanders, Flanders Innovation & Entrepreneurship (VLAIO) and Flemish Energy Agency (Vlaams Energieagentschap/VEA)) commit to reinforcing each other whenever needs and opportunities occur. Through concrete projects, businesses, knowledge institutes and (local) authorities will work together innovatively in the coming years with the purpose of generating maximum added value and identifying and removing obstacles to the energy transition.

Citizens are actively involved as well. Via an online platform, consisting of a representative sample of the population, it was inquired in late 2017 after a focus for local energy policy as lever for the energy transition.

To enhance **support for the local energy policy**, citizens will be challenged by the Flemish authorities in the course of 2018 to take action themselves and help invest in the design and practical implementation of local energy efficiency projects and the further development of renewable energy production. Citizens will be encouraged to work together at the local level to shape the energy transition and its investments from the bottom up. On 16 March 2018, the Government of Flanders decided to grant a budget of €6.5 million for the realisation of local energy projects linked to the citizen challenges within the framework of 'Stroomversnelling' via transfers from the Flemish Climate Fund to the Energy Fund.

2.4.3 Circular economy and efficient use of resources

Circular Flanders (Vlaanderen Circulair) is the partnership of governments, businesses, civil society and the knowledge community taking joint action for a circular economy in Flanders. It establishes smart links between the different relevant policy themes and gives effect to the Vision 2050 and the Circular Economy Package of the COM. Closing materials cycles takes centre stage in this and responses are looked for to the (future) challenge of scarcity of materials, food, water, space and energy, and to a contribution to the Flemish Climate Policy.

In late February 2017, the Government of Flanders adopted the initiation memorandum of Circular Flanders. In 2017 and 2018, the key focus is on a proactive commitment to Circular City, Circular Purchasing (in accordance with the innovative public procurement programme) and Circular Entrepreneurship and on a demand-led approach for the themes that are prioritised by external stakeholders. Road maps are being developed for each of these themes. With regard to **Circular Purchasing**, a **Green Deal** was initiated in June 2017, involving 86 purchasing and 47 supporting organisations. In 2017, €4.8 million was earmarked for the financing of circular economy projects in Flanders. Two project calls resulted in the selection of 63 projects which have meanwhile started. Also in 2018, the Government of Flanders will be releasing €5.3 million for the financing of additional projects.

In 2017, the competent Flemish Minister made €5.6 million available for circular economy projects within the spearhead clusters (see also 2.3.1.). To that end, AIO launched an open call 'transition priorities within the spearhead clusters' (transitieprioriteiten binnen de speerpuntclusters) which continued in 2018. A total of 7 project proposals were submitted. For the clusters Flanders Food, SIM and Catalisti, respectively 1, 3 and 2 project proposals were declared eligible by the Hermes decision-making committee on 14 December 2017.

A new **research support centre on circular economy** has been established. In 2018, this will lay the foundations for a new set of indicators for the circular economy. Also, social and economic effects will be mapped on the basis of cases.

To develop **new spatial practices** for the circular economy, it is examined what a circular approach can actually mean for the (re)development of areas. Within several area development projects, such as the territorial development programmes (Territoriaal OntwikkelingsProgramma/T.OP) Limburg, Kustzone and Noordrand, the Flemish authorities stimulate the practical continued effect of the principles of circular economy in spatial structure plans, action programmes and/or working areas.

With the **Spatial Policy Plan Flanders** the Government of Flanders seeks to transform the spatial organisation. Today's low densities and urban sprawl cause structural costs for society, such as higher energy consumption, climate sensitivity and congestion. Hard space functions, like living, working or facilities, are given as much room as possible within the existing occupied space, and the open space is safeguarded to the highest possible extent. The strategic objective is to systematically reduce the average additional daily occupied space to 0 ha/day by 2040, with a decrease from 6 to 3 ha/day by 2025 as intermediate objective. The urban densification operation is to be tailored to local situations. Improving the quality of life and increasing climate resilience, for instance by providing a green-blue network and reducing soil sealing, are key priorities. By eliminating regulatory barriers, investments in urban densification are promoted.

The Government of Flanders has decided in favour of developing new housing units and workplaces around collective transport nodes and in places with an existing concentration of facilities. This will allow the air quality to improve and greenhouse gas emissions to be reduced. The residential density and the business surface area will, in places with a (very) good node value as well as a (very) good level of facilities, have increased by 28.4% by 2050 compared to 2015. This will have a beneficial effect on the business environment.

The Government of Flanders has taken several legislative initiatives to set the transformation in motion. The **modified Flemish Spatial Planning Codex** (Vlaamse Codex Ruimtelijke Ordening) has been in force since 30 December 2017 and contains measures which foster the urban densification operation. The codex encompasses, among other things, a new subsidy scheme for urban densification projects (spatial incentive projects) and simplified procedures for the abolishment of outdated rules that hamper parcelling. On 12 January 2018, the Government also gave its approval in principle to the Instruments Decree to provide governments and other actors with instruments to implement their spatial projects.

On the basis of existing legislation, the **circular 'A differentiated spatial transformation policy in built-up and unbuilt areas'** (Een gedifferentieerd ruimtelijk transformatiebeleid in de bebouwde en onbebouwde gebieden) lays the foundations for promoting spatial efficiency within built-up areas and for safeguarding open space in unbuilt areas.

The Policy Plan encompasses investments in logistic developments and makes sure that functional industrial sites offer suitable space to companies. The spatial policy also helps reduce energy demand to a minimum, maximise energy efficiency, create an efficient energy system and increase the share of renewable energy. The neutrality in use eliminates barriers and facilitates investments in renewable energy (see also 2.4.2.).

2.4.4 Investment in transport infrastructure

The Flemish authorities address the growing mobility demand and congestion problem by investing more than ever in **(multimodal) transport infrastructure**. For this purpose, the Government of Flanders earmarks the record amount of €5.8 billion for investments across the different transport modes (2017-2019, excluding Oosterweel), of which €1.5 billion will be spent in 2018. An integrated multimodal approach is taken to the main infrastructural nodes like Brussels and Antwerp.

Investments in road infrastructure are rising by 37% to €2.7 billion (2017-2019), €652 million of which will be spent in 2018 (excl. Oosterweel). In the first instance, the large road infrastructure projects around Antwerp (Oosterweel project) and Brussels (Ring Road 'R0') are focused on, since these two routes account for more than half of the hours of traffic jams within the Flemish Region. On 8 February 2018, the first works for the Oosterweel project started with the construction of a P&R on the Left Bank (Linkeroever). The planning, licensing and procurement procedures for the tunnel under the Scheldt and the works on the Right Bank (Rechtersoever) are continued in 2018. The works for the optimisation of the Brussels Ring Road (R0) are scheduled to begin in 2019. In addition to the works to the ring road itself, substantial investments are already being made in 2018 in public transport and in cycling infrastructure in the northern periphery of Brussels (see below). In addition, 32 'large-scale project sites' will be put in place along the motorways to guarantee smoother and safer traffic.

The share of **inland navigation** in relation to the total freight transport within Flanders is growing each year. In 2017, the inland waterways in Flanders reported a real record year totalling over 72 million tonnes of transported goods, which is a 6.5% increase compared to 2016. Between 2017 and 2019, the Flemish authorities will be investing €2.25 billion in Flanders' inland waterways network. This is an increase in budget of 17.5%, €280 million of which will be spent in 2018. Investments will relate, among other things, to the modernisation and further expansion of the waterways and to the promotion of inland navigation as an alternative mode of transport. In 2018, major investments will be made in a number of ongoing inland waterway projects, including the Terneuzen Lock (€59.5 million), the Seine-Scheldt connection (€48.6 million) and the upgrading of the Albert Canal (€40 million). Moreover, the merger of Flanders' two waterway managers into De Vlaamse Waterweg nv will result in an even more efficient management of the inland waterways in Flanders. The Flemish authorities aim to raise the share of inland navigation in total freight transport from 15% to 20% by 2030.

Public transport investments will amount to €816 million for the period 2017-2019, which is a 43% increase. Within the framework of the Brussels Ring Road project, investments are made in the construction of three tram(bus) lines in the northern periphery of Brussels (Brabantnet), which will make NATO and Zaventem airport, amongst others, more accessible. In cooperation with the road managers, the Flemish Public Transport Company - De Lijn continues to make sustained and substantial investments to improve the quality of the traffic flow. The transition will be made from basic mobility to basic accessibility, with direct focus on travellers and their environment.

The Flemish Region also invests in safe and reliable **cycling infrastructure** as a valid alternative for both leisure and commuter traffic. The investment budget is raised to €300 million in the period 2017-2019. In 2018, €110 million will be spent on cycling infrastructure, which is a 25% increase compared to 2014. Apart from the roll-out of three bicycle highways between the Vlaamse Rand and Brussels, investments will be made in numerous cycling projects along regional roads. In addition, the Flemish authorities encourage cities and municipalities, via the Cycling Fund (Fietsfonds), to invest more in local cycling infrastructure.

To facilitate the modal shift between the different modes of transport, €100 million is invested in **multimodal transfer points** where people can easily switch from one mode to another.

To further shape the multimodal transport policy, the Flemish authorities are working on a **new mobility plan for Flanders**. This Mobility Plan Flanders (Mobiliteitsplan Vlaanderen) will set out the main lines for implementing sustainable mobility in the short term (2030), building on the mobility vision from the long-term strategy for Flanders 2050. Attention will be devoted to coherence with the Spatial Policy Plan Flanders and the Flemish Climate Plan (Vlaams Klimaatplan). The mission of the mobility plan is to realise a sustainable, safe, intelligent and multimodal mobility and logistics system, with maximum support for the functioning of society and the economy. To achieve this ambition 5 thematic pillars for the future mobility policy are put forward: smart, robust, safe and environmentally friendly transport networks, a multimodal integrated transport system, innovation, cooperation, and the promotion of a change in behaviour.

The further development of the current kilometre charge for trucks into a **global system of road charging for all motorised traffic** will be **further looked into**. In July 2017, an initial study was completed into the steps to be taken to implement such a system and build social support for this measure. An in-depth study into the opportunities and terms and conditions (rate, network, etc.) of road charging for light vehicles is scheduled to start in June 2018. On the basis of the key study results which are expected in March 2019, a decision will be made on the follow-up measures.

2.4.5 Investment in school infrastructure

On the basis of a multi-annual planning, **capacity resources** totalling €150 million have been allocated for the period 2016-2018 (€50 million per year). These resources have been divided between capacity projects which were highlighted as priorities by local task forces. The resources were used to create 11,213 additional places in pre-primary and primary education and 1,933 additional places in secondary education.

Flanders also embarked on a large-scale catch-up operation for school infrastructure via alternative financing, better known as **DBFM²³ (Design, Build, Finance and Maintain)**.

The DBFM programme ‘**Schools of Tomorrow**’ (Scholen van Morgen), a public-private partnership (PPP), encompasses 182 school construction projects which account for 200 school buildings with a total gross building surface area of around 710,000m² for more than 133,000 pupils, across all the educational networks. The programme is well into the implementation phase with 152 projects completed and put into operation so far, together representing new school infrastructure for more than 105,000 pupils. On 5 March 2017, a **new DBFM call** was launched among school boards for an investment value of €300 million. This amount was raised to €550 million in the autumn agreement of the Government of Flanders. 52 applications were submitted and 41 schools have been selected to realise their building project. This means that additional new school buildings will be constructed for a total surface area of 250,000m².

Apart from regular subsidies and DBFM projects the option of **rent subsidies** also exists. In late 2017, a second round was organised for the allocation of rent subsidies to schools. For this purpose, €3 million is annually invested in schools of publicly funded education. These rent subsidies allow schools to increase their capacity or renovate their buildings. For the first call in 2017, 35 projects were approved which represent an annual rent subsidy of almost €3 million and benefit 9,775 pupils.

²³ DBFM is a PPP in which a DBFM company is responsible for the design, construction, 30-year owner maintenance and financing of the DBFM projects. In exchange, the competent governing body pays, during thirty years, a performance-related availability payment to the DBFM company, which is subsidised by the Flemish authorities through AGION. After the 30-year period, the school infrastructure is transferred to the governing body free of charge.

2.4.6 Investment in welfare infrastructure

Following the 6th state reform, the subsidisation of hospital infrastructure is no longer a shared competence. In the course of 2017, Flanders has implemented a new financing system for hospital infrastructure. The introduction of a maintenance lump sum within this framework enables hospitals to maintain the quality of existing infrastructure through maintenance investments. This financing scheme provides a strategic lump sum for new constructions, the expansion of existing capacity and reconditioning investments.

Following on from the introduction of personal funding for people with disabilities, the **funding scheme for their joint infrastructure was adjusted** as well so that targeted investments for this target group remain possible. Next to these new financing methods, an **extra €100 million is invested in welfare infrastructure each year**.

3 Implementation of Flanders' Europe 2020 Targets

Introduction

Below (3.1 through 3.5), a state of play is given of Flanders' progress in meeting its Europe 2020 targets and of the measures it is implementing. A lot of the measures that are taken in response to the Europe 2020 education targets (mainly relating to employment rate and education) were already discussed in Part 2. In paragraph 3.6 the state of play regarding the European Social Scoreboard has been included for the first time.

3.1 *Employment rate*

3.1.1 State of play

In the aftermath of the 2008 economic crisis, employment in Flanders grew at the same rate as the population, which caused the employment rate (20 to 64 age group) to stagnate at 72% for years on end. In 2017, employment picked up much faster again for the first time and the **employment rate (age group 20 to 64)** rose to 72.8% in the third quarter. The economic prospects for 2018 suggest that this trend will continue. Flanders' employment rate of 72% in 2016 thus remains higher than the European average of 71% in 2016, but is still several percentage points removed from the target of 76% by 2020. Even when expressing the employment rate in full-time equivalents, Flanders scores 68.8% in 2016, which still exceeds the European average of 67.2%.

Key indicator	2008	2009	2010	2011	2012	2013	2014	2015	2016	2020 target	Distance (+ position EU-28)
Employment rate (age group 20-64) (%)	72.3	71.5	72.1	71.8	71.5	71.9	71.9	71.9	72.0	76.0	4.0 pp 12 out of 28 (in 2016)

Over the past years, especially the **employment rates of over-50s and over-55s** have grown significantly. As a result, Flanders will probably still meet its targets in this field before the 2020 deadline. Research carried out by the Centre of Expertise for Labour Market Monitoring (Steunpunt Werk) estimates that demographic effects and changing exit behaviour among over-55s account for one quarter of this progress and employment growth and end-of-career policies for three quarters. However, Flanders is still lagging behind the European average, which means the rising trend will have to be sustained post-2020 as well.

A higher **employment rate** was also achieved **among women**, with Flanders scoring well above the European average of 65.3% with 67.7% in 2016, as well as among persons of non-EU nationality. Still, among the latter group and among persons born outside the EU, Flanders clearly still remains behind the European average and the set targets.

In 2016, the employment rate among **people with a work-limiting disability** suddenly dropped after having gradually increased for several years. The cause is unclear and we await the results of LFS 2017 to see whether this represents a trend or a survey fluctuation.

Flanders also records a falling employment rate among **15 to 24-year-olds**, mainly because of the increasing level of education. When not including students, the employment rate among young people in Flanders turns out to amply surpass the EU average.

Sub-indicators	2008	2009	2010	2011	2012	2013	2014	2015	2016	2020 target	Distance (+ position EU-28)
Employment rate Disadvantaged groups											
Age group 15-24 (%) ²⁴	31.7	28.6	28.8	29.4	28.1	27.7	27.0	27.9	27.0	/	18 out of 28 (in 2016)
Age group 50-64 (%)	49.1	50.9	53.1	53.6	54.6	56.5	57.5	58.1	59.1	60	0.9 pp 19 out of 28 (in 2016)
Age group 55-64 (%)	34.3	35.8	38.2	38.9	40.5	42.9	44.3	45.6	46.7	50	3.3 pp 21 out of 28 (in 2016)
Women (20-64) (%)	66.1	65.7	66.7	66.4	66.2	66.9	67.6	68.2	67.7	75	7.3 pp 12 out of 28 (in 2016)
Men (20-64) ²⁵ (%)	78.3	77.2	77.4	77.0	76.7	76.8	76.2	75.6	76.3	/	14 out of 28 (in 2016)
Non-EU nationality (20-64) (%)	47.2	47.0	44.4	46.3	42.7	46.4	44.6	48.7	46.0	58	12 pp 21 out of 26 (in 2015)
Born outside the EU (20-64) (%)	56.3	53.4	53.4	53.0	51.8	54.9	53.3	53.7	53.0	64	11 pp 26 out of 28 (in 2016)
With work-limiting disability (20-64) (%)	-	37.5	33.5	38.6	38.7	40.4	42.7	43.1	41.0	43	2 pp (no comparative data available)

The Social and Economic Council of Flanders (Sociaal-Economische Raad van Vlaanderen/**SERV**) measures the **workability rate** in Flanders every three years. This workability rate is the result of the combination of four indicators: psychological fatigue (work stress), well-being at work (motivation), learning possibilities (opportunities to keep pace and develop competencies) and work-personal life balance (combination of work and family and social life). The results measured in 2016 show that the workability rate in Flanders has fallen. In concrete terms, the workability rate amounted to 51%, which means that approximately half of the Flemish employees and self-employed entrepreneurs have a workable job or did not experience any of the measured workability risks as problematic in their job. Reversely, this means that one in two workers is faced with one or more workability issues. 'Work stress' is in most urgent need of attention in this respect. A systematic improvement is only recorded for the indicator 'learning possibilities'. Given these workability results, the social partners in Flanders decided to jointly put their weight behind an **Action Plan for Workable Work** (Actieplan werkbaar

²⁴ When considering young people (aged 15 to 24), not including students, Flanders scores 76%, whereas the EU average is 63.5%.

²⁵ Is not a disadvantaged group. The employment rate among men was included in the table because it offers an additional understanding of the general employment rate (age group 20-64). In the period 2008-2016, the employment rate among women increased slightly, whereas the rate among men dropped.

werk), which encompasses 32 actions that intervene at organisational level or are intended to support and reinforce individuals.

In 2016, participation in **lifelong learning** in Flanders - as measured in the 4 weeks prior to the survey - was 7.1%. This is a slight increase compared to the year before, but just below the European average. Flanders' target of achieving 15% in 2020 seems out of reach. For this reason, the Government of Flanders concluded an agreement with the Flemish social partners on a reform of the Flemish training incentives (see also 2.2.9.), included lifelong learning as one of the seven crucial transitions to be realised by Flanders in its long-term strategy 'Vision 2050' (Visie 2050), and launched the **Skills Strategy project** (see also 2.3.1.) together with the OECD.

3.1.2 Measures

The measures taken to increase the employment rate were explained earlier under 2.2.1 through 2.2.5.

3.2 Education

3.2.1 Background

The share of early school leavers in Flanders ended at 6.8% in 2016. Although this rate is further decreasing, Flanders' Europe 2020 target of 5.2% has not yet been reached. Still, Flanders is well below the EU target of 10%. As for the share of 30 to 34-year-olds having completed higher education, Flanders scored 47.3% in 2016. This means the EU target of 40% is met, whereas Flanders' target of 47.8% is within reach.

Key indicators	2008	2009	2010	2011	2012	2013	2014	2015	2016	2020 target	Distance (+ position EU-28)
Early school leavers (%)	8.6	8.6	9.6	9.6	8.7	7.5	7	7.2	6.8	5.2	1.6 pp 9 out of 28 (in 2016)
30 to 34-year-olds having completed higher education (%)	43.6	43.1	45	42.3	45.3	44.1	44.8	43.2	47.3	47.8	0.5 pp 9 out of 28 (in 2016)

3.2.2 Measures

Early school leaving

The **pupil guidance system** (see also 2.2.8.) system is being reformed with the purpose of tackling several phenomena underlying early school leaving, such as school failure, wrong choice of study, lack of motivation, educational delay and truancy. The reform will enable even more young people than today to leave secondary education with qualifications. The **Action Plan 'Together against Early School Leaving'** (Actieplan 'Samen tegen Schooluitval') is being further rolled out as well. The plan contains more than 50 actions regarding learning entitlement, truancy and early school leaving. Thirty actions were already completed, the rest is still ongoing.

The implementation of the **secondary education modernisation** in the school year 2019-2020 is being further prepared. Elements such as the introduction of basic literacy, differentiation and more transitional opportunities from the B flow to the A flow reinforce the orientation function of the first stage. The new, more transparent and simplified subdivision of the study programmes offered in the second and third stages and the possibility to establish subject-based and campus schools are beneficial for the process of study choice and study orientation.

The **dual learning** system (see also 2.2.7.) in Flanders is further developed as a fully-fledged pathway leading to qualifications next to full-time secondary education. The new system is to encourage pupils to make a positive and deliberate choice for technical and vocational secondary education. This will help curtail phenomena like truancy, lack of motivation and wrong study choice. Cooperation between the education and work sectors is extremely important here.

The reform of the **adult education** sector provides for a financing scheme which, more than is the case today, focuses on vulnerable groups (see also 2.2.8.) and on obtaining a secondary education diploma or a certificate. In this respect the reform is an important compensation measure in the context of early school leaving.

In 2018, Flanders will earmark additional operating budget for pre-primary education. Combined with the action plan for participation in pre-primary education (see also 2.2.9.) this will **strengthen pre-primary education** in Flanders. Since insufficient participation in pre-primary education may result in early school leaving, these measures help reduce the share of pupils leaving secondary education without any qualifications.

One of the strategic goals of the new **Strategic Literacy Plan 2017-2024** (Strategisch Plan Geletterdheid 2017-2024) is to significantly boost the number of young people leaving secondary education with sufficient literacy competencies, so as to enable them to function and participate in society independently, develop on a personal level and continue to learn.

Tertiary education attainment

Both the access to and the quality of higher education remain priorities for the Government of Flanders.

Flanders also continues its efforts to establish **higher vocational education** (hoger beroepsonderwijs/HBO5) as a fully-fledged component of higher education. A more strongly developed HBO5 will attract pupils who currently do not yet find their way to tertiary education, and will contribute as such to the further democratisation of higher education in Flanders.

In 2017, the orientation test **Columbus** was made available to all schools in Flanders. Since April 2017, all pupils in the final year of secondary education receive general feedback on their study choice options in higher education following their participation in the test. Up to and including 2019 an annual subsidy of €200,000 is granted to a team of experts who will further develop the instrument and fine-tune the feedback module. Since the school year 2017-2018, the generic institution-neutral **entry tests** for integrated teacher training programmes are mandatory. These tests were introduced with the purpose of increasing the inflow in teacher training programmes and reducing the drop-out rates. From 2018-2019 onwards, non-binding entrance examinations will also be mandatory for the university programmes 'civil engineer' and 'civil engineer/architect'.

In the 2018 financial year the **operating budget for university colleges and universities will be increased**. The 'click mechanism' (i.e. a mechanism whereby rising student numbers are translated into an annual budget increase) is applied, which means that the budget will grow by almost €25 million. An additional increase by €14.5 million is provided for the implementation of the Integration Decree (2013). A larger operating budget for university colleges and universities may have a beneficial effect on the number of students attracted to higher education.

3.3 Research and development (R&D)

3.3.1 Background

According to the latest figures (Eurostat), the **R&D intensity** of Flanders (Flemish Region) is 2.67% (2015), which is the highest rate ever. Upon the launch of the Europe 2020 Strategy in 2010 Flanders scored 2.20%. The gross domestic expenditure on R&D (the sum of R&D expenditure of companies + governments + higher education institutions + non-profitmaking organisations) in Flanders amounted to €6.472 billion in 2015.

Key indicator	2009	2010	2011	2012	2013	2014	2015	2020 target	Distance (+ position EU-28)
Gross domestic expenditure R&D (%)	2.06	2.20	2.31	2.48	2.54	2.58	2.67	3	0.33 pp 6 out of 28 (in 2015)
(in million euros)	4,149	4,641	5,088	5,676	5,827	6,074	6,472		

3.3.2 Measures

The science and innovation budget for 2017 equals €2.435 billion, of which €1.565 billion is earmarked for R&D. In 2017, the Flemish authorities spent an **additional (recurring) budget** of €160.3 million on R&D&I and made another **(one-off) investment** of €39.1 million in R&D&I, of which €30.8 million for a new Tier 1 supercomputer (already the third one). The largest amounts of the (recurring) increase in 2017 were spent on the new cluster policy (€35 million), Imec (€29 million) and mandates/projects at the Research Foundation - Flanders (Fonds voor Wetenschappelijk Onderzoek/FWO) (€27.5 million). In 2018, €115 million is appropriated for new policy in the EWI domain. In the 2018 budget preparation, the provision for investments in R&D and the business community of €100 million was increased by €15 million following an adjustment of the 2017 budget. One-off investment funds totalling €115 million were thus set aside for EWI. Part of this has already been invested in economic measures. The rest of this €115 million has been entered as a one-off investment provision of €89.820 million, part of which will be invested in R&D&I.

On 8 November 2017, the Flemish Parliament adopted the **amendment to the Decree on the organisation and financing of science and innovation policy in Flanders**. The Government of Flanders ratified the Decree and promulgated it on 17 November 2017. The amendments to the Decree further adjusted and fine-tuned a number of regulations for the organisation of the innovation policy and provided for the amalgamation of the 5 innovation centres in the Flemish provinces into one single structure, the **vzw Team Bedrijfstrajecten (npo Team 'Business Tracks')**. This will be a general access portal for questions from entrepreneurs to the Flemish authorities and for specific questions on the government instruments oriented to businesses.

Following the adaptations to the organisation of the support bodies in the EWI area in 2015-2016, a couple of support instruments were revised and adjusted as well in 2016-2017. As indicated earlier (see also 2.3.1.), the Government of Flanders adopted **4 relevant Orders on R&D&I support for businesses** in 2017. They contain updated and adjusted requirements for R&D&I support and align these requirements with EU rules, in particular with regard to state aid. Partly as a result of this, the R&D business support, the SME programme and the Sprint programme have been abolished since 2018 and AIO is launching **2 new support instruments**: research projects (long term) and development projects (short

term). In early 2018, the Government of Flanders also adopted a **preliminary draft Order for support to projects of collective research and development and collective knowledge diffusion**.

On 9 February 2018, the Government of Flanders gave its final approval to the Order on the **subsidisation of incubators**, which amends the 2014 Order. This Order required a geographical or thematic link between the incubator and a knowledge institute, which was not always clear, however. For this reason and because similar initiatives are initiated on the private market, the subsidy Order has been modified in that the focus of financing is shifted to incubators which are in need of large infrastructural investments. The specific infrastructure is better specified and the requirements in terms of co-management of the knowledge institutes are tightened. The option of subsidising management costs is abolished.

In early 2018, the Government of Flanders also adopted a regulatory framework for the **financing of and/or participation in international research infrastructures** by institutions in Flanders. Until now, this had been divided among 3 types of projects: research infrastructures linked to international partnerships, including the European Strategy Forum on Research Infrastructures (ESFRI), participation in so-called Big Science projects, and other participations in international research infrastructures. The Order groups, streamlines, updates and lays the structural foundations for the three previous support instruments and outlines a work method by means of calls for the selection of researchers from Flemish institutes for participation in European and pan-European research infrastructures on the one hand, and the financing of one-off and structural costs on the other.

Other main points of focus include the reinforcement of **marine science research and the Blue Growth strategy**. The research centre at Plassendale (Ostend) will be equipped with a towing tank, a ship simulator and a wave basin (coastal and ocean basin), which amounts to a total investment of €30.8 million. In late 2018, the wave tank (tests for waves, currents and wind) must be completed. In late 2017, the Government of Flanders decided to allocate €2 million for its exploitation in the period 2018-2022 through the Gen4Wave action plan. The towing tank of 174 metres will be completed after 2018. In addition, the Government of Flanders committed €3 million for the Marine Robotics Centre at the Flanders Marine Institute (Vlaams Instituut voor de Zee/VLIZ) for the purchase of 2 unique, autonomously moving robots (an autonomous underwater robot and an unmanned surface vehicle) which can perform detailed observations and take samples to a depth of 1,000 metres.

To promote **innovation for clean technology**, the organisation iCleantech Flanders was established in late 2012. As of 2018, this organisation will be integrated into the Flemish Institute for Technological Research (Vlaamse Instelling voor Technologisch Onderzoek/VITO), which is to produce more synergy for the development of clean technologies in Flanders and generate greater capacity. The Flanders Knowledge Centre Water (Vlaams Kenniscentrum Water/Vlakwa) also comes under VITO.

The Government of Flanders has **renewed or extended its support agreements with several research organisations**. The current agreement with the **Institute of Tropical Medicine Antwerp** (Instituut voor Tropische Geneeskunde/ITG) for the period 2013-2018, for instance, has been extended by one more year. In late 2017, a draft covenant with the **RVO (Roger Van Overstraeten) Society** was adopted for the period 2018-2022. This is a network organisation that builds bridges between innovation and education and training. It translates advancements in science and technology and the societal relevance thereof into educative projects for education and leisure time and into initiatives for the general public. Multi-annual support agreements have also been concluded with the public observatories (Volkssterrenwachten) for the period 2018-2022 within the framework of science outreach efforts. In February, new five-year management agreements were entered into with **Imec** (nanotechnology research centre) and the **Flanders Institute for Biotechnology** (Vlaamse Instelling voor Biotechnologie/VIB). In December it was decided to conclude a new management agreement for 2018-2022 with **Flanders Make**, which received €15 million for the establishment of an additional branch in West Flanders. This should help improve the diffusion of innovation.

In late 2017, a call was launched for project proposals for **Citizen Science**. This allows citizens to participate in scientific projects, irrespective of their backgrounds. Projects are submitted by researchers at universities, university colleges and research institutes, preferably in partnership with actors working in the STEM and science communication policy areas. The projects are expected to close the gap between researchers and citizens and society in general while devoting special attention to the challenges in the STEM choice of study and profession.

On 22 December 2017, the Government of Flanders decided to invest €30 million in a new **TIER 1 supercomputer** and in the extension of existing computing infrastructure. These investments fit within the TIER 1 Programme 2018-2022 'Supercomputing as a service' of the Flemish Supercomputer Centre (Vlaams Supercomputer Centrum/VSC). The VSC is a virtual centre for both academics and industry which is managed by FWO, in cooperation with the five Flemish university associations. In the future, the VSC wants to offer more services via a TIER 1 supercomputing platform consisting of 3 components: high performance computing (HPC), storage and cloud. MUK and BrENIAC are used for the storage of large data sets and the cloud component, and the new TIER 1 supercomputer is used for high performance computing (HPC).

In late 2016, the **Innovative Procurement Programme** (Programma Innovatieve Overheidsopdrachten/PIO) was adopted by the Government of Flanders. After two calls for project proposals some 30 projects have now been selected for support and co-financing, if necessary. A large number of projects centre around innovative digitisation projects in the Flemish public sector.

3.4 ***Climate and energy***

3.4.1 **Background**

As far as the Europe 2020 targets for climate and energy are concerned, Flanders continues to be faced with great challenges. In the period 2005-2016, non-ETS greenhouse gas emissions in Flanders were found to have stabilised. A limited decrease was recorded from 46.3 Mton CO₂-eq in 2005 to 46.1 Mton CO₂-eq in 2016, which is a 0.4% decline in 2016 compared to 2005. Positive results can be presented in terms of energy efficiency. On the basis of the projected figures for 2016 (23,443 GWh) the target is amply reached. Although the target of 10.33% (25,074 GWh) of renewable energy is still far from achieved, it should be pointed out that the share of renewable energy is growing.

Key indicators	2005	2008	2009	2010	2011	2012	2013	2014	2015	2016	2020 target	Distance (+ position EU-28)
Greenhouse gas emissions	46,286	46,943					45,871	43,538	44,776	46,113	-15.7% greenhouse gas emissions compared to 2005	Met the annual reduction target from 2013 to 2015 (Specified in the burden-sharing). In 2016, the annual reduction target is exceeded by 1.3 Mton CO ₂ -eq.
Non-ETS greenhouse gas emissions scope 13-2026 (kton)												
Energy efficiency Non-ETS final energy consumption savings (GWh, % compared to 2001-2005)				10,818 GWh (5.7%)		16,499 GWh (8.8%)			22,199 GWh (11.8%)	23,443 GWh (12.4%)	39% energy saving in 2016 compared to average 2001-2005	On the basis of the figures expected for 2016 (23,443 GWh) the target has been amply achieved.
Primary energy consumption, excl. non-energetic (Mtoe)	33.6	32.9	32.0	33.7	31.7	31.1	32.1	29.4	29.4	31.7		Decrease in 2008-2015, increase again in 2016 compared to 2015
Renewable energy (RE)	0.48	0.70	0.90	1.11	1.05	1.30	1.39	1.31	1.40	1.58	90.267 pJ (or 2.156 Mtoe)	25.8 pJ
- Quantity RE (Mtoe)												
- Share of RE in gross final energy consumption	1.9	2.9	3.9	4.5	4.6	5.6	5.7	5.7	6.0	6.41	33%	3.93%

3.4.2 Measures for reducing greenhouse gas emissions from non-ETS activities

Flanders has committed itself to realising an emission reduction in the so-called non-ETS sectors of 15.7% in 2020 compared to 2005. On 9 February 2018, the second **progress report of the Climate Policy Plan 2013-2020** (Klimaatbeleidsplan 2013-2020) was presented to the Government of Flanders. Apart from monitoring the implementation of the actions from this plan, the progress report also evaluates the commitments made by the Government of Flanders Ministers at the Climate and Energy Summit of December 2016. The Flemish Climate and Energy Pact (Vlaams Klimaat- en Energiepact) concluded at this summit contains commitments by civil society and public stakeholders to implement short-term measures in the field of climate and energy.

The Flemish authorities have also pledged to address the long-term climate challenges. In the course of 2018, a **Climate Vision 2050** (Klimaatvisie 2050) will be drawn up, together with stakeholders at the sectoral level. Within the energy policy field, a similar process has taken place which resulted in the adoption of the **Flemish Energy Vision 2030-2050** (Vlaamse Energievisie 2030-2050) by the Government of Flanders on 19 May 2017. In a next step an integrated Flemish Climate and Energy Plan 2021-2030 (Vlaams Klimaat- en Energieplan 2021-2030) will be drawn up in mid-2018. These Flemish plans will also be used as input for the **draft national energy and climate plan** which will be developed in cooperation with the other Belgian (federal and regional) entities by the end of 2018. Next to this, an inter-federal Energy Pact is currently being drawn up and negotiated for completion in the spring of 2018.

²⁶ When determining the Belgian non-ETS objective, account was taken of the inclusion of additional emissions under ETS from the period 2013-2020 (scope 13-20). The non-ETS greenhouse gas emissions are therefore expressed taking into account this ETS scope extension.

With the establishment of the **Climate Fund** (Klimaatfonds), the Government of Flanders has created the financial framework needed to pursue a long-term climate policy. Since its inception in 2012, the Flemish Climate Fund has received a total of €235 million and spent €192 million. These funds are mostly spent on mitigation measures in Flanders. Secondly, expenditure is incurred to compensate indirect emission costs of the energy intensive industry. Thirdly, Flanders contributes to international climate finance and, finally, international emission credits were purchased in 2014 within the framework of the Kyoto goals.

3.4.3 Measures for improving energy efficiency

To further the national target of 43.7 Mtoe primary energy consumption in 2020, and in accordance with the targets for final energy consumption in the Directive on Energy Efficiency, Flanders prioritises several measures.

On the basis of the fourth evaluation report on EPB legislation the **E-level requirement for all non-residential buildings entered into effect** on 1 January 2017. The Government of Flanders also agreed to the introduction of an S-level, to replace the K-level and the net energy needs, for single family dwellings and flats from 2018 onwards.

To improve the **quality of energy performance certificates** (EPCs) for residential buildings a new inspection protocol has become operational on 1 July 2017. Since 1 January 2017, type A energy experts are also obliged to follow annual in-service training. The implementation of an EPC for non-residential buildings is under preparation.

Work is done on an EPC+ and comprehensive renovation advice, which offers a better understanding of the renovation potential of a residential building towards the long-term targets of the Renovation Pact. An initial concept of the 'dwelling passport' (woningpas) was presented as well. This offers residents a broader overview of all relevant aspects of their dwelling, including energy.

New financial support instruments have been developed to promote energy renovations. The new schemes will apply as of 2017 and include, among other things, a subsidy for total renovations called BENO-pass and support for collective renovation projects, i.e. the neighbours premium (burenpremie). In addition to several subsidies, the Flemish energy loan (energielening) is another important instrument used to promote energy renovations. On 19 May 2017, the Government of Flanders adopted a **reform of the Flemish energy loan**. The borrowed amount has been increased and the duration of the loan has been extended. From 1 January 2019 onwards, this Flemish energy loan will mainly be used to finance energy-saving investments for the vulnerable target group. The entities granting these loans, the so-called 'energiehuizen' (energy centres), will be allocated a comprehensive one-stop shop package that focuses on providing assistance and information with regard to energy and the Flemish energy policy.

In early 2018, the **BE-REEL!** ('BElgium RENovates for Energy-Efficient Living') **project** was started which aims to continue to build and disseminate knowledge for thorough renovations of residential buildings. This is done in implementation of the Renovation Pact and in partnership between the Flemish and Walloon energy administrations, a number of Flemish and Walloon central cities and the Belgian Building Research Institute (Wetenschappelijk en Technisch Centrum voor het Bouwbedrijf/WTCB). Via this project, best practices and new business models will be looked for to substantially increase the renovation rate and the energy efficiency and comfort of the housing stock.

On 17 November 2017, the Government of Flanders decided to extend the duration of the existing **Energy Policy Agreements** (energiebeleidsovereenkomsten/EBO) by two years to 2022. Via the EBOs energy-intensive companies commit to implementing energy saving measures during the term of the

agreement. The number of energy-intensive companies entering the new EBOs has increased to 334, which is about 80% of the industrial energy use in Flanders. The Flemish authorities have also set up pilots to look into the establishment of mini-EBOs for SMEs. These pilots will be evaluated in 2018.

3.4.4 Measures for increasing the share of renewable energy

The production of renewable energy is stimulated through green energy certificates and investment support for projects relating to green heat, heat networks and residual heat utilisation. Additional initiatives taken in 2017 are discussed below.

The actions from the **concept memorandum 'Wind Power 2020'** (Windkracht 2020) to promote wind energy are being implemented. Strong focus is placed on supporting local authorities and wind energy project developers in realising the technical and socially acceptable potential for wind energy in Flanders by demarcating the actual potential per province, inter alia. In addition, investments were made to improve radar systems and aviation procedures in order to create additional potential for wind turbines without conflicting with aviation opportunities.

To stimulate solar energy, several measures were taken, as entered in the concept paper '**Solar Plan 2020'** (Zonneplan 2020). A solar map with opportunities for solar energy (photovoltaic and heat) at building level was published in March 2017. It attracted more than 500,000 visitors who explored the opportunities for their building. Energy network operators Eandis and Infrax initiated the pilot project 'shared solar roofs' (zonedelen) in 2018. The idea is that anyone who co-invests in the solar panel installation of a company, cooperation, city, municipality, association, etc. will immediately receive a discount on their own energy bill. In the spring of 2018, the action 'Stroomversnellers' was launched, which allows citizens to nominate roofs which are ideal for solar panel installations.

The **Flemish heat map** (Vlaamse warmtekaart) was published in 2016 already. A general cost-benefit analysis has been carried out in view of an efficient use of heat. For this purpose, areas have been identified throughout Flanders where it is economically feasible to install district heating. The Government of Flanders has adopted a regulatory framework for the implementation of heat and cooling networks to stimulate investments in this field. The terms and conditions will be further developed in the coming year. Flanders also invests in green heat projects, including projects for generating deep geothermal energy. The call 'Green Heat' (Groene Warmte) which was launched in the spring of 2017 resulted in 13 projects totalling €7.2 million. The support regulation is continued in 2018. For geothermal projects a guarantee scheme is being worked out to eliminate barriers relating to geological risks.

Funds were also released for investment support for small or medium-sized wind turbines and for the installation of battery technology.

As for '**clean power for transport**' the relevant action plan is being implemented. In 2017, the first public contract for the installation of 1,500 charge points was awarded. Seven pilot projects were started and within the framework of a European project extra support is given to the development of charging infrastructure along the TEN-T network in Flanders. In early 2018, the zero emission bonus was adjusted. The premiums for electric vehicles will be increased to the level of 2017 and remain the same in 2019. The subsidy for hydrogen vehicles will also be raised to €4,000. Non-profitmaking organisations and providers of car sharing will from now on also be entitled to the premiums. Another 1,000 charge points will be installed in 2018.

To be able to integrate more and more renewable energy into the energy system, the necessary adaptations are also being made to the networks. In the concept memorandum 'Digital Meters' the Govern-

ment of Flanders decided in favour of the transition to digital meters as of 2019. The regulatory framework is under development. In addition, the regulatory framework is being prepared which is to bring greater flexibility to the energy system (see also 2.4.2.).

3.5 Poverty and social exclusion

3.5.1 Introduction

The Government of Flanders continues to make every effort to prevent and fight poverty in households with young children. We notice that the main poverty indicators have remained stable over the past years. Nevertheless, the Flemish Region performs very well in terms of poverty figures in EU context. According to the SILC survey of 2016, 10.5% of the population in the Flemish Region were at risk of poverty, which means they are below a predetermined income threshold. This is lower than the Belgian average of 15.5%. In the EU-28 (average 17.3%) only the Czech Republic scores even lower. Still, reducing poverty even further and achieving the Pact 2020 target still pose challenges.

The set of European Social Indicators includes a broader definition of poverty. It refers to the share of people **in poverty or social exclusion**²⁷. The Flemish Region is performing relatively well for this broad indicator too. With a value of 14.5% according to the SILC survey of 2016 it is situated below the Belgian average of 20.7% and the EU-28 average of 23.5%. Among the EU Member States only the Czech Republic does better again than the Flemish Region.

Key indicator		2008	2009	2010	2011	2012	2013	2014	2015	2016	2020 target	Distance (+ position EU-28)
Combined indicator (people in poverty or social exclusion)	%	15,2	14,6	14,8	15	16	15,4	15,3	15	14,5	10,5%	4,0 pp 2 out of 28 (in 2016)
	Number x 1.000	930	900	910	940	1.000	970	970	960	940	650 by 2020 (= decrease by 30% or -280,000 persons compared to 2008)	290
Children with a standardised disposable household income below the at-risk-of-poverty threshold after social transfers %	%	9,9	9,8	11	10,4	11,3	12,1	13,6	11,7	11,7	5%	6,7 pp 3 out of 28 (in 2016)
	Number x 1.000	120	120	140	130	140	150	170	150	150	60 by 2020 (= decrease by 50% or 60,000 children compared to 2008)	90

3.5.2 Measures

Two years after the entry into effect of the **Flemish Poverty Reduction Action Plan** (Vlaams Actieplan Armoedebestrijding/VAPA) the action plan was evaluated and adjusted. The VAPA is based on the following joint vision: *"We pursue a structural participatory poverty reduction policy and concentrate fully on the prevention of and fight against poverty in households with young children. In support of this we implement integrated governance."* These continue to be the basic principles of the adjusted VAPA. The amended action plan resumes the existing actions, but places several emphases and outlines/highlights additional

²⁷ For this, one must meet at least one of the following criteria (one of which is the risk of poverty): (1) Experiencing serious material limitations (being unable to pay the bills on time, not being able to sufficiently heat one's house, having no car, washing machine or television, etc.); (2) living in a household without employment or with a low work intensity and (3) being at risk of poverty (below a specific at-risk-of-poverty threshold).

actions. Focus is placed on the main Flemish levers for poverty reduction: the right to social services, the right to a family, the right to education, the right to work and the right to housing.

With regard to the **right to social services**, extra project proposals were launched, inter alia, to stimulate social infrastructure in vulnerable neighbourhoods of the Flemish central cities, as well as a project call around outreach work for families with a very low work intensity. This group is indeed most at risk of poverty in Flanders. The aim is to break intergenerational poverty in households with children by making contact with this target group and taking measures to increase the work intensity of the parents and improve the development opportunities for the children through an integrated approach. The activities of the horizontal working groups regarding accessible services and social corrections also fall within the scope of this right, and so do the continuation of the Neighbourhood Stewards (Buurtstewards) and the development of the Service Provision Register (Dienstverleningsregister). The **Local Social Policy Decree** (Decreet lokaal sociaal beleid) aims, among other things, to implement accessible social help and services and tackle under-protection. For this purpose, the local government establishes Social Houses (Sociaal Huis) as recognisable points of contact for the provision of local social help and services. The Social Houses offer integrated extended reception services. The three key actors within the integrated reception services have a reception remit which is laid down by act or decree: OCMWs, general welfare work centres (Centra Algemeen Welzijnswerk/CAW) and the social welfare services of the health insurance funds. The partnership for integrated extended reception services adopts a proactive outreach approach so that citizens who are unable to find their way to these services without help can be reached as well.

As far as the **right to a family** is concerned, the further development of the Children's Centres (Huizen van het Kind) as fully-fledged basic facilities where plenty of partners, like childcare, parenting support, education and leisure actors, are brought together, is important. In this way, it is tried to help each (future) parent and each child who has a question or is in need of support. Today, 153 Children's Centres exist in Flanders and Brussels. 210 of the 308 municipalities in Flanders and the BCR have a Children's Centre. Approximately 80% of the families with children already live in the operating area of a recognised or subsidised Children's Centre. This is an amazing performance by all partners, local authorities, facilities and actors who jointly commit to turning the Children's Centres into a success, so that we can support even more families together.

For 2018 and 2019, we pursue a two-fold purpose with the Children's Centres. Together with the local partners we want to make sure that in each of the 308 municipalities in Flanders a Children's Centre is in place. Moreover, we want to help them develop into easily accessible basic facilities where families with children can turn to for anything related to upbringing and growing up.

We are working to extend and support the perinatal coaching of vulnerable young families. In addition, the informal network of people in poverty is reinforced and living labs around minor newcomers and low-literate mothers with young children are structurally embedded. Childcare is further expanded and we strengthen youth assistance. The Government of Flanders also continues to focus on making children, young people and parents stronger. The **preventive family support** projects are monitored and supported to map and increase their impact. Also in 2018 and 2019, we will work on more accessible youth assistance. To that end, we invest €25 million in 4 working areas. We invest €15 million in 15 networks, bringing youth assistance closer to our children and young people (working area 1). In the second working area we introduce a care guarantee for children aged between 0 and 3 who are temporarily unable to stay at home. For vulnerable young adults as well we launch innovative types of housing to offer them maximum support towards adulthood. Finally, in a fourth working area, we are designing our own Flemish approach to youth delinquency.

With regard to **education** (see also 2.2.9.) participation in pre-primary education and parent involvement are further aimed at, and additional funds were earmarked within the framework of the asylum

crisis. Adult education was reformed, a new literacy plan was drawn up and a cost control policy in education is being closely monitored. Another important element is language reinforcement for non-Dutch speaking pre-primary children.

In terms of **work** (see also 2.2.2.) the new systems for Neighbourhood Work and Temporary Work Experience were introduced. A new decree on work and care programmes was adopted as well. A recruitment incentive for long-term unemployed was launched and the number of places in the social economy was substantially increased. Finally, the decree on temporary agency work was put into effect within the public administration.

With regard to **housing** (see also 3.4.3.) substantial efforts are being made. The investment volume in the social rental market is at an exceptionally high level, which results in new and renovated social housing. The binding social objective is monitored, social housing companies (sociale huisvestingsmaatschappij/SHM) are further supported and a test environment for new types of housing was launched.

Access to sufficient and healthy **food** is a basic need. Unfortunately, this is not self-evident for people in poverty. Various measures have therefore been entered for this purpose in the Flemish Poverty Reduction Action Plan. Taking a social approach to food surpluses is one of the aims, for instance. In addition, 22 projects around healthy and affordable meals are currently running. These projects are not only designed to offer healthy and affordable meals, but should also lower the threshold to integrated family support. Reports in any case show that the joint reach of the projects is increasing.

The 19 projects relating to **leisure participation** are further monitored and supported as well.

Within the framework of integrated governance the Government of Flanders also continues to devote attention to supporting **local authorities** which play an important role in drawing up an inclusive and integrated social policy. They also contribute largely to customising the provision to suit the local needs, directing the integrated extended reception services and supporting voluntary and informal care. In this context a close eye is kept on the implementation of scientific research into their director's role. The report will be completed in 2018. The learning networks around child poverty reduction are continued.

Closing the **digital gap** is crucial as well in fighting poverty in Flanders. Within this framework the Government of Flanders subsidises the project 'Who Online' (Wie Online), among other things. The idea is to encourage people in poverty to use computers in a meaningful and useful manner. 'Who Online' does this by supporting poor people's associations, in order to help their members find their way around the digital world. To that end, it trains interested members of the poor people's associations to become coaches in this public computer space. This is one example of how the Government of Flanders focuses on and uses **expertise by experience** of people in poverty.

Finally, it is aimed to reduce the poverty risk among households with the **new Growth Package**²⁸ (Groeipakket).

²⁸ For new families, the poverty risk falls by 1.3 percentage points from 8.6% to 7.3%. For current families, the poverty risk is also dropping significantly, viz. by 0.5 percentage point from 8.6% to 8.1%. Despite the fact that the former child allowance scheme for existing families with children born before 2019 has largely remained the same, the poverty risk is still decreasing in these families. This can be explained by the extended use of the social allowances for all families living below the defined income threshold. Another explanation for the decreased poverty risk is the increased use of the selective participation allowances (the former school allowance).

3.6 *Flemish Social Scoreboard*

On 17 November 2017, the **European Pillar of Social Rights** was signed as an inter-institutional proclamation by the European Parliament, the Council and the COM. This Pillar is accompanied by a **new Social Scoreboard** to track trends and performances across the Member States. The new scoreboard provides for a number of key indicators for assessing Member States' progress in social and employment areas with regard to three dimensions: 1) Equal opportunities and access to the labour market, 2) Dynamic labour markets and fair working conditions, and 3) Public support / Social protection and inclusion. This analysis fits within the wider context of reforms. The Joint Employment Report 2018²⁹ of the COM monitors Member States' performance.

Given the importance which the Government of Flanders attaches to the social dimension of the European Semester and the fact that these indicators are used in COM³⁰ analyses (like for instance the Country Report Belgium 2018), the Government of Flanders considered it advisable to include a **social scoreboard for Flanders** in the present FRP. For 12 of the 14 indicators Flemish figures could be produced. For 2 indicators (indicated in italic in the table below)³¹ a Flemish indicator was used which is closely in line with the European indicator, in order to make a comparative approach possible. The table below compares Flanders' score on these indicators in a Belgian and European perspective. The general conclusion is that Flanders is performing very well in the social dimension at EU level.

²⁹ <http://data.consilium.europa.eu/doc/document/ST-14812-2017-INIT/en/pdf>

³⁰ To monitor the European social indicators, the European Commission has developed a performance benchmark. This is done by considering the performance for the last year for each indicator as well as the evolution from the penultimate year to the last available year. In concrete terms, standardised values or z-scores are calculated and the difference with the country average is calculated. On the basis of the scale of the deviation, the Member State is then assigned to one of the following categories: 'Best performers', 'Better than average', 'Good but to monitor', 'On average', 'Weak but improving', 'To watch' or 'Critical situations'.

³¹ Remarks on the social scoreboard (Source: Flanders Statistics).

(1) Since no data are available with regard to the real-terms growth of the gross disposable income of households per capita at the regional level, Flanders used the indicator 'gross disposable income per inhabitant'.

(2) Instead of the indicator 'compensation of employees per hour worked', Flanders used the indicator 'compensation per employee'.

FLEMISH SOCIAL SCOREBOARD (in Belgian and EU-28 perspective)	FLA	BE	EU-28	BE³²	FLA³³
Dimension: Equal opportunities and access to the labour market					
Share of early school leavers in % population aged 18-24 (2016)	6.8	8.8	10.7	Average	Better than average
Gender employment gap (2016)	8.7	9.2	11.5	To watch	To watch
Income quintiles ratio (2016)	3.5	3.8	5.2	Better than average	Best performers
At-risk-of-poverty or social exclusion rate (2016)	14.5	20.7	23.5	Average	Best performers
Young people neither in employment nor in education and training (NEET) (2016)	7.5	9.9	11.6	Better than average	Better than average
<p>In the dimension 'Equal opportunities and access to the labour market' Flanders is consistently doing better than Belgium or the European average. Flanders performs well with regard to the two Europe 2020 targets 'Early school leaving' and 'People at risk of poverty or social exclusion', as discussed earlier. For the gender employment gap both Belgium and the Flemish Region are assigned the label 'To watch'. This is only because a clear widening of the gap was recorded between 2015 and 2016, which was not or not as much the case in many other Member States. For the ratio of the income quintiles the indicator in the Flemish Region - together with the Czech Republic and Slovakia - is the lowest among the EU countries (less social inequality). When looking at the NEET young people³⁴ (the share of young people neither in employment nor in education and training in the age category 15 to 24), Flanders is again placed among the better half of the EU peloton. Still, Germany (6.2%) and the Netherlands (4.7%) score even higher.</p>					
Dimension: Dynamic labour markets and fair working conditions					
Employment rate (aged 20-64) (2016)	72.0	67.7	71.0	To watch	To watch
Unemployment rate (aged 15-64) (2016)	4.8	7.8	8.6	Average	Better than average
Participation in activation measures on the labour market (2015)	30.8	49.1	-	-	-
Growth in gross disposable household income (index, 2008 = 100) (2015)	-	96.2	103.0	Average	-
Alternative: Gross disposable income per inhabitant (euro) (2013)	21,671	20,299	-	-	-
Compensation of employees per hour worked (euro) (2016)	-	37.8	22.8	-	-
Alternative: Compensation per employee (euro PPP) (2015)	49,831	50,760	36,043	-	-
<p>Flanders is also doing well in the dimension 'Dynamic labour markets and fair working conditions'. The employment rate is still above the EU average and largely exceeds the Belgian average. However, Germany, the Netherlands and the UK have higher scores. It should be noted that the evaluation of the evolution only pertains to the last year. As a result, the Flemish Region is only assigned the label 'To watch' for 'employment'. The level of the Flemish employment rate is relatively high, but hardly any improvement was recorded between 2015 (71.9%) and 2016 (72.0%), contrary to many EU Member States which made more progress, but where a lower level was often started from. In terms of the unemployment level, Flanders is among the front-runners. In Flanders 30.8% of the people willing to work participated in activation measures on the labour market. This is below the Belgian rate of 49.1%. However, this can be explained by the fact that the Flemish rate only considers the Flemish activation measures, whereas the Belgian rate includes both the Flemish and federal activation measures. No EU-28 average is available, but Belgium performs very well here and Flanders too is situated among the better performing EU Member States.</p>					
Dimension: Social protection and inclusion					
Impact of social transfers on poverty reduction (2016)	9.8	10.8	8.6	Better than average	-
Children aged less than 3 years in formal childcare (2015)	50.1	50.1	30.3	Best performers	Best performers
Self-reported unmet need for medical care (2015)	1.4	2.4	3.2	Average	Better than average
Share of individuals with basic digital skills (2016)	64	61	56	Average	Better than average
<p>Flanders is also performing well in the dimension 'Public support / Social protection and inclusion.' The impact of social transfers reduces the risk of poverty by 9.8%. This is just below the Belgian figure. Still, it should be noted here that the poverty risk is higher in Belgium than in Flanders. For children in formal childcare only Denmark and Sweden have a substantially higher score. Self-reported unmet need for medical care does not pose any real problems in the Flemish Region. The rate is much higher in Estonia (12.7%) and Greece (12.3%). Finally, with regard to digital skills, Flanders also performs better than the average in the EU-28. Still, the Netherlands, Germany and the UK have higher scores.</p>					

³² Source: COM, Country Report BE 2018, page 30

³³ Source: Calculations of Flanders Statistics

³⁴ <https://www.werk.be/vlaanderen-binnen-europa>

4 Use of structural funds

The implementation of the **ERDF programme 2014-2020** is proceeding smoothly. Meanwhile, 72.73% (€127.7 million) of the available Flemish ERDF budget has been committed between 146 projects. Some examples of ERDF projects adopted in 2017 (Flemish co-financing between €500,000 and €750,000):

- *InQbet* Accelerator in Grimbergen: The aim is to increase the success of start-ups and companies in growth when marketing innovative products and business models.
- BioBaseFlow (Bio Base Europe Pilot Plant) in Ghent: This project in the bio-based economy aims to speed up the technology transfer, among other things.
- LOG!VILLE in Antwerp: Construction, organisation and operation of a landmark demonstration centre with focus on logistics and innovation.
- VEG-i-TEC in Kortrijk: A research facility of Ghent University for industrial applied R&D for treatment processes for vegetables and potatoes and energy and water management in the agri-food industry.

The **still remaining ERDF funds** (€47.8 million) will be put to the best possible use via calls. Calls will be launched, among other things, for care innovation projects in Limburg and projects to support Flanders' internationalisation and anchoring. These will be followed by calls in support of the manufacturing industry in Limburg and the creation of ecosystems for young entrepreneurs in student cities. In 2018, an external mid-term review of the programme is planned as well. In late 2014, Flanders adopted its **Smart Specialisation Strategy S3** (Slimme Specialisatiestrategie). Currently, the 4 strategic research centres and 5 spearhead clusters are promoting Flanders' strengths in the 7 selected domains, and the Flemish authorities are in the process of updating their S3. Flanders is strongly involved in several **interregional S3 partnerships** on EU thematic platforms for industrial modernisation, energy and agri-food. It is one of the leading regions for the Photonics and 3D Printing partnerships and the coordinating region for the Smart sensor systems 4 agri-food partnership. It has also joined various other partnerships. Flanders is co-founder and an active member of the **Vanguard Initiative** (VI) of European regions. In 2017, Flanders was active in 5 pilot projects. It is currently leading the 3D printing project. Following a call, the COM decided to support new **EU interregional partnerships** in the autumn of 2017. Participants from Flanders will lead the consortia for 3D printing and bioeconomy and participate in 2 other networks.

The operational **ESF programme 2014-2020** reinforces and innovates Flanders' labour policy (budget of approximately €1 billion, €398 million of which is funded by the EU). The ESF programme wants to help around 250,000 people find a job or acquire new competencies. In **2017**, ESF financed projects for the guidance and training of jobseekers, in cooperation with VDAB. The purpose of the programme is to have people with a **migrant background** represent a quarter of the participants. Together with the Education Department, ESF also committed to combating early school leaving. Moreover, ESF supported the introduction of the new dual learning scheme and financed calls for helping socially vulnerable groups reduce their distance to the labour market. Several calls were also aimed at improving the workability of jobs and the competencies of workers in companies. In **2018**, the different calls were repeated: the actions with VDAB and the Education Department, the calls for helping vulnerable groups, the work experience pathways for young people and the calls to companies for actions around workable jobs and training. In 2018, ESF will also launch new calls for helping refugees find a job or become an entrepreneur. In the autumn ESF will issue a call for employment projects for people with a migrant background, which is a concrete response to CSR 2.

In addition to its involvement in ERDF-Flanders and ESF, Flanders also continues to make strenuous efforts for **interregional cooperation**. It is very active in projects of the different programmes in which it participates in the cross-border EU Regional Policy, viz. **ERDF Interreg V (2014-2020)**. Flemish provinces and provincial development companies (provinciale ontwikkelingsmaatschappij/POM) are involved in this, next to various public and private/knowledge partners. Examples of ERDF-Interreg projects include:

- **Factory 4.0** (*Interreg France-Wallonia-Flanders*): Aims to contribute to the transformation of companies into Industry 4.0 factories of the future.
- **ISE (Innovative Sector Exchange)** (*Interreg 2 Seas*): Supports SMEs from West and East Flanders, Kent (UK), Hauts-de-France (France) and the South West of the Netherlands (West Brabant and Zeeland) which are active in sectors that focus on agri-food, digital & creative industry, new materials and mechatronics and are keen to innovate and increase their international activity.
- **GoToS3** (*Interreg France-Wallonia-Flanders*): Aims to develop interactions and synergies in various smart specialisations and more specifically in the priorities ‘research and innovation’ and ‘competitiveness of SMEs’.
- **UV - ROBOT Innovative UV-robotics** (*Interreg North-West Europe*): Aims to develop, test and demonstrate cost-effective UV-C robots to control mildew in three types of crops: spherical (strawberry), vertical (tomato and cucumber), and horizontal (lettuce and basil).
- **BISEPS (Business Clusters Integrated Sustainable Energy PackageS)** (*Interreg 2 Seas*): Aims to increase the adoption of sustainable energy technologies in business clusters.
- **Imm2POWER** (*Interreg North Sea Region*): Aims to support SMEs in the Offshore Wind Industry (OWI) from the North Sea Region in engaging in innovative collaboration opportunities.

Below (see also 5.4.) other examples of ERDF-Interreg projects are listed in which Flemish partners are participating in varying themes and under different Interreg programmes.

The Flemish authorities developed a position on the **future EU Cohesion Policy post-2020** which has been delivered to the COM.

5 Institutional issues and stakeholder participation

5.1 *Enhancing the support base*

Flanders attaches considerable importance to enhancing public support for the European Semester. Within the Flemish public administration the official working group 'European Semester' acts as the focal point for following progress in activities at Flemish, federal and European level and assumes an important role within the **Board of Chairmen** (Voorzitterscollege). This year, an exchange of views will again take place between the Board of Chairmen and the European Semester Officer.

5.2 *Involvement of the Flemish Parliament*

To safeguard the structural involvement of the **Flemish Parliament** in the European Semester the draft FRP 2018 was discussed in the Flemish Parliament³⁵ General Policy, Finance and Budget Committee on 20 March 2018. Several points requiring attention (reducing administrative burdens, see also 2.4.1.) were entered in this final FRP. The great interest of the Flemish Parliament within the framework of the monitoring of the European Semester also resulted in a Resolution which was adopted on 3 May 2017³⁶.

5.3 *Involvement of the social partners*

During an exchange of views which took place on 14 March 2018 within the framework of VESOC the **social partners** were involved in the compilation of the FRP 2018. As a result, the various points that require attention, such as workability, could be taken into account in the final FRP. The social partners, united in SERV, have carried out several **projects** and initiated **advisory pathways** in 2017 to help implement the three CSRs and address the investment challenges. Some examples:

CSR 1

- Over the past years, SERV has, in its advisory opinions and reports on **Flanders' budgetary policy**, always argued in favour of reinforcing public investment, without jeopardising the objectives of the structural budget policy. In SERV's vision it is guaranteed that Flanders can realise additional investments and a sound structural budgetary policy through the combination of four objectives. In its recent advisory opinions and reports on Flanders' budgetary policy SERV also emphasises that the definition of investment must be sufficiently broad.

CSR 2

- The social partners in Flanders decided to put their weight behind a Workable Work Action Plan (Actieplan werkbaar werk) (see also 3.3.1.).
- On 11 July 2017, the Government of Flanders and the Flemish social partners concluded an agreement on the reform of the training incentives for workers (see also 2.2.8.). This reform should enable workers to develop better and more and to prepare themselves for the future. The agreement also constitutes the basis for the new regulatory framework that will be developed in 2018. Together with the Government of Flanders the Flemish social partners commit to the further implementation of this agreement.

³⁵ https://www.vlaamsparlement.be/commissies/commissievergaderingen/1240375?utm_medium=email&utm_source=transactional&utm_campaign=bodh#volledige-agenda

³⁶ <https://www.vlaamsparlement.be/parlementaire-documenten/parlementaire-initiatieven/1101845>

- The SERV issued advisory opinions³⁷ on various measures relating to CSR 2.

CSR 3

- In the SERV work programme 2017, (i) digitisation and robotisation and (ii) circular economy and new business models were selected as broad societal themes to be further explored. In May 2017, SERV published two initiation memoranda and organised round tables with the sectors on the impact of digitisation and robotisation on 28 and 29 June 2017. SERV published the vision memorandum ‘The transition to a digital society: initial step towards an integrated policy agenda’ (De transitie naar een digitale samenleving: aanzet voor een integrale beleidsagenda). It will be given further shape by the end of March 2018 through policy directions and actions for a selection of priority working areas.
- On 1 December 2017, the **ESF project ‘Digital acceleration for the social partners’** (Sociale partners in digitale versnelling) started. This project ties in with the SERV project to achieve a vision and policy recommendations on the consequences of digitisation and robotisation for Flanders’ economy and labour market and focuses specifically on experiences abroad.
- SERV is part of the steering group and project team for the **OECD Skills Strategy for Flanders** (see also 2.3.1.). In 2018, two workshops are scheduled to take place in which the social partners will actively participate and which are to deliver input for the OECD report.
- In 2016, SERV carried out thorough research into **e-commerce** as one of the rapidly expanding digitisation phenomena in society. This resulted in a SERV report. On the basis of this report the social partners issued an advisory opinion in 2017, containing several points to be focused on by the Flemish authorities.
- SERV issued **advisory opinions**³⁸ on various measures relating to CSR 3.

Responding to investment challenges

- The social partners put in efforts on a daily basis to help reach the **climate and energy targets**. In 2017, they formulated eight joint advisory opinions on digital meters, climate policy, vision development and (the financing of) renewable energy. In their advisory opinions, the social partners at all times stress the importance of good governance and synergies with socio-economic opportunities. They also make sure that the bill for implementing the 2020 targets is sound, does not go off the rails, and is not passed on. In 2018, they will contribute further to giving concrete shape to the Flemish energy vision through the programme ‘Stroomversnelling’ (see also 2.4.2.).
- The social partners are exploring how they can help speed up the transition to a **circular economy** (see also 2.4.3.). Barriers to the circular economy are being mapped and in 2018 employers and employees in Flanders will formulate concrete proposals and commitments, focussing on socio-economic opportunities.

³⁷ Advisory opinions on the Order on **neighbourhood work** (see also 2.2.2), the Decree on **work and care programmes** (see also 2.2.2.), **dual learning** (see also 2.2.7.), **quality education with attention to equal opportunities** (see also 2.2.9.) and, inter alia, the **modernisation of secondary education** (see also 3.2.2.), family policy **Growth Package** (see also 3.5.2.), **local social policy** (see also 3.5.2.), the **phaseout** of the measure ‘**non-profit youth bonus**’, the **Equal Opportunities and Diversity Plan** for personnel of the **Flemish public administration**, a ten-point plan for **economic migration**, etc.

³⁸ Advisory opinions on the 4 Orders relating to **R&D support to companies**, the Order on projects of collective R&D and collective knowledge diffusion, the Order on the subsidisation of incubators (see also 2.3.1.) and the Decree on the abolishment of the business management basic knowledge (see also 2.3.2.).

5.4 Involvement of (supra) local authorities and stakeholders

In June 2017, a workshop was organised again at the Liaison Agency Flanders-Europe (Vlaams-Europees verbindingsagentschap/**Vleeva**) where the COM services, representatives of the Flemish authorities and Vleeva members debated topics from the CSRs 2017. This year as well the **VLEVA members** presented several good practices which address the CSRs and Europe 2020 targets, for inclusion in the FRP 2018.

The project 'Rational Water Management in Cities and Municipalities' (Rationeel Waterbeheer bij steden en gemeenten) which is coordinated by the **Flanders Knowledge Centre Water** (Vlakwa) focuses on various pillars to effect significant water savings in the buildings portfolio. To that end, structural measures are taken, such as the adaptation of the competency profiles for 'Installation Fitter', 'Installation Technician' and 'Installation Coordinator'. These profiles are yet to be recognised by the Government of Flanders, following which they will be included in the qualifications database. The Vlakwa approach met with interest from the OECD which will enter the "story" 'Rational water use as stepping stone towards water wise cities' in the database of Water Governance Stories (World Water Forum Brazil, March 2018).

Actions and initiatives of **Flanders Make** which are currently running within the framework of the structural funds include INNO_INFRA_SHARE (Interreg Europe), Lightcar 2025 (Interreg Euregion Meuse-Rhine), FOKUS (Interreg Flanders – the Netherlands), GROWIN4.0 (Interreg North Sea Region), COTEMACO (Interreg North-West Europe). At Flanders Make in Lommel funds from the Strategic Action Plan for Limburg Squared (Strategisch Actieplan voor Limburg in het Kwadraat/SALK) are currently used to invest in additional laboratories where, together with Flanders' industry, research is done into flexible automation in production environments, multi-materials and joining techniques, and autonomous electric vehicles. Research and innovation projects are being implemented on this new infrastructure which are ERDF funded.

The Association of Flemish Provinces (Vereniging van Vlaamse Provincies/**VVP**) presented several projects for this FRP which clearly show that both the provinces and the local authorities are helping to realise CSRs 2 and 3.

CSR 2

- **AB Réfugiés** (Interreg France-Wallonia-Flanders): This is a cross-border project in which labour market actors from the three sub-areas organise actions for the target group of recognised refugees. It aims to help these refugees to move on fast(er) to employment by means of intensive pathway counselling, workplace learning, etc.
- **SIREE** (Interreg 2 Seas): More than 1.2 million refugees entered Europe within the 2 Seas region. The project focuses on new methodologies to promote the integration in education of refugee children and parents and to encourage refugees to start up their own business. Vives is committed to establishing a learning community in 3 pre-primary schools, 3 primary schools and 3 secondary schools.
- **T2-Campus** (ERDF, ESF): In partnership with VDAB, Syntra and education in Limburg (via the City of Genk) and with EU regional support from ERDF and ESF, customised training is provided by technology poles and industry which caters for the needs of the business community: quality educational provision, with specific focus on disadvantaged groups and diversity. This meets the actual need for technical profiles on the labour market and allows future labour market challenges to be anticipated. The T2 campus will cover all the training programmes.

- *Digital acceleration and exploration of startup communities in Limburg (Digitale versnelling en ontginning van Limburgse startup communities) (ERDF)*: New innovative entrepreneurship is promoted at the intersection of sectors, while pooling the thematic expertise available in the province. Innovative and scalable business models are developed for which a market is to be created. The target group are starters who work with established business models to market existing products or services. Limburg Startup will be closely working together with the Limburg Reconversion Company (Limburgse Reconvertiemaatschappij/LRM), Imec and Hasselt University (UHasselt) during the next three years, with support from ERDF and the province of Limburg within the framework of SALK.

CSR 3

- *Krak West (ERDF Flanders)*: If the policy remains unchanged, it is expected that strip shops and large shopping areas will grow even more important, with a further increase in commercial unoccupancy in the centres. This demand-led project aims to create a number of tools and actions for and by local policy which will promote a favourable business climate for entrepreneurship in retail trade. These actions include stimulating dialogue, defining a USP per municipality, introducing new technologies and apps to improve the shopping experience, etc.
- *Biomat on microfluidic chip (Interreg Flanders-the Netherlands)*: In the future, patient treatment will focus more and more on ‘personal regenerative medicine’. Biomat creates a brand-new microfluidic chip, viz. the organ-on-chip 2.0. The innovative element of this chip is the three-dimensional (3D) environment that is given shape, in contrast to traditional cell culture trays where cells or tissues grow on a flat surface.
- *More intelligent fruit cultivation (Intelligenter Fruit Telen) (Interreg Flanders-the Netherlands)*: It aims to fine-tune precision fruit cultivation, demonstrate it to fruit growers and promote it. Three elements are studied: soil, crop development and harvest. Moreover, the project wants to apply the benefits to pilot plots and pilot companies in Flanders and the Netherlands, using the generated data and in combination with an analysis of the added value and/or cost recovery period for the fruit growers.
- *Customised Solar Panels (PV OpMaat) (Interreg Flanders-the Netherlands)*: Aims at a more efficient and customised integration of solar panels in buildings and dwellings, and examines and demonstrates ‘promising applications of thin-film solar panels in construction elements’. Meanwhile, PV OpMaat has put two demonstration sites into operation, one at KU Leuven and one on the roof of the Eindhoven University of Technology (TU Eindhoven).
- *Hydrogen Region 2.0 (Waterstofregio 2.0) (Interreg Flanders-the Netherlands)*: Focuses on improving and demonstrating several applications and developing a number of filling stations with innovative concepts. ‘Waterstofregio 2.0’, which is coordinated by WaterstofNet, strengthens cooperation between Flanders and the Netherlands.
- *Project ‘e-commerce in ornamental horticulture’ (project e-commerce in de sierteelt)*: On an online supply platform ornamentals growers can enter their offer where several buyers can consult it. The five pilot projects in East Flanders which were researched by the POM East Flanders focused on B2B (Business-to-Business) relations. The main conclusion was that the sector needs (further) digitisation which not only concentrates on the use of online platforms, but also on the optimisation of the administration as a whole.
- *Skills Navigator (Interreg Flanders-the Netherlands)*: Owing to the digitisation, computerisation and robotisation of the port sector, there is a fast growing demand for higher-skilled technical profiles.

With the input from 14 partners Skills Navigator ensures an optimal match between labour demand and supply. The focus is on imparting the necessary digital skills to school-age young people as well as (re)entrants in the labour market aged between 16 and 26.

5.5 *FRP in a federal and European perspective*

Within the framework of the European Semester 2018, Flanders again provided substantial input for the **fact finding mission** which took place between the COM services and Belgium on 10 November 2017 about the compilation of the draft Country Report Belgium 2018. In addition, Flanders took active part in the European Semester 2018 during the **bilateral meetings with the COM services** (11 December 2017 and 19 March 2018) at political level which are dedicated to the implementation of the CSRs, among other things. Moreover, plenty of bilateral contacts take place between the COM services and the policy areas of the Flemish authorities during the European Semester.

With its own FRP, Flanders assumes ownership within the European Semester. The FRP 2018 will again be appended to the **NRP** and the link with the **European institutions** is guaranteed as well: The Government of Flanders will deliver the FRP directly to the Presidents of the COM, the European Council, the European Parliament, the European Economic and Social Committee (EESC) and the Committee of the Regions (CoR).

The FRP will also be published on the European Semester website³⁹ of the General Representation of the Government of Flanders to the EU (Algemene Afvaardiging van de Vlaamse Regering bij de EU/AAVR EU). Through its initiatives within the framework of the European Semester, Flanders also makes an important contribution to the operation of the **Europe 2020 Monitoring Platform of the Committee of the Regions**. The Department of Public Governance and the Chancellery (Departement Kanselarij en Bestuur), for instance, illustrated Flanders' semester governance at an event⁴⁰ which took place on 11 October 2017 during the European Week of Cities and Regions. On 11 May 2017, a joint Flemish-Catalan seminar on the European Semester was organised in Barcelona.

³⁹ <http://www.vlaanderen.be/int/europese-unie/vlaanderen-en-het-europees-semester>

⁴⁰ <https://portal.cor.europa.eu/europe2020/news/Pages/Event-Administrative-Capacity.aspx>

6 Glossary

3D	Three-dimensional	Flux50	Flemish smart energy networks
AAVR EU	Algemene Vertegenwoordiging van Vlaanderen bij de EU (General Representation of Flanders to the EU)	FPB	Federaal Planbureau (Federal Planning Bureau)
Actiris	Brussels Regional Employment Service	FWO	Fonds voor Wetenschappelijk Onderzoek (Research Foundation - Flanders) Public utility foundation which was given legal personality by Royal Decree of 20 January 2006. The Decree of 30 April 2009 on the organisation and financing of science policy (Belgian Official Gazette of 6 July 2009) recognises the FWO as an externally autonomous agency under public law
AIO	Agentschap Innoveren en Ondernemen (Flanders Innovation & Entrepreneurship)	GDP	Gross Domestic Product
AMECO	Annual macro-economic database of the European Commission's Directorate General for Economic and Financial Affairs	GWh	Gigawatt hour (unit of energy)
BCR	Brussels-Capital Region	Ha	Hectare
BE	Belgium	HBO	Hoger Beroepsonderwijs (higher vocational education)
BENO-pass	An electronic file which automatically records which energy-saving investments - for which you have already received a subsidy - have been carried out in a dwelling or housing unit	HE	Higher education
BE-REEL	BElgium RENovates for Energy-Efficient Living	HERMREG	Belgian econometric model for drawing up regional medium-term forecasts
BISEPS	Business Clusters Integrated Sustainable Energy PackageS	HPC	High Performance Computing
BRIC	Brazil, Russia, India and China	IBN	Innovative Business Network
B2B	Business-to-Business	ICON	Interdisciplinair Coöperatief Onderzoek (interdisciplinary cooperative research)
Catalisti	Spearhead cluster 'sustainable chemistry'	ICT	Information and communications technology
CAW	Centrum Algemeen Welzijnswerk (general welfare work centre)	ILVO	Instituut voor Landbouw-, Visserij- en Voedingsonderzoek (Institute for Agricultural, Fisheries and Food Research)
CLB	Centrum voor Leerlingenbegeleiding (pupil guidance centre)	Imec	Interuniversity Micro-Electronics Centre
CO ₂	Carbon dioxide	iMinds	Interdisciplinary Institute for Broadband Technology
CO ₂ -eq	CO ₂ equivalent	INR	Instituut voor de Nationale Rekeningen (Institute of National Accounts)
COM	European Commission	Interreg	Interreg Community Initiative
CoR	Committee of the Regions	ITG	Instituut voor Tropische Geneeskunde (Institute of Tropical Medicine Antwerp)
CSR	Country-specific recommendation	K-level	Ratio showing the degree of thermal loss through the building shell
DBFM	Design, Build, Finance, Maintain	Kton	Kiloton
EBO	Energiebeleidsovereenkomsten (energy policy agreements)	KU Leuven	Katholieke Universiteit Leuven (Catholic University of Leuven)
EESC	European Economic and Social Committee	Le Forem	Service Public Wallon de l'Emploi et de la Formation (Walloon Service for Employment and Vocational Training)
E-level	Energy performance level	LFS	Labour Force Survey
EPB	Energieprestatie en binnenklimaat (energy performance and indoor climate)	LGBT	Lesbian, gay, bisexual, and transgender
EPC	Energy performance certificate	LRM	Limburgse Reconversie maatschappij (Limburg Reconversion Company)
Eq.	Equivalent	M-Decree	Decree containing measures for pupils with special educational needs
ERDF	European Regional Development Fund	Mtoe	Million tonnes of oil equivalent
ESA	European system of national and regional accounts	Mton	Megaton
ESF	European Social Fund	N11	Next Eleven: Bangladesh, Egypt, the Philippines, Indonesia, Iran, Mexico, Nigeria, Pakistan, Turkey, Vietnam and South Korea
ESFRI	European Strategy Forum on Research Infrastructures	NATO	North Atlantic Treaty Organisation
ETS	EU Emissions Trading System	NBB	National Bank of Belgium
EU	European Union	NEET	Not in education, employment or training
EU-15	the 15 EU Member States as at 1 January 1995	NL	The Netherlands
EU-28	the 28 EU Member States since 2014	NRP	National Reform Programme
EUR-Lex	EU law		
Eurostat	Directorate-General of the European Commission, in charge of providing statistics for Europe		
EWI	Economie, Wetenschap en Innovatie (Economy, Science and Innovation)		
Fedasil	Federaal Agentschap voor de Opvang van Asielzoekers (Federal Agency for the Reception of Asylum Seekers)		
FFM	Fact finding mission		
FIT	Flanders Investment and Trade		
FLA	Flanders		

OASC	Open & Agile Smart Cities	UHasselt	Hasselt University
OCMW	Openbaar Centrum voor Maatschappelijk Welzijn (public social welfare centre)	UNIA	Interfederal independent public institution that combats discrimination and promotes equal opportunities
OECD	Organisation for Economic Cooperation and Development	UK	United Kingdom
OKAN	Onthaalonderwijs voor anderstalige nieuwkomers (reception classes for non-Dutch speaking newcomers)	UV-C	Ultraviolet light in the C spectrum
OKOT	Onderwijskwalificerende Opleidingstrajecten (training pathways for educational qualifications)	VAPA	Vlaams Actieplan Armoedebestrijding (Flemish Poverty Reduction Action Plan)
OWI	Offshore Wind Industry	VDAB	Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding (Flemish Employment and Vocational Training Service)
PIO	Programma Innovatieve Overheidsopdrachten (Innovative Procurement Programme)	VEA	Vlaams Energieagentschap (Flemish Energy Agency)
pJ	Picojoule	VESOC	Vlaams economisch en sociaal overlegcomité (Flemish Economic and Social Consultative Committee)
PMV	ParticipatieMaatschappij Vlaanderen (Flanders Holding Company)	VGC	Vlaamse Gemeenschapscommissie (Flemish Community Commission)
PMV/Z	ParticipatieMaatschappij Vlaanderen voor zelfstandige ondernemers (Flanders Holding Company for the Self-employed)	VHP	Vlaams Hervormingsprogramma (Flemish Reform Programme/FRP)
POM	Provinciale Ontwikkelingsmaatschappij (Provincial Development Company)	VI	Vanguard Initiative
Pp	Percentage point	VIB	Vlaamse Instelling voor Biotechnologie (Flanders Institute for Biotechnology)
PPP	Purchasing power parity	VIL	Vlaams Instituut voor de Logistiek (Flanders Institute for Logistics)
PPP	Public-private partnership	VIS	Vlaams innovatiesamenwerkingsverband (Flemish Cooperative Innovation Network)
P&R	Park-and-ride	VITO	Vlaamse Instelling voor Technologisch Onderzoek (Flemish Institute for Technological Research)
PWA	Plaatselijk werkgelegenheidsagentschap (local employment agency)	Vlakwa	Vlaams Kenniscentrum Water (Flanders Knowledge Centre Water)
R&D	Research and development	VLEVA	Vlaams-Europees Verbindingsagentschap (Liaison Agency Flanders-Europe)
R&D&I	Research, development and innovation	VLIZ	Vlaams Instituut voor de Zee (Flanders Marine Institute)
RE	Renewable energy	VRT	Vlaamse Radio- en Televisieomroeporganisatie (Flemish public radio and television broadcaster)
R0	Brussels ring road	VSC	Vlaams Supercomputer Centrum (Flemish Supercomputer Centre)
RVO	Roger Van Overstraeten	VVP	Vereniging Vlaamse Provincies (Association of Flemish Provinces)
S3	Smart Specialisation Strategy	WIJ	Werkinleving voor jongeren (work experience for young people)
SALK	Strategisch Actieplan voor Limburg in het Kwadraat (Strategic Action Plan for Limburg Squared)	WTCB	Wetenschappelijk en Technisch Centrum voor het Bouwbedrijf (Belgian Building Research Institute)
SERV	Sociaal-Economische Raad van Vlaanderen (Social and Economic Council of Flanders)		
SES	Socio-economic status		
SHM	Sociale huisvestingsmaatschappij (social housing company)		
SILC	Statistics on income and living conditions		
SIM	Strategic Initiative Materials in Flanders		
S-level	Indicator which equally evaluates all energetic qualities of the building shell compared to the design efficiency		
SME	Small and medium-sized enterprise		
SONO	Steunpunt voor Onderwijsonderzoek (Education Research Centre)		
Sprint	A Sprint project is targeted on large companies (not SMEs) that have innovation potential, but not the possibilities to carry out large-scale R&D projects		
STATBEL	Belgian Statistical Office		
STEM	Science, Technology, Engineering and Mathematics		
TEN-T	Trans-European Transport Networks		
TIER 1	A high performance computing (HPC) system which is regarded as exceptionally powerful at a given point in time		
T.OP	Territoriaal OntwikkelingsProgramma (territorial development programme)		
TU	University of Technology		
UGent	Ghent University		

Annex 2: Reform programme of the Brussels Capital Region

1 Introduction

This contribution of the Brussels-Capital Region to the Belgian National Reform Programme (NRP) 2018 is intended to present the main regional measures and strategies which respond, on the one hand, to the specific recommendations made to Belgium by the Council of the European Union as part of the European Semester, and to the objectives of the Europe 2020 strategy on the other. It was submitted to the social partners of the Brussels Economic and Social Council prior to its adoption by the Brussels Government.

In line with the principles underlying the roll-out of Strategy 2025, which is itself integrated into the PRDD (Regional Sustainable Development Plan) tool, the rationale of decompartmentalisation lies at the heart of the responses to the challenges of demographic growth, the ageing of the population, migration, the transition towards a sustainable and inclusive economy, and the pockets of poverty found, as is the case throughout Europe, within urban territories.

The primary aim of decompartmentalising competences is improving complementarity between regional and community levers to develop policies in the area of the economy, employment, training and education in Brussels which are adapted to the realities and diversity of its inhabitants. Mechanisms for far-reaching social dialogue also support this dynamic, both at the inter-professional and sectoral level.

The decompartmentalisation of public bodies and administrations is the next step. The creation of the new Agency for company support in Brussels - hub.brussels - attests to this, which since 1 January 2018 has brought together the expertise of three institutions in order to rationalise the business support mechanisms and stimulate economic activity. Another example is the extension of the Brussels Employment Observatory, in the context of the Plan Formation 2020 (Training Plan 2020), to include the missions relating to training-employment transitions, making it possible to strengthen the regulation of the training offering in line with employment needs.

It is through this partnership-based and transversal approach that the Government of the Brussels-Capital Region intends to support and consolidate the encouraging upturn in economic activity and the steady fall in the unemployment rate. To achieve this, by continuing the policies initiated since the start of the legislature, it has also decided to anticipate extraordinary investments in security and mobility, in the context of a balanced budget, in order to ensure seamless territorial development for the benefit of all inhabitants and users of the city.

In effect, the implementation of structural reforms requires significant public investment. Moreover, this investment, for which the economic and strategic added value has been proven, was still deemed to be inadequate in the Report on Belgium 2018 produced by the European Commission. However, it is limited by a formidable European framework at the budget and accounting level, which acts as a straitjacket for activating a recovery stimulus likely to provide a solution to the demographic, economic, social and environmental challenges. The Government of the Brussels-Capital Region therefore reiterates its desire to see a different budgetary treatment for public investment compared to that used for current expenditure.

2 Macro-economic context and outlook

2.1 *Economic activity*⁴¹

2017 witnessed an acceleration in economic activity in the Brussels-Capital Region, and in the country as a whole. Real GDP growth in Brussels reached 1.4% in 2017, a rate that was almost identical in 2018. This growth is accounted for in particular by the relative specialisation of the regional economy in financial services, in particular in the "loans and insurance" branch on which the medium-term growth dynamic is apparently based, as is the case for the "other market services" branch. The strong dominance of tertiary activities in the regional production process is essentially explained by the urban character of the economy of the Brussels Region.

For the period 2017 - 2022 as a whole, Brussels GDP is expected to increase by an average of 1.3% per year (1.5% for Belgium). Growth in economic activity in the Region will be based to a large extent on the contribution of three significant sectors: "loans and insurance", "other market services", and, to a lesser extent, "public administration and education".

Between 2017 and 2022, investments should increase by 2.7% per year on average in the Brussels-Capital Region, versus 2.9% at the Belgian level. This expected turnaround in investment growth in Brussels represents a net catch-up, following an extended period of decline in the level of gross fixed capital formation observed between 2009 and 2012. According to the forecasts, it was only in 2016 that the volume of investment exceeded that achieved in 2008, before the financial crisis erupted.

According to the latest available data, the Brussels-Capital Region was home to 101,139 active businesses as of 31 December 2016, equating to 11% of all businesses in Belgium. An additional 3,966 businesses were recorded in the regional territory compared with 2015, which equates to an increase of 4.1%. The tertiary sector is particularly important in Brussels since it encompassed 83% of all businesses in 2016, whereas it only represents 75% at the national level. This equates to 83,965 businesses. In relation to the total number of Brussels businesses, 32% are classed in the corporate services sector, 18% in the wholesale and retail sector, 7% in the Horeca sector and 1% in financial activities and insurance.

The rate of business start-ups in the Brussels-Capital Region stood at 12% in 2016, which was well above the national average of 10% for 2016. This reflects a more significant entrepreneurial dynamic at the regional level compared with the rest of the country.

In 2016, the number of business closures totalled 7,384 in the Brussels-Capital Region, which was a fall compared with the previous three years.

In 2016 in the Brussels Region, the difference between the business start-up and closure rates was positive, as always. This means that the Region registers more new activity every year than businesses which cease their activities. For 2016 as a whole, there were therefore more than 4,583 new businesses in net terms.

⁴¹ Source: BISA – Brussels Institute for Statistics and Analysis, according to the data available up to 2014 in the regional accounts published by the National Accounts Institute (NAI) and the results of the last regional economic outlook, presented by the Federal Planning Bureau (FPB) in cooperation with the Brussels Institute for Statistics and Analysis (BISA), the Walloon Institute for Evaluation, Prospects and Statistics (IWEPS) and the Studiedienst van de Vlaamse Regering (Research Department of the Flemish Government) (SVR)

2.2 Domestic employment

According to the regional accounts⁴², the Brussels-Capital Region had almost 695,000 salaried and self-employed jobs within its territory in 2015, representing 15% of Belgian domestic employment.

For the period 2016 - 2022 as a whole, the labour market would benefit from an improvement in the overall economic climate. The employment evolution profile in Brussels, as in the rest of the country, is also largely influenced by the evolution of real labour costs. These are determined in turn by the various fiscal and parafiscal relief measures adopted as part of the tax shift at the federal level. Among other things, the tax shift reorganises the reductions in general employer contributions, as well as the wage subsidies in the form of reductions in the withholding tax on earned income. The implementation of these measures is planned to be gradual and phased, with significant impacts expected in 2016 - 2017 (phase 1), 2018 (phase 2) and 2020 (phase 3).

In 2016, while GDP growth still remained modest, employment nevertheless increased by 1.0% in the Brussels-Capital Region. This equates to the creation of almost 7,000 additional jobs in net terms. This rate of employment growth is expected to continue in 2017 and 2018, with the creation of around 6,600 new jobs each year, still in net terms. Between 2019 and 2022, domestic employment growth in Brussels is projected to slow to an average of 0.5% per year. The year 2020 should stand out (+0.7%) due to the introduction of an additional tranche of reductions in employer contributions, largely intended for the construction sector, which should support job creation.

2.3 Job market

The employment rate is obtained by calculating the ratio of the working population to the working-age population (15-64). Between 2008 and 2014, the employment rate in the Brussels Region fell sharply, from 59.2% to 56.4%, while it remained practically constant in the other two regions. However, the growth in the working population in Brussels during this period was twice as fast as in Flanders and Wallonia, although it was insufficient to absorb the strong increase in the working-age population in Brussels.

The increase in the employment rate was more pronounced between 2016 and 2018. During this period, the strong growth of the working-age population was more than offset by the even faster growth of the employed working population. The latter is supported both by the favourable evolution in the commuter balance, and by the net recovery in domestic employment. From 2019 to 2022, the growth of the Brussels working age population should slow down significantly, but so should the number of Brussels inhabitants in employment. As such, the employment rate should continue to rise, but at a slower pace than previously. In 2022, the employment rate in Brussels should rise to 59.3% (i.e. an increase of 2.1 pp compared to 2016), thereby practically returning to its 2008 level.

In 2017, based on data from Actiris - the regional public employment service - the Brussels-Capital Region had an average of 93,392 unemployed jobseekers, almost 4,500 fewer than in 2016.

⁴² There are various sources of data on domestic employment statistics. In this chapter, the regional accounting data produced by the National Accounts Institute (NAI) are used. They are primarily based on data (slightly reworked) from the Office for National Social Security (ONSS) for salaried employees, and from the National Institute for the Social Security of the Self-employed (NISSE) for self-employed persons. The employment figures published by the NAI have the major advantage of being consistent with other regional accounting variables, such as added value. However, it should be borne in mind that in this source, jobs linked to international organisations are NOT counted, and these are a particularly important element within the Brussels Region.

In December 2017, the monthly unemployment rate stood at 16.4%, the lowest rate since December 2000, when it stood at 16.1%. This new fall in unemployment is the 38th consecutive fall. Youth unemployment also showed a steady decline over the past 55 months. The youth unemployment rate stood at 24.3%, equating to 9,612 young jobseekers, 1,076 fewer than in December 2016 (-10.1%).

This marked decline is in part linked to the more favourable economic climate which allowed employment to recover, the redesign of the monitoring procedure for (young) jobseekers by Actiris, and the reform of the eligibility conditions for unemployment and integration allowances.

2.4 Inter-regional mobility

The Brussels job market stands out from the other two regions by a largely negative commuter balance. This situation reflects the significant number of people living in Flanders and Wallonia who work in Brussels. According to forecasts, these represented 209,000 and 120,000 persons respectively in 2017. Conversely, in the same year, more than 61,000 Brussels inhabitants commuted to either the north or south of the country. Overall, slightly less than half of domestic employment in Brussels is accounted for by workers from another region. Since 2000, the commuter balance in the Region has become significantly less negative. The growth of the employed working population in Brussels was therefore much faster than that of regional domestic employment (respectively 1.5% and 0.6% per year on average between 2000 and 2015). These trends are expected to continue in the coming years, but will be less and less pronounced.

Over the period 2017 - 2022, the Brussels commuter balance should become even less negative. More generally, the improvement in the commuter balance in the Brussels Region occurs in a context of labour market recovery and more effective coordination between regional employment services.

In these circumstances, the share of domestic employment in Brussels occupied by inhabitants of the Region should continue to increase, rising from 53.4% in 2017 to 54.4% in 2022. The weighting of Brussels inhabitants in employment in the other two regions should also increase in the coming years. As for the employed working population of Brussels, this should continue to grow faster than domestic employment (+1.3% and +0.7% per year respectively between 2017 and 2022), even if the difference is smaller than in the past and is still showing a narrowing trend.

2.5 Demographics

The Brussels-Capital Region had a population of almost 1.2 million as of 1 January 2017. During the course of 2016, the Brussels-Capital Region gained 3,714 inhabitants, a relative growth of 0.3%. This is the smallest increase recorded in Brussels since 2000, a long way off from the record increases between 2007 and 2012, during the demographic boom.

As was the case over the last ten years, this annual growth in 2016 can also be explained by a high natural balance (+8,857) and high net international migration (+9,917), which together more than offset the highly negative net internal migration (-14,743).

In the future, growth will be strongest in the Brussels Region. The demographic outlook for the next 10 years (2017 - 2026) suggests less growth compared with the previous 10 years. However, in the coming 10 years, the Brussels-Capital Region is set to experience the strongest relative growth of the three regions.

In the medium term, the new outlook suggests a population of 1,288,570 inhabitants in the Brussels-Capital Region by 1 January 2027, which corresponds to an increase of +8.1% for the Region. The Brussels-Capital Region has a very young population on average, compared to the other two regions, which

is 57 years in the Walloon Region and 42.5 years for the Flemish Region. Over the past decades, the regional population has become increasingly younger. However in 2016, an ageing of the population was observed for the first time. In addition, as is the case with population growth, there are significant disparities between municipalities. It is especially the municipalities in the first belt which are endowed with a young population. Conversely, it is in the northern and western municipalities of the Region where the population has become younger. There are multiple and interdependent aspects to the changes in the structure per age group which have resulted in this rejuvenation. Among these, two unquestionable phenomena stand out: suburbanisation, resulting in long-term non-replacement, among seniors, by "lost" age groups, and international immigration. Both of these contribute to rejuvenation: the first by reducing the summit of the age distribution pyramid, and the second by broadening its base.

3 Brussels' response to the specific recommendations made to Belgium

3.1 Budgetary and tax objectives

CSR 1: pursue its budgetary policy in line with the requirements of the preventive arm of the Stability and Growth Pact, resulting in a substantial budgetary effort for 2018; ensure, when measures are taken, that the budgetary stance contributes both to strengthening the ongoing recovery and ensuring the sustainability of Belgium's public finances; agree on a division of budgetary targets between the different levels of government, which would be enforceable, and ensure independent budgetary monitoring; eliminate distorting tax expenditure; improve the composition of public expenditure in order to create leeway for investment in infrastructure, including transport;

3.1.1 Budgetary target and investment in infrastructure, including transport

The multiannual projection of the revenue and expenditure budget for the 2018 budget year is limited, as in previous years, to setting out a balanced multiannual budget trajectory for the period 2017 - 2022 as a whole, in accordance with the government agreement 2014 - 2019, and in line with the objective of a structurally balanced budget from the Belgian stability programme 2017 - 2020. However, the Brussels government has stated that it reserves the right to invoke the flexibility clause, as is the case for other Belgian public authorities, for certain categories of expenditure. As such, the trajectory does not include certain one-off or exceptional investments and expenditure with a significant economic impact, or expenditure in the area of security, nor the main investments of the Region which have an impact on mobility (tunnels, bridges, viaducts, as well as the transformation and extension of the metro).

For the 2018 budget, the Brussels Government consequently does not include the following expenditure in the budget balance:

- the large-scale investments needed for the renovation of tunnels, bridges and viaducts, including the Leopold II tunnel, for which construction will begin in 2018, and the Porte de Hal tunnel, for an amount of €72,000,000;
- expenditure for the construction and extension of the metro network, namely the main investments of the Region with the greatest impact on mobility, for an amount of €150,000,000;
- expenditure for investments in the area of security which the Region will make, inter alia for the construction of a regional crisis centre, for an amount of €53,500,000.

As a reminder, a Multiannual investment programme for tunnels, worth €750 million and extending over a period of 10 years, was adopted by the Government of the Brussels-Capital Region in 2016. With a similar approach, the Region has recently adopted a **Multiannual investment programme for bridges and viaducts** with a budget of €24 million, for inspections, security works, maintenance and repairs planned between 2018 and 2021.

It should also be noted that a new mobility-related objective of the Strategy 2025 was adopted at the Social Summit on 26 September 2017. All regulatory texts relating to mobility policies will therefore in future be submitted to the opinion of the Economic and Social Council of the Brussels-Capital Region, and the consultation procedures relating to major issues are now organised with the social partners.

3.2 Job market and training

CSR 2: ensure that the most disadvantaged groups, including persons from immigrant backgrounds, have fair access to quality education, quality vocational training and the labour market;

As a reminder, the Brussels Government adopted the **Strategy 2025** in June 2015. For the purpose of interlinking the implementation of policies for employment, the economy, training and education, the objectives of Strategy 2025 are reflected in 2 areas of focus covering 18 objectives: an "Economy-Employment" focus intended to foster the spirit of entrepreneurship and innovation, and an "Employment-Training-Education" focus, aimed at reversing the paradox of the Brussels economy, whereby Brussels is the largest employment area in the country, but has a significant unemployment rate among its inhabitants.

In consultation with the social partners of the Economic and Social Council of the Brussels-Capital Region, the operationalisation of the major projects of Strategy 2025 is subject to a permanent monitoring process (via steering committees, implementation and results indicators, etc.) and annual reporting within a Social Summit, which brings together the social partners and the Government. This consultation makes it possible to highlight the progress made, and set out the annual priorities to be implemented. The most recent **Social Summit of 26 September 2017** focused in particular on mobility issues (see above) and on continuing the projects relating to the functioning of the labour market.

In a City-Region as cosmopolitan as Brussels, where 72.7%⁴³ of inhabitants are of foreign origin, it goes without saying that, de facto, the Brussels public targeted by the selected initiatives reflects this significant representation.

In addition to the measures relating to access to vocational training and the labour market for the most vulnerable groups, including jobseekers from a migrant background - the measures of the Youth Guarantee scheme (including the integration contract (contrat d'insertion), the personalised training workshop (Atelier de Pédagogie personnalisée)) and the reform of employment aid, specific initiatives have been taken to combat discrimination. 2018 is the first year of full implementation of these measures.

3.2.1 Ensure the integration of people from a migrant background in the job market.

Since 2013, an analysis tool has made it possible to address the issue of diversity in the labour market from the perspective of origins: the Socio-economic Monitoring, the result of a collaboration between UNIA, the FPS Employment, Labour and Social Dialogue, the Crossroads Bank for Social Security (BCSS), the National Register and university experts. This publication aims to provide a better knowledge of the labour market, from the viewpoint of persons of foreign nationality or origin employed within it.

The results of this Monitoring highlight notable differences in terms of access to employment, the job position, and unemployment according to the person's origins. In effect, the Socio-economic Monitoring has shown that the unemployment rate of people of Belgian origin is 10% in the Brussels Region, while that of people of Maghreb origin is three times higher. As regards newcomers, the integration into the labour market of immigrants who arrived less than 5 years ago differs greatly according to their migration path. In effect, in 2014, European foreign nationals had an employment rate of 63.5% while that of non-EU foreigners stood at 38.0%.⁴⁴

⁴³ Data from the 2017 Socio-economic Monitoring

⁴⁴ Data from the Steunpunt WSE

The Brussels-Capital Region, as both a Belgian and international capital, but also due to the size of its employment area, is particularly attractive for migration from the European Union, but also from beyond EU borders. The proportion of persons of foreign origin among unemployed jobseekers is estimated at over 80%.⁴⁵

As indicated in the 2017 contribution, various factors negatively influence the socio-professional integration of migrants and persons of foreign origin:

- The growth of the active working population over the last thirty years has been such that there are more people entering the labour market than leaving it.
- Moreover, the labour market is highly competitive and attracts a significant proportion of commuters from the surrounding areas.
- The Brussels economy is strongly oriented towards the tertiary sector, and is characterised by a high proportion of highly-skilled jobs (over 50%), which constitutes an obstacle for low-skilled persons, or persons whose diplomas are not recognised in Belgium.
- Occurrences of discrimination in recruitment is an additional obstacle to the integration of migrants and persons of foreign origin into employment.
- Another explanatory factor relates to language proficiency. Indeed, it appears that jobseekers who have completed their studies abroad have very little proficiency in one, or even both, national languages. However, regardless of the level of education or the length of inactivity, there is a positive relationship between average proficiency in the second national language and integration into the labour market.

The figures below show the number of unemployed jobseekers (demandeurs d'emploi inoccupés - DEI) registered in 2017 (annual average) according to nationality, age and level of education. Although these figures provide information about the migration dynamics of jobseekers, they do not account for their ethnic diversity.

Table 1 Jobseekers registered with Actiris according to age and nationality – Annual average 2017

Nationality	Belgian	EU (excluding Belgium)	Excluding EU and refugees	Total	% excluding EU	% non-Belgian
- than 25 years old	7,019	1,224	1,428	9,671	14.8	27.4
25 - 29 years old	8,421	1,860	2,349	12,630	18.6	33.3
30 - 49 years old	28,432	7,664	12,000	48,096	24.9	40.9
50 - 54 years old	6,256	1,488	1,524	9,267	16.4	32.5
55 years old and above	10,025	2,225	1,478	13,729	10.8	27.0
Total	60,153	14,460	18,779	93,392	20.1	35.6

Source: Actiris, Calculations from the Employment and Training Observatory

The data for nationality underestimate the real number of persons of foreign origin among Brussels' jobseekers: many of these persons have acquired Belgian nationality or were born in Belgium. However, discrimination based on ethnic origin affects both legally foreign and naturalised persons.

⁴⁵ 2014 Data from the Steunpunt WSE

Legislative framework

For several years now, the Brussels-Capital Region has had a legislative arsenal to promote diversity in employment. A more targeted and proactive ordinance to combat discrimination in access to employment was adopted in 2017 and enacted by Parliament. It entered into force on 1 January 2018.

This new regulatory framework makes it possible to combine two distinct but complementary approaches in the fight against all forms of discrimination. The Region now has a binding and coercive legal instrument, in particular through the powers conferred on the Regional Employment Inspectorate. Specifically, the ordinance authorises regional employment inspectors to carry out discrimination tests in order to monitor compliance with anti-discrimination legislation by public and private employers in Brussels. These tests are only applied if there are strong suspicions with regard to Brussels employers, following various elements, including reports made to UNIA, the Institute for the Equality of Women and Men, or the Actiris Anti-discrimination Counter.

This strand is part of a broader spectrum and is combined with a preventive approach based on information, awareness-raising, communication and support for innovative projects in the area of equal opportunities for access to the labour market, and retention within it.

As such, the Brussels Region has undertaken an innovative approach in this area, which is aimed at integrating and protecting the most disadvantaged groups on the labour market. This is part of consultation work with equality promotion organisations designated at the regional level, as well as consultation with civil society actors.

Additionally, the ordinance aimed at ensuring a policy of diversity within the Brussels civil service is currently being revised in order, firstly, to extend its scope to CPASs, and secondly, to encourage the promotion of diversity through the use of tools which are applicable in the private sector.

Strengthening Actiris' Anti-discrimination Counter

The Anti-Discrimination Counter provides information, reception, support and assistance to victims of discrimination in recruitment. For cases that could be legally prosecuted, Actiris refers the jobseekers in question to UNIA (the Interfederal Centre for Equal Opportunities) and the Institute for the Equality of Women and Men, with whom it has concluded a partnership agreement.

Diversity plans

Actiris provides free support to public and private companies based in Brussels who wish to draw up a diversity plan. The Diversity plan is created by the company itself, with the collaboration of a diversity consultant. It consists of, firstly, an assessment of diversity within the company and, secondly, of proposals for actions designed to improve the company's situation in terms of diversity. The plan, which last 2 years, is then submitted for approval to the Council for Non-Discrimination and Diversity (CNDD), which brings together representatives of the social partners, Actiris, the Minister of Employment and the Employment Administration. For 2017, the amount of subsidies awarded to the CNDD by the Region was €750,000.

A subsidy of a maximum amount of €10,000, as co-financing, is granted to companies which sign a diversity plan with Actiris for its implementation. A diversity label may also be awarded to companies, organisations and institutions which incorporate a diversity policy. This label is awarded to companies that have developed and implemented a diversity plan which has received a favourable final evaluation by ACTIRIS. 108 companies have already drawn up a diversity plan, including 26 in 2017.

In 2018, the objective is to reform the diversity mechanisms, to bring them more in line with the needs and reality of companies.

In addition, as part of the reform of economic expansion, the Government has introduced increases in aid for companies with more than 100 employees who have produced a diversity plan. These provisions should be approved by Parliament at the end of the first quarter of 2018.

These various reforms are intended to increase the number of plans drawn up by Brussels companies and their impact on equality in access to employment.

Integrating migrants

Actiris works in close collaboration with the relevant first-line partners who work with migrants, including the Reception agency for newcomers (BAPA), associations for civic integration such as BON (The Brussels reception agency for civic integration) and CIRE (Coordination and Initiatives for Refugees and Foreigners), the Dutch Language House in Brussels, etc. A partnership has also been implemented by Actiris with these operators on the ground (CIRÉ and BON) in order to encourage migrants and newcomers to have the diplomas they acquired abroad accredited in one of the two Communities (French-speaking and Flemish).

Furthermore, in order to improve knowledge and accelerate their access to the services of Actiris and to the job market, Actiris organises, on a fortnightly basis, information and guidance sessions in its offices, in French or Dutch, in the presence of translators and interpreters in Arabic, Dari/Persian and Pashtun. As such, these sessions offer a general presentation, as well as possible individual enrolment to the help of an administrative support officer, or referral to the services of Actiris and/or partner services.

Asylum seekers have access to all the aid provided by the Public Services for Employment and Training, like all jobseekers.

Actions in the Brussels public sector

As part of the projects of Strategy 2025, a practical manual for the implementation of diversity plans within local authorities was drafted and distributed at the end of 2017 by the Regional Public Service (Brussels Local Authorities) to all local authority stakeholders. In 2018, a "Diversity Day" will be organised for all Brussels public services, whether regional or local, with the aim of encouraging the sharing of best practice, presenting the content of the revised ordinance and promoting the employment of all Brussels inhabitants within the civil service through these exchanges.

3.2.2 Developing a concerted sectoral policy

As explained in 2016 and 2017, the smooth implementation of the objectives of Strategy 2025 necessarily requires the decompartmentalisation of competences, essentially those relating to the economy, employment, training/education, at the service of Brussels inhabitants, as well as mechanisms for wide-ranging social consultation, at both interprofessional and sectoral levels.

In effect, the concrete involvement of social partners in Brussels is not the same in all sectors, in particular since there is an imbalance between the territories of the federations which they represent, and the administrative perimeter of the Region. As such, the objective of introducing a "**sectoral facilitator**" role within the Economic and Social Council was designed to ensure the mobilisation of sectoral actors across the Brussels territory, by concluding **framework agreements with the professional sectors and the regional Government**, by involving the Colleges of the French/Flemish Community Commissions

and the Government of the Wallonia-Brussels Federation. Since 2016, the facilitator has made it possible to open up negotiations with various major sectors in Brussels: construction, Horeca, road transport and logistics, automotive and related sectors, and electro-technical. For the first time in Brussels, this dynamic of social dialogue led to the signing of a **framework agreement between the Brussels Government, the Cocof College and the transport and logistics sector** on 28 February 2018. Planned for 4 years, the objectives of this agreement mainly relate to anticipating freight transport and logistics needs in Brussels, creating quality jobs, ensuring Brussels inhabitants are qualified, and developing the activity of companies in the sector.

In 2018, the metal manufacture sector will be the 6th sector to enter into dialogue, with a view to concluding an agreement.

3.2.3 Training and employment poles and cutting-edge training facilities

The transformation of the existing Professional Reference Centres (Centres de référence professionnelle - CDR) into Training and Employment Poles (Pôle Formation Emploi - PFE), achieved as part of the sectoral consultations, aims to encourage the organisation, development and promotion of employment in the sector in question, to support the economic and social development of the Brussels territory. The added value of the future Poles lies in the pooling and sharing of resources: infrastructure, equipment, staff, budgets, etc. The first PFEs are scheduled to open in September 2018 for ICT and logistics professions, and in October 2018 for the technology industry. The CDRs for construction and Horeca are also potentially earmarked. Furthermore, in consultation with the CESRBC, the Government is continuing its collaboration with the Wallonia-Brussels Federation and the Vlaamse Gemeenschap Commissie (VGC) with a view to strengthening (or adapting) technological and industrial equipment in technical and vocational educational institutions. To achieve this, the Region relies on calls for projects organised by the Communities, with a rationale of both enhancing the available means and fostering cooperation between entities. The Brussels-Capital Region helps in the acquisition of cutting-edge technological equipment. This equipment is made available to a wide range of users in the advanced technology centres of the educational institutions situated within its territory. Since 2017, and with the same pooling rationale, work-linked training centres in Brussels have also benefited from this measure.

3.2.4 Target Group measures

As part of the implementation of the 6th State Reform, one of the major objectives of Strategy 2025, the Target Group policy was regionalised, and then reformed with the aim of administrative simplification and a better match with the Brussels job market. Specifically, it aims to:

- reduce and simplify the number of mechanisms (28 mechanisms taken over) in order to strengthen the retained or developed mechanisms;
- direct resources to the Brussels residents who need support in order to find a job and stay in employment;
- ensure budgetary control;
- ensure a rapid transition between the qualifying mechanisms and jobs;
- improve the visibility of the mechanisms and facilitate access to them.

In its initial format, the reduction in employer contributions for "**older workers**" targeted all workers aged 54 and over working in the Brussels Region. This decision made it possible to start the work of reallocating the resources required to implement future Brussels policy. This first initiative called for a

second phase of changes in order to bring about a complete reform of this mechanism for older workers. This was the subject of a specific request for phasing by the social partners, in the context of Strategy 2025. Following consultation, the Minister of Employment proposed envisaging the so-called "Older Workers" Reform in 2 stages:

- as of 1 July 2017, amend the benchmark quarterly salary ceiling, from €12,000 to €10,500;
- as of 1 July 2018, limit the benefit to workers aged 57 to 64 and harmonise the flat rate at €1,000 per quarter.

The measure affects around 16,000 workers (full time equivalent per year).

As explained in the 2017 contribution, the new **Activa.brussels** mechanism, which entered into force on 1 October 2017, consists of an activation allowance paid out for 30 months to jobseekers who have been unemployed for 12 months, are registered with Actiris, and domiciled in the Brussels-Capital Region. Some jobseekers fall under the category of jobseekers unemployed for 12 months, and are eligible for the mechanism from the first day of registering with Actiris. This is particularly the case for **young people under 30 who do not have a certificate of higher secondary education**, and **jobseekers aged 57 or over**. Some jobseekers benefiting from specific actions are exempted from the 12-month period of unemployment, such as those leaving skills training. With the Region aiming to support sustainable and quality jobs, in order to benefit from the advantage, employers need to recruit jobseekers with an employment contract of at least 6 months part-time. The working allowance is €350 per month for 6 months, rising to €800 in the following 12 months and then falling to €350 for the final 12 months (rates proportional to working time). The (generic) Activa measure represents an annual budget of €63.7 million. Since its launch last October, Actiris has issued an average of 3,000 cards per month. 263 cards are actually activated each month.

The new **Activa** mechanism, extended to jobseekers with **reduced capacity for work**, has also been strengthened since 1 October 2017. The working allowance is paid out for 36 months: €750 per month the first year, reduced to €600 per month the following two years. The annual budget for this measure is €580,000.

In tandem with the introduction of Activa.brussels, a new **work training bonus** entered into force on 01/10/2017. This aims to encourage employers to train their newly recruited under-qualified workers, for the duration of the activation allowance (Activa.brussels and reduced capacity for work). The bonus, worth a maximum of €5,000, is granted if a person is recruited with a permanent contract. It must enable workers' skills to be enhanced in line with the professional experience they develop. This measure is aimed at young, under-qualified jobseekers under 30 years of age. The annual budget for this measure is €3.6 million.

A **bonus for self-employed persons** entered into force on 01/01/2018. This is a financial incentive, with a decreasing amount of €4,000 granted by Actiris for a maximum period of 6 months to unemployed jobseekers who set up as self-employed as their main occupation, in order to develop their own employment. The bonus amounts to €1,250 the first month, €1,000 the second month, €750 the third month, €500 the fourth month, and €250 for the fifth and sixth months. This bonus is conditional on follow-up by an organisation competent for supporting companies and self-employed persons.

A **work-study bonus** for approved Brussels companies which undertake to train a young person aged 15 to 25 on a work-study basis will come into force on 1 July 2018 at the earliest. This bonus will be granted if the training for the young person lasts at least 6 months within the company and if a tutor, who can supervise a maximum of 4 apprentices at the same time, is appointed to teach their skills. This bonus will be €1,000 per year per tutor. However, in order to increase the number of work-study places

and support companies which train young Brussels inhabitants, the bonus will be increased by €1,000 if the apprentice is from Brussels.

Social enterprises: a draft ordinance on the approval and support of social enterprises was approved at the third reading on 15 February 2018 by the Government of the Brussels-Capital Region. This legislative text provides a framework for social economy enterprises in line with the European guidelines of the EMES network (Emergence de l'entreprise sociale - The emergence of social enterprises in Europe).

A specific strand envisages a mandate for social enterprises working for integration, known as "social integration enterprises". The mandate will relate to the development of "Integration Programmes" specifically aimed at assisting and accompanying workers from the target group. As indicated in the Ordinance of 23 June 2017 on employment aid, this mechanism aims to *facilitate the integration of certain categories of unemployed jobseekers who, given their psychosocial situation or low level of qualifications, remain particularly far removed from the labour market.*

This link enables the Region to have specific operational tools to help the jobseekers furthest away from the labour market find employment.

2018 will be devoted to finalising the implementing decrees for the future ordinance, with a view to making the authorisations under the new legislative framework operational in 2020.

3.2.5 Measures as part of the Youth Guarantee Scheme

The integration contract

Implemented in July 2016, this measure is designed to offer a 12-month employment contract, subsidised by the Region, for any person younger than 25 who is a jobseeker unemployed for at least 18 months, but unable to enter the job market despite job-seeking efforts.

For 289 young people, an employment contract was concluded with a start date in 2017: 44.6% of the target was achieved. In total, 339 employment contracts have been concluded since the start of the measure on 1 July 2016.

As of 28 February 2018, 405 young Brussels inhabitants had been hired through this scheme since its launch.

The planned objective for 2018 is 450 contracts.

The First work experience ("Stage First")

This formula for work experience started in January 2017 and is intended to allow an unemployed jobseeker younger than 30, who has been registered for at least 3 months after the end of their studies (diploma of advanced secondary education at the most) to acquire their first professional experience, and to integrate the young person in question, after the internship, immediately and permanently in the job market by removing the barriers he or she faces in accessing it.

The objective in 2017 was to offer 1,300 places, of which 1,227 were filled. For 2018, the objective is to offer 1,400 work experience places.

3.2.5.1.1 The Personalised Education Workshop

As mentioned in 2017, these workshops organised as part of the Youth Guarantee Scheme aim to support young people who receive CPAS (public social welfare centre) support, to undertake vocational training or even resume their studies in order to obtain a certificate of vocational or general education. The experiment within the integration units (or Youth Services) of the CPAS in Brussels has been carried out thanks to the collaboration set up with the Further Education of the French-speaking Community. Launched at the end of 2016, the workshops set up in 5 CPAS (Anderlecht, Brussels, Molenbeek, St Gilles, Schaerbeek) accepted around 100 young people throughout 2017. 7 teachers were recruited to conduct this pilot experiment (5 attached to a workshop and 2 "mobile" teachers). The subjects taught to the students are: French, mathematics, Dutch/English and computer science. The experiment will be continued between 2018 and 2020, and may be extended to other CPASs.

Evaluation of the coordination mechanisms of the scheme

An external evaluation was commissioned by the Office of the Minister-President in late 2017. This aims to **examine the effectiveness and added value of the steering organisation and coordination** put in place. It should also make it possible to analyse the strengths and weaknesses of this scheme, to learn lessons and identify areas for improvement. The report is expected at the end of June 2018.

3.2.6 Training offering for the most vulnerable groups: the Training Plan 2020

As explained in the 2017 contribution, in 2016 the Government of the Brussels Region adopted the "Plan formation 2020 - Qualifier les Bruxellois pour l'emploi" (Training Plan 2020 - Qualifying Brussels inhabitants for employment), which brings together the main projects of Objectives 4 and 5 of the second strand of Strategy 2025, in order to structure the quantitative and qualitative development of all training activities organised by all training operators around 44 priority measures.

The priority target groups of the Plan are low-qualified jobseekers, as well as young people in transition between the end of their training course and the job market. Due to the characteristics of the working population in Brussels (see above), jobseekers of foreign origin are an integral part of the priority target groups. The Plan aims to help improve job participation among Brussels residents by 2020:

- by improving their skills and certification levels;
- and by achieving the life-long right to qualification.

The aim of the Government and the partners is to ensure that the policies for employment and training are more effectively linked through more secure "economy-employment-training" channels, which will integrate qualifications and recruitment to end up with sustainable and high-quality jobs.

In terms of results, the Plan aims to achieve the following by 2020:

- 20,000 individual jobseekers in training and/or traineeships each year, i.e. an increase of 2,300 jobseekers in training compared to 2014 (almost 17,000);
- an additional 800 apprentices in work-study training courses;
- the issuance of 2,000 certificates per year for skills validation.
- Over 2016 - 2017, the major accomplishments of the Training Plan in relation to these quantitative objectives concerned:

Training of jobseekers

In 2016, the number of jobseekers in training increased by 2,400 compared with 2014, including an increase of almost 1,400 traineeships. This increase brings the number of jobseekers in training with Bruxelles Formation and Vdab Brussel, as well as two public service partner operators, to 19,000 per year.

Work-study

In the context of work-study programmes, 10 new SME training courses have been planned and opened with EFP, on the basis of the priorities defined by the Bassin Enseignement Formation Emploi (Education, Training and Employment Basin). The number of apprentices has been on the rise since September 2017, with an increase of 21%, the first positive trend in nearly 20 years.

The same dynamic still needs to be boosted for work-study training for future company managers: in addition to the bonus intended for employers for dispensations (with maintenance of rights) that jobseekers can benefit from to begin this training have been simplified and facilitated via a new decree of the legislation inherited from the Federal State.

Validation of skills

As indicated in 2017, a strategy for validating skills (validation des compétences - VDC) was adopted in 14 July 2016 by the Government of the Brussels-Capital Region. The objective of issuing 2,000 skills certificates per year is envisaged for 2020. In terms of accomplishments, it should be noted that in 2017:

- In 2016, the number of skills certificates issued doubled compared with 2014, from 712 to 1442:
 - 279 skills certificates were issued following a single test,
 - and 1,163 certificates via files of Recognition of Training Credentials (Reconnaissance des Acquis de Formation) issuing skills certificates at the end of successful vocational training.
- The validation offering has been extended to 4 new professions (bartender, waiter, head waiter and company tutor) and 5 skill units in existing professions (assistant accountant, bricklayer, forklift driver and hairdresser);
- the possibility of recruitment with the local civil service has been opened to holders of skills certificates;
- a new Validation Centre has been set up by the SFPME to conduct validation tests for the profession of Company Tutor;
- the pilot project for supporting candidates, particularly newcomer jobseekers, in the form of short modules for learning French as a foreign language, aims to give candidates language capabilities rapidly to take the tests organised in the validation centres.

Brussels Employment and Training Observatory

One of the fundamental objectives of the Training Plan 2020 is also to improve the statistical monitoring of vocational training in relation to employment. The transformation of the Brussels Employment Observatory into the Brussels Employment and Training Observatory took place in December 2017. This Observatory, which is managed by Actiris in partnership with Bruxelles Formation, is responsible for

setting up more structural and effective indicators for monitoring transitions from training to employment, to drive the mission of organising vocational training in the Brussels-Capital Region which is entrusted to Bruxelles Formation, as an "administrator" public service.

The 'Cité des métiers'

The Cité des métiers (Professions City), one of the measures of the Training Plan 2020, will open its doors in March 2018. The project includes a development plan which was validated in April 2017 by the partners (Actiris, Bruxelles Formation, VDAB Brussel, etc.).

It is a bilingual area (French/Dutch) bringing together actors involved in guidance, training, employment and education. The Cité des métiers aims to offer personalised guidance to jobseekers, and Brussels inhabitants in general.

This counter will provide better visibility of the offering and possibilities, while greatly facilitating access to a whole range of resources related to training and employment. In addition, the initiative will make it possible to combat and intervene as soon as possible against unemployment.

Support for improving language proficiency

The specific Brussels context means that around 50% of job offers require proficiency in Dutch. More generally, requirements in the area of language proficiency are often a major obstacle to integration into the labour market, especially for low-skilled persons and jobseekers who have completed studies abroad. The development of language training is also one of the priorities of the Training Plan 2020.

a) Reform of the language vouchers scheme – Transition to employment Language Vouchers and Matching

The Language Vouchers scheme set up by Actiris was reformed, following an evaluation which highlighted that the individual training offering as part of the Professional Project Language Vouchers covered jobseekers who already had sufficient language proficiency to obtain a job, to the detriment of those who needed it most. If we compare the profile of the beneficiaries of the "Transition to employment language vouchers" in 2017 with those of the "Professional project language vouchers - individual lessons" (the previous formula), we see that the profile of the beneficiaries of the "Transition to employment vouchers" corresponds more to the profile of jobseekers registered with Actiris. The result is an increase in the number of low-skilled persons benefiting from the measure:

- Low level of education: 11.1% (versus 2% before the reform);
- Average level of education: 26.9% (15% before the reform);
- High level of education: 38% (63% before the reform);
- "Foreign diploma without equivalence": 23.9% (20% before the reform).

Actiris issues Transition to Employment Language Vouchers (Transition vers l'emploi - TVE) to unemployed jobseekers who have been identified as having a need for language training, based on their career plan and career path. Beneficiaries can follow training courses in small groups (3 to 6 people) in the following languages: French, Dutch, or English.

For 2017:

- 2,371 vouchers were distributed;

- 2,068 jobseekers benefited from "language vouchers TVE";
- 409 modules of 60h of training were organised;

Another measure of the reformed scheme, the "Matching Language Vouchers" have replaced the "JOB Language Vouchers". These allow a jobseeker corresponding to the profile sought by an employer in the context of a Select Actiris job offer, but for whom the level of language ability does not meet the level expected by the employer, to follow a language training course that meets the expectations of the employer and the person in question's needs, after they sign their contract (at least 3 months part-time).

In 2017, 334 "Matching Vouchers" were distributed (NL: 275, EN: 44, FR: 15).

b) "J'apprendsleflamandavecvincent" campaign (I learn Flemish with Vincent)

A study carried out among Actiris' young target group by the University of Ghent highlighted that the best way to reach the target group is to use an ambassador. Footballer Vincent Kompany appeared in the Top 3 ambassadors cited by the respondents, and agreed to use his image to help the campaign. The key message is that learning Dutch doubles the chances of getting a job, the aim being to increase the number of jobseekers in Brussels who register with VDAB Brussels or who start Dutch language courses.

The results obtained are highly positive, given that over the whole of 2017, 1,856 Brussels jobseekers (JS) participated voluntarily in the information session to learn more about a professional project in Dutch organised jointly by Actiris and the VDAB Brussels (including 1,500 during the campaign with Vincent Kompany between October and December 2017). Of these interested Brussels jobseekers, 1,210 were referred by Actiris to the VDAB with a view to starting a professional project in Dutch. This allowed 412 jobseekers to launch a new professional project in Dutch with the support of Actiris and VDAB Brussels, in other words a fourfold increase in 2017 compared with the 2016 figures.

Moreover, learning French as a foreign language was particularly supported and reinforced in 2017.

A new project designed to test the language skills of newcomers is being developed with financial support from European funds (AMIF).

Bruxelles Formation is also currently implementing collaborations with the Public Social Welfare Centres, with the aim of offering intensive training modules in French as a foreign language, specifically for people aged between 18 and 24, from a foreign background.

c) Brulingua self-training platform

The Brulingua platform, launched by Actiris at the end of November 2013 (for a period of four years), can be accessed by jobseekers registered with Actiris. They have the opportunity to learn the following languages independently: French, Dutch, English and/or German.

Since its launch, 29,574 jobseekers (JS) have registered, for a total of 146,078 hours connected (average of 5h per registered person). The target of 5,000 new registrations per year was exceeded in 2016, with 6,578 new registrations. In 96% of cases, the interface language is French and the training language chosen is Dutch for more than 50% of participants, English for 28% of participants and French for 20% of participants. We also observe that it is a popular tool among young people: 15% of users are under 25 and 41% under 30. Ultimately, Brulingua is insufficient for achieving significant language progress for many jobseekers. As such, it is a supplementary tool.

Given this initial evaluation, the platform will be extended to all Brussels inhabitants aged 18 and over in the first quarter of 2018.

3.3 Innovation and competitiveness

CSR 3: stimulate investment in knowledge capital, in particular through measures aimed at increasing the adoption of digital technologies, and the spread of innovation; increase competition in professional services markets, as well as in the retail sector, and strengthen market mechanisms in network industries.

3.3.1 Boost the capacity to innovate

The new Regional Innovation Plan (RIP) was validated by the Government of the BCR in July 2016. It introduces 45 new actions in order to increase the innovative capacity of the Region. The RIP resumes the strategy of regional intelligent specialisation which is broken down into three areas of strategic activity: healthcare, the green economy and the digital economy. Parallel to this, the new Research Ordinances were approved in July 2017 in the Parliament of the Brussels-Capital Region. They will enlarge the framework of the policies for research and innovation, and will implement the core of the support allowed by European legislation with regards to state aid, and various measures of the RIP. This enlargement will pertain both to the type of aid planned and the type of actors who will be able to benefit from it.

Furthermore, in order to improve the support for innovative businesses in Brussels and to bridge the gap between the market and the various actions to support research and innovation, the Region has taken the initiative to create a financial pre-seed instrument via two channels: increasing the capital of Brustart by €4 million. Brustart is the subsidiary of the regional investment company - finance.Brussels, which is dedicated to innovative companies and a financial instrument thanks to the resources provided by the ERDF.

Based on the experience of the previous year, Innoviris has also relaunched the Co-Create action which is dedicated to urban resilience. This aims to bring together the Brussels public, the world of research and innovation and business, by targeting applied research and innovation projects which fit into a co-creation dynamic. 7 projects were selected in 2017 (2018 selection in progress).

In addition, Innoviris has started the selection phase of the 'Test It Retrofit' project, whose aim is to stimulate renovation in the residential sector (5 projects selected), and has launched the call for applications for the Test It Smart Mobility Challenge project, which relates to intelligent mobility (call open until 18 May 2018).

In addition to the Bridge initiative which is already in place, Innoviris selected 19 projects, for a budget of €11 million, in the context of its new 'Team Up' initiative, which is intended to foster effective collaboration between the academic world and industry in Brussels. This annual programme implies active participation on the part of both academic institutions and industrial teams (businesses), for the purpose of strengthening knowledge, transferring the intellectual property of academic research to industry, and its transformation into prototypes leading to new economic opportunities. The first edition is devoted to artificial intelligence, thereby strengthening the desire to develop digital technology within the Region.

In a similar vein to feasibility studies for businesses, and in the context of the new RIP, Innoviris has implemented a funding mechanism called 'Evaluate', which is intended to finance the proof of concept and business, in order to enhance the value of innovative projects among research organisations. This involves objectively demonstrating the feasibility and viability of a given technology, method or idea

via the short, incomplete or smaller-scale realisation of these technologies, methods or ideas. Furthermore, in the context of the RIP, a funding mechanism for the secondment of researchers will be implemented. This will facilitate access for SMEs and VSEs to highly qualified human resources from research organisations or large companies, as part of a newly created function. Moreover, SMEs and VSEs continue to benefit from the Boost tool, which involves granting Innovation vouchers to small businesses wishing to benefit from the expertise of a research centre. This programme was highly successful throughout 2017: +50% more beneficiaries compared to 2016 (18) for an amount of almost €120,000.

Innoviris has also continued its activities to raise awareness of the sciences, including CanSAat, Science Mundi and Women at Science, and has strengthened these with the launch of Fablab Mobile, a project aimed at financially supporting one or more projects raising awareness of science and technology among Brussels inhabitants, the studies relating to them and the opportunities they offer.

Moreover, wishing to develop a comprehensive and integrated vision for a digital strategy, the Brussels Region has launched the NextTech plan, which contains 20 specific measures to boost ICT entrepreneurship in Brussels. This is part of the Be.digital.Brussels strategy and aims to improve the position of Brussels in digital expertise at the global level.

Finally, after the expiry of the validity period of the agreement which entrusted the implementation and management of the National Contact Point (NCP) for Brussels of the European Horizon 2020 programme to Impulse, Innoviris renewed this agreement for 2 years, over the period 2017 - 2018. This continuity will consequently strengthen the already close collaboration between Innoviris and hub.brussels (formerly impulse.brussels) regarding the participation of Brussels actors in European research programmes, as well as in promoting their added value in scientific production to research and innovation actors. In a similar vein, Innoviris endorses the call for projects ERA-NET Cofund Sustainable Urbanisation Global Initiative, as well as Smart Cities and Communities as part of the joint programming initiative JPI URBAN EUROPE. Innoviris also offers financial support in the preparation of European research and innovation projects through the Connect programme, for which applications for funding increased considerably during 2017: 18 projects for an amount of €261,000.

3.3.2 Competition in the retail sector

As part of the reform of the Brussels Town Planning Code (CoBAT) adopted on 13 October 2017, the specific provisions relating to commercial establishments have been substantially revised, with a view to simplification by scrapping, inter alia, the obligation to obtain a prior town planning permit for the modification of commercial activity in a building already used for commercial purposes.

At the time of the adoption of the 6th State reform, the Brussels-Capital Region included specific provisions on commercial establishments in the CoBAT. In the long term, a commercial development plan will be elaborated.

From now on, and provided that the project is subject to a town planning permit, an impact report must be carried out if a project in which a new commercial establishment is planned - and in certain cases an existing establishment will be modified - whose surface area is between 1,250 m² and 5,000 m². An impact assessment will be required if a project exceeds the threshold of 5,000 m² surface area, whether it concerns the creation of a new commercial establishment or the modification of an existing establishment.

The obligation to submit a town planning declaration is also abolished for any new construction project which envisages the establishment of a business, as well as any project to modify or extend the commercial activity within a building which is already assigned to commercial purposes, or to establish a new business within a building assigned to a function other than commercial purposes.

The aim of this declaration was to enable municipalities to obtain a picture of the commercial mix of their districts in real-time, and have a database of the exact situation, rather than relying on assessments. However, the duties devolved to Atrium Brussels, the regional agency coordinating urban investments and the development of commercial zones, include the introduction of a commercial "barometer", whose objectives are substantially in line with those of the prior town planning declaration, but without imposing the same administrative burden on shop owners.

4 Measures supporting the objectives of the Europe 2020 strategy

4.1 Employment

As previously indicated, the Brussels Government has laid down the revitalisation of the Brussels economy as a priority leading up to 2025. In this regard, increasing employment among Brussels inhabitants and reducing unemployment are at the heart of the objectives of Strategy 2025. These initiatives fall squarely within the objective of increasing the employment rate, as part of the Europe 2020 strategy.

It should be reiterated in this respect that various employment measures decided on by the Government have been implemented, including the integration contract and the first work experience, the so-called reform of target groups, etc. (see point 3.2). These various employment measures will help to stimulate recruitment and/or job maintenance in Brussels. As previously indicated, even if it is not possible to establish a causal relationship (see point 2), an overall reduction in unemployment can be observed in the Brussels Region.

It should be noted that the increase in the employment rate is influenced by the demographic dynamic observed in Brussels in recent years. In effect, the employed population has grown in a more sustained manner than in the other two Regions, but at the same time the working-age population has increased even more, with the consequence that the employment rate has not increased. The employment rate alone is not a sufficient indicator to qualify the performance of a region as open and competitive as the BCR (half of jobs are filled by commuters) and whose demographic growth contrasts with the evolutions observed in the rest of the country.

4.2 Research, Development & Innovation (RDI)

As explained in the 2017 contribution, the Brussels-Capital Region has included allocating 3% of regional GDP to R&D among the 19 objectives which make up the Strategy 2025. Although the intensity of R&D is weak in the Brussels Region compared to the country as a whole and the European objective of 3% by 2020, it has nonetheless made a strong progression in recent years.

It went from 1.35% in 2011 to 1.79% in 2015, thanks to the combined efforts of private and public actors. The difference observed in the relative importance of R&D expenditures in the business sector between the Brussels Region and the other two Belgian regions is mainly explained by the relative weakness of the industrial fabric of high and medium-high technology, in the sectors where the level of intensity of R&D is the highest, for example in the pharmaceutical industry or the electronics industry. The GERD analysis of funding sources reveals that the Brussels Region stands out from the rest of Belgium and the European Union by the importance of the public authorities as the main source of funding. In 2015, 37% of the total expenditure in R&D in the Brussels Region was funded by the public sector (public authorities and higher education), 48% by businesses, and 14% by foreign funds. The Brussels-Capital Region essentially funds research and innovation projects conducted by businesses, research organisations and actors from the non-commercial sector established within its territory. Increased investment in RDI is one of the ambitions of the Strategy 2025.

For 2017, budgetary funds, which had already experienced considerable growth in recent years, increased by a further 43% compared with 2015 (based on original appropriations). Funds associated with business support increased by 75%. In parallel with this support, a new legislative framework for RDI aid, the New Ordinances for Research, has been adopted, which will make it possible to adapt to new forms of innovation.

In addition to the measures already covered in point 3.3.1, the following initiatives were already initiated or reinstated in 2017, from a perspective of Open Innovation and the implementation of the Strategy for Intelligent Specialisation:

- the strengthening of various incubators, enterprise centres, and start-up support programmes in priority areas such as healthcare, eco-construction, renewable energy, eco-products and social innovation;
- the drafting of a situational analysis by Innoviris of applied research carried out in non-university higher education institutions (university colleges) with the aim of stimulating the participation of key actors in the innovation chain;
- the continuation of the Bel SME project and the launch of the call for projects for 2018;
- the continuation of the Co-create programme, for which the theme is urban resilience;
- the launch of the 'Team Up' project, for which the theme is artificial intelligence;
- the setting out of a strategic framework for the 'Start' action, intended for start-ups in their start-up phase;
- the launch of a new strategic platform in personalised medicine;
- the continuation of awareness-raising projects for the sciences, such as Science Mundi and Fablab Mobile;
- the launch of support activities for scale-ups, actors in the collaborative economy and female entrepreneurs for the submission of proposals for EU R&D projects under the SME Instrument financing scheme.

As part of the 2014 - 2020 planning period, the operational programme of the European Regional Development Fund (ERDF) attaches a great deal of importance to research and innovation and to the competitiveness of SMEs. A total of more than €34 million over seven years will be devoted to strengthening applied research skills and improving innovation within SMEs (18.8% of the total programme amount). Moreover, almost €444 million has already been injected into Brussels as part of the projects funded by Horizon 2020 since its launch, the European Union's framework programme for research and innovation.

4.3 Education

Pooling all of the regional and community levers in order to improve the quality of education and respond to the demographic boom in Brussels is one of the priorities of the Brussels Government, which is realised by the Brussels Education Programme, one of the 19 objectives of Strategy 2025.

This involves improved monitoring of supply and demand, language-learning, combating school dropout, the quality of infrastructure and equipment, particularly improving the technological and industrial equipment in schools by ensuring a consistent level of equipment in the future Training and Employment Poles and ATCs (Advanced Technology Centres). The ultimate aim is to sign a cooperation agreement with the two Communities in order to match educational policies to regional policies, with the aim of encouraging the social advancement of young people in Brussels.

The Programme is based around two strategic components for decision aids in the area of school infrastructure and operational initiatives intended to facilitate the creation and improve the quality and urban integration of schools. Moreover, it constitutes one of the tools in the combat against inequality in education, by targeting a balanced distribution, through its territorial dimension, of high-quality school infrastructure throughout the Region, as well as the opening into various districts, via the Schools Contracts (see below).

4.3.1 The School service (Service École)

The Brussels Education Programme (Programme bruxellois pour l'Enseignement) of Strategy 2025 lays down the priority actions of the School service, namely:

1. support for projects which help expand the education offering;
2. monitoring by the Monitoring service of supply and demand in schools;
3. the quality of school infrastructure and equipment;
4. the "School" contract;
5. the fight against school drop-out.

In 2017, the School Service continued its mission to support projects to create places in schools and support the quality of school infrastructure and equipment.

As part of the monitoring of supply and demand in schools, the Region has also been monitoring the planning for new places in schools in Brussels since 2010.

The table below gives an overview of the places already created and those currently being created by the respective municipalities.

The "places created" record the number of places actually created between 2010 and 2017.

The "planned places" records the number of places expected to be created between 2017 and 2025.

Primary and secondary education

Monitoring of the school offering – September 2017 – School Service, based on data obtained from the municipalities

	Places created since 2010	Places planned since 2010	Total
French-speaking section	17,974	14,482	32,456
Dutch-speaking section	6,145	5,559	11,704
Total	24,119	25,823	44,160

4.3.2 The fight against school drop-out

There are many risk factors relating to school drop-out: the neighbourhood in which the young person grows up, the socio-economic status of their family, the school they attend, their personal characteristics, etc., are all factors that influence the risk of dropping out of school.

An effective policy to combat school drop-out must therefore contain measures that address all the risk factors.

The policies to be developed therefore fall within both community and regional competences.

The phenomenon of school drop-out is particularly prevalent in the Brussels-Capital Region. As such, the Region has decided to develop a common strategy to combat school drop-out.

The objective pursued in the strategy is to have common definitions and indicators of school drop-out between the Wallonia-Brussels Federation and the Vlaamse Gemeenschap (Flemish Community) within the territory of the BCR (beyond the common indicator on the percentage of persons aged 18 to 24 who do not have a diploma of higher secondary education, and who no longer follow any form of education or training). The objective is also to propose coordination of the various policies pursued within the territory of the BCR.

This strategy will be coordinated with the communities in spring 2018.

Finally, in 2018, the Brussels-Capital Region will draw up a new framework for the policies it pursues in the fight against school drop-out, namely the school reintegration scheme (dispositif d'accrochage scolaire - DAS), the mechanism to support activities for children and young people in the areas of schooling and citizenship, and the missions of the municipal school services which depend on prevention services.

One of the major reforms is to move away from funding projects on an annual basis to a tri-annual basis. The budgetary resources necessary for this change were made available by the Region in 2018.

In 2017, a regional budget of €1,873,883 was allocated under the DAS to 405 projects combating school drop-out, which were developed in Brussels schools outside school hours.

In addition, for the first time, the Brussels Region has provided funding to the voluntary sector, with a view to supporting activities which help children and young people in the areas of schooling and citizenship. A budget of €500,000 has been allocated in this respect. It is a permanent budget.

In addition, the Youth Guarantee scheme supports around 15 projects aimed at school-based prevention/remediation and citizenship training for young people aged 15 to 25.

As regards the Dutch-speaking schools, these measures are on top of measures taken by the Flemish Community and the VGC.

In 2014, the VGC decided to extend the fight against school drop-out by strengthening and broadening attendance, and developing a pluralist inter-network structure. This mission was entrusted to the non-profit association "Time-Out Brussel", which was renamed "Abrusco" in December 2017 and which also absorbed "Netwerk Leerrecht Brussel", a supplementary offering for young people who (temporarily) drop out of conventional education.

"Abrusco" proposes a preventive and remedial offering aimed at helping young people at risk of dropping out of school to return to their conventional schooling path and/or facilitate the transition to training and the job market. The non-profit association is aimed at young people who are (or were) enrolled in ordinary or specialised Dutch-speaking secondary education in Brussels, both full-time and part-time.

The target group also includes young people living in the Brussels-Capital Region, but who do not attend any school, and for whom it would be appropriate to refer to the Dutch-speaking offering at 'Enseignement et Bien-être' in Brussels.

The aim is a return to school as quickly as possible. Apart from defending the "right to education and compulsory schooling", sufficient room is given to education-related issues and assistance, to develop the necessary skills and resilience that young people need to integrate into society.

Support is offered to young people and to the school, while activating and mobilising the network around young people.

In 2017, at the setting-up and launch of KANS Centraal Meldpunt Brussel by the non-profit association Triptiek, a number of missions were transferred from Abrusco to KANS CMB (CMB), which now takes care of course registration.

In this respect, the VGC aims to:

- Take action regarding well-being at school, support detection and remediation of school drop-out to tackle the increase in low qualifications;
- In this context, focus on partners in education and not on partners in "leisure", "youth" or "well-being";
- Fight against the dispersion of human resources by hiring them in an inter-network partnership.

4.3.3 The School contract

The School Contract is a new regional urban renewal programme which was approved by the Brussels Regional Government on 23 November 2017.

Schools are a key setting for multicultural and multi-generational exchange. In Brussels, as elsewhere, schools have an essential dynamic, but are all too often inward-looking. Opening the school to its neighbourhood, integrating it into its environment, is therefore a priority of the Regional Sustainable Development Plan and the Strategy 2025 of the Region.

The aim of the School Contract is to integrate a school as effectively as possible into its environment and its neighbourhood, by developing the school site and its surrounding area. This is a partnership between the Brussels-Capital Region, the school in question, its organising authority and the municipality where it is located. It also involves neighbourhood associations, residents, school users and community facility managers.

Each School Contract entails an investment programme (with a maximum budget of €2.5 million per contract) and development actions to be carried out in and around the school over a six-year period. The planned initiatives include the redevelopment of the school playground, the opening of its sports hall to the neighbourhood, the provision of its assembly hall, etc.

The launch of this new urban renewal programme follows on from the pilot experiment conducted in 4 Brussels schools in 2017: the 'Athénée royal Léonardo da Vinci' (Anderlecht), the 'Basisschool Klavertje Vier' (Brussels), the 'Dames de Marie-Haecht-Philomène-Limite' school (Saint-Josse-ten-Noode) and the 'Ecole fondamentale communale Arc-en-ciel' (Saint-Josse-ten-Noode).

The Brussels Regional Government has approved a budget of €6,120,000 to implement the action plans of these 2017 School Contracts. From 2018 onwards, the perspective.brussels School service will start to implement these investments, in consultation with the various actors involved.

New School contracts will be concluded in 2018.

4.3.4 "Schools 4.0" (Écoles 4.0) ITC Plan

At the start of 2018, the Brussels-Capital Region decided to create a veritable strategy aimed at strengthening the use of new information and communication technologies (ICT) in schools: the "Schools 4.0" ICT Plan.

Digitisation is right at home in schools: not only is it a tool for learning but also for diversifying educational practice. Equipping pupils with the knowledge they need for their future integration into the labour market is an important challenge for Brussels.

The "Schools 4.0" ICT Plan is in line with the ICT initiatives in the Region, in particular the "Fiber to the School" project, for which the objective is to equip all secondary schools in Brussels with a broadband Internet connection by 2019.

The plan is broken down into 2 key stages:

- Analyse the current situation in terms of infrastructure and equipment in Brussels schools. The aim is to identify needs which are not currently met, in particular with regard to the programmes and benchmarks of the Communities.
- Propose actions for the coming years with the aim of meeting current challenges in digital education.

The Plan will be presented to the Brussels Government in the second half of 2018.

4.3.5 Implementation of training for future bilingual teachers in the Brussels Region

Elaboration of training for bilingual teachers in the Brussels Region

Over 2017 - 2018, two universities in the Brussels-Capital Region started developing training for bilingual teachers. The project is currently funded by the Vlaamse Gemeenschapscommissie, which is responsible for supporting Dutch-language education in Brussels. The project is being conducted at the 'Autonome Erasmushogeschool Brussel' and the Francisco Ferrer University of Applied Sciences (organising authority involved: the City of Brussels - Stad Brussel, under the aegis of the Alderman for Public Education). The project aims to train teachers who are capable of teaching in both French-speaking and Dutch-speaking primary education.

By giving attention to language, diversity, and the specific features of the capital city, these teachers are more connected to the needs of their future students, and will consider Brussels as their natural habitat. Both French-speaking pupils and their Dutch-speaking counterparts will benefit from the teaching provided by these specialised teachers, who have been specifically trained for the Brussels context.

The managers of the two partner institutions have drawn up a plan containing seven sub-projects, to support the implementation of the project, spread over three years. During the previous academic year (2016 - 2017), the project was prepared and the first candidates started training in September 2017. The period 2018 - 2019 needs to be "the year of consolidation and stabilisation" of the project. A study on the applicability of the project is being conducted, in collaboration with the ULB and the VUB.

4.4 *Climate – Energy*

The climate-energy 2020 objectives have been ratified in the cooperation agreement on the sharing of Belgian climate and energy objectives for 2020 between the federal State and the three Regions. This cooperation agreement is the subject of a consent order, which will be definitively adopted in the first half of 2018.

4.4.1 **Implementation of the Regional Air-Climate-Energy Plan**

The actions planned by the Region to meet its objectives are contained in the regional Air-Climate-Energy Plan (PACE), which was adopted in June 2016. This plan is currently being implemented.

Of the latest measures put in place since April 2017 to contribute to the objectives and actions of the PACE, the following progress can be highlighted:

- The (compulsory) PLAGÉ project, which targets large buildings and building stock in the tertiary sector, is currently being implemented: the PLAGÉ decree was adopted at first reading in November 2017, then submitted to the regional advisory councils at the end of 2017. This project follows on from the success of previous PLAGÉ projects, which were carried out voluntarily since 2006 in significant building stock, and which guided the adoption of the compulsory PLAGÉ in COBRACE (Brussels Code for Air, Climate and Energy Management), for implementation in the Ministerial Order of 2017. This should enter into force in the second half of 2018;
- EPB requirements: the new requirements for EPB works have been extended to new tertiary (and all new non-residential and similar units) since 1 July 2017, following the adoption of the guidelines on 26 January 2017. Other modifications have also been laid down in these guideline;
- The INNOVATE project (Integrated solutionNs for ambitiOus energy refurbishment of priVATE housing), for coaching for co-ownership properties has been implemented since 2018.
- To develop renewable energies, and especially photovoltaics, a mapping of the solar potential of roofs is in progress. This project should be completed in 2018.
- Climate.brussels: this awareness-raising campaign was launched in October 2017 by Brussels Environment to raise public awareness of energy and climate actions, in particular photovoltaic installations. The campaign appears on radio spots, television and on social networks.
- The adaptation of the energy bonus scheme for 2018: the Government of the Brussels-Capital Region approved the 2018 energy bonus scheme on 19 October 2017. The total budget of €22 million has been retained. The emphasis is on the audit, insulation and heating, with particular attention this year to roofing through the increase in the B1 bonus amounts, the extension of the low income category, as well as improved accessibility to bonuses by extending the deadline for submitting a bonus application;
- The implementation of the Solarclick project (programme for the installation of photovoltaic panels on roofs) and NRClick project (programme for energy accounting and energy management) for regional and local government buildings, for which the first concrete achievements have been effective since the end of 2017. This projects have received a budget of €27 million from the Regional Climate Fund;

- A call for projects "PACK ENERGIE", aimed at associations of small and medium-sized enterprises or businesses in the non-market sector, was launched in August 2017 to offer companies and institutions in their sector a support and assistance service to significantly reduce their energy consumption, in particular through investments financed by the Regional Climate Fund.
- An external contract has been issued to work towards the implementation of a financing mechanism by the Region for energy renovation projects and RES projects within the regional territory, financed via the Climate Fund. This contract aims to analyse the current financing tools, and to propose new avenues for improvement or the creation of new tools that have proved their worth elsewhere.
- Brussels Environment has revised the method for drawing up the regional energy balance using a computerised solution, due in particular to the increase in European and international requirements in terms of data quality and traceability.
- As regards international climate financing, the call for projects, aimed at supporting the fight against climate change and development cooperation, was launched for the third consecutive year at the start of 2018 by Brussels Environment and Brussels International.

In addition to the actions envisaged as part of the PACE, we can also highlight the approval by the Brussels Government of the inter-federal energy pact: on 26 April 2017, the four Belgian Energy Ministers decided to draw up, in close consultation with all stakeholders, an inter-federal energy pact for 2030 and 2050, to guarantee a secure, affordable and sustainable energy supply.

In terms of form, a large-scale consultation was conducted in two stages:

- The first stage was to consult around 100 actors from the energy sector between 3 May and 30 June 2017. The opinions collected were analysed by the various energy administrations, and the contributions drawn from this exercise served as a basis for the draft energy pact.
- In the second stage, the public was consulted between 17 October and 5 November 2017. The results of this survey fuelled the negotiations on the energy pact, which was adopted by the Brussels Government in December 2017.

In terms of substance, the energy pact proposes a range of milestones and requirements intended to enable the entities to achieve the objectives pursued:

- 2030: phasing-out of oil-fire boilers
- 2040: EPC factor of max 100 kWh/m² for collective and social housing and energy neutral public buildings
- 2050: 100% renewable electricity; 80% renewable gas in buildings; residential stock: maximum 100 kWh/m²; tertiary stock: towards energy neutrality for heating, domestic hot water production, cooling and lighting.

Finally, in line with the PACE, the Region has started work to make a fair contribution to the Belgian climate and energy targets by 2030 (which have not yet been shared between the entities) since the publication in November 2016 of the "Clean energy for all Europeans" package⁴⁶. In this new framework for energy and climate, Europe requires Member States to introduce a national climate-energy

⁴⁶ This package was adopted as part of the EU 2030 climate and energy framework (adopted in October 2014) and sets three main objectives for 2030: reduce **emissions of greenhouse gases** by at least 40% compared with 1990 levels; increase the share

plan which specifies the actions which will be implemented from 2020 to 2030 to achieve or contribute to the stated objectives. The Belgian national energy-climate plan will be made up of the plans from the different entities. The plan of the Brussels Region should be adopted by the Government in July 2018.

This plan will lay down new Brussels priorities to reduce regional greenhouse gas emissions and energy consumption in the Region. The Brussels energy-climate plan 2030 will therefore constitute a complete overhaul of the regional Air-Climate-Energy plan (PACE). The plan will include a strategy for the renovation of buildings in Brussels, which is currently being drafted. Other emitting sectors, including transport, consumption and the economy, will also be targeted. The measures must go hand in hand with forecasts of reductions in greenhouse gas and energy emissions, to prove that the Member State in question will meet its obligations or contribute to the relevant European indicative targets.

The provisional version is due by the end of 2018, and the final version by the end of 2019. In the interim, the European Commission will be asked to give its opinion on the substance of the plan.

4.4.2 Mobility measures contributing to the Climate - Environment - Energy objectives

Since 1 January 2018, all of the territory of the Brussels-Capital Region has become a **Low Emission Zone** (LEZ). The most polluting vehicles will be gradually banned, in order to improve air quality. The introduction of the LEZ in Brussels will reduce emissions of the pollutants which are most harmful to health, namely fine particulates (especially black carbon) and nitrogen oxides. CO₂ emissions and vehicle energy consumption are not targeted as a priority, but communication around the LEZ (1001 façons de circuler à Bruxelles - 1001 ways of driving in Brussels) encourages alternatives to the car, and can therefore have an influence on CO₂ emissions.

The regulation has been adopted and the necessary infrastructure to manage sanctions is being implemented.

In partnership with the Mobility, Environment and Tax administrations, the BRIC (Brussels Regional Informatics Centre) is rolling out the network of cameras necessary to make the LEZ operational. Using these cameras, controls will be made on vehicle registration plates, both for vehicles registered in Belgium and abroad.

Almost 100 cameras have already been installed. The aim is to have 176 cameras by June 2018.

The use of smart cameras, replacing the 'vignettes' used in other cities, demonstrates the 'Smart City' approach of the BCR.

A new decree on **Corporate Travel Plans (Plans de Déplacement des Entreprises - PDE)** was adopted on 1 June 2017. Overall, this new decree strengthens the action plan of the PDE and the mandatory measures to be implemented for companies subject to the PDE (primarily a "mobility package" measure which encourages the introduction of mobility budgets in companies). Certain conditions for the implementation of mandatory measures have been laid down.

In November 2017, the official kick-off was given to **BENEFIC (Brussels Netherlands Flanders Implementation of Clean power for transport)**, a European project through which Flanders, the Brussels Region and the Netherlands intend to develop additional cross-border infrastructure for green vehicles.

of **renewable energies** to at least 27%; improve **energy efficiency** by at least 27%.

BENEFIC, funded by the European Commission under the Connecting Europe Facility (CEF) programme, facilitates investment in charging infrastructure, service stations for LNG-CNG and hydrogen, and shore-based electricity grid facilities. Specifically, BENEFIC's partners intend to supply additional infrastructure by the end of 2020.

In addition, the Region is also currently developing its new regional mobility plan, via the Good Move process, which is coordinated by Brussels Mobility. The environmental objectives will form part of the different objectives of the plan, to ensure that the transport sector also contributes fairly to reducing emissions and consumption in the Region.

4.4.3 Tax measures relating to mobility

Transfer of road taxes

From 1 January 2019 onwards, the Brussels-Capital Region will take over administration of road tax and circulation tax from the FPS Finance.

This transfer is an opportunity to comprehensively reform road taxes in order to improve air quality in the Region. In this context, the Brussels Government has decided to set up a working group made up of six experts in car taxation and environmental sciences.

They are responsible for drafting a report on a thorough and effective greening of road taxes. The end report of the working group is expected in spring 2018.

Status of "oldtimers" (classic cars)

Parallel to the parliamentary work related to the above-mentioned transfer and the reform of road taxes, the Brussels-Capital Region envisages an adjustment of the current tax status of "oldtimers" (classic cars).

The definition of oldtimer, provided for in Article 10 of the Code of taxes assimilated to income taxes, will be adapted in order to comply with the definition of "vehicles of historical interest" as provided for in Directive 2014/45/EU.

Changes to the kilometre levy

In the context of the existing kilometre levy for heavy goods vehicles, a differentiation in the administrative penalty for infringements was introduced as of 1 January. In effect, the previous situation was at risk of conflicting with Article 9a of Directive 1999/62/EC, which stipulates that penalties under taxation systems for heavy vehicles must be proportional.

At the same time as the ordinance of 15 December 2017 amending the rate of fines in the context of the kilometre levy, a more proportional penalty system was introduced. The new penalty system is now adapted to the seriousness and type of the infringement, ensuring that penalties continue to be in line with those in other regions in Belgium.

As such, the Brussels-Capital Region intends to provide a complementary response to the recommendations of the European Commission.

4.4.4 Development of the circular economy

Since 2015 and as part of the 2025 Strategy, the Region has been developing a strategic vision of the environment as a resource that can create local jobs by transforming our linear economy into a circular economy.

The objectives of the circular economy are fundamental and go beyond the accounting of tonnes, hectares and cubic metres:

- Environment: the looping of flows to reduce the wasting of resources and the digital footprint;
- Economy: transforming environmental objectives into economic opportunities, particularly through new business models in order to stand out and not be subject to increasing raw materials prices;
- Social: relocation to promote the creation of semi-skilled local jobs.

4.5 Social cohesion and poverty reduction

In the Brussels Region, "the risk-of-poverty or social exclusion rate" is around 38%. Approximately one third of Brussels inhabitants (30%) live on an income which is lower than the risk-of-poverty threshold. The risk-of-poverty rate is particularly high among persons living in a jobless household, or a household with a low work intensity. In Brussels, one active person in five (19%) and more than one active person younger than 25 in four (29%) is an unemployed jobseeker. One quarter of children in Brussels younger than 18 (24%) grow up in a household without working income. Among young people aged between 18 and 24, roughly one young man in six and one young woman in seven left school early without having obtained a diploma of higher secondary education. Whatever their age, persons without secondary education diplomas have significant difficulty in joining the job market: 29% of active persons in Brussels with one secondary education diploma at the most are unemployed.

The figures and this reality attest to the fact that in terms of reducing poverty, in addition to the future organisation of the granting of family allowance by IrisCare, a new PIO created by Cocom following the 6th State Reform, the policies pursued in the area of education, training and activation on the job market explained in the other sections of this document are of paramount importance. As such, it is advisable to state that eligibility for the various employment plans will be expanded to all jobseekers, including persons excluded from unemployment/integration allowances.

The Brussels Programme of Actions to Reduce Poverty will be published in 2018, and will present a range of measures including the development of 10 territorial hubs, the reception programme for newcomers, the creation of two reception centres offering social services and healthcare for marginalised populations (homeless people, migrants, Roma, etc.) for whom additional resources will be specifically allocated each year. It will be accompanied by a thematic report on the non-use of rights among the most deprived populations.

4.5.1 Implementation of social cohesion

Social cohesion in Brussels is implemented by various cross-policies which pertain as much to urban planning as to direct aid to individuals and support to voluntary actors. The Brussels-Capital Region supports 'sustainable neighbourhood contracts' as well as 'urban renewal contracts', for which certain actions can be carried out to strengthen social cohesion at the neighbourhood level. Above all, this policy makes it possible to invest in equipment and infrastructure. The Region also supports social cohesion plans within social housing buildings. Finally, the COCOF provides a whole policy of support

to voluntary operators, for which the objective is to strengthen social cohesion through four priorities: support for schooling, literacy and learning French, the development of intercultural citizenship and projects to live and work together. 300 associations are active in the four corners of the Region and primarily in the most vulnerable neighbourhoods. The municipalities are responsible for coordinating this policy, in partnership with a regional support centre, the CBAI. COCOF's systems will soon be revised, to move towards a more stable system for project carriers from 2021 onwards.

4.5.2 Access to housing and the fight against homelessness

The principles of equality between citizens and access to decent housing have always been at the heart of concerns since the start of the legislature. However, the implementation of these principles encounters various pitfalls in Brussels: the scarcity of land, an ever-growing population, increasing poverty among the population, etc. To overcome these phenomena, the strands of action previously developed, and which were successful, will be continued. However, one additional strand of action will be added to the four strands previously pursued. This is the strand dedicated to strengthening good governance in public housing.

Strengthening good governance in public housing.

One thing has become clear in light of recent events: the need to further strengthen transparency and good governance within existing mechanisms.

The process of reducing the number of companies providing social housing (Sociétés immobilières de Service Public - SISP) by half has just been completed. There are now just 16 SISP instead of 32. This reduction should enable more effective operations and governance by creating the conditions for "ad hoc" financial, social, patrimonial, environmental and organisational management.

A draft ordinance was adopted in late 2017 by the Government to set additional benchmarks for good governance in public housing. In particular, the procedures for allocating housing to public property operators will be made more objective. It will also be necessary to ensure that the management and allocation of any housing which is owned, constructed or managed directly or indirectly by a public property operator is governed by the rules of the Housing Code.

Increasing the stock of publicly and socially managed housing and continuing the renovation of existing housing

The implementation of projects linked to the Regional Housing Plan and the 'Alliance Habitat' continues with the participation of all public housing operators in Brussels (SLRB, Fonds du Logement, Citydev, municipalities and CLTB). In this respect, the solution of acquiring empty offices and/or unoccupied residential buildings has proved its effectiveness, and will be continued. Collaborations with the private sector for the creation of public housing will be intensified, following the example of the City of Lyons. As such, the SLRB is working on the launch of a new PPP for the creation of medium-sized housing, while the call for interest launched by the Fonds du Logement to the private sector, for the acquisition of 300 housing units, has been highly successful and will be finalised.

The constructive collaboration and gathering of stakeholders initiated by the Housing Coordination Council (Conseil de coordination du logement) will be continued, particularly with regard to the development of strategic areas. The work of the Brussels Housing Advisor has made it possible to list all the public housing projects in Brussels in order to have an overall view to facilitate the progress of housing projects.

As part of the creation of new housing, emphasis will continue to be placed on tackling vacant properties. A new call for projects to create municipal observatories for this problem will be relaunched in 2018, to further increase the number of observatories. An assessment will be made of the call for projects launched for Social Housing Agencies (Agences Immobilières Sociales - AIS) to convert empty floors above shops. Finally, the call for projects for SISPs and municipalities with a view to the above-mentioned acquisitions of empty housing will be reiterated.

Municipality/Region partnerships to combat vacant housing will be continued and, as far as possible, expanded.

In addition, support will continue to be given to the AIS system, which continues to grow, having proven its effectiveness. This is a complementary and essential tool for the housing sector in Brussels.

This support will be strengthened thanks to fiscal leverage, given that, as part of the transfer of the property tax administration, a zero rate has been introduced for private buildings rented, entirely or partially, through a real estate agency located on the territory of the Brussels-Capital Region. This measure should stimulate an increase in the supply of social housing via the private rental market.

Finally, efforts to renovate existing public housing will continue, in particular through the adoption of the four-year plan 2018 - 2021 (€300 million) and the implementation of the new level 2 management contract. Modular pavilions will finally be used by the SLRB to allow renovation staggered operations at important sites such as the model city at Laeken, or Peterbos in Anderlecht. This innovative solution will make it possible to accelerate the renovation of property assets and encourage tenants to stay in their neighbourhood while their building is renovated.

Reform of and support for the rental market

The Brussels-Capital Region was the first of the three regions to regionalise real estate matters, thereby helping to materialise the opportunities represented by real estate for Brussels inhabitants. The relating ordinance was adopted by Parliament in July 2017. New forms of housing, such as apartment sharing or student leases will now be better supervised.

One of the priorities is also the fight against discrimination in housing, following the unacceptable figures highlighted by the comprehensive "testings" conducted in the region at the start of 2017. An action plan containing various components (training of real estate agents, implementation of a sliding lease, etc.) will be developed to change attitudes. This will also involve implementing the new rental guarantee system (the 'BRUGAL' Fund) in collaboration with the Fonds du Logement and the CPASs, to help vulnerable groups establish their rent guarantee. Finally, the new comprehensive, coherent and generalised rent allowance will be adopted to allow the most vulnerable people to have access to decent housing.

Support for the buyers' market

The entry into force of the reduction in registration tax on 1 January 2017, as part of the tax reform, has made it possible to support Brussels inhabitants in purchasing a house. Since 1 January 2017, the allowance in the Brussels-Capital Region has been €175,000 (versus €60,000 or €75,000 previously). In 2017, this enabled fully 7,455 households to become homeowners.

In addition, the support has been extended to the purchase of building land, for which the first €87,500 is exempt from registration tax, provided that the total amount does not exceed €250,000, representing a saving of €10,937.50 for the new owners.

This new allowance is largely subject to the same conditions that already applied to the purchase of existing housing. However, owners will have 3 years to establish their main residence, a period already applicable for 'off plan' houses and apartments, versus two years for other cases.

It will also be necessary to follow the evolution of the reform of the conditions to access loans from the Fonds du Logement, to further improve the support to Brussels inhabitants (and young people as a priority) and continue the communication campaigns in this respect.

Support for specific groups

The various existing housing initiatives for specific, more vulnerable groups are also supported. An evaluation of the "13bis" agreements mechanism to help accommodate victims of domestic violence will be carried out. Initiatives to create housing for people with disabilities through actions conducted with various partnerships will also be continued. A study will be conducted in collaboration with the Fonds du Logement to support people staying at home, by granting loans at preferential rates to adapt housing for the elderly in precarious situations, and make their houses more ergonomic.

The number of PCS (Social Cohesion Projects - Projets de cohésion sociale) has been increased by the Government to enable better support for social tenants. Finally, a comprehensive reflection will be made on improving and linking the existing mechanisms to support and involve social tenants (SASLS, PCS, COCOLO, etc.), in order to foster genuine cohesion and improve the living environment of tenants.

The fight against homelessness

The United College of the COCOM will submit the draft ordinance on emergency assistance and integration of homeless people to Parliament for approval in March 2018. This new ordinance will create two separate public law bodies: the first will be responsible for the reception and emergency care of homeless people. The second will address the referral of homeless people to social inclusion services and access to housing. Within this legislative framework, all missions in the field to help homeless people have been redefined and reinforced, in particular by stabilising, through accreditation, innovative assistance and integration programmes tested in the Brussels-Capital Region from 2014 onwards (Housing first, street work, etc.).

5 Cross-cutting elements contributing towards the EU 2020 targets

5.1 *Industrial policy and entrepreneurship*

As announced in Strategy 2025, the Brussels-Capital Region intends to maintain a productive urban sector, which is beneficial for the city's functioning. To this end, reflection work has been initiated since 2017 by the Economic and Social Council of Brussels and by all of the economic public bodies in order to determine the necessary policies to be put in place to preserve existing industry and prepare the future of urban industry. Following these reflections, a **Brussels Industrial Plan** will be adopted by the end of 2018, which will reflect **Brussels' strategic vision, with a view to the transition to Industry 4.0**.

In order to encourage **entrepreneurship**, the Brussels Region organises calls for projects annually to implement the measures provided for by the Brussels **Small Business Act**. The SBA reflects the political will to gradually but structurally improve the business climate in Brussels for SMEs.

On 1 January 2018, the Brussels business support agency - hub.brussels - was created, bringing together Impulse, Atrium and Brussels Invest and Export. This merger reflects the intention of the Brussels government to rationalise its institutional landscape, thereby stimulating economic activity in Brussels, and facilitate access to information for businesses and entrepreneurs through greater efficiency and clarity of the mechanism. By combining the complementary expertise of these three institutions, the new agency offers personalised support, free tools and recognised expertise at the service of Brussels companies.

For 2017, several priority issues in the area of support for SMEs were highlighted. Firstly, **increasing the turnovers** of Brussels SMEs, which has resulted in the implementation of tools such as helpdesks, training and information to professionalise SMEs and consequently give them the capacity to participate in and win public contracts.

Furthermore, to **reduce the bankruptcy rate of SMEs**, tools have been developed to detect companies in difficulty, pilot projects for re-start loans have been supported, and the capacities of SMEs have been strengthened thanks to support for micro-credit carriers and financing schemes using bearer loans. In addition, integrated sectors for the self-creation of jobs and support for the pooling of tools have been developed.

Finally, **support for the transition of Brussels SMEs to new economic models** has materialised through various specific measures. Firstly, by supporting entrepreneurs' cooperatives and shared enterprises in order to develop alternatives to the mini-jobs on demand models, and the takeover of enterprises in the form of cooperatives (fostering business takeover and transfer). Secondly, thanks to the stimulation and support of social entrepreneurship and the innovative social economy, as a close complement to existing measures in the Region. Then by individual and collective support in the circular economy and e-health sectors.

Another of these measures was the launch of a new cluster, **hospitality.brussels**. Housed within impulse.brussels, this new cluster brings together SMEs and other economic actors in the cultural, tourism and events sectors, which are priorities for the Brussels-Capital Region.

5.1.1 Raising awareness of the entrepreneurial spirit among target groups

In March 2016, and in conjunction with the Youth Guarantee scheme, the **YET Strategy** (Young Entrepreneurs of Tomorrow) was launched to raise awareness of entrepreneurship among young Brussels inhabitants up to the age of 35, and enable them to plan positively for the future, enter the job market on a long-term basis or create their own jobs.

This strategy is based on three pillars of action: disseminating and popularising entrepreneurial culture among young Brussels inhabitants; encouraging and supporting the acquisition of entrepreneurial knowledge and skills; and encouraging people to take the entrepreneurial leap. Each pillar has a specific target group, and is made up of different actions.

As part of the YET strategy, 4,142 young people were exposed to entrepreneurship awareness actions during the academic year 2016 - 2017.

Between 25 and 29 September 2017, YET successfully launched the first **Youth Entrepreneurship Week (Semaine Entrepreneuriat Jeune)** aimed at stimulating the entrepreneurial potential of young people, and helping them realise their ability to develop a project.

Another target group, women, are at the heart of measures to promote entrepreneurship in the Brussels Region. Launched in 2014 by 1819.brussel, the **Women in Business** platform brings together Brussels actors working to foster female entrepreneurship in the Brussels Region. To achieve this, the platform organises awareness-raising and information initiatives organised around four priority strands.

The first strand relates to **role models** and the identification of women with inspiring careers, a promising and essential element for a strategy to raise awareness among women. **Access to finance** is another focus of WIB which, in collaboration with its partner Women BeAngels, intends to promote investment in projects by women. In November 2017, following the success of the 2016 edition, a seminar on this topic was organised, bringing together more than 100 people, as well as women's networks including Women On Board, the EU women's network BeAngels, Guberna, and 100,000 Entrepreneurs.

Exports by women are also an important theme in the scaling up of female entrepreneurs in particular.

The final strand relates to the **new technologies sector**, where there is a lack of female representation. The economic opportunities, innovation and job creation are nonetheless huge in this area. WIB has given it a **priority focus** and has created a brand new **Women in Tech** platform that brings together more than 17 Brussels partners (public institutions, private organisations and non-profit associations) in order to raise awareness among women of this priority sector in the Brussels Region. The creation of this ecosystem is part of the NextTech Regional Plan (see below) and was born from a collaboration between the 1819 Service and the impulse.brussels Software Cluster. Launched in May 2017, the platform has already come together twice, and has set out an action plan for 2017 and 2018.

In October 2017, the **Women Code Festival** took place during European Code Week, to raise awareness of coding among women, but also conduct debates and reflections on the place of women in the high-potential sector of innovation and the HighTech industry.

5.1.2 Digital entrepreneurship

In the same vein as the Women in Tech platform, the Brussels-Capital Region took various measures in 2017 to encourage digital entrepreneurship.

With the **NextTech.brussels** initiative, launched in 2017 under the new umbrella brand Digital.brussels, the Brussels Region has adopted a global and integrated vision for its digital strategy. The aim of this NextTech plan is to create an environment which supports and encourages the start-up and growth of companies active in ICT in the Brussels Region, by formulating a series of objectives and concrete measures. The objectives pursued with this initiative are quality support, training of workers in the field of information technology and strengthening Brussels' position as an ICT actor at the international level.

The **European Data Innovation Hub** (Dihub), which is based in Brussels, is the leading networking space where companies, start-ups, academics and policy makers can meet and discuss policies and exchange best practice on topics including big data, open data and data innovation. Dihub intends to build bridges with other technologies and develop an acceleration hub in this field through, inter alia, the provision of space and a network of experts. As such, it intends to become an essential space for outreach (training, experimentation, meeting/networking, etc.) and collaboration (support, incubation, etc.) in priority cutting-edge technological fields in IoT, VR/AR and AI. In this spirit, Dihub, in collaboration with specialised communities, has created **TECH-HUB Acceleration**, the benchmark "Community technology center" in Europe. There are various objectives of TECH-HUB Acceleration. The aim, firstly, is to initiate and promote measures that increase confidence in "Data innovation" in Europe, collect and disseminate knowledge on data innovation and, finally, bring together stakeholders interested in data innovation. TECH-HUB Acceleration is part of the rationale of Brussels as a flagship, offering a showcase to communities in new technologies, notably RV, DATA & IoT.

Within the **Haute Ecole Leonard de Vinci** non-profit association, a project also aims to set up a work-study master's degree in ICT. This **Master en alternance Business Analyst** consists firstly in preparing the training (programme, promotion, etc.) and secondly in supporting the launch of the training. The functions covered by the Master's degree are mainly those relating to Business Analyst, but also Enterprise Architect, Business Information Manager or ICT Consultant.

In order to guarantee free internet access for the public and tourists of the Brussels Region, the **WIFI.BRUSSELS** network has been rolled out on a massive scale. This free wifi internet network currently covers 199 sites in the Brussels-Capital Region.

5.1.3 Access to funding for PMEs

The *Small Business Act* includes a range of measures with regards to access to funding. For Example:

- resources for the audio-visual sector have been mobilised via the screen.brussels cluster. This strategy to support the audiovisual sector in the Brussels Region has paid off. Indeed, in 2017, **screen.brussels** supported more than a hundred companies in their development and international expansion, invested in 31 projects (films, series, documentaries, etc.) to the tune of €3 million, for €26 million of generated expenditure, provided assistance for the organisation of 239 shootings and financed three companies to the tune of €236,000.
- A capital increase of €4 million for the subsidiary BRUSTART of finance.brussels to support the pre-commercialisation phase of innovative projects.
- In February 2018, the Brussels Region launched its third call for "be circular" projects, to stimulate the development of **innovative pilot projects** in the context of a **circular economy** in Brussels. Since 2016, 70 companies, start-ups and SMEs have been selected in sectors as varied as food, construction, logistics, recycling and design.

- The assessment of the public funding mechanisms to meet the needs of SMEs began in the second quarter of 2016. The recommendations will make it possible to evolve towards a balance and achieve complementarity between the various types of funding, as well as a strengthening of the public offering with, moreover, the implementation of regional levers which are necessary to stimulate access for businesses to private funding. The aim is to better meet the primary needs of Brussels SMEs.

5.1.4 Internationalisation

In order to strengthen exports by Brussels companies, the government of the Brussels-Capital Region provides supports, inter alia, through the activities of the new **Agence Bruxelloise pour l'Accompagnement de l'Entreprise (Brussels Enterprise Support Agency)** and its Internationalisation Support Directorate (Accompagnement à l'internationalisation - formerly BIE) which is responsible for promoting foreign trade and attracting foreign investment in the Brussels-Capital Region. As such, a network of 88 economic and trade attachés make it possible to identify business opportunities and potential customers for Brussels SMEs, the dissemination of information on foreign markets, and the organisation of B2B meetings. In Brussels, the Directorate coordinates the organisation of an "export" action plan covering around 100 collective actions. These targeted 14 African markets in 2018 in particular.

Given the increase in initiatives targeting traditional emerging markets and Africa, the opening of a **new trade office in West Africa** is planned for 2018. As such, these new initiatives promote the development of Brussels exports. Moreover, despite a decline in goods exports from Brussels between 2014 and 2017 in several emerging markets and in African countries, we can observe that exports of services, which are essential for the BCR, continue to grow.

The International Department of the ABAE offers a tailored coaching programme - entitled **Brussels Export Starters Program** for SMEs wishing to commence international activities. A training programme accompanied by a traineeship in a company and in a Brussels office abroad is also organised for jobseekers, to support them towards the profession of export manager. This has resulted in a recruitment rate of more than 70% of trainees at the end of the cycle. In addition, the Directorate encompasses the Brussels "Innovation" arm of the Enterprise Europe Network, which helps companies turn ideas or innovative products and services into a success on the international market.

Finally, the Government of the Brussels-Capital Region has **modernised its export subsidy mechanism for SMEs**. This revision entered into force on 1 January 2018. This redesign of export subsidies takes into account the changing needs of SMEs. It favours companies that are best prepared internationally, in order to optimise the impact of this aid and encourage entrepreneurs to train. It provides more support for VSEs and greater freedom for companies to use the aid offered according to their needs. In addition, it encourages the recruitment of export staff and the invitation of foreign prospects by companies in Brussels. Finally, it proposes a simplified method of reimbursing costs, mainly on a flat-rate basis. This aid is managed within the SPRB by Brussels Economy and Employment.

5.2 Structural and Investment Funds

The **ERDF and ESF structural and investment funds** active in the Brussels Region act as an important lever for establishing an effective link between the Europe 2020 Strategy, the National Reform Programme, and the policies linked to the demographic, environmental and socio-economic issues faced by the Region. The funds complement the Region's public policies to give structural, sustainable, inclusive and innovative strength to the Brussels economy and support social integration by organising training, professional reintegration, active inclusion and even the promotion of equal opportunities.

It should be noted that in September 2017, the Brussels-Capital Region was again allocated an additional amount of €6,630,727 by the European Commission to extend its participation in the Youth Employment Initiative until 2020.

With a total budget of nearly €190 million, including ERDF funding of almost €95 million, the Brussels-Capital Region has chosen to structure its **ERDF Operational Programme** around **five priority areas**, in which the 46 dossiers selected at the end of the call for projects fall. Following a modification of the Programme, approved in 2017, strand 3 was split into two strands (3 and 3bis) and allows the financing of certain projects on several strands.

These priority strands are the following:

1. Strengthening research and improving the transfer and promotion of innovation - 10 projects
2. Strengthening entrepreneurship and improving the development of SMEs in promising industries - 12 projects
3. Supporting the development of a circular economy through the rational use of resources in promising industries (low carbon) - 11 projects
- 3bis. Supporting the development of a circular economy and the rational use of resources in promising sectors (environment/rational use of resources) - 3 projects (including two projects also included under strand 4)
4. Improving the quality of life in the neighbourhoods and for vulnerable populations - 12 projects.

Keen to combine the benefits of these projects with its regional revitalisation policies, the Brussels Region has also anticipated that property investments made through the ERDF Programme will be used in renovation or demarcated development areas. The Region also intends to concentrate the use of Programme resources in promising economic sectors. Following the call by the European authorities, the Programme has been modified to fund a project on migrant health, coordinated by the NGO Médecins du Monde.

The planning is in its operational phase, with 96% of the operational resources of the Programme having already been the subject of a decision. This amount includes the financing of the 46 projects (sometimes by several strands) as well as that of three financial instruments whose implementation will take place at the start of 2018.

The ESF operational programme "Employment" 2014 - 2020, managed by Actiris, is intended to increase employment rates and social inclusion rates within the Brussels territory. Its total budget is €98 million, €52 million of which is from the EU budget, including €6 million from the Youth Employment initiative. Among other things, this programme will attempt to foster access to employment for all, combat discrimination and allow better integration of the most vulnerable groups, targeting young people in particular. The strategy and investment priorities chosen are in line with the Region's significant socio-economic challenges. These investments will cover three main areas: the sustainable integration of young people into the labour market, access to employment for all and the active inclusion of the most vulnerable groups. 95.1% of the resources in total cost have now been decided on, and 18.3% has been spent.

The ESF operational programme "Wallonia-Brussels 2020.eu", in its Brussels section (Cocof and FWB in Brussels) has an ESF envelope of €152 million for the period, of which €6.88 million is for the YEI.

The programme is based on a four-part strategy based on an assessment of the weaknesses of the Walloon and Brussels economies (low entrepreneurial culture, low level of qualifications of the working population and social exclusion). The four strands of the ESF OP meet coherent objectives that complement ERDF operations and the Brussels political strategies. These four strands are: support for business starters, the development of lifelong training, social inclusion and the sustainable integration of young people into work. The OP strategy is based on the dynamic of innovative professional training and is targeted primarily at jobseekers, particularly those with low qualifications, and young people.

Annex 3: Reform programme of the Walloon Region

1 Introduction

A new **Regional Policy Declaration** was adopted in July 2017, following the change of government in Wallonia. This declaration is based on four principles, namely transparency, participation, responsibility and performance. The underlying theme for the Government is improvement in both governance and the efficiency of public actions. The priorities established for the end of the legislature are job creation, innovation, the competitiveness of the Walloon economy, in particular SMEs, and high quality qualifications.

Furthermore, in January 2018, the Walloon Government adopted a **Walloon Investment Plan**, which provides for investments of more than five billion euros in different areas by 2024. This Plan is part of the National Strategic Investment Pact. In addition to the selection of projects, several texts and procedures will be improved to accelerate investments.

The following chapters set out the main measures adopted or being developed as part of the implementation of Government priorities, in line with the Country Specific Recommendations (CSR) and the objectives of the Europe 2020 Strategy.

2 Response to the Country Specific Recommendations

2.1 *Recommendation no 1: Consolidation and sustainability of public finances, tax reform*

Budgetary consolidation

For its first financial year, the new Government wanted to **review the budget path** and rebalance the budget sooner than originally forecast.

In ESA terms, the nominal balance - excluding the impact of the revision of the autonomy factor - is set at -€217 million in 2018 (initial budget, instead of -€317 million under the previous majority) at -€180 million in 2019 and at 0 in 2020. This path is purely indicative at this stage and based on the forecasts for the macro-economic parameters known during the budget conclave. The formal path will be put forward when the stability programme is updated, with reference to the Cooperation Agreement of 13 December 2013.

The 2018 budget will include a prudential buffer mechanism of €31 million. The Government has also reduced the gap between the growth of income and expenditure. This discrepancy was -€17 million in the initial 2018 budget, its lowest level since 2014.

A new tax reform came into force in 2018 (see below); its aim is to reduce the tax burden on households and increase home ownership. The Government is expecting positive feedback effects on growth following the increase in household purchasing power. To meet the commitments of the Regional Policy Declaration, this reform will not be funded by new taxes, but rather by a series of structural measures in terms of both income and expenditure.

The main measures with a positive impact on income can be found in the following table:

Table 1: Principal new income in the initial 2018 budget

Measures	Structural or one-shot	Budget impact (€ millions)
Dividends from public businesses	Structural	30
Fight against road rage	Structural	12
Adaptation of the tax on surface water intakes for industrial activity	Structural	8
Sales of public assets	One-shot	5
Fight against fraud and optimisation of tax collection	Structural	45

The main expenditure-saving measures can be found in the following table:

Table 2: Principal expenditure-savings measures in the initial 2018 budget

Measures	Structural or one-shot	Budget impact (EUR millions)
Savings in SPW and PAU operating costs	Structural	-24.7
Non-indexing of PAU provisions	Structural	-18.7
Savings in governance and office costs	Structural	-2.5
Abolition of optional subsidies	Structural	-5
Reduction in allocation of funds from provinces	Structural	-7.5
Rationalisation of employment subsidy system	Structural	-20
Adjustment of skilled positions	Structural	-2
Active debt management	Structural	-25

There have also been savings not listed in the table above, e.g. the non-indexing of primary balance expenditure. Structural measures such as operating savings will be strengthened for future financial years. Furthermore, the public transport sector has not been affected by these savings measures due to future challenges relating to mobility and its growing importance.

In general terms, expenditure has been refocused by making the priorities governance, public efficiency and the prime importance of the Region's needs. The Government has also guaranteed resources for structural economic recovery policies, such as the Marshall Plan 4.0, European co-financing and the Infrastructures Plan (public transport, waterways, etc.). A new Investment Plan has also been developed for the coming years.

With regard to **debt**, the Government is creating a Walloon Agency to make the management of Walloon debt more dynamic and optimise the debt burden. Using the excess cash of several Walloon bodies will also help to address the Region's financing needs. As in 2017, Wallonia has decided to continue with the write-off of its historic FADELS debt (€160 million) in order to enjoy the market's current low interest rates.

Furthermore, the Government wants to rationalise its financial and economic tools to make them simpler and more effective. It also wants to give a greater role to the Monitoring Committee by increasing its prospecting input.

The public service will be energised through greater personnel mobility between the local authorities, the Region and the different public administration units (PAU), the creation of an in-service training unit and the revision and objectivisation of the civil servant assessment process. The number of public structures will be reduced and PAU mergers will be introduced to make economies of scale.

Table 3 lists the objectives set by Wallonia for 2017 and 2018, together with income, expenditure and ESA adjustments.

In view of the adjustment of the autonomy factor as set out by the Special Finances Act in 2018, a negative adjustment of -€458.6 million is planned as "other ESA adjustments". However, this one-off impact, which is purely the result of a transfer between Entity I and Entity II, is neutralised in the final ESA financing balance as presented here.

On the basis of an under-use of credits estimated at €265 million, the financing requirement, excluding PAU cash pooling, amounts to €834.5 million.

Table 3: Financing balance objectives for the Walloon Region in 2017 and 2018 (in € thousands)

	2017 initial	2017 adjusted	2018 initial
Revenues	12,272,191	12,570,701	12,556,879
<i>Net SLF revenues</i>	5,203,501	5,187,669	5,222,541
<i>of which tax expenditure deducted from the contribution</i>	-775,669	-782,881	-752,423
<i>'Sainte Emilie' revenues</i>	3,454,465	3,483,372	3,521,110
<i>Miscellaneous revenues</i>	247	280	319
TOTAL 6 th reform	8,658,213	8,671,321	8,743,970
<i>Resources from the regional level</i>	3,254,650	3,376,902	3,293,471
<i>Transfer from the Wallonia-Brussels Federation (WBF)</i>	359,328	362,478	359,438
<i>Lending products (FADELS operation)</i>	0	160,000	160,000
Expenditure	13,354,688	13,610,851	13,656,411
Gross balance to be financed	-1,082,497	-1,040,150	-1,099,532
Debt write-offs	18,681	16,998	18,837
Net balance to be financed	-1,063,816	-1,023,152	-1,080,695
ESA adjustments	746,587	705,934	405,083
Balance of the scope of consolidation	109,239	249,133	187,540
Underutilisation of credits	234,000	252,500	265,000
Granting of credit and shareholdings net amounts	340,907	148,907	335,557
SWAP	71,099	62,400	62,400
Other adjustments	-8,658	-7,006	-413,970
Buffer			-31,444
ESA balance of financing	-317,229	-317,218	-675,612
Outsourcing of asylum/radicalism/safety	17,251	17,251	
Impact of autonomy factor			458,612
ESA balance of financing (including impact of autonomy factor)	-299,978	-299,967	-217,000
ESA balance of financing (including impact of autonomy factor and excluding buffer)	-299,978	-299,967	-185,556
Government objective	-300,000	-300,000	-217,000

Tax

The **tax reform** was adopted by the Government at its 3rd reading on 1 December 2017 and entered into force on 1 January 2018. This reform provides for a series of measures:

- the abolition of the TV licence fee in 2018;
- the total exemption of the family home for the surviving legal spouse or cohabitant during succession;
- the introduction of a €20,000 reduction scheme on the tax base of the registration fees for the first property that will become the main residence of the person liable;
- the reduction of registration fees for property donations;
- the abolition of the 12.5 to 15% increase in registration fees from the 3rd property owned. The aim of this measure is to boost property investment;
- the improvement of tax collection and recovery to make them more efficient and reduce tax arrears as much as possible;
- the modification of the annuity mechanism to make it more viable and attractive;
- the tax rates on paramotors and drones is also adjusted so that they are taxed at the same rate as traditional airliners;
- modifications are made so that the administration can manage tax in a simpler, more pragmatic way, resulting in more efficient and effective collection that will increase the feeling of tax fairness.

Two important points have been brought into compliance with European requirements:

- an extension of the exemption from inheritance tax as mentioned in Article 54 of the Inheritance tax code to include transfer duty on death. This avoids discriminatory treatment between heirs of deceased residents and non-residents of the Kingdom.
- the modification of the Decree of 16 July 2015 introducing a **per-kilometre toll** for the use of roads by heavy goods vehicles brings it into line with a requirement of the European Commission, which reproached Belgium for allowing abnormally high fines compared to neighbouring countries as a result of its three regions.

The per-kilometre charge for vehicles over 3.5 tonnes in Belgium brought in €832 million between 1 April 2016 and June 2017, including €295 million for Wallonia. More than half of this revenue came from lorries registered overseas. Polish (15%), Dutch (11%) and German (10%) HGVs were the most numerous. Belgian lorries represent 19% of the vehicles fitted with OBUs (126,000) and pay less than half of the revenue collected, or 46%. The next biggest contributors are the Netherlands (10.9%), Poland (9%) and Romania (5.8%).

Wallonia decided to add 33 kilometres of toll roads in 2017 following an assessment of the network subject to the per-kilometre toll. A socio-economic monitoring study of the per-kilometre toll for lorries was carried out in Wallonia and found that some sectors, including low-value merchandise (sand, aggregate, milk) were more affected than others. Monitoring the data from the per-kilometre toll also showed a rapid increase in the number of lorries moving towards Euro 6 standard (currently 45% of km travelled).

Sustainability of public finances

The Government continued with a series of reforms to ensure the transfer and financing of different skills.

The **reform of the financing mechanism for hospital infrastructures** was definitively concluded with the adoption of the executory decision at its last reading on 20 July 2017. The aim of this decision is to clarify the resources available for optimal hospital management, promote the improved use of public money and maintain an environment conducive to high quality healthcare. As the amounts paid via federal funding have decreased year on year, Wallonia will use the new mechanism to increase funding for hospital infrastructures by gradually providing the resources required for investments in quality healthcare. The investment capacity will ultimately be €430 million a year. In view of the gradual 25% reduction in bed numbers, this amount will increase to €322.5 million once it reaches stability. A call for projects will soon be launched to prepare a new construction plan.

In addition, the first **Agence pour une Vie de Qualité (AViQ - Agency for Quality of Life) management contract** was approved in June 2017 for a five-year term. This contract sets out the tasks assigned to the AViQ and its main objectives, obligations and commitments. To ensure budget control, the Agency is monitored by a financial and budgetary monitoring council, which is consulted before new contracts are agreed, is involved in preparing the budget and regularly assesses the Agency's resources; it is also monitored by an independent audit committee.

Lastly, the Walloon Government approved a memorandum outlining the forthcoming **Wallonia autonomy insurance**, which is due to enter into force on 1 January 2019. Autonomy insurance will have two components: the financing of home help at any age and, for people aged over 65 who have lost their autonomy, the right to a fixed allowance regardless of their place of residence. The total budget is set at €416 million.

2.2 Recommendation no 2: Ensure that the most disadvantages groups, including those with a migrant background, have access to high quality education, skills training and the employment market.

The **reform of employment aids** has been in force since 1 July 2017, following the approval of the executory decision in June 2017. The reform is aimed at young people aged under 25, long-term job-seekers and employed and unemployed workers aged over 55. A 'working allowance' (degressive and deductible) is paid to employers for job-seekers in the target groups, namely young people aged under 25, the job-seeker who has been unemployed for over 12 months and people aged over 55. The reform also targets job-seekers and workers aged over 55, for whom there is a reduction in contributions. A reform of the financial incentives for supporting employment in the commercial sector (SESAM system) and of APE employment aids is currently underway.

The Inter-Ministerial 'Employment' Conference on 28 February reached an agreement in principle on granting **temporary 'non-mobilisable' job-seeker status** so that people suffering medical, mental, psychic and psychiatric problems can be treated differently.

In December 2017, the Walloon Government decided to strengthen the systems that form the **integration pathway** in order to improve **the integration of people of foreign origin**. This decision is reflected in a draft decree approved on first reading on March 22, 2018. The objectives are to improve efficiency and increase the number of beneficiaries from 2,500 to 3,500 people a year. The supplementary annual budget granted to the integration pathway, in a full year, is estimated at €7,950 million, which brings

the overall annual budget of the integration route to more than € 21 million, including the socio-professional integration of migrants.

Various improvements will be made to the system:

- increase in the number of hours' training in French and citizenship;
- revision of the list of planned exemptions, to increase the number of people covered by the obligation;
- improvement in the level of experience of the various trainers;
- consideration of unaccompanied foreign minors, in collaboration with the French Community and the Federal Government;
- greater collaboration between the municipalities and the Regional Integration Centres (RIC) to accelerate contact between newcomers and their local Regional Integration Centre. The national register will be accessible to the administration and the Centres will be informed sooner of any sanctions.

Moreover, a **collaboration agreement was concluded between FOREM and FEDASIL** to improve and increase the speed at which migrants become active on the employment market. FOREM and FEDASIL will run an information campaign in reception centres to make asylum-seekers aware of their services. FOREM will also organise information sessions about its services and about the employment market. FEDASIL will include the structured distribution of information on FOREM services in the support it offers asylum-seekers; first when they arrive at the centre, then when they meet the conditions for obtaining an employment visa, and lastly when they obtain a residence permit.

We should also stress the fact that FOREM is a partner in an **INTERREG V France-Wallonia-Flanders (AB Refugees)** project to support an integration pathway for refugees; it includes skills training, job coaching and employment.

To promote **diversity in businesses' human resources policies** and combat recruitment discrimination, a wide-ranging information campaign (website, social networks, flyers, conferences, etc.) was launched in 2017 as part of the "**Diversity in Wallonia**" project (co-financed by the ESF). The project is being implemented in close collaboration with the Regional Integration Centres.

As far as training is concerned, the **reform of dual training** has allowed the introduction of a joint dual training contract for dual training organised by Education (CEFA) and that organised by vocational training (IFAPME) and the adoption of common Walloon financial incentives (the latest incentive, aimed at operators, was adopted in June 2017). The Walloon Government has set itself the objective of developing sectors of excellence in dual training to increase its appeal and relevance. The roles of the recently created Office Francophone de la Formation en Alternance (OFFA - Francophone Dual Training Office) are to provide better management of dual training, greater promotion of this form of learning, which is a very efficient vehicle for integration, and improved management of internship places. The work of the Skills Education/Training/Employment centres aims to make training provision more suited to the skills requirements in a given territory, whilst also improving the consistency of this training provision.

In addition, with regards to CVET, the dispensations for job-seekers wanting to undertake dual training were relaxed in the ministerial circular of 24 July 2017.

The **Walloon "Accessibility" Plan** will support the adaptation of the services provided by FOREM and IFAPME to meet the needs of people with disabilities.

A budget of €10 million has been assigned to the **renovation of IFAPME training centres** under the Walloon Investment Plan.

2.3 Recommendation no 3: Boost investment in knowledge capital and increase competition in the network industries and services sectors

Innovation

Updating the **regional innovation strategy** is a key part of Marshall Plan 4.0. In this context, the guidelines adopted by the Walloon Government in its smart specialisation strategy (S3) have been implemented and broken down into the different RDI support tools. They involve ensuring that regional efforts target the driving forces of its development, in line with the regional clustering policy. The focus is primarily on marketing, technology transfer, non-technological innovation, the creative economy, the use of ICT, etc. S3 was designed as an evolving process, and its implementation will therefore be continued and improved. In particular, as Wallonia was selected as a **pilot region for industrial transition** by the European Commission in December 2017, it will receive specific support in 2018 to boost its industrial transformation based on its smart specialisation strategy.

In the context of the S3, the Government has continued to implement the **Competitive Cluster Policy**. Twenty projects were funded during calls 19 to 21 for a public budget of €40 million and total investment of €65 million. The structuring of training provision in response to business needs is ongoing. The MECATECH and BOWIN Clusters have joined with other regional stakeholders to launch the **MEDTECH Wallonia** initiative, which aims to support start-ups and businesses working in medical technologies. This initiative is part of more global cooperation with the other Belgian regions based around a Medtech Accelerator, whose activities will begin in early 2018. The four-month programme will involve the provision of experts to tackle the main challenges involved in developing entrepreneurship in the sector: development of a business model, IP, regulatory obligations, payments, etc.

Also within the context of the S3, a **new 'Win2Wal' programme** was launched in 2018. Its aim is to boost strategic research in universities, colleges and their associated research centres in one of the fields selected in the smart specialisation strategy, downstream of fundamental research and upstream of the projects identified by Walloon businesses. The 2018 call has a budget of €8 million.

The Government has also decided to introduce a **strengthened, integrated system for the commercialisation of university and high schools research in Wallonia**. An annual budget of approximately €5 million will be dedicated to this system. This concept will allow an exchange of information on research projects between the Universities, Colleges, Clusters and administrations. The objective is twofold: to increase the amount of knowledge and technology transferred and to decrease the time required for the transfer process. Within this system, an accompanying committee will aim to analyse the reasons for non-valorisation. A second body will serve both as an adviser to the Minister of Research on resolving intellectual property disputes and as a potential mediator in case of conflict over technology transfer issues.

In November 2017, the Government also decided to **extend the CXO measure**. This measure facilitates access to highly qualified personnel by supporting the appointment of a CXO (CEO, CFO, COO or other), business developer, entrepreneur in residence or other business management professional. The measure therefore helps spin-offs, spin-outs and innovative companies to obtain the resources they

need to boost their success. It can also be accessed by 'orphan' projects, i.e. research projects that have concluded or are currently concluding with usable results at industrial level, but for which no operating structure has been identified.

The Government has also continued to implement the **Wallonia Creative Programme**. The recent actions to develop new forms of innovation include the granting of a €4.4 million budget for a new call for 'creative hubs' projects (as part of the ERDF PO). These resources supplement the equipment required for Fab Labs (3D printer, laser cutting, etc.), generalise the design element in the development of future products and services and support the management of the hubs. These new projects will focus as far as possible on cultural and creative industries (CCI). Nine hubs are now operational in the territory and have been allocated a total budget of €50 million. Furthermore, the Government decided to continue the "Living Labs in Wallonia" process following the pilot phase launched in 2013 and the positive results obtained by the two pilot projects. The aim is to create a sustainable Business Plan to ensure the durability of the projects (two pilot projects and two up-and-coming projects).

With regard to the **digital transformation of Wallonia**, the implementation of the **Wallonia Digital Plan** has continued. As a reminder, this is an integrated strategy that covers the various relevant areas: connectivity of the region, digital economy and industry 4.0, administration 4.0 and digital skills. It has a total budget of €503 million, financed through ordinary regional budgets, the Marshall Plan 4.0 and ERDF.

Progress can be seen in several areas in 2017-2018, particularly **smart cities**. A 'Smart Region' Charter was adopted in September 2017. This is part of the general objective of the digital transformation of Walloon towns and municipalities, which will include open, multi-service mobile applications for citizens. It must also serve the interests of Walloon towns and municipalities by making it easier to identify market stakeholders that share its principles and values. The aim is to encourage market stakeholders to commit to voluntarily respecting a series of principles and values consistent with the development of the Smart Region for the benefit of Walloon citizens, as defined in the Digital Wallonia Strategy. In addition, in June 2017 the Walloon Government approved a portfolio of 30 Wal-e-cities for a total of €20 million (co-financed by the ERDF). Technological tools will be developed through the portfolio and are based on a data repatriation infrastructure, attested by urban furniture and public lighting. The infrastructure will use innovative (Light Sensory Networks, low-bandwidth networks) and existing (urban Wi-Fi, 4G, etc.) telecommunications networks to create a link between the internet of things and a community of users, whether they are citizens, businesses, public operators or solutions providers. The portfolio comprises a cross-cutting technological project and four thematic projects (Urban mobility, Energy and environment, Transparent data exchange market within urban governance and Urban environment and citizen well-being) that are directly linked to the needs of citizens. A final cross-cutting project, "Economic assessment and transfer to the Walloon industrial fabric" (ECO) completes the portfolio, ensuring that Walloon businesses benefit directly from this technological progress. This project consists of activities linked to needs analysis and technological development to adapt R&D and guarantee that technology is transferred to the economy.

New joint Walloon and French Community legislation on **Open Data** was adopted in July 2017. Its aim is to make public administrations' data available to everyone in digital format so it can be easily re-used by citizens, businesses or even administrations.

Connectivity has been identified as a major factor of attractiveness of the territory with two priority objectives: the development of very high bit rate (THD) and coverage of areas with little or no connection, the white areas. After the academic campuses and the hospitals, the deployment of the THD continues within the framework of the GigaRegion with a particular attention for the schools and, especially, for the zones of economic activities (ZAE). A project for the development of optic fiber in Walloon ZAEs is being studied within SOFICO (infrastructure manager) while one of the Walloon Investment

Plan (WIP) measures will support this plan, in facilitating the installation of fiber in ZAE exclusively located in white areas. Another action in favor of these, the continuation of the agreement Tax on Pylon (ToP) which consists in establishing a legal and fiscal framework stable and favorable to the deployment of mobile telephony networks. In return, the three mobile operators have committed to invest €60 million over three years, in addition to the investments originally planned for this period and with a particular focus on areas with little or no connection. The publication of the first concrete results and progress in this area should take place by mid 2018.

A number of initiatives are targeting the **development of start-ups**. The Walloon Government therefore wants, in the continuity of the Start-up Wallonia measure, to focus, specialize and align existing organizations and initiatives in charge of the digital ecosystem animation and the development of the digital sector. This is to improve the legibility of the digital landscape and Wallonia, but above all, to significantly increase the effectiveness of private and public actions and initiatives. Based on the good results obtained by the W.I.N.G. fund, €6.8 million of funding has been provided to guarantee more support. After two years of activity, 367 dossiers have been submitted and 67 favourable decisions have been made, 50 of which received funding, for a total of €6.92 million (€4.2 million of which has already been released for 41 start-ups). What's more, SOFINEX is launching a new €5 million fund exclusively reserved for helping ICT start-ups set up overseas; the first mission is targeting Silicon Valley. It should also be noted that an Interactive Digital Center (IDC) was created as part of a partnership between a private company and SRIW; it is dedicated to virtual and augmented reality and has capital of €9.7 million. It will be a training centre and a showroom and will develop industrial applications likely to lead to the creation of start-ups.

Work has also continued to ensure the **deployment of digital technologies within businesses**. This means that as part of the 'Made Different Wallonia' project launched in January 2017, +/- 350 businesses have been given information through activities organised by the partners; more than 120 businesses have been approached to carry out an in-depth analysis of their situation; more than 60 business have carried out or are carrying out a digital maturity assessment or an in-depth scan to identify the gap between their situation and their objectives. On March 20, 2018, an event for companies under the theme "Made different – Factories of the future" was organized and brought together more than 400 participants. It allowed to show new techniques of robotics, virtual reality, automation of chains to companies, but also to the universities that sent on the spot 150 students in professions related to Industry 4.0.

A NWOW-SME platform was launched in November 2017. It is aimed at SMEs wanting to embark on the NWOW adventure, enhance existing practices or develop new ones. The platform aims to support them in professionalising their management methods, give them advice and tools for reflection in implementing initiatives such as remote working, collaborative teams, shared workspaces and participative management. It should also be noted that following the call for projects in February 2017, the Government selected 13 rural co-working space projects in December 2017, for a total budget of €1.25 million. These projects will offer a perfectly equipped business space, a programme of training courses, conferences and workshops to develop users' skills and knowledge and assistance in creating links between a community of co-workers and with local partners. This initiative is in line with the positive results of the coworking action initiated since 2012 and aims to develop the networking of coworking spaces throughout the Walloon territory through the Coworking|Digital Wallonia network.

Lastly, with regard to the development of **skills**, the organisation of the DigitalWallonia #EdTechForum provided an update on current and future trends in the digital transformation of jobs; this will feed into deliberations on the changes that need to be made to the training provision. Vocational training operators in Wallonia have all developed a digital plan that includes the development of the new ICT training courses required by the employment market and the acquisition of educational materials.

Work targeting young people and education will also continue. As part of the investment plan for Digital Schools, 396 projects have been selected in schools with a total of 500 packs of material installed, for a budget of €5.7 million. The 2018 call for projects has just been closed and as of next year, 500 new packs will equip schools with computer and digital equipment. A call for projects is also planned for 2019, the aim being to equip new schools every year with modern, attractive equipment so that both teachers and their students are well equipped. New coding awareness initiatives have also been launched. On the one hand, operation #WallCode Digital Wallonia 2017 aims to inform teachers and students about IT sciences, algorithmic logic and programming languages by offering coding training to students and training in IT sciences for teachers. On the other hand, the Coder Dojo initiative launched in 2018 offers free programming workshops (practical courses), prepared and given free of charge by young boys and girls aged 7 to 18. The aim is to give children a fun taste for technologies, programming and algorithms at an early age.

Lastly, as part of the fight against the digital divide and the acquisition of basic digital skills by all citizens, Wallonia wanted to strengthen the network of Public Digital Spaces (EPN) by organizing, in particular, support for the digitalisation of banking services. In collaboration with the banking and financial sectors, the objective is to support the least connected and / or digital-using public in the transformation of banking services. It is also a response to the closure of bank branches that mainly affects rural areas and working-class neighborhoods.

Competition in the service sectors

With regard to **regulated professions**, the Decree that transposes Directive 2013/55/EU in Wallonia is the Decree of 12 July 2017 (published in the Belgian Official Journal in September 2017) modifying the law of 12 February 2008 introducing a new general framework for the recognition of professional qualifications for regulated professions. This Decree transposes the Directive and resolves dispute n° 2016/0164 regarding the competences of Wallonia.

Discussions have begun with the different professional sectors to see how they can best adapt to the European "professional qualifications" Directive and modernise access conditions whilst protecting consumers and promoting the profession and training. These deliberations are being carried out in two areas: a basic knowledge of management and specific professional qualifications.

Furthermore, the profession of travel agent has been completely unregulated in Wallonia since 1 January 2018 (the Decree repealing the Decree of 22 April 2010 defining the status of travel agencies was published in the Belgian Official Journal on 28 June 2017); there will be no further access to this profession.

With regard to the retail trade, the **assessment of the Decree on commercial establishments** has been completed. The assessment work was based primarily on the dossiers studied within the Administration, as well as on surveys of stakeholders (promoters, geomarketing businesses, legal advice, etc.). This assessment mainly concerns:

- the analysis of the practicability of the texts and the problems encountered by both the Administration and the parties involved in the reform;
- the impacts and challenges linked to the 2,500 m² threshold and a hypothesis of lowering it to 1,000 m² or raising it to 4,000 m².
- the human and material aspects of the decree.

Conclusions and recommendations were formulated on this basis, particularly regarding the modification of the texts. The final report is currently being analysed, with an in-depth study of the noted strengths and weaknesses, so that the decree can be improved.

Moreover, **the updating of the regional commercial development plan** (SRDC) is scheduled for late 2018. This will establish a global vision of what commerce should be like in Wallonia. General implementation measures and recommendations will be issued (general scale for all Wallonia's municipalities), based on the assessment and the conclusions of the development scenarios.

A detailed document will be created for all the municipalities in Wallonia and will include a map representation of the state of trade, a description of the main commercial elements present, a reminder of the assessment and concrete recommendations fully in line with the criteria for issuing commercial establishment licences and integrated permits. This direct representation in terms of issuing criteria, and thus in terms of the "Services" Directive, will provide direct justification of the acts and make it easier to understand for citizens, municipal and regional stakeholders and developers.

Network industries

The Walloon Government has launched an **in-depth reform of the governance of energy distribution network managers** (GRD). The draft decree was adopted in February 2018 at its 2nd reading. The reform has a number of objectives:

- to simplify the structure of GRDs to improve control;
- to ensure that control of network managers is taken over by public and local shareholders;
- to create greater independence for the GRDs in relation to market stakeholders working in the energy sector;
- to generalise good governance rules;
- to limit the salaries of the administrators and managers of GRD and their subsidiaries;
- to refocus the role and missions of the distribution network managers onto the core of the profession, whilst giving this profession a positive definition;
- to manage the GRD subsidiaries.

An initial **green certificate sunset** operation was carried out at the end of August 2017. In view of the timescale for avoiding an increase in the ELIA surcharge on 1 October 2017, there were few solutions available for avoiding this kind of sunset mechanism, which can probably not be repeated in future. Despite the measures taken, it cannot be denied that the park will continue to issue a total volume of green certificates that cannot be cancelled over the period 2018-2021. There will still be an excess of green certificates on the market in 2022. In October 2017, the Government decided to create a **green certificate taskforce** to prepare possible structural and sustainable solutions to this issue. Its role is to identify other possibilities than those presented by the regulator, by 30 April 2018, based around two main areas: getting out of the bubble that has been created in the market and revising the market structure for the future.

The European Commission recommends the use of smart meters to promote energy transition. As a result, in January 2018 the Government adopted a draft Decree to ensure the **roll-out of smart meters in Wallonia by the end of 2034**. Particular attention will be paid to several points, including controlled costs, accessible communication that can be understood by all users (focusing on the most vulnerable),

secure data and privacy protection, the quality of equipment and services and the provision of meter data without additional cost. This draft decree also sets out the minimum requirements for the creation of **charging points for electric vehicles**, as well as joint technical specifications for these charging points. A €400 million budget will be released for smart metering as part of the Walloon Investment Plan. The Plan also makes provision for a budget of €100 million for smart grids, and a budget of €100 million for the extension of gas transport and distribution networks to economic activity sites and industry.

In the area of **telecoms**, in October 2017 the Government adopted a Decree that partially transposes Directive 2014/61/EU on measures to reduce the cost of rolling out high-speed electronic communications networks. A budget of €50 million is planned under the Walloon Investment Plan to accelerate investments and thus eliminate telecommunications white areas.

In the **transport** sector, the Walloon Government recently approved the "FAST (Fluidity, Accessibility, Health/Safety and Modal Shift) Vision - Mobility 2030". The FAST Vision is based on the modal shift and aims to combine different methods of transport for each journey, depending on their degree of efficiency. This will involve promoting and facilitating the use of bicycles, buses and trains. The aim for cars is to increase occupancy rates. To achieve these objectives, the work will cover three areas, namely governance, investments and behavioural changes.

This vision will be part of a coherent global context so it can be implemented concretely and effectively; it is based around the Territorial Development Plan (SDT). A Walloon mobility code will gradually be developed to include the different aspects of the decree in the form of papers (general provisions, organisation of the TEC Group, taxi services, additional mobility solutions, municipal mobility plans, etc.). The vision will take the form of concrete actions described in the Regional Mobility Plan (SRM).

For the transport of goods, the aim is to increase the percentage of train transport from 4 to 7%. For the transport of people, the aim of increasing the figure from 9 to 15% runs alongside the mobility vision put forward by the Federal Government, which speculates an increase from 8 to 15%. This aim will be achieved by the gradual introduction of an integrated rail and bus public transport offer and the creation of regional express networks (RER). The aim for the bus and tram is an increase from 4 to 10%. This aim will be achieved primarily by matching the offer to the expectations of the citizens to a greater extent, particularly in terms of speed and reliability, and by greater Government support for operators in terms of infrastructures (including priority systems). The transformation of governance underway in this sector should also make it possible to gradually remove the internal obstacles limiting the ability to transform the offer. The directions for developing the offer will be listed in the SRM and entrusted to the operator via the public service contract. They will express the objective of doubling vehicle occupancy rates by 2030, resulting in a clear and simultaneous improvement in the environmental and economic performances of public transport.

3 Thematic objectives of the Europe 2020 Strategy

3.1 *Employment*

In addition to the reforms of the employment market described in chapter 2, several other employment measures should be mentioned, particularly those aiming to provide a greater match between supply and demand on the market.

On the one hand, FOREM has introduced a **one-stop shop for businesses** to refocus the Employment Public Service departments on meeting businesses' recruitment needs. The process for employers has been simplified and FOREM can now develop a personalised, sustainable relationship with each one. The first line is a gateway comprising 'business advisers', each of whom manages a sector-based portfolio of businesses. Each adviser knows the sector and occupation of their client businesses, so that they can closely analyse their needs and provide a full and appropriate response. This generalist adviser can call on second-line specialists for more specific services, such as the implementation of a training and integration plan and the search for an intern at the end of their training for jobs with a labour shortage. All the information on the client relationship is now held centrally in the unique employer dossier; this makes it possible to capitalise on all interactions between FOREM and the business. This momentum will be continued in future years through the development of pre-selection and proactive activities, a service offer with impact indicators and continued technological development to allow partners to automatically submit their employment offers for each flow, the introduction of an automatic online matching system, etc. This tool will soon become available to businesses, which will then have access to the profiles of the job-seekers they are looking for and be able to contact them directly to offer them a job.

An 'Inter-Das' (domains of strategic activity) committee has been set up as part of the **development of the Network of skills centres and training projects of the Competitive Clusters**. Its objectives are an optimal response to businesses' needs in terms of ongoing training for employees or unemployed workers, the pooling of expertise by the stakeholders involved in employment, training and businesses and the integration of the training projects of the Competitive Clusters into the professional training landscape in Wallonia.

The Walloon Government also wants to introduce a **training incentive for jobs with a labour shortage**.

In February 2018, Wallonia and Flanders concluded a collaboration agreement to support **inter-regional mobility for job-seekers**. This agreement covers several different aspects: a greater match between supply and demand, more language courses at FOREM and the organisation of awareness campaigns; a knowledge of Dutch will now also be considered a skill and not a requirement. The aim is the integration of 2,500 Walloon job-seekers into the Flemish job market every year.

Lastly, the implementation of the **Cigogne 3 Plan** to create new reception places for children continues, with the aim of facilitating work-life balance. Decisions on the creation of 102 places were taken in August 2017. The Walloon Investment Plan also has a budget of €48 million for phase 2bis - the construction of new creches.

3.2 *Research, Development and Innovation*

The main RDI reform projects were presented above as part of the response to recommendation n° 3. Certain more specific aspects are described earlier in this section.

On the one hand, the work to **increase R&D expenditure** is continuing. Walloon R&D budget credits increased from €324.5 million in 2015 to €340.3 million in 2016. It was also decided to increase the

budget for the collaborative BEL-SME programme by 66%, in order to develop joint R&D projects between SMEs from different Belgian regions. In addition, as part of the support provided for research in biotechnologies and life sciences, the Government approved a grant of €6 million to WELBIO for the financing of 14 projects in 2017.

The National Strategic Investment Plan will dedicate major investment to RDI, including the creation and improvement of technological platforms of excellence (€522 million), in line with the priorities of the smart specialisation strategy (materials and molecules of the future, ICT, space, life sciences, sustainable development and environment). These investments will be made jointly by the universities and research centres. There are also plans to create a centre of excellence for agronomic research (€40 million) and invest in digital infrastructures: digital simulation and intensive calculation (€20 million), collaborative infrastructure for the processing of data from the Copernicus network (€10 million) and e-health (€100 million). A budget of €35 million will also be dedicated to doubling the capacity of the Biopark in Gosselies.

On the other hand, two **new measures to encourage SMEs to participate in European research funding programmes** are currently being prepared. The first is support in the form of a premium for setting up European projects. In concrete terms, any SME that submits a project under the European Horizon 2020 programme may present a dossier to DG06 to receive a premium ranging from €3,500 for a partner SME to €10,000 for an SME coordinating a project; the premium will cover some of the costs involved (personnel, travel, legal advice, etc.).

The second measure involves creating a "*Seal of Excellence*" premium that will finance research projects that are submitted by SMEs under the SME Instrument of the Horizon 2020 programme and have received the European "*Seal of Excellence*" certificate, but are not financed by the European Commission.

3.3 **Education**

Four **joint further education structures** have been created in the field of further education. They will be aimed at the development of ongoing training and life-long learning for higher education and social promotion students, teachers and trainers, as well as employed workers, job-seekers and IFAPME learners.

3.4 **Social cohesion and social action**

In the area of social cohesion, the Government is continuing an integrated policy to combat vulnerable situations, facilitate access to housing, facilitate socio-professional integration and provide concrete solutions for people who have lost their autonomy.

Poverty reduction

In early March 2018, the Walloon Government approved the 3rd implementation report of the **Walloon poverty reduction plan** and announced new actions. An assessment will be carried out and the new focus will be on employment and training policies and the automation of access to rights. New measures were also announced in different areas (housing, food, health, water, energy, etc.) involved in combating the risk of poverty (whilst taking account of the risk indicator of material deprivation). In the areas of employment and training, the focus will be on the validation of skills, adult qualification schemes, the reform of Articles 60 and 61 of the organic public centre for social welfare law and the revision of the thresholds for access to FOREM training.

The reform of the **Social Cohesion Plan** (SCP) is also underway. The Walloon Government will revise the decrees on the 2017 SCP to refocus on the objective of "social cohesion", which was a key goal of the 2008 decrees; the aim is both to promote access to fundamental rights at individual level and to improve social links and solidarity at collective level. The participative assessment of the 2014-2019 SCP has been launched in the 181 municipalities in question and will be the subject of a global report to the Walloon Parliament by June 2019. €23 million will be dedicated to the SCP for the 2020-2025 programme; this amount will be supplemented by resources from the employment, social action and municipal co-financing budget.

The reform of the **family services** system continues. On 8 February 2018 the decree on the management and payment of family benefits was adopted. By this decree, Wallonia takes again the competence of the family benefits following the 6th State reform and the agreement known as "Sainte-Emilie". It comprises several components : the definition of the Walloon payment system for family benefits with the approval of private operators and the creation of the Walloon Family Allowance Fund (Famiwal) as well as the definition of the future Walloon model of family benefits.

On March 22, 2018, the Walloon Government decided to resume the jurisdiction of family benefits on January 1, 2019. This competence, for the regulatory part will be provided by the Walloon Agency for Quality Life (AViQ). This implies that, from this date, family benefits will no longer be linked to socio-professional status. The new families will be able to choose their own fund and, from 2021, this possibility will exist for all families. In order to avoid the non-use of rights linked to the need to join a fund, the public fund was tasked with detecting and paying family benefits for unaffiliated beneficiary children.

The future model of family allowances will enter into force on January 1, 2020. In concrete terms, for every child born after 1 January 2020, the family will receive a basic allowance of €155 until the child reaches 18 and €165 from 18 to 24. The new system will be simpler and clearer than the current system and provides for supplements to support more vulnerable families, children with an illness and orphans.

The new model provides for supplements for children from families in situations that place them at greater risk of poverty and material deprivation. From 1 January 2020, social supplements will be granted in accordance with household income and will vary depending on the family's situation. Two income ceilings have been defined to combat unemployment traps and avoid the threshold effects. These supplements will be modulated for single-parent families, large families and those with at least three children.

The changes will affect only children born after 1 January 2020, after Wallonia has taken back full control of the management. For children born before 1 January 2020, the current model will remain in force and be phased out gradually by 2044.

As part of the fight against vulnerable situations, the Walloon Government has approved the implementing decree to continue the work of **social groceries and social restaurants**. The first funding were allowed at the 1st quarter of 2018. As well as offering meals and food at a reduced price, social groceries and restaurants are currently also a gateway for providing support for vulnerable people. Their operators are given annual structural financing of €935,000.

Combating the loss of autonomy

In May 2017, the Walloon Government approved the "Papy Boom Plan", a reform of the **retirement home and retirement and care home sector**. This Plan will receive almost €200 million by 2020 to create 677 additional places and offer more accessible and better controlled prices. Regulatory modifications (standards, innovative projects, partnerships, fair land distribution, etc.) and a new infrastructure funding system (from 1 January 2019) are also planned, to promote creative projects and give a boost to the sector.

We should also recall, as mentioned above, the creation of a **Walloon autonomy insurance**, which is due to enter into force on 1 January 2019.

Moreover, in early December 2017, the Government allocated a budget of €50 million **to improve the living conditions of people with disabilities**. This budget will help 40 reception and accommodation centres for people with disabilities to renovate and transform their infrastructures. Furthermore, a budget of €5 million has been released for a call for projects to create new places for people with multiple disabilities and those with brain damage. €3 million were also released to increase the capacity to take on priority cases (people with a complex disability in emergency situations). Lastly, 74 additional places will be created for a total budget of €5 million following a call for projects at the end of 2016 to improve the infrastructure for welcoming and housing people with a dual diagnosis or those on the autistic spectrum; 12 of these places will be in emergency accommodation and 39 in respite housing.

A **Walloon "Accessibility" Plan** has also been adopted. This Plan comprises 28 coordinated measures in addition to the existing actions and their aim is to improve and promote the accessibility of buildings, transport and services.

Facilitating access to housing

In December 2017, the Government approved the **reform of the residential lease contract** in its 4th reading. Its aim is to guarantee the stability, legal safety and clarity of the rights and obligations of tenants and landlords and thus create a climate of trust. Minimum rules are included in a basic standard contract, particularly rules regarding the rights and obligations of the landlord and lessee, hygiene, safety and habitability standards, the term and end of the lease and the inventory of fixtures on arrival. Common law is extended to movable property, such as containers, yurts, cabins and caravans. Improvements have been made to specific provisions regarding the main residence of tenants, particularly the harmonisation of notice periods, with the possibility of the early termination of short-term leases and conditions for the possibility of indexing the lease to its registration. Two specific systems have been created for house-sharing leases and student leases to make them clearer and better suited to the needs of both tenants and owners. Lastly, the Government is authorised to adopt an indicative rent table.

In addition, in June 2017, the Walloon Government adopted modifications to the **conditions for granting loans for the acquisition and renovation of housing, including energy renovations**. This will simplify the rules to take greater account of the nature of the projects and encourage more renovation work. In particular, the ban on accumulating 'packs' within five years has been abolished, allowing households to stagger their renovation project over time and be able to ask for new credit if they need to carry out unplanned work when they have recently received an Ecopack/Rénopack. Also, the scope of the eligible work has been extended to propane gas boilers, photovoltaic panels, non-airtight external woodwork on the house, external wood accessories and all work to remedy one or more causes of insalubrity.

In June 2017, the Walloon Government adopted in its 1st reading the draft Decree organising **the welcoming of Travellers** to Wallonia. The reform will ensure that Travellers receive a warm, concerted welcome organised by the Walloon provinces in collaboration with the municipalities. In total, in the future each province will have to provide at least one equipped area and three temporary areas, with the latter providing access to water, electricity and toilets as a minimum, and organise waste collection. This obligation will take effect at the end of 2020, with the equipped area available by the end of 2021 at the latest. Subsidies (90% cover rate) will be granted to the local public authorities for the acquisition, development, accessibility and extension of land.

Lastly, to ensure that all stakeholders are kept informed, the Traveller and Romany Mediation Centre in Wallonia will be responsible for continuing and extending its integration, mediation and communication work and making proposals to the political authorities. It will be granted an annual subsidy of €132,000 to carry out this work.

3.5 *Energy-Climate*

The Burden Sharing cooperation agreement was signed by the Belgian authorities on 22 November 2017. The agreement formalises the allocation of the Belgian 'Climate and Energy' objectives for the period 2013-2020. The signature of this agreement will allow the Regions to receive income from the sale of ETS quotas, which will make it possible to support the additional policies and measures for combating climate change.

Work to prepare the **Air, Climate and Energy 2030 Plan** will also continue. A 2nd consultation phase took place from 19 February to 19 March 2018, following an initial consultation phase in 2017. The main themes covered during these consultations are linked to the non-ETS objective and primarily concern renewable energy, energy efficiency, industry (non-ETS), including HFCs), transport, mobility and agriculture. The aim is to produce an initial version of the Air, Climate and Energy 2030 Plan in July 2018. This will then be submitted to a public enquiry and will subsequently feed into the national Plan, which is also being prepared.

In the area of **transport**, the Walloon Government recently approved the "**FAST (Fluidity, Accessibility, Health/Safety and Modal Shift) Vision - Mobility 2030**". Its aim is to find an integrated and consistent way of containing mobility-related problems, such as pollution, accessibility issues, traffic jams and accidents. This vision provides the resources for managing the major disruptions that will be caused by technological and regulatory developments in mobility, for both people and goods. It will also help to achieve the European objectives for reducing greenhouse gases and the objectives of the 2014 Climate Decree, which targets a global reduction of 30% by 2020 and 80 to 95% by 2050.

Subsequent investments are planned to support this vision as part of the Walloon Investment Plan: €600 million for mobility (car-sharing, cycle & pedestrian infrastructures, public transport and intelligent transport system) and €530 million for multi-modality. The Strategic ITS Plan was presented in early March 2018 and has a budget of €166 million.

In early December 2017, the Walloon Government also adopted the **draft Decree on combating atmospheric pollution caused by combustion vehicles**. The text anticipates the possibility for municipalities to introduce low-emission zones. The proposals made by the municipalities will be subject to the conditions set out by the Government, which will also approve their introduction. The Government may also designate the entire territory of Wallonia as a single low emission zone in the event of a pollution peak. The text sets the schedule and the list of vehicles covered by the right to access these zones. Visual checks will be carried out, through a sticker on the windscreen authorising the vehicle to travel inside these zones.

The draft Decree also stipulates **the conditions for the progressive ban on private diesel vehicles in their current technological design**. After 1 January 2030, in accordance with the proposed schedule, only diesel vehicles that meet at least the new approval procedure for pollutant emissions will be allowed on the roads. Furthermore, once the Decree comes into force, there will be a ban on keeping the engine idling when the vehicle has stopped, regardless of the type of vehicle.

With regard to **renewable energies**, the 2016 assessment indicates that the proportion of renewable energy in Wallonia out of total gross consumption was 11.9%. Following the SOFICO call for projects in July 2016 for the installation and operation of **large wind turbines** in parking areas in its road network, concessions were awarded to 16 new wind turbines in nine Walloon motorway service stations. In total, the average annual generation potential of these 16 wind turbines will be approximately 121,600 MWh/year, equivalent to the consumption of almost 35,000 households.

With regard to **biomass**, the Walloon Government has decided not to continue the May 2016 call for projects procedure for the installation of a centralised unit of over 20 MW fuelled by biomass. There are several factors behind this decision: the lack of guarantee of the long-term availability of biomass, the lack of cogeneration, a serious doubt regarding carbon neutrality and a tight budget situation. Instead, among other options, the Government will create smaller biomass structures that include a cogeneration aspect, with local supply and the creation of local jobs.

Furthermore, a flexibility mechanism for green certificate budgets was implemented in 2017 following the significant growth of the **photovoltaic sector** (installations of over 10kW). This mechanism made it possible to use the entire budget to develop projects, giving rapidly growing sectors the support originally set aside for other sectors that did not use it. In December 2017, the Walloon Government also decided to stop Quali watt premiums and instead provide support for photovoltaic energy from 30 June 2018, with guarantees that the measure will not be retroactive. This scheduled final abolition (which avoids complex transitional systems) also provides both the sector and individuals with a reasonable phasing-out period. This decision is based on the observation that the current rate of return is well over the initial target.

Finally, the Walloon Investment Plan provides for investment of €50 million for the development of a **Walloon sector for the chemical storage of renewable electricity** (Power-to-gas).

With regard to **energy efficiency**, Wallonia's long-term strategy for the **energy renovation of buildings** was prepared and adopted by the Walloon Government in April 2017. The strategy sets the long-term (2050) renovation goals and contains guidelines and tools for the development of profitable renovation processes.

As described in the previous section, **the conditions for granting loans for the acquisition and renovation, including energy renovation, of housing** have been modified and simplified to encourage more renovation work.

The Walloon Investment Plan provides for the implementation of a **public infrastructures Masterplan** whose aims are to reduce the energy consumption of public buildings, encourage soft mobility and create decentralised co-working spaces. €755 million will also be dedicated to the construction and **renovation of public housing** and mixed housing and to helping citizens with energy efficiency; €40 million will be dedicated to an exceptional UREBA programme to improve the energy performance of public and non-commercial services buildings (schools, hospitals, sports halls, etc.).

The Walloon Investment Plan also includes a budget of €135 million to **support the energy transition of businesses** (reducing their energy dependency and CO₂ emissions).

Lastly, in September 2017 the Government approved the draft decree allowing towns and municipalities to **renovate all municipal public lighting** and begin using LED technology, without increasing consumers' final bills. This mechanism has several aims: the reduction of municipal energy bills, the reduction of municipalities' carbon footprint by more than 50%, the anticipation of the gradual disappearance of bulbs such as low-pressure sodium bulbs and the response to European rules on energy efficiency (the planned change to the Eco-Design Directive will impose an increase in light energy efficiency by 2025).

To ensure that this modification has no impact on consumer invoices, the distribution network manager will be responsible for the equivalent of 65% of the investment and pay themselves from the maintenance savings. The investment balance will be the responsibility of the municipalities, which will also make major energy savings of around 80% and therefore considerable financial savings of approximately 65 to 70% on their energy bills, directly after replacing the bulbs. For the municipalities, the return on investment as a result of energy savings will come in three to five years, depending on the composition of the public lighting (type and strength) in the municipality in question.

4 Additional reform measures

The Walloon Government plans to use the Marshall Plan 4.0 to roll out an integrated regional development strategy by activating different levers of competitiveness. This will involve in particular developing a favourable environment and measures to support investment and the development of economic activity. Some of the reforms and measures adopted in this regard have already been described in the preceding sections. Earlier in this section, we described the measures to create businesses and their growth, particularly those aimed at SMEs. These priorities also include the growth of the circular economy and industry's efficient use of resources, which are already part of the regional smart specialisation strategy.

4.1 *Industrial policy and support for SMEs*

The **Competitive Clusters** Policy remains at the heart of the Region's economic reconversion and is the backbone of the regional smart specialisation strategy. As already mentioned in previous sections, its implementation is ongoing, and it also provides new directions relating to internationalisation and participation in European training, innovation, digitisation and inter-centre collaboration programmes. The investments in RDI provided for in the Walloon Investment Plan will also help to intensify smart specialisation in the fields covered by the Clusters, in collaboration with the universities and research centres. At European level, Wallonia is involved in the pilot projects of the Vanguard Initiative as well as in several inter-regional collaboration partnerships selected by the European Commission. The MECATECH Cluster is a member of a consortium selected in the context of inter-cluster collaboration supported by Horizon 2020 (INNOSUP 1) and several Walloon Clusters are involved in internationalisation projects supported by the COSME programme. Wallobia, via the National Contact Point Wallonia, offers support to companies, universities, research centers, etc. in order to obtain European funding for research and innovation projects.

What's more, in October 2017 the Government approved a guidance note on the **reform of financial tools and support for businesses**. The aim is to simplify the landscape, create synergies between tools and make them more efficient. This will involve the coordinated management of Wallonia's work to promote investment, create businesses and finance initiatives by businesses, SMEs and the self-employed. There are proposals to group the activities into two areas. The first will be dedicated to investment and financing for businesses and to economic promotion; the second will be dedicated to turnaround businesses and those undergoing restructuring, including site clean-up and a 'health theme' will be integrated.

With regard to financial tools for SMEs, the Government has decided to extend the **'helping hand' loan** (Prêt 'Coup de pouce') by two years, until the end of December 2019 (it was launched as a pilot in October 2016). This system aims to boost individual loans to young businesses (maximum five years of activity). In addition to the interest on their loans, individuals will receive a tax credit of a maximum of 4% a year of the amount in question for the first four years and 2.5% for the next four years. The ceiling for the amounts paid is €50,000. Start-ups may borrow up to €100,000 from different lenders. 105 dossiers were submitted to Sowalfin between its launch in October 2016 and 30 June 2017. The amounts raised by businesses amounted to €2.148 million. In terms of the financial impact for the Region, these operations represented a tax credit of €452,000. It is estimated that 225 dossiers a year will be submitted in 2018 and 2019, for loans of an average of €20,000 and with a repayment term of six years. This should allow businesses to raise €9 million from individuals. The extension should represent a tax credit of €1.89 million over two years.

With regard to **industrial development**, the Government has continued its work to renovate the Charleroi basin following the closure of Caterpillar. In July 2017, it approved the creation of a Delivery Unit

to implement the CATCH Plan. This Unit will have a lifespan of three years and an annual budget of €1 million. Moreover, the European Commission has validated a rescue and restructuring aid system developed by SOGEPA. It has a budget of €20 million and will provide support to SMEs experiencing financial problems. It will remain in force until 2020. In the process following, the cooperation agreement with the Federal Government, concluded in line with the law of 15 May 2014, the Royal Decree introducing the free zone scheme in Wallonia (tax incentive to engage workers concomitant to an investment in an area affected by a collective dismissal) entered into force on the 1st of November 2017 and will be valid for six years.

The schemes available to SMEs experiencing difficulties have also been strengthened. On the one hand, the SOGEPA accelerated **Fast Track** procedure launched in 2016 that provides assistance to SMEs experiencing difficulties has been made more effective. The maximum intervention amount has increased from €350,000 to €500,000 and it is now possible for SMEs to receive several interventions, provided that they take place within three years at most from the date of the first intervention and total a maximum of €500,000. On the other hand, the AEI has provided SMEs with a new tool, the **Early warning scan**, to make them aware of the first warning signs of a difficult financial situation and help them to detect elements that could endanger the continuity of their economic activity.

The **sustainable industrial policy** contains several new initiatives. Firstly, the Walloon Investment Plan will provide €75 million for **the emergence of industrial circular economy projects**, such as the plastics sorting and recycling sector). Investment of €60 million has been granted to renovate and extend the network of recyparks. Secondly, new measures to support SMEs have been launched as part of the ERDF programme. The **EASYGREEN measure** launched in November 2017 aims to support Walloon VSBs and SMEs wanting to reduce their energy consumption or developing innovative projects with a direct impact on CO₂ emissions (eco-innovation). The financing consists of a loan that may take different forms depending on the requirements (subordinated, unsecured or guaranteed) or capital shareholding. This is supplemented by the provision of expertise or project support. A **circular economy cheque** system was adopted in July 2017 and has a budget of €3.260 million. This new cheque will allow businesses to use the services of specialised experts for assistance with eco-design and the development of sustainable products and services, as well as the optimisation and improvement of industrial procedures and organisational processes. The experts may also support entrepreneurs in considering the development of their business model with a view to functionality. The maximum amount of public intervention for the eco-circular cheque is €15,000 a year.

Finally, the Agency for Enterprise and Innovation (AEI) has been given the role of launching a call for projects to support the development of **short circuits and distribution chains**; the aim is to support concrete economic development actions that will allow the creation of short, complete and structured distribution chains to meet consumer demand. Seven projects have been selected for a budget of €1 million.

4.2 **Investment**

On 17 January 2018, the Walloon Government presented a **Walloon Investment Plan (WIP)** for the period 2019-2024 covering investment of around €5 billion. The priority sectors targeted are mobility, energy, research and digital technologies. It will also support investments in social action and housing, training and the environment. This Plan is part of the National Strategic Investment Pact. In addition to the selection of projects, several texts and procedures will be improved to accelerate investments. The local authorities have also signed up to this objective, with the reform of the decree on the 'Regional Fund for Municipal Investments', which will allow them to release the municipalities' investment markers and increase the fund's budget envelope. The Government has created two committees to provide technical and financial support and monitoring: a support committee to offer strategic analysis, assessment and consultation, support for the implementation of the projects in the WIP, and a technical and

financial committee whose role is to analyse the different possible financing methods (optimisation), measure the impact of the different investments and ensure compliance with the budgetary path (monitoring).

Various investment projects are continuing alongside this Plan, particularly in the areas of mobility and the environment. As a result, a plan to maintain the surfaces of the major **road network** in Wallonia in 2017 and 2018 was approved in May 2017. This plan represents a total envelope of €150 million that will allow the removal and replacing of the surface of more than 370 kilometres of road throughout Wallonia, designated according to objective damage criteria. The plan aims to supplement a previous 2016-2017 resurfacing plan worth €50 million and the 2016-2019 Infrastructure Plan, which provides a budget of €640 million for in-depth renovations, new roads and the securing of the Walloon road network. The **Liège Tram** project will receive EFSI intervention through a €210 million loan.

Furthermore, in September 2017 the Walloon Government approved the **Programme of clean-up work of the Public Water Management Company (SPGE)** for the period 2017-2021. This programme includes total investment of €400 million to cover a range of priorities: improving the quality of the waterways, protecting catchment areas, protecting bathing water and optimising the use of existing structures.

A total of 276 projects will be carried out throughout Wallonia starting this year, including the creation of 90 new purification stations. €229.5 million will be dedicated to the purification stations, €144.5 million to tanks and other structures and €31 million to reclamation drainage and renovation works. €27 million will be directly devoted to protecting catchment basins for distribution water in Wallonia. In concrete terms, the waste water from 11 villages in catchment prevention zones near and far will be processed, thereby improving the water quality.

Since 2000, the SPGE has invested almost €4 billion in the purification of waste water, allowing Wallonia to increase its waste water purification rate from under 40% to its current 91%. The compliance of the agglomerations targeted by Directive 91/271, currently being finalised, the current management plan (2017-2022) and the present works programme for purification focus on the actions to be carried out to respect Wallonia's commitments as set out in the second management plans for each hydrographic district of the Water Framework Directive (2000/60/EC).

4.3 Structural and Investment Funds

The 2014-2020 programme of the Structural and Investment Fund has moved into its cruising phase. The selected thematic priorities are closely linked to the objectives of the Europe 2020 Strategy and supplement the regional strategy developed in this context, particularly in terms of the recommendations issued by the Council. The particular support of the Fund has been highlighted throughout the previous sections.

As regards the Walloon ERDF OP, this involves supporting the competitiveness of the economy, particularly SMEs, R&D and innovation, digitisation, the development of renewable energies and the efficient use of resources, as well as the development of training infrastructures. Decisions have been made on almost 80% of the budgets.

Wallonia is also involved, with border regions in Belgium, France, Germany and The Netherlands, in the implementation of INTERREG V programmes « France-Wallonia-Flanders », « Greater Region », « Euregio Meuse-Rhin » and « North-West Europe », cofinanced by ERDF, of which the majority of budgets are engaged for supporting projects aiming at enhancing cross-border cohesion of regional economies.

In terms of the roll-out of the regional smart specialisation strategy (S3), particular focus has been placed on investment, the dissemination of technologies and the commercialisation of innovation, particularly through measures to support SMEs (including financial instruments), pilot projects and demonstrators. It will also involve supporting the deployment of smart cities projects and will therefore provide an appropriate framework for the response to recommendation n°3. What's more, the European Commission has chosen Wallonia as a pilot region for industrial transition, and in 2018 the region will receive support to develop its S3 in line with the challenges of industrial transformation.

The priorities developed as part of the ESF are in line with the response to recommendation n°2. They concern high added value lifelong training and integration into the employment market, particularly for the young NEETS (through the Young Employment Initiative) and the most vulnerable, coaching to and in employment, entrepreneurship, social inclusion and the fight against discrimination and the fight against school drop-out. The projects are in line with the reforms set out above in the area of integration into the employment market and the matching of qualifications. Decisions have been made on more than 90% of the funds.

In the context of ESF, the operational Programme AMIF (Asylum, Migration, Insertion, Training) is also contributing to strengthen the efficient management of migration and the implementation and development of the common asylum and migration policy. In 2017, 18 projects were approved for Wallonia.

The European Globalisation Adjustment Fund (EGF) contributes to smart, inclusive and sustainable economic growth when major changes in the structure of world trade lead to serious economic disruption and consequent job losses. An application for assistance from the European Globalization Adjustment Fund (EGF) was introduced by Belgium, on behalf of Wallonia, on 18 December 2017 to support the conversion of workers dismissed by Caterpillar Gosselies and subcontractors of the company since the announcement of the closure of the site on September 2, 2016.

In addition, the Walloon Government has decided to allocate €4 million in 2017 and 2018 to measures to support the conversion of dismissed Caterpillar workers and its subcontractors and to support the economic redeployment of the site. In line with the EGF co-financing principle, European intervention complements this regional initiative.

Finally, with regard to the Walloon rural development programme 2014-2020 (PWDR), financed by EAFRD, decisions have been made on 61% of the funds. The PWDR also finances a wide range of measures to help farmers and all the parties involved in agriculture. These measures involve setting up young farmers, professional training in agriculture and forestry, organic agriculture, nature conservation, investment in rural areas and tourism.

Annex 4: Reform programme of the French Community

Introduction

The strategic orientations of the Government of the French community for the period 2014-2019 are set out in detail in the Community Policy Statement (CPS).

The priorities for compulsory education for this period focus on the adoption on a Pact for Excellence in Education featuring the following measures:

- Strengthen the basic literacy skills and ensure a higher level of knowledge for all pupils particularly by bolstering the investment in pre-school education and the establishment of a multidisciplinary and polytechnic “core curriculum” for all students up to the age of 15;
- Improve governance (in particular through the management and monitoring of schools) and the supervision of the education community;
- Turn the qualifying path into a chain of excellence rewarding for each student which ensures successful integration into society and the world of work while strengthening its governance and simplifying its organization;
- Improve the role of education as a source of social emancipation whilst focusing on excellence for all, promote diversity and an inclusive school in the entire education system, and develop strategies to fight against school failure, dropping out, and repetition;
- Ensure that each child has a place in a quality school, and improve the way school is organized to make it more accessible, more open to its environment and better adapted to children’s conditions of well-being;
- Organize a cultural and artistic education programme geared to the development of the core curriculum in compulsory education.

An investment policy in school buildings is also put in place to increase the number of places.

For other sectors, it is a matter in particular of:

- Strengthening the orientation and assessment tools to reduce failure in higher education and increase the number of graduates;
- Invest in basic research.

These different priorities will moreover be supported through the programmes for 2014-2020 of the Structural and Investment Funds approved by the European Commission in December 2014.

As provided under the regulatory framework of the Cohesion Policy, the Structural and Investment Funds for the period 2014-2020 will make it possible to give priority support to policies charted to respond to the specific recommendations per country, and will contribute to the objectives of Strategy Europe 2020.

1 Response to the specific recommendations per country

Recommendation 2: Ensure that the most disadvantaged groups, including people from a migrant background, have fair access to quality education, quality vocational training, and the employment market

Several measures have been taken since April 2017:

- The decree of 6 July 2017 amended the decree of 30 April 2009 organizing a differentiated approach in schools of the French Community to ensure that every student has equal chances of social emancipation in a quality educational environment, and the decree of 19 February 2009 organizing the differential reinforcement of the technical staff of psychological, medical and social centres.

A principle of fairness in 2009 motivated the differentiated allocation of resources to schools in accordance with the proportion of students stemming from modest neighbourhoods which they host and the charting of an educational project adapted to their school context. This decree of 6 July 2017 provides a new calculation method. Henceforth, the level per inhabitant, the level of degrees or the level of unemployment in particular will be taken into account. The schools will moreover be ranked every year. This system makes it possible to strike a balance between needs for educational and budgetary stability in schools and the need to stick as close as possible to the socio-demographic development of the sites, so as to be able to take action as close to the students as possible.

- In January 2015, the Government of the French Community initiated the works of the “Pact for Excellence in Education” with the entire education community, as well as other stakeholders in the cultural or economic sphere, for instance. On the basis of a precise diagnosis of education in the French Community, a coherent set of measures, aims and initiatives aimed at reinforcing the quality (effectiveness, fairness and efficiency) of the school system was developed and subjected to an impact analysis. These measures and initiatives were subsequently prioritized and phased (including their budget aspects). The multiyear budget framework which can be used to implement the Pact for Excellence in Education provides for a total budgetary impact of €36.99 million in 2017 and €82.62 million in 2018.

The first measures of the Pact will enter into force in academic year 2017-2018. They concern in particular the allocation of new resources for pre-school and administrative reinforcements for the administrations of basic and specialized education. Works are continued for the implementation of other measures according to the agreed schedule. These other measures include in particular the introduction of a multidisciplinary and polytechnic “core curriculum” (7 major areas of learning) expanded for all students aged 3 to 15. The aim is to strengthen the basic literacy skills and ensure a higher level of knowledge for all children.

The implementation of the Pact for Excellence in Education is accompanied by a reform of initial teacher training. The reform of the training for primary and lower secondary schoolteachers provides for a supplementary year which will help to strengthen the skills of future teachers in accordance with the level of education for which they are intended (pre-school, primary or lower secondary school) as well as disciplines they are going to teach. This reform is expected to enter into force in September 2019.

- On 31 May 2017, there was a budget of nearly €100 million more in 2017 and 2018 to bolster the funding in compulsory, higher and social advancement education.
- On the basis of meetings with the social partners and the claims asserted, on the proposal of the Minister President and the Ministers for Education, Higher Education and Social Advancement education, the Government of the French Community adopted a draft protocol of sectoral agreements for compulsory, higher and social advancement education. The measures in compulsory

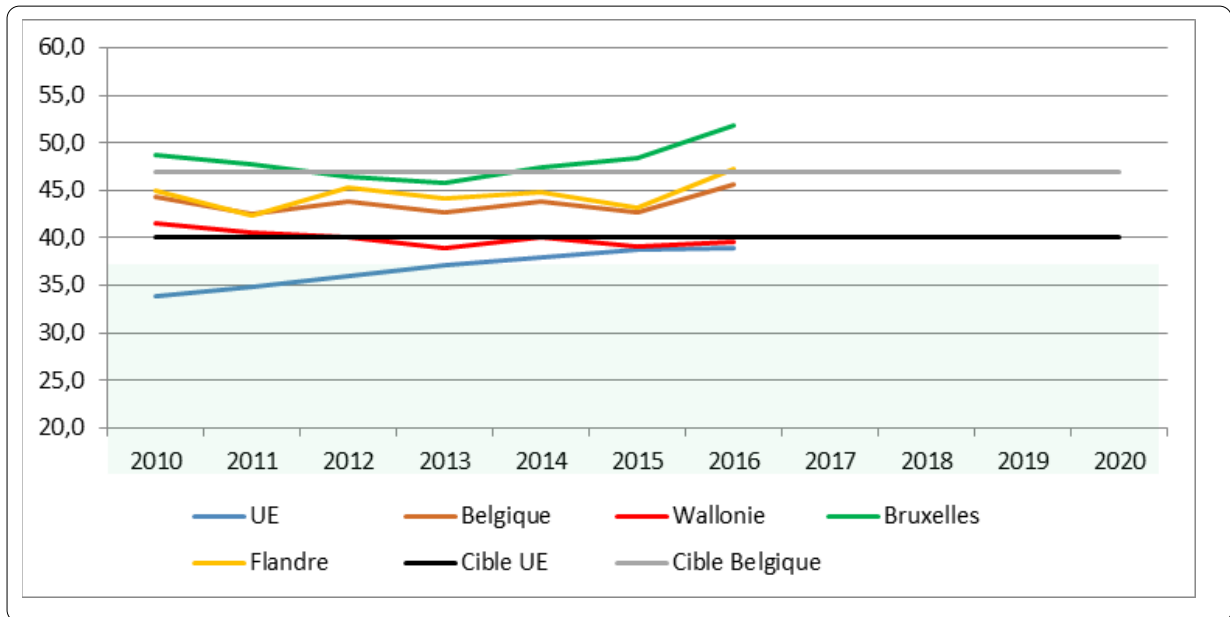
education include investments in school buildings, the recruitment of additional staff in pre-school education, administrative staff in basic teaching, and educational consultants. The measures in social advancement education include providing funds to the tune of €1.1 million in 2017 and €2.8 million in 2018, the creation of employment in social advancement institutions for a total of ca. 50 full time equivalent positions in 163 schools in Wallonia and Brussels to:

- Assume specific missions to help students succeed;
- Provide guidance and support for persons with a disability (who wish to make reasonable requests in the training organization).
- On 25 October 2017, on a proposal of the Minister for Education, the government of the French Community approved the Benchmarking Charter of the new core curriculum in accordance with the phasing provided by the Pact for Excellence in Education. This charter includes the recommendations and indicators for the future drafters of benchmarks so as to ensure the coherence of the entire school curriculum. These workgroups will proceed by harmonizing the different frameworks while ensuring compliance with the specific features and rationales in learning areas and disciplines of the core curriculum up to the third year of secondary education. The Charter recommends more coherent, more progressive and more legible frameworks.
- On 18 October 2017, the government of the French Community adopted the prioritization criteria and procedures for the call for projects of €20 million to create new places in schools. The government also adopted 66 decrees for an overall amount of more than €4 million to support teacher training. Furthermore, the board of ministers approved the frameworks for terminal programmes and knowledge required in several branches.
- Finally, the Ministry of Education of the French Community also co-financed the *Education Diversity Barometer*⁴⁷, which was developed by the centre for equal opportunities and the fight against racism (NIA). The results of this study, commissioned by the ULB (Free University of Brussels), the KU-Leuven (Catholic University of Leuven) and the UGent (University of Ghent) focuses on the structural processes that lead to inequalities between students. In the French Community, 662 teachers and school principals from 320 schools were interviewed. The teachers indicate in particular that “although they stated that they were aware of the stakes, they thought they were not sufficiently equipped to put reasonable arrangements in place (40%), to teach new arrivals properly (80%) or a class with a wide linguistic diversity (70%).”

⁴⁷ <https://www.unia.be/fr/articles/lenseignement-en-belgique-reste-inegalitaire-selon-lorigine-sociale-ou-ethnique-des-eleves>

2 Thematic goals of Strategy Europe 2020

2.1 Higher education



Belgium has undertaken to raise to 47% the segment of the population aged 30 to 34 with a higher education diploma by 2020. This objective is more ambitious than that fixed at the EU level as a whole (40%). In 2016, Belgium stood at 45.6%, with 51.9% of higher education diplomas in Brussels.

- On the proposal of the Ministry of Higher Education, on 30 August 2017, the Council of Ministers of the French Community adopted a decree amending the reform of student allowances. The arrangements presented are aimed at a socially fairer application of the measure.

The aim of the reform is to adapt the standards to the current programmes of study as well as to the sociological reality of the families.

The new legislation extends the criteria for granting scholarships to students who have failed and were previously excluded from the system, thereby being doubly penalized. Furthermore, it henceforth takes account of all the revenues of persons in the composition of households.

For the year 2016-2017, more than 141,000 applications for student allowances were filed, including nearly 53,000 in higher education and 88,000 in secondary education. The overall adjusted budget for 2017 amounts to nearly 68 million. The average allowance in 2016-2017 amounted to €1,127 in higher education and €236 in secondary education.

- Increased mobility for students: more links between the different courses and programmes of higher education.

On 30 August 2017, the Government of the French Community adopted a decree which defines the conditions of access to second cycle studies for students with a first cycle degree of the short type.

This decision aims to ensure the mobility of students in terms of reorientation whilst facilitating the work of admission panels.

- master's degrees in English in programmes with a strong international dimension.

On the impetus of the Vice-President of the Government of the French Community and the Minister of Higher Education, the Council of Ministers of 30 August 2017 approved a decree that extends the existing list of master's degrees in English.

- The collective higher education structures are the result of a cooperation agreement between the governments of the French Community and the Walloon Region (Decree of 11 April 2014). Their task is to organize continuing training and lifelong learning activities so as to improve the graduation rate, giving priority to districts that are suffering from a lack of a workforce with diplomas. In that regard, the collective higher education structures combine two universities, two colleges of a different nature, as well as a social advancement educational establishment and a FOREM [Walloon employment and training office] training centre and/or an IFAPME [institute of work-linked training, freelancers and SMEs] training centre. They must also concur to implement a harmonized training offer that addresses skill shortages, occupations facing recruitment difficulties or emerging occupations noted by the FOREM.

In this context, the criteria for selecting projects to fund include: the fact that an administrative district lacks a workforce with diplomas in general and with degrees in particular; the link between the continuing training offer and the presence and development of specialized companies in this sector in the administrative district concerned; the association of local companies or groups of companies and/or occupational areas and/or inter-municipal economic development agencies.

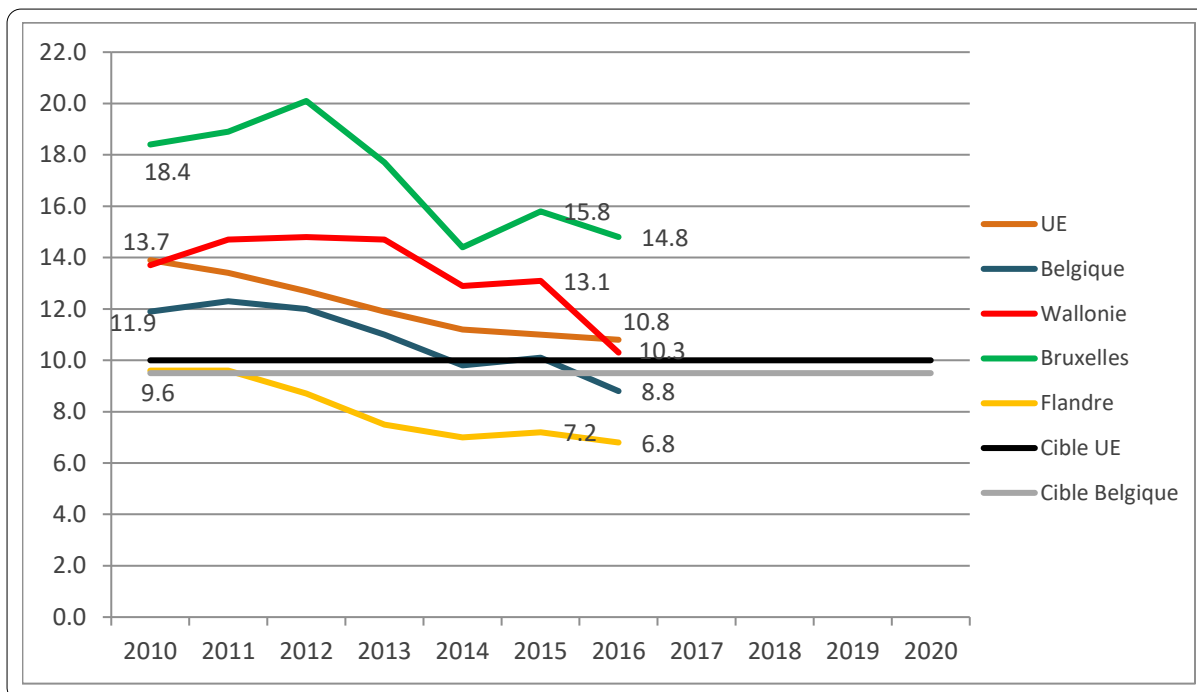
In 2017, four projects by collective higher education structures which met these criteria were rendered operational.

2.2 Basic research

In 2017, the government of the French Community decided to increase the funding of the FRS-FRNS [fund for scientific research] by €8 million in 2018, which represents ca. 5% of the latter's 2017 budget. The funding for Excellence in Science (EOS) which is to replace the *Pôles d'attraction interuniversitaire* (PAI) [interuniversity attraction poles] used to support collaborative research between universities in the north and south of the country amounts to €14 million. The Community budget for basic research is thus increased by 15% (i.e. €22 million) in all.

2.3 Compulsory education

Belgium must bring its school dropout rate back down to 9.5% by 2020. This objective is likewise more ambitious than at European level (10%). In 2016, the dropout rate in Belgium was 8.8%. This rate has been showing a marked downward trend in Wallonia and in Brussels.



The education indicators published by the French Community show that the exit rates from 2006 to 2014 decrease with time, irrespective of the criterion (sex, age, section attended) from 7% in 2006 to 5% in 2014. This rate varies widely, from 4.6% in Wallonia to 6.5% for the Brussels Capital Region.⁴⁸

Measures such as more support for students with learning difficulties in mainstream education and the verification of the number of authorized absences are continued, but there was also a new method for calculating differentiated education (see point 1) by the Decree of 6 July 2017. The sites that benefit from a differentiated approach have low socio-economic indices. They are allocated periods within which to hire teachers and additional budget resources for learning inside and outside the classroom, remediation, supervised study, learning French, personalized support, educational advice, training, teamwork and tutoring to fight against failure and dropping out. In all, 25% of the students in compulsory education in the French Community are affected by this policy.

2.4 Social inclusion

In December 2014, the Government of the French Community adopted an Anti-Discrimination Plan 2014-2019 organized around three proprieties: young people, the media and coherence in governance. 53 measures are charted in this plan that engage each of the Ministers of the French Community in their functional competences. There is an implementing procedure for this plan, action by action, and its annual assessment is carried out in cooperation with the members of the Government of the French Community, Unia and the institute for equality between men and women. There is a commitment by the French Community to enshrine the fight against discrimination in a broader perspective of social justice and emancipation, irrespective of ethnic or social origin, disability, age, convictions or sexual orientation.

The French Community works also on drawing up a specific action plan to make the problem of poverty a cross-cutting priority (child poverty is at the centre of this plan).

Several measures have been implemented or strengthened for the inclusion of refugees and migrants.

⁴⁸ <http://www.enseignement.be/index.php?page=0&navi=2264> (indicator 17).

The French Community thus organizes a specific schooling and reception programme for newcomers (known by the French acronym DASPA) since the Decree of 18 May 2012. The French Community had already created bridging classes by the Decree of 14 June 2001. These elements indicate that the reception and schooling of refugee children constitute a priority for the French Community of Belgium.

This DASPA programme is adopted to the learning profiles of students, in particular to the difficulties relating to learning French and adapting to a new culture, and is intended as an interim step of schooling for limited duration before immersion in a so-called “traditional” class. In June 2016, the French Community strengthened its specific schooling and reception programme for newcomers in compulsory education by creating new programmes and by allocating additional resources. 80 DASPA programmes are currently organized in primary and secondary education: 34 for primary education (20 in the Walloon Region and 14 in the Brussels-Capital Region) and 46 in secondary education (26 in the Walloon Region and 20 in the Brussels-Capital Region). A call for projects was launched at the end of November 2017 to launch 4 additional DASPA programmes as of January 2018 (2 in primary education, 2 in secondary education).

Furthermore, it should be noted that the Pact for Excellence in Education provides for the establishment of free equivalence for newcomers.

- Adult education (Social advancement education) has significant winning assets, thanks to the flexibility in assessment conferred on it by Article 8 of its founding Decree of 16 April 1991, and provides a wide range of recognition of attainments from personal or working life, whether formal, non-formal or informal. Furthermore, social advancement education organizes basic French teaching units (TUs) that cover: “literacy, French as a foreign language, basic training, certificate of basic education, general basic and remedial skills, and refreshing general knowledge of French.”
- In response to the migration wave of 2015 and in accordance with the obligations arising out of the Lisbon Recognition Convention (Article VII), the Government of the French Community introduced increased flexibility in the equivalence procedure for refugees and beneficiaries of subsidiary protection. In addition to the free equivalence procedure, the Directive of 29 June 2016 organizes an alternative recognition system for refugees who cannot produce the documents normally required for an application for equivalence or for those whose documents cannot be authenticated. Aimed at recognizing the level of studies, this procedure provides refugees or beneficiaries subsidiary protection to present any useful document to show that they have a diploma of higher education. It also provides for the possibility to be heard by the competent Equivalence Committee if the Committee’s experts cannot decide on the basis of the documents submitted.

Institutions of higher education have moreover taken a certain number of initiatives in response to the situation of refugees. By way of example:

1. organizing language courses: French for refugees;
 2. support specific funding programmes for refugee researchers;
 3. the universities provide integration measures, courses and specific reception.⁴⁹
- The Government of the French Community launched an annual call for projects for the “Promotion of Citizenship and Interculturality,” which has since 2015 made it possible, under the 6th State re-

⁴⁹ <http://refugeeswelcomemap.eua.be/Editor/Visualizer/Index/48> (UMons, UNamur, UCL, ULG, ULB, Université de Saint-Louis).

form, to support education activities for young people on citizenship, intercultural dialogue actions, the fight against racism and the defence of the rights of migrants, with particular attention for women migrants. To keep this programme running and to guarantee financial security for the beneficiary organizations but also to organize transparent management for these initiatives that promote critical reflection and the development of a supportive society, in September 2017 the Government adopted a preliminary draft decree of the Minister in charge of equal opportunities on the “promotion of citizenship and interculturality.” The draft decree was adopted by the Parliament of the Wallonia-Brussels Federation at its plenary session of 7 March 2018.

It provides for 5 main measures to strengthen the action of the French Community in living together, and more specifically in terms of citizenship and interculturality: keeping the annual programme of calls for projects running; the possibility of “labelling” the projects; the creation of a Council for the Promotion of Citizenship and Interculturality; organizing a campaign for the fight against racism for the general public every 2 years in cooperation with field operators; setting up a specific information portal to ensure visibility for the projects carried out, but also to facilitate the exchange of good practices, facilitation and training tools, and networking of operators.

2.5 Digital technology in compulsory education

In connection with recommendation n°3 concerning measures to be taken promoting the dissemination of digital technologies, the French Community points out that measures are taken to include digital knowledge, expertise and skills in frameworks as identified in “*Digcomp 2.1: The Digital Competence Framework for Citizens*” in line with the implementation of the future core curriculum as provided by the Pact for Excellence in Education. Investments are needed for education by and in digital technology to enable all schools to develop a minimal digital infrastructure and equipment. The French Community wishes to get actively involved in the action plan for digital education provided by the Commission.

Annex 5: Reform programme of the German Speaking Community

Mesures de la Communauté germanophone en faveur des objectifs UE2020 qui font partie intégrale de ses compétences.

1 Emploi – Marché du travail

1.1 *Marché du travail : Situation actuelle*

En 2016, le taux de chômage en Communauté Germanophone s'élève à 8,2% et a donc baissé de 0,2 points de pourcentage par rapport à l'année passée (8,4%). Le taux de chômage reste largement en dessous des taux wallon et bruxellois, et légèrement au-dessus de celui observé en Flandre.

Le nombre de femmes au chômage en Communauté Germanophone a sans cesse baissé les 20 dernières années et était en 2016 pour la première fois inférieure au nombre des hommes au chômage. Néanmoins le taux de chômage des femmes (8,7%) reste plus élevé que celui des hommes (7,7%).

La répartition des chômeurs par tranche d'âge montre que 34% des chômeurs ont plus de 50 ans. Le nombre de chômeurs de 50 ans et plus a même été multiplié par 4 ces quinze dernières années. Ceci est dû aussi bien à des changements réglementaires (relèvement de la limite d'âge pour être dispensé de la recherche active) qu'au vieillissement de la population. La part des chômeurs de 50 ans et plus est passée de 12% à 34% entre 2001 et 2016. En ce qui concerne les jeunes, leur part dans le chômage a diminué légèrement ces dernières années (pour atteindre 18%). Le taux de chômage des jeunes (13%) est plus élevé que le taux de chômage des 25-49 ans (7,1%) et des plus âgés (8,5%). En 2016, le taux de chômage a légèrement diminué dans tous les groupes d'âge.

En ce qui concerne la durée au chômage, la situation en Communauté Germanophone est comparable à celle de la Flandre. En Communauté Germanophone, 34% des personnes au chômage le sont depuis moins de 6 mois. Le nombre des chômeurs de longue durée (> 1 ans) est de 49%. Toutefois le nombre de personnes au chômage depuis au moins 5 ans a encore augmenté et atteint donc un nouveau point culminant (436 personnes).

En ce qui concerne le niveau de qualification, ce sont les personnes sous-qualifiées qui ont le plus de difficultés à trouver leur place sur le marché du travail. En Communauté Germanophone, leur part correspond à 44%.

1.2 *Concept de développement régional de la Communauté germanophone (REK – Regionales Entwicklungskonzept)*

La Communauté Germanophone prend soin des générations futures. C'est pourquoi en 2008, elle a commandé l'élaboration d'un Concept de Développement Régional. Il s'agit d'un projet d'avenir pour la Communauté germanophone jusqu'en 2025. Le Concept de Développement Régional a pour objectif de mettre en exergue les mesures avec lesquelles la Communauté Germanophone peut relever les défis actuels et futurs. Le Concept de Développement Régional s'appuie sur une analyse approfondie de la région.

Projet d'avenir – Augmenter les perspectives d'emploi et garantir la disponibilité de personnel qualifié

Quelque 2.753 citoyens de la Communauté germanophone étaient à la recherche d'un emploi en 2016. Parallèlement, des dizaines d'employeurs cherchent tous les mois des travailleurs ou de la main-d'œuvre qualifiée adaptés à leurs besoins, parfois sans succès. L'offre et la demande sur le marché du travail ne se rencontrent pas toujours. D'une part, les profils et parcours professionnels des demandeurs d'emploi sont très variés. En même temps, les exigences du monde du travail sont en constante évolution. Si un profil professionnel était encore demandé il y a quelques années, il est possible qu'il n'offre aujourd'hui pratiquement plus de chance d'emploi. Par contre, d'autres profils professionnels se retrouvent parmi les métiers en pénurie, car la demande a fortement augmenté ces dernières années.

Sous-projets : Assurer le transfert de compétences et soutenir l'emploi efficacement

Aujourd'hui, les personnes qui perdent leur emploi à un âge avancé doivent continuer à prouver très longtemps qu'elles sont toujours disponibles sur le marché du travail. Et les jeunes, tout comme les demandeurs d'emploi à la santé précaire, sont contrôlés de beaucoup plus près. Il est nécessaire d'offrir à ces personnes un accompagnement adapté. La proximité de l'Allemagne et du Luxembourg, la petite taille de notre région et le pourcentage relativement élevé de personnes actives plus âgées constituent d'autres caractéristiques de notre marché du travail. Avec des mesures d'activation adaptées, nous pouvons profiter des opportunités que ces particularités nous offrent.

Dans le cadre de la **6^{ème} réforme de l'Etat**, un ensemble de compétences relatives au marché de l'emploi est transféré aux entités fédérées. A partir du 1^{er} juillet 2014, les Régions ont reçu ainsi la pleine compétence de décision et d'exécution de ces matières. Le 1^{er} janvier 2016, une série de compétences a été transférée de la Région Wallonne à la Communauté Germanophone.

Le 1^{er} janvier 2016, l'Arbeitsamt de la Communauté Germanophone a repris les compétences du contrôle de la disponibilité et de la dispense de la disponibilité. D'autres compétences, comme par exemple les primes à l'emploi, continuent à être gérées par l'ONEM dans un premier temps.

Peu à peu, les nouvelles compétences vont être adaptées aux spécificités de la Communauté germanophone.

a) Agences Locales pour l'emploi

Le 1^{er} janvier 2018, l'Arbeitsamt (Service Office de l'emploi de la Communauté Germanophone) a repris les tâches des agences locales pour l'emploi. L'Agence Locale pour l'Emploi (ALE) est un type particulier d'emploi dans lequel les chômeurs de longue durée ou les bénéficiaires du revenu d'intégration sociale ou de l'aide sociale financière sont autorisés à effectuer des travaux occasionnels et sont payés par chèque ("chèques LBA").

b) Groupes cibles

Momentanément une nouvelle politique des groupes cibles adaptée aux spécificités de la Communauté germanophone est en train d'être élaborée. Elle devra entrer en vigueur le 1^{er} janvier 2019. Le nombre de primes d'activation des demandeurs d'emploi ont été réduites à deux et visent des publics précis : les jeunes de moins 25 ans, les chômeurs de longue durée (min. 12 mois), les personnes âgées (50 ans et plus) ainsi que les personnes difficiles à placer à cause de différents problèmes (p.ex. sous-qualification, manque de connaissance linguistique en allemand ou en français, aptitude de travail réduite etc.). Les employeurs publics ou privés qui engagent une personne qui satisfait à ces critères pourront recevoir une aide à l'emploi.

Le système des agents contractuels subventionné (ACS) fait également partie de la réforme des groupes cibles. Aujourd'hui, les employeurs publics et les employeurs du secteur non-marchand peuvent bénéficier d'une intervention annuelle dans les coûts salariaux, s'ils engagent un chercheur d'emploi inoccupé. Il existe plusieurs catégories de subsides salariaux. Les catégories sont fixées en fonction de critères comme la durée d'inoccupation, le niveau d'études et le statut de la personne engagée.

A partir du 1^{er} janvier 2018, une majorité des ACS a été transférée en emplois structurels. Seulement les employeurs qui engagent des demandeurs d'emploi de longue durée ou des demandeurs d'emploi peu qualifiés peuvent encore recevoir un subside salarial.⁵⁰ A partir de 2019, le ACS font intégralement partie du nouvel règlement des groupes cibles.

Le but est de mieux répondre aux besoins du marché de travail et des demandeurs d'emploi de la Communauté Germanophone. La nouvelle politique des groupes cibles devra entrer en vigueur en 2019.

c) Dispense de la disponibilité

Comme déjà évoqué plus haut, 44% des chômeurs en Communauté Germanophone sont sous-qualifiés. Un bon instrument pour réduire ce chiffre est la dispense de la disponibilité transférée dans le cadre de la 6^{ème} Réforme de l'Etat.

Pendant qu'un chômeur indemnisé suit une formation, des études ou un stage, il peut être dispensé d'un certain nombre d'obligations. En plus, il peut conserver ses allocations de chômage. La dispense est un instrument pour qualifier les demandeurs d'emploi et pour augmenter leur chance sur le marché de l'emploi. La Communauté Germanophone va modifier la réglementation actuelle et l'adapter au marché de l'emploi de la Communauté. Les nouvelles règles entreront en vigueur en 2019.

Sous-projet : Placement centralisé

Un autre sous-projet est « **Vermittlung wie aus einer Hand** » (placement centralisé). Les mesures de « placement centralisé » ont pour objectif d'éviter l'effet carrousel qui consiste à renvoyer sans cesse le demandeur d'emploi d'un établissement à l'autre. Ce processus est très contraignant, tant pour le personnel d'encadrement et que pour le demandeur d'emploi qui souhaiteraient utiliser leur énergie à meilleur escient. Les mesures décrites ici s'axent principalement sur les questions organisationnelles liées au problème de l'effet carrousel. En étroite collaboration avec l'ensemble des acteurs de terrain, nous vérifierons comment nous pourrions, sur la base des nouvelles possibilités que nous offre la sixième réforme de l'État, réduire les pertes d'information et les frictions, par exemple au travers de solutions techniques. Nous souhaitons ainsi atteindre notre objectif, qui est de garantir une prestation de service adaptée au citoyen, tant au niveau de l'accompagnement que du placement.

1.3 Réforme du placement des demandeurs d'emploi

Le service de l'emploi de la Communauté Germanophone (Arbeitsamt) est en train de réformer son travail en matière de placement. Dans un premier temps, un inventaire détaillé des approches existantes en Communauté germanophone a été dressé. Les systèmes de placement des régions et pays voisins ont été analysés de manière à identifier d'éventuels synergies et points d'ancrage.

Un nouveau concept de médiation a été développé. Afin de renforcer la relation entre le service de l'emploi et les entreprises situées en Communauté Germanophone, la stratégie de communication sera

⁵⁰ http://www.ostbelgienlive.be/desktopdefault.aspx/tabid-268/501_read-29431/ [19.02.2018]
http://www.ostbelgienlive.be/desktopdefault.aspx/tabid-268/501_read-29432/ [20.02.2018]

améliorée dans un premier temps. Les mesures prises doivent tenir compte des besoins du marché de l'emploi. Le but ultime sera l'intégration durable du demandeur d'emploi sur le marché de l'emploi.

1.4 **Garantie pour la jeunesse**

En ce qui concerne la **garantie pour la jeunesse**, les États membres sont invités à proposer une offre de formation ou de travail dans un délai de quatre mois à tout jeune de moins de 25 ans qui n'est ni en situation de travail, ni de formation. La Communauté Germanophone travaille elle aussi activement à la mise en œuvre de cette garantie. Le but est d'améliorer la compréhension des besoins particuliers des jeunes vivant des situations de vie variées et d'intégrer ces besoins dans nos mesures.

En 2015, l'Arbeitsamt de la Communauté Germanophone a établi une **évaluation de la garantie pour la jeunesse**.

Les besoins des jeunes demandeurs d'emploi demandent une attention particulière dans chaque processus de réforme.

L'Arbeitsamt soutient les jeunes de manière proactive. Il s'agit d'un soutien à la recherche d'emploi articulé autour d'un plan d'action. Celui-ci est élaboré par le demandeur d'emploi et son conseiller d'emploi. Afin de mieux intégrer les jeunes demandeurs d'emploi, l'Arbeitsamt offre différentes formations professionnelles. En plus l'Arbeitsamt collabore avec d'autres opérateurs de formation et/ou reconnaît leurs formations. L'offre est très diversifiée : qualifications professionnelles, formations individuelles en entreprise, stages, projets d'insertions socio-professionnelles.

En plus, la réforme des groupes cibles privilège les jeunes demandeurs d'emploi. Un employeur qui embauche un demandeur d'emploi de moins 25 ans qui est sous-qualifié (ni CESS, ni d'apprentissage) ou un demandeur d'emploi de moins 25 ans qui est moyennement qualifié (CESS, apprentissage) et sans emploi depuis au moins 6 mois, pourrait recevoir une aide à l'emploi.

1.5 **Alliance pour l'emploi (Bündnis für Fachkräfte)**

Un thème central de la politique de la Communauté Germanophone est de sauvegarder la main d'œuvre qualifiée. Le gouvernement souhaite de mettre sur pied une alliance pour l'emploi qui prendra la forme d'un monitoring des forces de travail.

2 Education et formation professionnelle, formation tout au long de la vie

2.1 Référentiels de compétences

Depuis 2008, la Communauté germanophone assure la qualité de son enseignement sur base de référentiels axés sur les compétences.

Dans le cadre du Concept de développement régional (REK) et, en particulier son projet « améliorer le multilinguisme », de nouveaux référentiels sont élaborés. Ainsi, pour le néerlandais, la rédaction du référentiel à l'intention des classes de l'enseignement secondaire général et technique de transition est en cours. Il fixera les compétences terminales que les élèves devraient atteindre. De même, le référentiel d'allemand destiné à l'enseignement technique de qualification et l'enseignement professionnel est en préparation.

A partir de 2018, une généralisation des tests DELF dans les classes terminales des enseignements primaire et secondaire ainsi que des Centres de formation des classes moyennes (ZAWM) est prévue pour le français, première langue étrangère.

Ces actions visent à améliorer les compétences linguistiques des élèves en optimisant les pratiques de l'enseignement des langues modernes.

L'élaboration de référentiels de compétences pour les cours de mathématiques, de géographie et d'histoire pour les 2ème et 3ème degrés de l'enseignement secondaire professionnel et technique de qualification est en cours ou en programmation et a pour objectif d'élever le niveau de compétences des élèves de cette filière à moyen et à long terme.

2.2 Egalité des chances en matière d'éducation et d'intégration

L'égalité des chances en matière d'éducation et l'amélioration qualitative de l'enseignement sont les missions phares de la politique éducative en Communauté germanophone. Elle a pour objectif d'accroître les chances de réussite de tous les élèves. Dans le cadre du Concept de développement régional (REK), le projet « soutenir les élèves individuellement » vise entre autres cette égalité des chances en matière d'éducation et intégration.

Afin que les élèves acquièrent les compétences essentielles, il est nécessaire de proposer des offres d'apprentissage spécifiques qui tiennent compte à la fois des forces et des capacités, mais aussi des faiblesses de chaque enfant et adolescent.

Dans ce contexte, des projets visant à sensibiliser les filles spécifiquement aux métiers techniques et scientifiques continuent à être réalisés.

De manière générale, différentes mesures ont été prises dans l'enseignement pour augmenter le taux de réussite scolaire et pour diminuer les taux d'échec et de décrochage scolaire, tenant compte de la Convention de l'ONU relative aux droits des personnes handicapées. Par ailleurs la Communauté germanophone poursuit ses efforts vers une école inclusive.

Par un décret voté le 20 juin 2016, un système de « compensation des désavantages » (mesures de facilitation spécifique en cas de handicap) et de « protection de notes » (non-évaluation de certaines compétences en raison d'un handicap) à la demande motivée des parents a été mis en place pour compenser

temporairement certains déficits des élèves. Le système de compensation des désavantages est en vigueur depuis le 1er septembre 2017. La protection des notes suivra le 1er septembre 2018.

Ces systèmes s'appliquent également aux élèves primo-arrivants, présentant des lacunes temporaires dans l'apprentissage de la langue de l'enseignement et ce en vertu du décret du 26 juin 2017 relatif à la scolarisation d'élèves primo-arrivants.

En effet, le nombre d'enfants dont la langue maternelle n'est pas l'allemand n'a cessé d'augmenter ces dernières années, et en particulier depuis 2015. Toutes les écoles ont à présent pour mission au quotidien d'intégrer des élèves issus de l'immigration (y compris de deuxième ou troisième génération) où des élèves primo-arrivants. Il est indispensable d'impliquer ces élèves et leurs parents dans le processus de développement scolaire.

A cet effet, le décret du 26 juin 2017 vise à accroître les moyens humains et financiers pour la scolarisation et l'intégration des élèves primo-arrivants en renforçant leur apprentissage de la langue.

De même, un ancrage législatif du projet « Time-Out », visant à offrir un espace à des élèves de 12 à 18 ans qui se trouvent en difficulté de scolarisation voire en décrochage, est en préparation. Durant l'année scolaire 2016-2017, 13 élèves ont été accueilli temporairement dans ce dispositif qui est organisé au sein du centre pour un enseignement adapté et qui vise à offrir aux élèves une structure d'accueil en dehors du milieu scolaire.

En matière d'interculturalité, des mesures diverses ont été développées afin de sensibiliser les acteurs des communautés éducatives aux différences culturelles et de développer des compétences interculturelles lors de l'année scolaire 2016-2017, dédiée au dialogue interculturel et interreligieux. Depuis, un centre de référence pour l'intégration et la migration a été mis en place, des formations continues spécifiques sont organisées à l'intention du personnel de l'enseignement, du matériel interreligieux est mis à la disposition des écoles et des programmes scolaires interculturels sont développés.

2.3 Une approche pratique de la formation en alternance

Il est indéniable que la main d'œuvre technique qualifiée se fait de plus en plus rare sur le marché du travail. Dans le cadre du Concept de développement régional (REK), le projet d'avenir « Valoriser la formation technique et professionnelle » vise à contribuer à une modification de la donne. La Communauté germanophone met notamment l'accent sur l'attractivité des différents types de formation technique et professionnelle, l'objectif étant de susciter une acceptation générale au sein de la société et de donner une valeur égale aux différentes formes d'enseignement.

De même, le projet d'avenir « Valider les compétences » vise dans le cadre de l'apprentissage tout au long de la vie à reconnaître formellement des compétences acquises également de manière non-formelle et extrascolaire.

La valorisation de la formation technique et professionnelle ne sera possible que si elle devient une préoccupation prioritaire de toutes les écoles. Ce ne sont pas uniquement les écoles secondaires techniques et professionnelles qui sont concernées, mais également les écoles primaires et les écoles secondaires d'enseignement général. Des activités de sensibilisation aux métiers techniques et à la formation y conduisant sont organisées.

La création d'un campus pour le centre de formation des classes moyennes (ZAWM) et l'institut technique (TI) à St. Vith, à l'instar du campus déjà existant à Eupen, ouvre des perspectives de coopération entre les écoles secondaires d'orientation essentiellement générale, les écoles d'orientation qualifiante et les centres de formation des Classes moyennes (ZAWM).

De plus, l'offre de « formation professionnelle élémentaire » perdure et permet aux élèves qui en ont le besoin, de se préparer pendant une année scolaire à la formation en alternance. Afin de faciliter l'accès à une formation en alternance, notamment pour des filles ou des jeunes femmes, des adolescents issus de l'immigration ou des jeunes avec des difficultés d'apprentissage, la Communauté germanophone s'efforce de développer de nouvelles professions dans le cadre de la formation en alternance.

Finalement, le Concept de développement régional (REK) comporte des sous-projets relatifs à l'enseignement et la formation afin de favoriser le processus d'acquisition des compétences des élèves. Au travers de projets bien spécifiques, la maîtrise de compétences telles que les compétences en Technologie de l'Information et de la Communication (TIC), les compétences linguistiques ainsi que les compétences personnelles et sociales seront renforcées.

Au-delà de cela, la Communauté germanophone favorise la collaboration entre les responsables de la formation et de l'enseignement, les institutions publiques et les entreprises afin de promouvoir la coopération entre les écoles et les entreprises. Une association (Studienkreis Schule und Wirtschaft) œuvre à la réalisation de projets communs et à la mise en pratique des référentiels de compétences comme le référentiel concernant la préparation des élèves au choix professionnel et à l'orientation professionnelle. Les entreprises participent activement à la formation des élèves et des apprentis en leur permettant d'effectuer les stages prévus dans le programme de formation au sein des entreprises.

3 Cohésion sociale et lutte contre la pauvreté

3.1 Politique de l'Intégration

Après l'année pilote 2017 du parcours d'intégration, la communauté germanophone a adopté en décembre 2017 un décret concernant l'intégration de toute personne issue de la migration.

Une partie du décret est consacré au parcours d'intégration, instituant la nature obligatoire de celui-ci. Il se compose de quatre étapes:

1. L'accueil
2. Cours de langue « allemand comme langue étrangère »
3. Cours d'intégration
4. Entretien de conseil concernant l'intégration socio-professionnelle

De plus, une organisation a été reconnue comme centre de référence d'intégration qui est en charge d'accompagner les migrants qui suivent le parcours d'intégration. Le centre organise également une consultation juridique pour les migrants ayant des questions sur leur titre de séjour, le regroupement familial, etc. et est en charge de soutenir des organisations, qui travaillent avec les migrants. La sensibilisation de la population et la mise en réseau du secteur appartiennent aussi à leurs tâches. Le centre bénéficie d'un financement pour leurs missions.

En outre, à côté du parcours d'intégration, beaucoup d'autres mesures ont été prises, comme l'accompagnement professionnel des mineurs étrangers non-accompagnés. Un autre exemple est un appel à projets du gouvernement afin de soutenir des petits projets d'intégration.

Ces mesures font également partie du projet du Concept du développement régional du gouvernement. La partie « Miteinander stark » est dédiée à l'intégration.

3.2 Politique de lutte contre la pauvreté

En mai 2016 le Centre de Recherche en Inclusion Sociale de l'Université de Mons a présenté le deuxième rapport sur l'analyse de la pauvreté, la précarité et la vulnérabilité sociale en Communauté Germanophone (C.G.).

Ce rapport est l'aboutissement d'un travail de recherche-action de deux années et vise à mettre en place des outils et des instruments numériques susceptibles de renforcer la cohérence de l'action sociale en C.G.

Sur base des résultats des deux rapports du Centre de Recherche en Inclusion Sociale de l'Université de Mons sur l'analyse de la pauvreté, la précarité et la vulnérabilité sociale en Communauté Germanophone (2014, 2015) et des données récoltées par l'observatoire de la pauvreté, le gouvernement dédie dans le cadre du Concept de développement Régional un projet d'avenir à la lutte contre la pauvreté.

Les cinq grands axes de la politique de lutte contre la pauvreté future sont :

- Promouvoir l'intégration socio-professionnelle
- Investir dans la formation

- Ancrer structurellement les formes de coopération
- Créer une base légale pour guider la politique de lutte contre la pauvreté et ancrer les différentes responsabilités
- Mesurer de manière continue la pauvreté et l'efficacité des mesures d'aide

Un bottin social interactif reprenant des informations sur l'ensemble des services et des institutions d'action sociale.

Un centre de ressource en Action Sociale figurant des outils, des référentiels et des espaces d'inter-
vision et de formation.

Pour apporter aux personnes à problèmes multiples une aide ciblée et adaptée à leurs besoins, le gouvernement de la C.G. soutient depuis 2013 le processus d'implémentation du Case Management en C.G. Depuis 2017, un projet de coordination des aides multiples fournies à ce groupe cible est en cours. Ce travail de mise en réseau est coordonné par des Case Managers situés dans quatre CPAS de la C.G.

Annex 6: Reporting table on the assessment of the policy response to CSRs: qualitative assessment

Table A1. Description of the measures taken and information on their qualitative impact											
			Information on planned and already enacted measures								Foreseen impacts
CSR number (1)	CSR sub-categories (2)	Number and short title of the measure (3)	Description of main measures of direct relevance to address the CSRs					Europe 2020 targets	Challenges/ Risks	Budgetary implications	Qualitative elements
			Main policy objectives and relevance for CSR (4)	Description of the measure (5)	Legal/ Administrative instruments (6)	Timetable on progress achieved in the last 12 months (7)	Timetable on upcoming steps (8)	Estimated contribution to Europe 2020 targets (9)	Specific challenges/ risks in implementing the measures (10)	Overall and yearly change in government revenue and expenditure (reported in mln. national currency) Contribution of EU funds (source and amounts) (11)	Qualitative description of foreseen impacts and their timing (12)

CSR1 Federal government	Taxation	Reform of corporate tax system	Sustain the activi- ties of companies, reinforce their competitiveness and simplify the tax system	Decrease of the nominal corporate tax rate and adoption of several measures in favour of companies	Law of 25 December 2017	Implementation as of 2018	Further re- duction in the corpo- rate tax rate in 2020. En- try into force of some measures in 2019-2020			Budget neutrality thanks to compensa- tion measures	
CSR1 Federal government	Taxation	Tax shift – second phase	Decrease the taxa- tion on labour (em- ployers and em- ployees), promote competitiveness and job creation, support the pur- chasing power	Reduction in the em- ployers' so- cial security contribu- tions and adaptations in the per- sonal in- come tax system (lump-sum business expenses, tax rates and tax-ex- empt amount) in order to in- crease the purchasing power	Programme law of 26 December 2015	Implementation in 2018	Third phase of the tax shift in 2019- 2020			Reduction in the em- ployers' so- cial security contribu- tions: im- pact of 2.37 billion euros in 2018	

CSR1 Wallonia		Tax reform	Reduce tax pressure on households, support to growth. Improvement of tax collection	Tax reform, with notably suppression of the TV fee, reducing tax for accessing property, Exemption from inheritance tax on the family home for the spouse or legal cohabitant. Improving of tax collection. Creation of a debt agency	Decree	Entry in application 1/01/2018				Reform financed by new tax revenues and better tax collection, and by reducing expenditures	Positive impact on growth, facilitated access to property
CSR1 Wallonia		Creation of a debt agency	Improve active debt management	Creation of a debt agency							More active debt management and optimisation of debt burden

CSR1 Flanders	Remove distortive tax expenditures	Measure 1	Remove distortive tax expenditures	The vehicle taxes are step-by- step shifting from taxa- tion on property to- wards taxa- tion in func- tion of "the user / pol- luter pays" principle. After the re- form of the road tax for passenger cars, now also the road tax for newly regis- tered vans (MPM ≤3.5 ton) is re- formed: above the existing base (forfait per 500 kg MPM) now also ecoboni or ecomali in function of the environ- mental per- formance of the vehicle. These in- clude tax in- centives for the technol- ogies in the European	Decree of 16/16/2017 (published on 04/07/2017)	Implemented Entry into force in 1 st July 2017	Fully implemented	Climate change: green- house gas emis- sion 20% lower than 1990				
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				<p>Clean Power Directive (BEV, H, PHEV, CNG)</p> <p>Also standardisation of the beneficial tax tariff and conditions for old-timer vehicles (age-limit tightened from 25 to 30 years)</p>							
CSR2 Federal government	Discrimination labour market	Mystery calls	The detection of direct discrimination in recruitment	Anonymous field tests in companies of which there are strong indications on the basis of complaints that discriminating activities take place	Law of 15 January 2018		Entry into force on 1 st of April 2018				

<p>CSR2 Flanders</p>	<p>Ensure that the most disadvantaged groups, including people with a migrant background, have equal opportunities to participate in quality education, vocational training and the labour market</p>	<p>Measure 1: Reform of the pupil guidance system</p>	<p>Aim of the reform is to address existing shortcomings of the system of pupil guidance by clearly delineating the roles and tasks of the various actors involved and by optimising the organisation of pupil guidance in Flanders</p>	<p>The reform will provide a. o. for the allocation of financial support tailor-made to the needs of the individual pupil guidance centres (more support for pupils complying with the SES-indicators). The centres will have to develop expertise and to cooperate on guiding disadvantaged pupils and addressing truancy and early school leaving. In the future pupil guidance will become a precondition for the recognition of a school, in addition to constituting a part of the global</p>	<p>11/12/2015: adoption by the Flemish Government of the concept note 'Basic outlines for the reform of pupil guidance in Flanders'</p> <p>9/2/2018: first approval of the principle by the Flemish Government of its 'decision on the implementation of pupil guidance in elementary education, secondary education and the pupil guidance centres'.</p> <p>23/2/2018: final adoption by the Flemish Government of the 'decree on pupil guidance in elementary education, secondary education and the pupil guidance centres'.</p>	<p>Final approval of the new decree + first approval on principle of the implementation order</p>	<p>The new decree, as adopted by the Flemish Government, is currently subject of discussion in the Flemish Parliament with a view to its approval.</p> <p>The implementation order is subject of consultation with the social partners before the adoption process in Flemish Government will continue.</p> <p>Implementation of the renewed system of pupil guidance is foreseen for school year 2018-2019.</p>	<p>The reform is carried out with the aim of addressing the various phenomena lying at the basis of early school leaving (educational failure, wrong choice of study, a lack of motivation, delay in the educational trajectory and truancy).</p>	<p>The reform of pupil guidance is a comprehensive reform process, with various closely connected partners and aspects. A good cooperation between the various actors involved is crucial for a timely and correct implementation of the reform process.</p> <p>Additional staff is provided to the centres for pupil guidance. Individual schools will have to mobilise existing staff members with the right competences.</p> <p>The school advisory</p>	<p>For the implementation of the decree extra financing for staff in pupil guidance centres is provided from school year 2018-2019.</p>	<p>An optimised system of pupil guidance in Flanders, displaying a. o. the following characteristics:</p> <p>A perfect linking up of the tasks of pupil guidance centres on the one hand and individual schools on the other hand within the field of pupil guidance</p> <p>A smooth cooperation between the pupil guidance centres and the sector of welfare.</p> <p>A closer co-operation between the</p>
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				policy on quality assurance of each individual school.					services will have to create sufficient time, means and space to support pupil guidance at school level.		various pupil guidance centres themselves.
CSR2 Flanders	Ensure that the most disadvantaged groups, including people with a migrant background, have equal opportunities to participate in quality education, vocational training and the labour market	Measure 2: Fight against discrimination	Combat discrimination in those areas where Flanders has legal authority	Update of the Action Plan against Labourrelated Discrimination, including: - Sectoral codes of conduct, enforced through the sector covenants of 2018-2019 (financial agreements between the Flemish government and sectors). - Mystery calls in the service voucher sector	Initial Action Plan dates from 2008, but it was updated in 2016, following a parliamentary resolution on awareness, prevention and inspection of discrimination on the labour market on October 25 th 2015. The update also included new policy responsibilities which had been devolved to Flanders in the 2014 State Reform	- Sector covenants 2018-2019 including the codes of conduct were negotiated in november-december of 2017, and will take effect in the summer of 2018. - The awareness campaign was launched on September 20 th 2017. - An agreement was reached with the service voucher sector on the organization of mystery calls on October 18 th 2017.	Fully implemented	Increase employment rate to at least 76%.			

				- Increasing inspection efforts - Launch of a new awareness campaign		- Flemish inspection efforts on discrimination were increased in 2017.					
CSR2 Wallonia	Integration of migrants	Enhancement of the integration path for people of foreign origin	Improve efficiency and increase the number of beneficiaries of the programme	Improvement of the measure, with increased number of training hours and enhanced training quality, improved collaboration with local authorities, increased focus on unaccompanied minors....	Budget increased + revision of application texts	Entry in application in 2018				Increased budget of 7,950 millions €/year	Increased number of beneficiaries from 2.500 to 3.500
CSR2 Wallonia	Integration of vulnerable groups on the labour market	Reform of employment support schemes	Improve integration of young and older people, low skilled, long term unemployed on the labour market	Reform financial support scheme given to employers for hiring target groups	Decree and application texts	Entry in application on 01/07/2017	Reform of some specific schemes still ongoing (SESAM and APE)				Improved employment rate of target groups

CSR2 Brussels-Capital Region	Equal access to the labour market	Ordinance against discrimination on the labour market	Equal opportunities in the labour market	This new Brussels legislative act provides labour inspectorates with new tools to fight against discrimination in employment. There are two kinds of “discriminatory tests” explicitly mentioned in the ordinance. First, the “situation testing” which is based on the sending of pairs of equivalent CVs with a variable criterion measuring discrimination (ethnic origin, age disability, gender...). Second, the “mystery call”, i.e. a labour inspector calls with a	Ordinance of 16 November 2017 fighting against discrimination on the labour market in Brussels						Reduced disparities in terms of participation to the labour market between people of foreign origin and people of Belgian/Intra-European origin
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				false identity, a job intermediary to see whether s/he obeys discriminatory demands of a potential client.							
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CSR2 Brussels- Capital Region	Equal access to the labour market	Reform of employment aids for target groups	Reform of the activation policy for target groups with a view to administrative simplification and a better match with the Brussels labour market, in particular for older workers, long-term unemployed and persons with a reduced capacity to work ²	Reduction of social contribution benefiting older workers (whose wages are less than 10 500 euros / trim.), long-term unemployed (Scheme 'Activa générale': activation allowance granted for 30 months to long-term unemployed jobseekers and training incentive to encourage employers to train infra-skilled workers) and persons with a reduced capacity for work (Scheme 'Activa aptitude': work allowance granted during 36 months and training incentive to encourage	Ordinance of 23 June 2017 on employment aids available in the Brussels-Capital Region		Entered into force on 01/10/2017				Improved employment rate for target groups
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				employers to train in-fra-skilled workers)							
CSR2 French Community	Ensure that the most disadvantaged groups, including people with a migrant background, have equal opportunities to participate in quality education, vocational training and the labour market	Pact for Excellence in Education	The Pact for Excellence in Education contains five lines of action. The current systemic reform mainly aims at reducing inequality problems with a focus on quality	First measures: - strengthening of the means for preschool; - strengthening of the means for school leaders; - starting work on the common curriculum (3-15 years). - ...	The Pact for Excellence in Education	The Pact and the first aspects of implementation were adopted on 22 March 2017 by the French Community					The reforms put in place by the Pact involve new expenses of around 300 million euros. 37 million in 2017 and 82 million in 2018
CSR2 Brussels-Capital Region	Increase digital technologies adoption & innovation diffusion	NextTech Plan	Support and promote the creation and growth of companies active in information technology and communication (ICT). Improvement of the position of Brussels in the digital sector at the international level	The plan is organized around 3 lines of action (Facilitate, Train, Spread) with 10 objectives and 21 concrete measures							Increased number of high-growth innovative SMEs and transition towards the digital economy

CSR2 Brussels- Capital Region	Increase digital technologies adoption & innovation diffusion	Team up – Artificial intelligence	Foster collaboration between academia and industry in the Brussels-Capital Region	This yearly program involves an active participation of both academic units and industrial teams with the aim of strengthening knowledge, transferring IP from academic research to the industry and turning it into prototypes that lead to new business opportunities. The 2017 edition was dedicated to Artificial intelligence		19 projects financed with a budget of 11 million EUR					Enhanced innovation diffusion
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CSR3 Wallonia	Investment in knowledge capital	Digital Wallonia	Digitalisation of public and private sector, investment in ICT infrastructure, development of skills support to start-ups, etc.	Integrated action plan for supporting digitalisation: developing smart cities projects, developing open data, digital investment fund, cyber-schools, coding, support to start-ups, support to industry 4.0 for SMEs, etc.	Action plan encompassing a large set of measures	In application				Global budget of 505 million € (2015-209)	Improved digitalisation, investment in ICT, start-up creation, improved ICT skills, etc.
CSR3 Wallonia	Improvement of competition in network industries	Reform of energy network manager regulation	Improved governance and independence of network managers	Reform of the Decree for simplifying the structures and improving control, enhanced independence towards market players, improved clarity and focus on missions, etc.	Decree	2 nd reading in February 2018	One year of delay for the energy networks managers to comply to the new decree once published				Improved management of the energy networks, independency

CSR3 Flanders	Knowledge-based capital and digital innovation and technology absorption	Measure 1: No specific title. Various measures to stimulate digital innovation	Support digitalisation in companies. Increase digitalisation skills, support infrastructure and programmes, and support digitalisation for companies	Policy in Flanders to support digitalisation in companies is focused on three major pillars: (1) ensuring a high-performance in frastructure for companies and individuals. (2) ensuring the the working population in Flanders has sufficient competences and skills for the digital transformation. (3) supporting companies in their digitalisation processes.	Various decisions of the Flemish Government; Agreements with Imec and the (local) partners involved in the initiative; Calls from Flanders Innovation and Entrepreneurship for support.	On-going	On-going	None. There is no target on this subject. It is a CSR.	All possible issues or problems related to digitisation, big data, ICT, etc, such as: ethical issues (e.g. privacy), the uptake of technology, well-functioning of applications, data transmission, cybersecurity, legal issues, etc...		
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				<p>With regard to infrastructure, Flanders is working on strong research centers for digitisation and ICT. At the end of 2016, iMinds became a part of Imec, after which the Flemish Government awarded the newly merged institution an additional 29 million euros (for 2017), resulting in an annual contribution of over 100 million euros as of 2017.</p>							
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				<p>Digitisation is also an important part of Flanders' Make, which receives an extra 15 million euros for an additional office in West Flanders.</p> <p>The newly selected innovative business networks (IBN) include a few initiatives whereby digitisation is an area of action, such as Digitizing Manufacturing, Green Light Flanders and Smart Digital Farming.</p>								
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				<p>The 5 new spearhead clusters in Flanders also have an important task in supporting the digitization of companies.</p> <p>Flanders is also an active member in the new "European Platform of national initiatives on Digitizing Industry" launched by the EC in 2017.</p> <p>Digitisation in society:</p>							
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				<p>City of Things / Internet of Things: At the beginning of 2017, a Smart City testing ground or living laboratory was established in Antwerp in which companies, researchers, residents and the city jointly experiment with smart technologies that can contribute to a pleasant and more sustainable city life.</p>							
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				<p>Through Imec, the Flemish government invests 4 million euros annually in this 'City of Things' project and its expansion to Flanders. The aim of the Antwerp Living Lab to become the largest European testing ground for 'internet of things' applications.</p>							
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				<p>In October 2017 a project was launched to submit proposals to 'City of Things in each Flemish municipality', (budget € 4 million, maximum € 200,000 per project awarded). The 'Smart Flanders project' also fits in with that vision. It is managed by Imec and wants to support the 13 Flemish center cities and the Flemish Community Commission (VGC) in the Brussels-Capital Region in the development towards a smart city.</p>							
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CSR3 Flanders	Competition in professional services, network industries	Measure 2: Abolishment of regulator rules for accessing certain professions		For 27 regulated "craft" professions that were transferred to the regions after the 6 th state reform, Flanders Innovation and Entrepreneurship executed a thorough evaluation process. The analysis has been completed for 16 regulated professions, demonstrating that the regulations that determine these professional qualifications were no longer justified, proportionally opportune or desirable.	Flemish Government Decision of 14 July 2017 (publication in the Belgian Official Gazette 9 August 2017) Decision of the Flemish Government of 28-01-2017 (the attest Basiskennis Bedrijfsbeheer)	On-going	On-going	None. It is a CSR and there is no EU2020 target	The effect of the abolishment will result into easier access to a set of previously regulated professions. Also, it puts an end in the Flemish Region to the discrimination that existed for Belgians because they needed to be in possession of a certificate for these professional qualifications unlike other EU and EEA-citizens in a similar situation.		
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				<p>The Flemish Government Decision of 14 July 2017 (Belgial Official Gazette 9 August 2017) abolished the professional qualification requirements for these 16 professions from 1 January 2018 on. Regarding the other 11 regulated professions, all of which are part of the construction sector, the analysis is still in progress.</p>							
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				Concurrently, the Flemish Government initiated a proposal to abolish the requirement of the attest 'basiskennis bedrijfsbeheer' (business management basic knowledge certificate) to exercise self-employed activities as a main or secondary occupation.							
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Annex 7: Reporting table on national Europe 2020 targets and other key commitments

Table A3. Description of the measures taken and information on their qualitative impact		
Target / policy area	List of measures and their state of play that were implemented in response to the commitment	The estimated impacts of the measures (qualitative and/or quantitative)
	National Europe 2020 targets	
Employment (see also CSR 2)	<p>Federal government Law on making night work and Sunday work more flexible in the E-commerce sector (part of the "Programmawet" from 25 December)</p>	<p>Federal government This law eases the procedure for the introduction of night work in the company for the execution of e-commerce activities. In addition, it also introduces the possibility to employ employees on Sundays to carry out e-commerce activities. The quantitative impact of these measures is difficult to estimate.</p>
	<p>Wallonia Collaboration agreement with Flanders on interregional mobility of job seekers</p>	<p>Wallonia Integration of 2.500 Walloon jobseekers on the Flemish labour market</p>
	<p>Flanders The system of Temporary Work Experience, which started offering work experience to people on social assistance in 2017, has been expanded to all long-term unemployed in January of 2018. For those jobseekers who are not ready for a work experience on a real workforce, an alternative system of Local Work (Wijk-werken) started in January of 2018, where they can have short work experiences in their neighbourhood, in an accessible and controlled environment.</p>	<p>Flanders In its first year, Temporary Work Experience offered internships and other work experiences to more than 5.400 people on social assistance, which is considered quite a success. With the roll-out towards all long-term jobseekers, the system is expected to close the gap between many jobseekers and the labour market by reacquainting them with working life, thus preparing them for a reentry into the job market. With Local Work, Flanders makes sure that work experience isn't limited to the strongest jobseekers, but that no one is left behind. The measures also aim to contribute significantly in reaching the overall employment rate target of 76%. In 2017, the employment rate (aged 20-64) in Flanders reached 73%, the highest figure ever and a significant improvement in comparison to the employment rate of 72% (in 2016) (Source: http://statbel.fgov.be/sites/default/files/2018-03/EU2020_EAK%20%282000-2017%29_NL.xlsx).</p>
	<p>Brussels-Capital Region Since 2017, new work training bonus to encourage employers to train their newly recruited underqualified workers, for the duration of the activation allowance.</p>	<p>Brussels-Capital Region Enhancement of workers' skills in line with employers' needs and increase of the employment rate of underqualified jobseekers.</p>

R&D and innovation	<p>Brussels-Capital Region Adoption in July 2017 of R&D&I ordinances enlarging the framework of the policies for research and innovation and implementing the core of the support allowed by European legislation with regards to state aid.</p>	<p>Brussels-Capital Region Improvement of the innovation chain, new forms of innovation and better R&D&I governance</p>
	<p>Flanders The total science and innovation budget of the Flemish Government reached 2.435 billion euros in 2017, of which 1.565 billion euros for R&D. In 2017 the Flemish government spent an additional (recurring) budget of € 160.3 million on R&D&I, while for (one-off) investments in R&D&I an additional € 39.1 million was allocated, of which € 30.8 million for a new Tier1 supercomputer (the 3rd for the Flemish Community). The largest amounts of the (recurrent) budget increase in 2017 were earmarked for the new cluster policy (35 million euros), Imec (29 million euros) and to mandates / grants via FWO (27.5 million euros). In 2018, 115 million euros extra is provided for new policy in the domain of economy, science and innovation. A part of this amount has been allocated already for initiatives for economy. The remainder is registered as a one-off investment provision of 89.8 million euros, of which a (large) part will be invested into initiatives in the field of R&D and innovation.</p>	<p>Flanders More public budgets help to reach the target of 1% of gdp spending in R&D by governmental budgets. In recent years, the part of the Flemish Government budget in total Belgian GBARD has steadily increased and now reaches 54.7 % (2016). The quantitative impact of this additional budget will be determined around 2020, when the figure of the R&D-intensity of Flanders for 2017 will be known. The R&D-intensity of Flanders is currently 2.67% (2015) (Eurostat).</p>
	<p>Wallonia New provisions for supporting valorization of university R&D on the basis of information sharing between universities, higher schools, clusters, administration. Budget of 5 millions €.</p>	<p>Wallonia Increase the knowledge transfer and decrease the delays</p>
GHG emission reduction	<p>Wallonia Elaboration of the Air-Climate-Energy 2030 action plan to be adopted in July 2018</p>	<p>Wallonia Emissions reduction, notably in industry (non ETS), transport, agriculture, developing renewable and increasing energy efficiency.</p>
	<p>Flanders</p>	<p>Flanders Reduction of GHG emission of 15.7% in 2020 (compared to 2005).</p>

	<p>The Flemish Mitigation plan (2013-2020) includes measures in all non-ETS sectors reducing greenhouse gas emissions in accordance with the Flemish target. In February 2018, the second progress report of the Climate Policy Plan 2013-2020 was presented to the Flemish Government. Apart from monitoring the implementation of the actions from this plan, the progress report also evaluates the commitments by the ministers of the Flemish government, made at the Climate and Energy Summit of December 2016. The Flemish Climate and Energy Pact, concluded at this summit, contains commitments from the civil society and public stakeholders for the implementation of the short-term climate and energy measures.</p> <p>A Climate Vision 2050 is being drafted in 2018, together with stakeholders at sectoral level. Similar work was done within the energy field, resulting in the Flemish Energy Vision 2030-2050, approved by the Government of Flanders in May 2017. In a next step, an integrated Energy and Climate Plan 2021-2030 will be drafted by mid-2018. This Flemish plan will be used as input for the National Energy and Climate Plan, that is elaborated in cooperation with the other Belgian (federal and regional) entities by the end of 2018.</p>	
	<p>Brussels-Capital Region Low emission zone covering the entire territory of the Brussels-Capital Region progressively prohibiting the most polluting vehicles as from 01.01.2018</p>	<p>Brussels-Capital Region Contribution to the reduction of GHG emission of 8.8% by 2020 (compared to 2005) and improvement of air quality</p>
Renewable energy	<p>Brussels-Capital Region SolarClick and NRClick programmes, which provide energy accounting services to foster the huge potential of renewable energy production (photovoltaics) and energy savings within public buildings, such as administrative buildings, sports infrastructure, schools, etc in the context of the Brussels Air-Climate-Energy Plan</p>	<p>Brussels-Capital Region Increase in renewable energy consumption by equipping 85.000 m² of roof area. These projects get a budget from 27 million euros from the regional climate fund.</p>

	<p>Flanders</p> <p>The Flemish government finalised the Energy plan 2020 in October 2017, setting out new renewable energy subtargets. To meet these targets, a sharp increase in solar energy, wind power and green heat is needed. Several measures as included in the Solar plan are being implemented, in order to accelerate the development of solar energy by citizens, companies and governments. A solar map was published in 2017. The actions of Wind plan 2020 are also being implemented. There is a strong focus on the assistance of local authorities and developers of wind energy projects in order to realize the technically and socially acceptable potential for wind energy in Flanders and a strong focus on tackling obstacles concerning aviation.</p> <p>In 2017, the Government of Flanders adopted a regulatory framework for the realization of heating and cooling networks, in order to encourage investments in this field. Support was given to green heat projects.</p>	<p>Flanders</p> <p>According to the intra-Belgian burden sharing agreement, the renewable energy target for Flanders corresponds to a production of 2,156 Mtep (25 074 GWh) renewable energy in 2020. In 2016, the production of renewable energy was 1,583 Mtep, or 6,4% of the final energy consumption.</p>
	<p>Wallonia</p> <p>Development of wind turbines along the motorways. 16 new wind turbines concessions awarded.</p>	<p>Wallonia</p> <p>Production of 121 600 MWh/year of wind energy (equivalent to the consumption of 35.000 households)</p>
Energy efficiency	<p>Wallonia</p> <p>Adoption of a long-term strategy for energy efficiency renovation of buildings. Reform of loans systems for energy renovation of housing, increased public investment for public buildings and social housing renovation.</p>	<p>Wallonia</p> <p>Increased energy performance of buildings</p>
	<p>Flanders</p> <p>The E level requirement for all non-residential buildings entered into force in January 2017. The Government of Flanders also agreed on the introduction an S-level (as an update of the K-level) requirement for buildings from 2018 onwards.</p> <p>In order to improve the quality of the EPC for residential buildings, a new inspection protocol has entered into force on July 1, 2017.</p> <p>New financial support instruments were developed to promote energy renovations. This mechanism will apply from 2017 onwards and cover, inter alia, a subsidy for total renovation and support for collective renovation projects. The Flemish Government has also approved a reform of the Flemish energy loan on 19 May 2017. As of January 1, 2019, this Flemish energy loan will be used primarily to finance energy-saving investments for the vulnerable target group.</p>	<p>Flanders</p> <p>To contribute to the national target (43.7 Mtoe primary energy consumption in 2020), and in accordance with the targets for final energy use in the Energy Efficiency Directive, the Government of Flanders aims at:</p> <ul style="list-style-type: none"> - realising 9% energy savings in 2016 (base: the average non-ETS final energy consumption in 2001-2005). In 2015, the savings in final energy consumption amount to 22 199 GWh or 11,8%. It is estimated that the savings will be 23 443 GWh or 12.4% by the end of 2016. - achieving yearly savings of 1.5% in the period 2014-2020 (base: the average annual energy sales to final consumers in 2010-2012); This equals a total saving of 172 PJ between 2014 and 2020.

	<p>Brussels-Capital Region</p> <p>The mandatory PLAGE project is soon to be implemented. The PLAGE (Local Action Plan for Energy Management) decree was adopted during the first reading in November 2017. The compulsory PLAGE will then be adopted in the COBRACE (Brussels Code for the air, the climate and the energy control), for an enactment in the ministry decree of 2017, which will enter into force during the second semester of 2018.</p>	<p>Brussels-Capital Region</p> <p>In Brussels, in 2017, 15 municipalities, 5 hospitals, 11 multi-unit buildings' societies and more than one hundred schools took part to the PLAGE project, in order to reduce significantly their energy consumption.</p>
Early school leaving	<p>Brussels-Capital Region</p> <p>4 pilot "School Partnerships" have been launched in 2017 and implemented since 2018 to foster positive relationships between educational establishments and the community around them. New school partnerships are planned in 2018</p>	<p>Brussels-Capital Region</p> <p>Greater involvement of students in their school environment and the community at large to fight against early school leaving</p>
	<p>Flanders</p> <p>Reform of the pupil guidance system</p>	<p>Flanders</p> <p>More high quality and targeted guidance for pupils will contribute to tackling the various phenomena lying at the basis of early school leaving (educational failure, wrong choice of study, a lack of motivation, delay in the educational trajectory and truancy).</p>
	<p>Flanders</p> <p>Further implementation of the action plan 'Together against School Drop-out'</p>	<p>Flanders</p> <p>By reducing the number of early school leavers and fighting truancy the number of pupils obtaining a certificate at the end of secondary education is maximized.</p>
	<p>French Community</p> <p>The Pact for Excellence in Education adopted 22 March 2017 includes several measures: strengthening of the means for pre-school, monitoring of the educational system and school establishments, increasing the duration of the common curriculum, remedial courses and strengthening of learning achievements</p>	<p>French Community</p> <p>Target figures and compulsory monitoring plan for school establishments as from September 2018, containing in particular the school's strategy for fighting against school failure, school dropout and repetition</p>
Tertiary education	<p>French Community</p> <p>Reform of the study grants in September 2017 takes into account the total income of the household of the student.</p>	<p>French Community</p> <p>The reform aims to adapt the norms to current studies as well as to the sociological reality of families.</p> <p>The new legislation extends the criteria for awarding scholarships to students who were unsuccessful and who had previously been excluded from the system.</p>
	<p>Flanders</p> <p>Reform of higher vocation education</p>	<p>Flanders</p> <p>A strengthened sector of higher vocational education will attract additional students to higher education and thus contribute to the further democratization of higher education in Flanders.</p>
Poverty	<p>Federal government</p>	<p>Federal government</p> <p>Contribution to the reduction of the risk-of-poverty or social exclusion.</p>

	The social assistance benefits integration income, (minimum) income guarantee for the elderly and income replacement allowance for persons with a handicap will be raised in three stages (2018, 2020, 2022), taking into account social advantages in order to avoid inactivity and unemployment traps. In this way, the at-risk of poverty threshold of the 2016 EU-SILC survey, 1.115 euro for a person living alone, will be reached more quickly.	
	Flanders The government of Flanders will continue to assume its responsibility using structural initiatives related to poverty prevention and poverty reduction with a specific focus on the prevention and combating of child poverty. A complete list of the Flemish measures can be found in the Flemish Action Plan for Poverty Reduction. In 2017 the plan was reviewed.	Flanders (2012): 16.0 % (2013): 15.4 % (2014): 15.3 % (2015): 15.0 % (2016): 14.5 %
	Wallonia Updated Action Plan on the fight against poverty, with three priority areas: employment, the fight against poverty in everyday life (material deprivation) and the increased automaticity of rights.	Wallonia Reduce the share of population at risk of poverty
	Brussels-Capital Region The Brussels Actions Program for the Fight against Poverty will be published in 2018. The program contains different measures, in particular the creation of two reception centres offering social and health services for marginalized groups (homeless people, migrants, ...).	Brussels-Capital Region These initiatives aim at reintegrating homeless people in the society and decreasing their number in the Region of Brussels-Capital.
Other key commitments		
Modification of some of the R&D&I-support schemes for companies, with effects on the SME support instrument.	Flanders After the modification or setup in the previous years of the various support instruments for SMEs, namely the KMO-Portefeuille (SME portfolio), kmo-groeisubsidie (SME growth subsidy) and kmo-cofinanciering (SME-cofinancing), changes have now been made to the KMO-Programma (SME Programme). The latter has been supporting innovation projects and feasibility studies for SMEs in Flanders. More precisely, as of 2018, this support scheme is abolished, along with the SPRINT-projects (aimed at low-innovation intensive companies), and the R&D business support scheme (any company).	Flanders The effect of this change of support instruments may be that the access to R&D&I-support for companies and SMEs will become easier, contributing to the goal of CSR3. The aim is to develop a more accessible innovation support scheme that is also more focused, thus having a greater effect on companies in Flanders.

	<p>Instead, these 3 programmes will become a part of 2 new (adapted) instruments for innovation support. On the one hand, there are the development projects (for innovative ideas that can change and strengthen the company on a short-term basis), and on the other hand research projects (for knowledge building that forms the basis for changes in the long run). For each of the two support measures, the basic grant is augmented with an additional amount of maximally 10% (for mid-sized companies), 20% (for SMEs), or 10% (cooperation between independent companies) respectively. The aim is to develop a more accessible innovation support that is also more focused, thus having a greater effect on companies in Flanders.</p>	
<p>Various actions within the Industrie 4.0 Actieplan, the elaboration of the Concept Paper on "make the leap to Industry 4.0" which the Flemish Government has approved Spring 2017.</p>	<p>Flanders Spring 2017, the Flemish Government took note of the Concept paper "make the leap to Industry 4.0 " and "Continue the transition to the circular economy", each of which are a part of the long term future Vision 2050 strategy of the Flemish Government. The related action plan for Industry 4.0 from 24 February 2017 lists these 5 priorities:</p> <ol style="list-style-type: none"> 1) Maintain a platform that distributes and sensitises information about Industry 4.0; 2) Strengthen the knowledge base; 3) Accelerate the application by supporting companies in a targeted way, depending on their familiarity and involvement with the transition; 4) Contributing to good environmental conditions; 5) Support international cooperation, especially at European level. <p>In 2017, activities were started for all of these topics. For example, within the 3rd priority, 2 calls for projects were announced, respectively about Living Labs in Industry 4.0 and about support for transitions in the cluster domains. In addition, a number of projects were also started aimed at specific target groups, such as retail trade, aimed at digitisation (e-commerce). In February, 7 living laboratories were presented that will take-off in 2018. Thereby, a number of the Flemish strategic research centers and spearhead clusters are also involved in the projects.</p>	<p>Flanders Elaborate a number actions and initiatives for the various priorities of the Industry 4.0 action plan that the Flemish Government approved early 2017. This will help transforming industry in Flanders and help to tackle the challenges of the fast-changing business environment.</p>

Industry 4.0	<p>Brussels-Capital Region</p> <p>In 2018, the Brussels Industrial Plan is to be adopted, reflecting the strategic vision of Brussels towards a transition to industry 4.0</p>	<p>Brussels-Capital Region</p> <p>Support of the transition towards an industry 4.0 and adaptation to a changing urban business environment</p>
Public investments	<p>Wallonia</p> <p>Adoption of the Walloon Investment plan 2019-2024 (investment of 5 billion €), with focus on mobility, RDI, energy and digital investments. The plan will also support social and housing, training, environment and circular economy investments.</p>	<p>Wallonia</p> <p>Increase investment for supporting growth in priority domains. Adapt procedures to accelerate investments.</p>
Entrepreneurship	<p>Wallonia</p> <p>Reform of enterprises support and financing tools for an enhanced efficiency. Increasing synergies between tools.</p>	<p>Wallonia</p> <p>Simplification of the landscape of support tools for an enhanced efficiency.</p>

Annex 8 : Opinion of the Central Economic Council et du National Labour Council

Saisine

Par lettre du 20 février 2018, Monsieur C. MICHEL, Premier Ministre, a sollicité la contribution du Conseil national du travail et du Conseil central de l'économie, sous forme d'avis, à la préparation du Programme National de Réforme 2018.

Dans son courrier, le Premier Ministre indique que l'avis des Conseils sera annexé audit programme et, dans la mesure du possible, pris en considération dans le corps du programme.

En annexe dudit courrier ont été transmis le document de planification du Programme National de Réforme 2018 ainsi que les recommandations 2017.

L'avis des Conseils a été demandé pour le 9 mars 2018 au plus tard.

Le présent avis est composé de deux parties reprenant les contributions respectives du Conseil central de l'économie et du Conseil national du travail au PNR 2018.

AVIS

1 Contribution du Conseil Central de l'Economie

1.1 Considérations générales

Les interlocuteurs sociaux représentés au sein du Conseil central de l'économie (le CCE) ont pris connaissance du plan de travail et de la structure du texte pour le Programme national de réforme (PNR) 2018.

Ils proposent au gouvernement que le Rapport Emploi-Compétitivité (REC) 2017 du CCE puisse trouver un écho dans le Programme national de réformes actuellement en préparation.

Cette valorisation du REC constituerait certainement une plus-value dans le cadre du suivi de la stratégie Europe 2020 au plan national et sur la base duquel, en autres, les instances européennes adresseront leurs prochaines recommandations. Ce suivi européen est mené en parallèle avec le suivi des politiques budgétaires et des politiques macroéconomiques.

Pour les interlocuteurs sociaux, le REC participe à trois missions principales du CCE: (1) la première est de contribuer à un consensus large au sein du monde de l'entreprise et du travail autour des grands objectifs de politique économique, d'un cadre d'analyse commun et des principes qui doivent guider les mesures de politique économique pour assurer une pérennité de ces objectifs et de ces principes au cours du temps ; (2) une autre mission est de mettre des points à l'agenda politique en attirant l'attention du gouvernement et des responsables politiques sur les thèmes qui cristallisent les débats dans la société et ainsi contribuer à établir l'ordre des priorités de l'action gouvernementale ; (3) une dernière mission est de permettre le dialogue entre les représentants du monde de l'entreprise et du travail et les gouvernants.

De plus, cette référence au REC dans le PNR compléterait adéquatement les initiatives prises par le CCE/CNT en collaboration avec la Commission européenne, par l'intermédiaire de sa représentation en Belgique, visant à développer le dialogue entre les interlocuteurs sociaux et la Commission sur le rapport pays et les recommandations spécifiques par pays lors des étapes clés du semestre européen. L'objectif étant de faire progresser le processus de construction d'une politique économique européenne intégrée. Ces Initiatives ont été complétées depuis 2016 grâce au développement d'un dialogue entre la Commission européenne et les interlocuteurs sociaux prenant appui sur le REC.

C'est pourquoi, cette année, les experts de la Commission européenne ont été informés des focus qui seraient repris dans la deuxième partie du REC 2017 et des conclusions tirées par les interlocuteurs sociaux, notamment en termes de recommandations de politique économique. Pour le CCE, ces focus sur lesquels les interlocuteurs sociaux ont souhaité mettre l'accent dans le rapport 2017, devraient être mis à l'ordre du jour des travaux du gouvernement. Cela n'exclut pas que d'autres thématiques, comme l'énergie, sur lesquelles les interlocuteurs sociaux travaillent aussi dans le cadre du CCE, soient importantes pour les interlocuteurs sociaux. Il est donc aussi fait référence à ceux-ci dans cet avis.

Début mars 2018, dans le cadre de la présentation du Rapport pays, les experts de la Commission ont apporté leur éclairage et les réponses de leur rapport en regard des considérations, propositions et préoccupations des interlocuteurs sociaux repris dans le REC 2017.

1.2 Un rapport annuel du CCE sur la compétitivité de l'économie belge

La loi du 26 juillet 1996 confie au CCE la mission permanente de surveillance de l'état de la compétitivité de la Belgique. Cette loi, modifiée en 2017, dispose que le CCE rédige un Rapport Emploi-Compétitivité.

La loi stipule que la deuxième partie de ce Rapport – rédigée sous la responsabilité des interlocuteurs sociaux - analyse la politique des salaires et de l'emploi ainsi que les aspects structurels de la compétitivité et de l'emploi, en particulier quant à la structure sectorielle des investissements nationaux et étrangers, aux dépenses en matière de recherche et développement, aux parts de marché, à l'orientation géographique des exportations, à la structure de l'économie, aux processus d'innovation, aux structures de financement de l'économie, aux facteurs de la productivité, aux structures de formation et d'éducation, aux modifications dans l'organisation et au développement des entreprises, ainsi que des suggestions d'amélioration. Cette partie comprend également une analyse du respect de la paix sociale et de l'influence de l'ancienneté sur les salaires, ainsi qu'une analyse de l'impact des niveaux de salaires sur le fonctionnement du marché du travail en général et, en particulier sur l'intégration des groupes à risques sur le marché du travail.

Cette année, le Rapport précise les objectifs qui doivent être atteints par la politique économique et qui forment un ensemble cohérent et interdépendant. Dans un contexte de grands changements et défis sociétaux, ils plaident pour œuvrer pour une société prospère et durable : la prospérité implique une création suffisante de richesses et d'emplois au service d'une cohésion sociale forte. La durabilité comprend trois volets : la soutenabilité environnementale, la soutenabilité financière et l'équilibre extérieur.

Le Rapport contient quatre focus. Le premier concerne les investissements, qui ont par ailleurs fait l'objet de plusieurs avis du CCE. Les deux autres focus portent sur deux défis sociétaux sur lesquels les interlocuteurs se sont attelés, conformément à leur accord interprofessionnel 2017-2018 : la digitalisation de l'économie et la mobilité. Le quatrième focus livre une analyse de la problématique du PIB/hab, qui est en retrait en Belgique par rapport aux pays de référence.

La partie II du Rapport Emploi-Compétitivité 2017 est repris dans son intégralité en annexe de l'avis.

Considérant la structure des thématiques qui seront traitées dans le PNR et les contraintes de rédaction envisagées, le CCE propose au Comité d'accompagnement politique du PNR que les considérations reprises ci-dessous, tirées du REC, fassent partie intégrante du PNR dans les différents paragraphes concernés. Cette valorisation du REC constitue un élément du dialogue entre le gouvernement et les interlocuteurs sociaux sur la conduite de la politique à mettre en œuvre dans le cadre européen. Concrètement, cela indiquerait, le cas échéant, que certaines actions des autorités politiques du pays reprises dans le PNR sont des réponses aux préoccupations communes des représentants du monde de l'entreprise et du travail.

1.3 Considérations sur différents points de la structure du texte PNR

1.3.1 Budget et fiscalité

Selon les interlocuteurs sociaux, des finances publiques saines sont importantes pour pouvoir continuer à garantir à l'avenir un bon niveau de bien-être et de protection sociale. L'estimation de l'écart de soutenabilité se base sur certaines hypothèses qui semblent optimistes. En ce qui concerne la croissance de la productivité, par exemple, nous sommes loin de ce qu'exige le scénario de référence du CEV 2015, qui impliquerait un doublement de la croissance de la productivité (1,5% en 2035 contre 0,7% attendu pour la période 2016-2021 et contre 0,5% pour la période 2008-2015). Il en va de même pour la durée moyenne du travail, qui a connu une tendance baissière au cours de la dernière décennie, alors que les perspectives tablent sur une durée moyenne de travail constante. Une stabilisation de la durée moyenne du travail a malgré tout été observée ces deux dernières années. Si les valeurs futures de ces variables n'évoluent pas, ou ne continuent pas à évoluer, vers les hypothèses supposées, le coût budgétaire du vieillissement serait encore plus important, en % du PIB, ce qui aggraverait le problème de soutenabilité des finances publiques.

De plus, le CCE estime que, même en respectant les engagements budgétaires pris envers l'Europe, la Belgique fera encore face à un risque sérieux en raison de son haut taux d'endettement, et à un risque non négligeable en raison des défis budgétaires de long terme. C'est pourquoi, afin de garantir des finances publiques saines, le CCE souligne l'importance de prendre des mesures structurelles en misant sur des hausses de productivité et sur une augmentation du taux d'emploi.

De manière générale, au vu des défis budgétaires auxquels la Belgique doit faire face, il faut veiller à ne pas s'engager dans des politiques économiques qui aggraveraient la situation. Il est important à cet égard que les réformes fiscales et les réformes du marché du travail s'inscrivent dans un cadre budgétaire neutre tout en respectant les objectifs de cohésion sociale et de prospérité, de taux d'emploi et de productivité que les interlocuteurs sociaux se sont fixés.

1.3.2 Marché du travail et enseignement

Le CCE insiste sur l'importance d'une insertion durable sur le marché du travail et, dans ce cadre, sur l'importance de l'employabilité pour la sécurisation des parcours professionnels. Il estime qu'il est important que chacun ait accès au marché du travail sans discrimination fondée sur l'âge, l'origine, le sexe ou le niveau d'instruction. Dans le même temps, la qualité des emplois doit rester suffisamment élevée, tout en tenant compte du contexte économique dans lequel les entreprises opèrent afin de leur permettre de répondre aux évolutions des conditions de marché.

Pour certaines caractéristiques liées au travail, la Belgique obtient actuellement des résultats plutôt positifs. Mais la répartition de ces caractéristiques au sein de la population n'est pas uniforme en fonction de l'âge, du sexe, des qualifications ou de l'origine. Ainsi, le travail à temps partiel, les contrats de

travail à durée déterminée et la précarité professionnelle potentiellement induite par ceux-ci, sont beaucoup plus fréquents chez les jeunes et les faiblement qualifiés.

1.3.3 Innovation et concurrence

Certains marchés ne fonctionnent pas de manière optimale en Belgique. Ceci a pour effet de limiter la création de nouvelles entreprises innovantes qui pourrait pousser des entreprises existantes à innover. Par conséquent, la croissance de la productivité reste plus faible en Belgique que dans les autres pays. Une croissance de la productivité plus faible dans les services pousse les prix à la hausse. Dans ces conditions, les augmentations de salaire dans les services qui sont proches de celles de l'industrie, et même si elles sont en phase avec les évolutions des pays de référence, dépassent plus que dans les autres pays la croissance de la productivité. Toutefois, la faible concurrence de la part des nouvelles entreprises permet aux entreprises existantes de répercuter les hausses de leurs coûts dans leurs prix tout en maintenant leur marge à un niveau élevé. L'évolution des prix plus rapide en Belgique que dans les pays de référence pèse sur le pouvoir d'achat des ménages et freine ainsi la croissance de la demande et donc la croissance économique. Par ailleurs, le niveau élevé des prix des services qui sont consommés par les autres entreprises davantage soumises à la concurrence internationale handicape leur compétitivité-coût.

1.4 Objectifs Europe 2020

1.4.1 Emploi

Le taux d'emploi est plus faible en Belgique par rapport aux pays voisins. Le taux d'emploi n'est pas réparti uniformément selon l'âge, l'origine, la qualification, le genre, etc. Les jeunes, les personnes âgées, les personnes issues de la migration, les faiblement qualifiés et les femmes connaissent un taux d'emploi inférieur à la moyenne. Un élément joue un rôle essentiel pour tous les groupes cibles, c'est l'enseignement et la formation.

1.4.2 R&D et innovation

Entre 2005 et 2013 les dépenses en R&D ont augmenté plus rapidement en Belgique qu'en Allemagne, qu'aux Pays-Bas et qu'en France mais cette évolution moyenne masque des écarts importants. En particulier, les performances en matière de R&D sont très sensibles, voir dépendantes, des décisions de quelques grandes entreprises insérées dans des groupes multinationaux, qui évoluent dans quelques secteurs d'activité et qui sont géographiquement regroupés. Cette concentration de la R&D est aussi un indicateur de la faiblesse du dynamisme entrepreneurial. La dynamique de création d'entreprises porteuses de projets d'innovation radicale étant relativement faible.

Dans les services marchands et dans les industries de réseau, la croissance de la productivité est plus faible que dans les trois pays voisins depuis la grande récession. Dans les industries de réseau, la productivité diminue même. Pour le CCE, ceci est interpellant étant donné que les industries de réseau sont au cœur de la transition énergétique et du processus de digitalisation de l'économie. La digitalisation offre des opportunités de croissance de la productivité et de l'économie. Pour ce faire, le CCE souligne l'importance de disposer de conditions appropriées, comme un climat d'investissement attrayant, une infrastructure numérique performante, un système d'enseignement et de formation de qualité capable de répondre adéquatement aux évolutions technologiques et autres, et un marché du travail efficace. Le défi sociétal consistera à soutenir les gains de productivité tout en veillant, notamment grâce à la concertation sociale, à ce que la transition ait un impact positif sur la prospérité de tous.

1.4.3 Enseignement et formation

Le système d'enseignement et la formation permanente sont d'une grande importance, en particulier dans un contexte d'allongements des carrières et de rapides évolutions des compétences et des connaissances requises à l'emploi. Le système éducatif belge enregistre des performances convenables en moyenne, même si elles semblent se dégrader depuis quelques années. Il favoriserait aussi les inégalités selon l'origine et le statut socio-économique des élèves (et/ou de leurs parents).

Quant à la formation permanente, la dernière enquête CVTS montre que des avancées ont été enregistrées à différents niveaux par rapport à l'année 2010 : en 2015, 84% des entreprises interrogées proposaient à leurs travailleurs une certaine forme de formation, ce qui correspond à une hausse de 6%. Le nombre moyen d'heures de formation suivies par travailleur a également progressé : 18,9 en 2015 contre 17,7 en 2010. Selon la dernière enquête CVTS, les investissements financiers dans la formation sont restés stables à 2,4 % du total des coûts salariaux. Néanmoins, d'après l'enquête sur les forces de travail (EFC), le nombre de travailleurs qui suivent une formation tout au long de la vie est nettement inférieur à la moyenne européenne (7 % des 25-64 ans). Les performances de la Belgique sont toujours aussi faibles dans ce domaine. Le CCE souligne donc l'importance que les travailleurs aient l'ambition et la possibilité de prendre part à un système de formation permanente et que des moyens suffisants soient dégagés à cet effet.

1.4.4 Energie, mobilité et climat

Le CCE a pris connaissance du document « Pacte énergétique Interfédéral belge – Une vision commune pour la transition » qui témoigne de la volonté des entités fédérées de créer une vision énergétique commune et d'aboutir à un pacte énergétique interfédéral. Le CCE soutient cette volonté et souligne l'importance de cette démarche, qui est le fruit d'une coordination entre les différents niveaux de pouvoir. Il demande d'améliorer le texte pour que la vision énergétique réponde aux défis sociétaux essentiels pour les interlocuteurs sociaux. En effet, dans son état actuel, le document ne prend pas suffisamment en compte des éléments essentiels des avis Energie que le CCE a émis en janvier 2015 et septembre 2017.

La situation de mobilité en Belgique ne va pas en s'améliorant : le besoin en transport de personnes et de marchandises augmente en permanence, alors que l'infrastructure routière et ferroviaire est déjà, en de nombreux endroits et certainement pendant les heures de pointe, sursaturée. Cette situation est tellement préoccupante que des actions supplémentaires s'imposent dans l'immédiat. Dans cette optique, le CCE et les CES régionaux rédigent actuellement une déclaration commune concernant l'élaboration et la concrétisation de la vision interfédérale de mobilité.

1.4.5 Inclusion sociale

Le CCE considère que la répartition équitable des revenus et une protection sociale efficace et efficiente sont des instruments indispensables pour que chacun – qu'il participe ou ne participe pas (ou plus) au marché du travail – ait la possibilité de mener une vie décente.

1.4.6 Investissements

Le CCE épingle le faible niveau d'investissement public et la menace que cela fait peser sur un environnement propice à un développement durable et inclusif. Il rappelle l'importance d'investir dans l'énergie, la mobilité et le numérique, sans pour autant négliger d'autres domaines comme la santé, l'éducation, la formation continue, les garderies d'enfant ou encore les dépenses actives pour l'emploi.

Le CCE souligne l'équilibre à trouver entre, d'une part, des règles budgétaires garantissant la soutenabilité des finances publiques et, d'autre part, la capacité des gouvernements à renforcer la croissance économique par des investissements productifs. Il rappelle sa demande adressée au gouvernement belge afin que ce dernier demande à la Commission européenne un traitement favorable des investissements publics productifs dans le cadre des règles budgétaires européennes. Cette approche permettrait de donner aux investissements une impulsion hautement souhaitable dans le contexte actuel d'investissements publics faibles, de croissance potentielle modérée et de taux d'intérêt bas.

2 Contribution du Conseil national du travail

2.1 Introduction

Par lettre du 20 février 2018, Monsieur C. MICHEL, Premier Ministre, a sollicité la contribution du Conseil national du travail, sous forme d'avis, à la préparation du Programme National de Réforme 2018.

Dans leur contribution au Programme National de Réforme (PNR) 2017, qui a fait l'objet de l'avis n° 2.031 du 7 avril 2017, les Conseil national du Travail (CNT) et le Conseil Central de l'Economie (CCE) ont exposé le contenu du dernier accord interprofessionnel du 2 février 2017 et les premiers points mis en œuvre, notamment en matière de norme salariale (fixée par une convention collective de travail du CNT du 21 mars 2017) et de liaison au bien-être (propositions développées dans un avis conjoint n° 2.023 du 21 mars 2017).

Depuis le dernier PNR 2017, l'activité des partenaires sociaux interprofessionnels demeure étroitement liée à cet accord interprofessionnel, dont la mise en œuvre doit être achevée pour la fin de l'année 2018.

La présente section se propose dans un premier point (A), d'exposer brièvement les principaux travaux du Conseil national du Travail menés en lien avec les recommandations n° 2 et 3 adressées à la Belgique en matière d'inclusion des groupes cibles ainsi que d'innovation et de développement des technologies numériques.

Dans un second point (B) seront décrits les travaux qui sont en lien avec le PNR et qui n'ont pas été repris dans une contribution antérieure ainsi que les perspectives pour 2018.

2.2 Travaux en lien avec les recommandations n° 2 et 3 adressées à la Belgique :

Recommandation 2 : Veiller à ce que les groupes les plus défavorisés, y compris les personnes issues de l'immigration, aient des chances égales de participer à une éducation de qualité, à une formation professionnelle de qualité et au marché du travail ;

Recommandation 3 : Stimuler l'investissement dans le capital des connaissances, notamment grâce à des mesures visant à accroître l'adoption des technologies numériques, et dans la diffusion de l'innovation; accroître la concurrence sur les marchés des services professionnels, ainsi que dans le secteur du détail, et renforcer les mécanismes de marché dans les industries de réseau.

2.2.1 Retour volontaire des travailleurs présentant un problème de santé

La problématique du retour volontaire des travailleurs présentant un problème de santé fait l'objet d'une attention constante du CNT. Dans son avis n° 1.923 du 24 février 2015 sur cette problématique, le Conseil a formulé un certain nombre de principes et de propositions concrètes en vue de favoriser le retour au travail volontaire des personnes présentant un problème de santé. Le Conseil y a, en particulier, souligné que les employeurs et les travailleurs sont les acteurs centraux de la relation de travail et notamment de la prise de décision quant à la reprise du travail, l'adaptation du poste de travail ou le changement de poste de travail. Néanmoins, le retour au travail ne peut être couronné de succès sans être également abordé sous l'angle collectif en ce compris les aspects relevant de l'organisation du travail.

Ces principes ont été rappelés par le Conseil dans son avis n° 1.984 du 7 juin 2016, dans lequel il s'est prononcé sur le dispositif légal et réglementaire mis en place par le présent Gouvernement pour orga-

niser le trajet de réintégration. Dans cet avis, le Conseil s'était engagé à organiser une évaluation globale et un suivi sur une base régulière de la mise en œuvre du nouveau dispositif légal et réglementaire mis en place par le Gouvernement. Ce travail de monitoring de l'ensemble des processus de réintégration des travailleurs écartés du marché du travail en raison d'une incapacité est mis en œuvre au sein d'une plateforme réunissant autour du CNT tous les acteurs institutionnels et de terrain pertinents pour cette problématique.

2.2.2 Formation des travailleurs

En matière d'insertion professionnelle des groupes cibles fragilisés sur le marché du travail (jeunes peu qualifiés, personnes issues de l'immigration, travailleurs âgés, etc.), les secteurs jouent un rôle essentiel par leurs politiques de formation et les outils sectoriels de formation mis à disposition de ces groupes. A cet égard, un premier rapport sur la mise en œuvre des dispositions relatives à la formation de la loi du 5 mars 2017 concernant le travail faisable et maniable indique que 43 secteurs ont déjà déposé une CCT pour mettre en œuvre les objectifs de formation fixés par la nouvelle loi.

2.2.3 Politique de diversité

Différents instruments ont été mis en place par le CNT en vue de lutter contre les discriminations sur le marché du travail. La convention collective de travail n° 95 du 10 octobre 2008 prévoit ainsi le principe de l'égalité de traitement durant toutes les phases de la relation de travail. Parallèlement, un code de conduite concernant l'égalité de traitement en matière de recrutement et de sélection des travailleurs a été adopté et la Convention collective de travail n° 38 relative au recrutement et la sélection des travailleurs a été modifiée pour la mettre en concordance avec ces évolutions. Les travaux se poursuivent au sein du CNT entre partenaires sociaux pour développer des outils pratiques visant à promouvoir la diversité sur le marché du travail.

2.2.4 Inclusion numérique

Dans leur rapport n° 107 du 4 octobre 2017 présentant un premier diagnostic concernant la digitalisation et l'économie collaborative (voir infra point C.3), le CNT et le CCE accordent une attention particulière à la question de l'inclusion numérique. Les Conseils y dressent leurs constats quant aux inégalités qui subsistent dans l'accès aux TIC selon les groupes de la population. Les Conseils y soulignent que la politique en matière de numérisation devrait accorder de l'intérêt à l'inclusivité numérique afin de ne pas creuser les inégalités socioéconomiques existantes.

De manière plus générale, ce rapport, par les questions abordées, est une première réponse des partenaires sociaux à la recommandation n° 3 adressée à la Belgique.

2.3 Travaux du Conseil National du Travail en lien avec le Semestre européen

2.3.1 Organisation du travail tournée vers l'avenir

Etat des travaux

L'accord interprofessionnel prévoit sur ce point d'identifier les mesures et adaptations de la législation sur le travail permettant une organisation plus souple du travail pour l'employeur ainsi qu'une meilleure combinaison entre vie privée et vie professionnelle et soutenabilité du travail pour le travailleur. La réflexion des partenaires sociaux comprend les nouvelles formes de travail et d'organisation du travail avec comme but de promouvoir l'emploi et la compétitivité.

Un groupe de travail a été institué au sein du CNT pour exécuter ce point de l'accord interprofessionnel. Suite aux travaux de ce groupe de travail, une note a été adressée au Gouvernement en date du 19 juillet 2017, dans laquelle le Conseil a communiqué les premiers résultats de ses travaux. Il fait part dans son avis de son intention de lancer deux appels à projets pilotes concernant deux thèmes de l'accord interprofessionnel, l'un concernant l'organisation du travail, l'autre relatif au burnout. Des propositions ont été formulées par les partenaires sociaux concernant la définition d'un cadre pour ces projets pilotes qui, en matière d'organisation du travail, devraient être accessibles aux entreprises développant de nouvelles initiatives s'inscrivant dans les lignes de force définies sur ce thème dans l'accord interprofessionnel.

Perspectives pour 2018

Le Conseil a demandé dans sa note au Gouvernement que, dans une première phase, le solde non utilisé de la cotisation versée par les secteurs en faveur des groupes à risque soit affecté aux partenaires sociaux pour assurer le financement de leurs projets pilotes, tant en matière d'organisation du travail que de burnout (ces deux dossiers étant liés).

L'exécution de ce point de l'accord est toujours en attente, la priorité ayant été accordée pour 2018 par le Gouvernement à la mise en place des projets pilotes relatifs au burnout. Le lien avec le dossier relatif au burn-out a été rappelé expressément dans l'avis n° 2.080 (voir point suivant).

2.3.2 Burn-out

Etat des travaux

Dans la suite de l'accord interprofessionnel et de la note adressée au Gouvernement en juillet 2017 (voir le point 1), les travaux menés au sein du CNT sur le burn-out ont abouti à l'avis n° 2.080, dans lequel les partenaires sociaux développent une approche opérationnelle large et adaptée au monde du travail pour la prévention primaire du burn-out. Les partenaires sociaux souhaitent pouvoir tester leur approche dans un certain nombre d'entreprises, dans le cadre de projets pilotes. L'intention est de pouvoir ensuite poursuivre la mise au point de leur approche en fonction du déroulement des projets-pilotes et de l'évaluation qui en sera faite.

Perspectives pour 2018

L'objectif fixé dans l'avis n° 2.080 précité est que le cadre réglementaire soit mis en place pour permettre le dépôt des projets pilotes à partir du 1er juin 2018. Une commission spéciale du CNT sera mise en place avec le soutien du SPF Emploi, Travail et Concertation sociale.

2.3.3 Digitalisation de l'Economie et économie collaborative

Etat des travaux

Les travaux initiés par le Conseil national du Travail dans le cadre des travaux relatifs au centenaire de l'OIT sur les nouveaux défis que doit relever le monde du travail, qui ont donné lieu à l'avis n° 2009 rendu le 7 décembre 2016, se sont poursuivis en 2017 dans le cadre de l'exécution de l'accord interprofessionnel 2017-2018.

Le CNT et le CCE ont émis, le 4 octobre 2017, un rapport intermédiaire dans lequel ils posent un premier diagnostic de la situation (comme prévu au point 4 « Digitalisation et économie collaborative » du volet « Défis sociétaux » dudit accord interprofessionnel).

Dans le volet relatif à l'économie collaborative de cet avis, les Conseils constatent, sur la base de leur analyse et d'auditions avec différentes parties prenantes, que l'économie de plateforme peut assurément offrir de nouvelles opportunités, mais que celles-ci ne se développeront pleinement qu'à condition que la politique garantisse de manière suffisante des conditions de concurrence équitables (le « level playing field »), en appliquant et faisant respecter de manière uniforme les règles du jeu existantes. Dans cette optique, les partenaires sociaux formulent déjà un certain nombre de premières recommandations.

Plus précisément, ils jugent prioritaire d'élaborer rapidement une approche stratégique commune, à l'égard des plateformes numériques, en collaboration entre les services d'inspection sociale et fiscale, en partant des instruments et de l'expertise que l'ISI a déjà développés à cet égard. Cette approche permettra également de cartographier les obstacles respectifs à une approche efficace, en vue d'éventuelles interventions légales, réglementaires ou administratives ultérieures.

Dans la même optique, les partenaires sociaux sont d'avis qu'il ne faut pas créer de nouveau statut pour le « travailleur autonome », mais qu'il faut plutôt réfléchir à la manière dont les statuts actuels doivent être adaptés à l'économie de plateforme.

Perspectives pour 2018

Le rapport intermédiaire sera enrichi par deux demi-journées de colloque organisées conjointement avec le Conseil central de l'Economie concernant la digitalisation de l'économie. Il est envisagé d'organiser dans ce cadre quatre workshops concernant les skills, l'organisation du travail, la fiscalité et l'E-Government qui aboutiront à des conclusions. L'objectif étant d'aboutir à une série de recommandations pour la fin de 2018 tout en s'inscrivant dans la réflexion globale menée au niveau de l'OIT sur le futur du travail.

2.3.4 Liaison au bien-être

Etat des travaux

Dans la suite de l'accord interprofessionnel du 2 février 2017 et de l'avis précité du 21 mars 2017, le CNT s'est prononcé, dans son avis n° 2.072 du 29 janvier 2018, en faveur d'un élargissement de la notion d'enfant en situation de handicap dans l'ensemble des réglementations relatives aux systèmes de congés qui utilisent cette définition (crédit-temps, congé parental et congé d'adoption).

Concrètement, le Conseil a adapté la convention collective de travail n° 103 instaurant un système de crédit-temps afin d'intégrer cette notion élargie dans son dispositif de crédit-temps pour soins prodigués à un enfant handicapé à partir du 1er avril 2018. Un alignement de la réglementation relative au

crédit-temps a par ailleurs été demandé au gouvernement pour les autres formes de congé que sont le congé parental et le congé d'adoption.

Le CNT et le CCE ont décidé dans un avis conjoint du 29 janvier 2018 (CNT n° 2073), à titre exceptionnel, d'affecter le solde restant du budget fixé dans le cadre de la liaison au bien-être 2017-2018 à la mise en œuvre de cette mesure. Deux autres mesures spécifiques de soutien des parents dans leurs tâches de soins sont concernées par ce financement:

- Le relèvement des allocations pour congés thématiques pour les travailleurs de plus de 50 ans afin de les aligner sur celles des travailleurs de moins de 50 ans.
- Une nouvelle augmentation des allocations pour congés thématiques pour les parents isolés qui s'occupent d'un enfant afin d'aligner de la sorte l'allocation nette sur le seuil de risque de pauvreté.

Ces différentes mesures poursuivent le double objectif d'une part de lutter contre la pauvreté et d'autre part, de permettre une meilleure combinaison entre travail et soins.

Perspectives pour 2018

En vue des prochaines négociations interprofessionnelles, le CNT et le CCE poursuivront leurs travaux afin de définir l'attribution de l'enveloppe pour le bien-être 2019-2020.

2.3.5 Simplification administrative

2.3.5.1 Exécution de l'accord interprofessionnel

Etat des travaux

En exécution de ce point de l'accord interprofessionnel, le CNT a dressé dans son rapport n° 108 du 24 octobre 2017 un premier état des lieux des travaux réalisés et en cours en matière de simplification administrative dans les institutions de sécurité sociale ainsi qu'au sein d'autres organismes.

Perspectives pour 2018

La deuxième phase des travaux est en cours, dans le but de voir les interlocuteurs sociaux formuler des propositions concrètes, comme prévu par l'accord interprofessionnel.

2.3.5.2 Eco-chèques

Etat des travaux

Les éco-chèques sont un exemple concret de la contribution que peuvent apporter les partenaires sociaux au dossier de la simplification administrative.

Faisant suite à son avis n° 2.029 du 24 mars 2017, une Task force a été constituée au sein du CNT avec pour mission d'élaborer une liste significativement plus simple à appliquer tout en étant plus large, articulée uniquement autour de catégories génériques.

Les travaux sur ce point ont abouti à l'adoption le 23 mai 2017 de la convention collective de travail n° 98 quinquies (entrée en vigueur le 1er juin 2017). Cette CCT modifie en profondeur la liste des produits et services pouvant être acquis avec des éco-chèques. La nouvelle liste a été jugée par le Conseil beaucoup plus simple dans son avis n° 2.078 du 27 février 2018.

Suite à l'évaluation du passage vers les éco-chèques électroniques qui a été réalisée en son sein, le Conseil National du Travail s'est prononcé dans ce même avis n° 2.078 pour un passage définitif et total vers les éco-chèques électroniques pour le 1er janvier 2019.

Perspectives pour 2018

Le monitoring du passage vers les éco-chèques électroniques ainsi que par rapport au contenu de la liste des produits se poursuivra dans le cadre fixé par le CNT.

2.3.6 Budget mobilité

Etat des travaux

Dans le cadre de l'exécution de l'accord interprofessionnel 2017-2018, le CNT et le CCE ont émis, le 7 avril 2017, un avis unanime (avis CNT n° 2.030) dans lequel ils ont proposé un budget mobilité qui s'insère dans une politique intégrée de mobilité durable, en incitant notamment à un changement de comportement vers une mobilité plus durable et qui ne peut constituer un instrument d'optimisation salariale.

Selon cette proposition, l'employeur devrait pouvoir octroyer aux travailleurs un budget, calculé sur base annuelle, comme alternative à la voiture de société à laquelle ils peuvent prétendre, le choix de la formule revenant au travailleur (budget mobilité, voiture de société, ou combinaison d'une voiture de société plus respectueuse de l'environnement et/ou meilleur marché avec des moyens et services de transport plus durables).

Le budget mobilité proposé par les Conseils est budgétairement neutre pour les employeurs, pour les travailleurs ainsi que pour l'Etat et la sécurité sociale. Il ne peut pas engendrer de surcoût pour les employeurs, ni une charge administrative supplémentaire par rapport à ce qui existe aujourd'hui. Il doit garantir aux travailleurs au moins le même niveau de remboursement des frais de déplacement domicile-travail qu'actuellement.

Dans leur avis du 21 février 2018, les Conseils ont en outre émis un avis unanime (avis n° 2.075) sur le projet de loi concernant l'instauration d'une allocation de mobilité (mieux connue sous la dénomination « Cash for cars »), dans lequel ils insistent auprès du gouvernement pour qu'il instaure un budget mobilité en complément de l'allocation de mobilité.

Les Conseils estiment en effet que l'allocation de mobilité n'a de sens, du point de vue de la mobilité durable, que si un budget mobilité - basé sur l'avis unanime émis par les Conseils le 7 avril 2017- est également instauré.

Perspectives pour 2018

Le CNT et le CCE attendent du Gouvernement sa proposition pour introduire le budget mobilité en un dispositif qui réponde à leurs préoccupations et équilibres.

2.3.7 Restructurations

En exécution de l'accord interprofessionnel, un débat en profondeur est organisé au sein du CNT sur la problématique des restructurations en lien avec la révision de la loi dite « Renault ». Un certain nombre de propositions alternatives au projet du Gouvernement sont actuellement en discussion.

2.3.8 Autres thématiques liées au PNR

Le CNT a abordé dans ses avis toute une série de thématiques liées au PNR comme, par exemple, les questions relatives au reclassement professionnel (avis n° 2.066 du 19 décembre 2017), ou encore au travail associatif, aux services occasionnels de citoyen à citoyen et à l'économie collaborative organisée par l'intermédiaire d'une plateforme reconnue (avis n° 2.065 du 29 novembre 2017).

2.3.9 Suivi du semestre européen en tant que tel

Dialogue avec la Commission européenne

Le dialogue initié depuis quelques années maintenant avec la Commission européenne concernant le semestre européen se poursuit.

Une réunion a été organisée entre les membres du CNT, du CCE et de la Commission européenne (desk Belgique) en date du 16 novembre 2017. Cette réunion a été l'occasion pour la Commission européenne d'informer les membres sur les étapes à venir du prochain semestre européen 2018 ainsi que de présenter la structure du Country Report pour la Belgique, dont la publication était prévue le 28 février 2018. Les organisations syndicales et patronales ont ensuite, chacune à leur tour, exposé leur analyse sur un certain nombre de points relatifs à la situation de la Belgique. Ont été abordées notamment les questions relatives aux mesures fiscales du Gouvernement, à la compétitivité des entreprises, à l'economy, au marché du travail, à la diversité, à la mobilité et aux politiques d'investissements structurels (en particulier en lien avec le pacte de stabilité), ou encore à la lutte contre la pauvreté et au suivi du socle européen des droits sociaux. Suite à la réunion, les secrétariats ont transmis à la Commission un certain nombre d'avis et de rapports en lien avec les questions abordées en réunion par les organisations.

Une seconde rencontre est prévue, comme l'année dernière, avec la Commission européenne le 13 mars 2018 dans la foulée de la publication du Country Report par la Commission européenne.

Suivi des activités du Comité de protection sociale et du Comité de l'Emploi

Via la participation des représentants belges au sein du comité de protection sociale et du comité de l'emploi aux travaux de la « Commission Europe » du CNT, les membres du Conseil national du Travail sont étroitement associés aux activités de ces comités et disposent d'informations privilégiées sur l'évolution du semestre européen.

Cette information renforce la capacité des organisations de se positionner sur le semestre européen tant au niveau national qu'europpéen (notamment au niveau du comité du dialogue social européen).

3 Diagnostic des interlocuteurs sociaux relatif à la situation socio-économique de la Belgique

Introduction

Le présent document constitue la partie 2 du Rapport Emploi-Compétitivité et est rédigé sous la responsabilité des interlocuteurs sociaux (IS) siégeant au CCE.

Cette partie du REC s'inscrit dans le cadre de la loi sur la promotion de l'emploi et la sauvegarde préventive de la compétitivité (MB : 29/03/2017), qui prévoit un rapport sur les aspects structurels de la compétitivité et de l'emploi.

Ce diagnostic sur la situation socio-économique, élaboré au travers du dialogue social, est le fruit d'un processus progressif initié en 2015. Cette partie est composée de deux sections.

La première section précise et concrétise tout d'abord les objectifs de politique économique que les IS veulent atteindre et fait ensuite un état des lieux de notre pays, en comparaison avec les pays de référence, à l'aune de ces objectifs. Cette section s'appuie sur des notes de discussion du secrétariat du CCE, sur des notes documentaires du secrétariat en cours d'élaboration ou sur des études et rapports d'institutions extérieures.

La deuxième section s'attache à approfondir certains éléments du diagnostic ou certains leviers. Le choix de ces thématiques résulte soit de l'accord interprofessionnel 2017-2018⁵¹, qui relève plusieurs défis sociétaux, soit d'avis développés d'initiative par les interlocuteurs sociaux en réponse à des projets gouvernementaux, soit des analyses nécessaires à l'approfondissement du diagnostic des IS. Elle prend la forme de « focus » sur lesquels les IS ont souhaité mettre l'accent dans le présent rapport, et qui devraient selon eux être mis à l'ordre du jour des travaux du gouvernement. Cela n'exclut pas que d'autres thématiques, comme l'énergie, sur lesquelles les interlocuteurs sociaux travaillent aussi dans le cadre du CCE, soient importantes pour les interlocuteurs sociaux, mais elles font l'objet d'un processus d'interaction avec le gouvernement plus avancé.

Les focus en matière d'investissement, de digitalisation de l'économie et de mobilité sont basés sur les avis et rapports unanimes qu'ils ont émis récemment. Le focus qui analyse la création de richesses est le produit d'une note de discussion basée sur de nombreux rapports et études externes.

3.1 SECTION 1 : Diagnostic socio-économique

3.1.1 Les objectifs de politique économique

3.1.1.1 Dans un contexte de grands changements et de défis sociétaux...

Notre pays, comme d'autres pays développés, doit notamment faire face à de grands changements et défis sociétaux, tels que la globalisation, les transformations technologiques et en particulier la digitalisation de l'économie, l'épuisement des ressources naturelles, des sources d'énergie, le changement climatique, le vieillissement de la population et la mobilité.

Autant de changements structurels qui mènent à de nécessaires transitions (transition vers une économie circulaire et sobre en carbone, transition vers une économie de la connaissance, ...) pour absorber

⁵¹ Le texte de cet AIP est disponible via le lien suivant : <http://www.ccecrb.fgov.be/txt/fr/aip17-18.pdf>

les vagues technologiques et relever ces défis, et qui conduisent à s'interroger sur l'avenir de notre pays en tant qu'économie compétitive et résiliente.

3.1.1.2œuvrer pour une société prospère et durable

Ces transitions auront des répercussions sur notre tissu économique, sur l'emploi, sur les inégalités dans notre société. Notre économie se doit de saisir les opportunités socio-économiques qu'offrent ces transitions et de générer une croissance qui vise la prospérité de tous. Les interlocuteurs sociaux se sont donc fixés pour objectif d'orienter ce processus de transformation structurelle dans la direction d'une économie compétitive.

Dans le présent rapport, les IS s'attachent tout d'abord à préciser et affiner leur définition d'une économie compétitive.

Une économie compétitive implique que nous ayons un niveau de prospérité au moins égal à celui des autres pays. La prospérité implique la création de richesses, qui s'opère de manière inclusive par la participation active de tous à la croissance, et le partage des fruits de la croissance. Elle implique que chacun puisse trouver sa place dans la société, mener une existence digne, grâce à une qualité de vie et à un niveau de vie satisfaisants. Cette prospérité socio-économique globale visée est donc assurée non seulement par une création suffisante de richesses mais aussi - et en même temps - par leur redistribution efficace et efficiente au regard des objectifs de réduction de la pauvreté au niveau européen. De même, cette prospérité doit être générée de manière durable, c'est-à-dire respectueuse de l'environnement, de l'équilibre des finances publiques et de la balance des opérations courantes afin de ne pas hypothéquer la prospérité des générations futures. Nous analysons ces éléments plus en détail ci-dessous.

3.1.1.3 La prospérité implique une cohésion sociale forte...

Les IS ont, cette année, affiné leur vision en termes de cohésion sociale, qui comporte de nombreuses dimensions. Ils pointent en particulier les éléments à suivre et sur lesquels œuvrer pour améliorer la cohésion sociale. Il ne s'agit pas d'une liste exhaustive, mais elle contient les aspects que les interlocuteurs sociaux souhaitent examiner en s'appuyant sur leur expertise.

De manière générale, ils souhaitent que tout le monde puisse participer dignement à la société (réduire la pauvreté), que chacun ait la possibilité de se réaliser pleinement tout au long de son existence, avec un revenu moyen des ménages qui évolue conformément au PIB par habitant, et que tout le monde bénéficie de la croissance du revenu national.

Pour ce faire, la participation au marché du travail est un instrument important. En effet, en Belgique, le risque de pauvreté est sensiblement plus élevé pour les demandeurs d'emploi et les inactifs. En ce sens, les interlocuteurs sociaux insistent sur l'importance d'une insertion durable sur le marché du travail et, dans ce cadre, sur l'importance de l'employabilité pour la sécurisation des parcours professionnels. Ils estiment dès lors qu'il est important que chacun ait accès au marché du travail sans discrimination fondée sur l'âge, l'origine, le sexe ou le niveau d'instruction, avec une attention particulière pour les groupes cibles qui ont actuellement de moins bonnes perspectives sur le marché du travail. Dans le même temps, ils souhaitent veiller à ce que la qualité des emplois reste suffisamment élevée. En ce qui concerne cet aspect, les interlocuteurs sociaux pointent aussi un certain nombre d'autres éléments. Ainsi, la nature des contrats de travail doit correspondre autant que possible aux préférences des travailleurs et tenir compte du contexte économique dans lequel les entreprises opèrent ; les salaires doivent permettre de mener une vie décente ; il convient d'éviter un dérapage de l'inégalité salariale ; il ne peut y avoir aucune discrimination entre les hommes et les femmes ; la précarité sur le marché du travail (compte tenu du risque de chômage, de la durée attendue du chômage et du taux de remplacement

net en des allocations de chômage par rapport au salaire antérieur) doit rester limitée, tout en permettant encore à l'employeur de répondre adéquatement aux évolutions des conditions du marché ; et enfin, chacun doit pouvoir disposer d'un environnement de travail de qualité et de bonnes conditions de travail.

Outre la stimulation de la participation qualitative au marché du travail, la répartition équitable des revenus et une protection sociale efficace et efficiente sont des instruments indispensables pour que chacun – qu'il participe ou ne participe pas ou plus au marché du travail – ait la possibilité de mener une vie décente.

Enfin, la cohésion sociale n'exige pas seulement un revenu garantissant une vie décente, mais aussi un accès à part entière aux services de base tels que définis dans les objectifs de développement de l'ONU⁵². Il est important que ceux-ci soient de qualité élevée et soient disponibles pour tout un chacun.

L'égalité d'accès à un enseignement et une formation de qualité est un autre aspect primordial : les connaissances et compétences du travailleur déterminent en effet en grande partie ses chances de trouver un emploi (et en particulier l'accès à l'emploi de qualité), surtout dans un contexte de digitalisation/robotisation croissante et de l'intensification d'une dynamique correspondante sur le marché du travail. En outre, l'enseignement et la formation permettent également aux individus de se développer et de s'épanouir tout au long de leur carrière. C'est pourquoi la formation tout au long de la vie doit être encouragée et rendue possible.

3.1.1.4 ... et une création suffisante de richesses et d'emplois...

La prospérité requiert une création de richesses suffisante. Cette création de richesses alimente en effet les différents revenus des agents économiques constituant notre économie, qu'il s'agisse des entreprises, des pouvoirs publics ou des ménages. Les entreprises peuvent de la sorte financer les investissements nécessaires à la progression des activités économiques, et les pouvoirs publics peuvent financer les dépenses collectives liées tant aux investissements dans les infrastructures publiques (écoles, hôpitaux, routes, etc.) qu'aux dépenses courantes (assurance et assistance sociales, sécurité, etc.). Quant aux ménages, ils en tireront un revenu disponible, provenant pour partie des revenus du travail ou du capital, et pour partie des revenus de transfert. Un revenu disponible qui sera par la suite consommé ou épargné, qui soutiendra l'activité économique et encouragera les entreprises à procéder à de nouveaux investissements, permettant de générer de la richesse supplémentaire.

Il importe également que la croissance s'accompagne d'une création d'emplois suffisante. En effet, les salaires constituent le premier vecteur par lequel une partie des richesses créées est transférée vers les ménages ; le travail est donc un premier moyen de redistribution. C'est pourquoi une nouvelle progression du taux d'emploi est cruciale, comme cela a été fixé également au niveau européen.

3.1.1.5 et requiert la soutenabilité environnementale...

Les IS ne peuvent concevoir l'accession à la prospérité que de manière soutenable pour l'environnement afin d'assurer le bien-être humain. La génération actuelle doit tenir compte des limites environnementales de la planète lors de la réalisation du développement socio-économique afin que celui-ci puisse aussi profiter aux générations futures. Trois dimensions – ou objectifs - sont comprises, selon les IS, dans ce concept de soutenabilité environnementale. La première est d'éviter l'épuisement des ressources naturelles et de préserver la biodiversité. L'écosystème pourvoit de nombreux services qui contribuent directement ou indirectement au bien-être humain. Il y a une concurrence accrue pour les res-

⁵² UNITED NATIONS (2017), The Sustainable Development Goals Report 2017

sources naturelles qui sont limitées mais cruciales pour notre prospérité. Ces ressources sont consommées plus rapidement qu'elles ne peuvent être remplacées. La biodiversité soutient nos écosystèmes et est vitale pour leurs résiliences. Sa perte peut compromettre les services que l'écosystème nous fournit et peut le rendre plus vulnérable aux chocs environnementaux. La deuxième dimension consiste à combattre le changement climatique. En effet, les conséquences négatives du changement climatique étant déjà visibles, la lutte contre le changement climatique est essentielle pour éviter que celles-ci ne deviennent plus importantes. La troisième est de ne pas mettre en danger la santé de la population à cause de l'état de l'environnement : la qualité de l'air, de l'eau et des sols est un facteur clé de la qualité de vie.

3.1.1.6 financière....

Des finances publiques saines sont importantes, selon les interlocuteurs sociaux, pour pouvoir continuer à garantir à l'avenir un bon niveau de bien-être et de protection sociale. Au niveau européen, le suivi de la soutenabilité des finances publiques vise en principe⁵³ à s'assurer que les pays sont en ligne avec l'objectif principal assigné au cadre budgétaire de garantir une discipline en la matière qui soit consistante avec la participation à l'Union monétaire. Au niveau national par contre, l'objectif identifié dans le REC 2016 était celui d'assurer un avenir à notre modèle social, et en particulier aux mécanismes de redistribution qui agissent au travers de notre système de sécurité sociale et de façon générale à la capacité des pouvoirs publics à mener des politiques socio-économiques. La question de la soutenabilité financière concerne aussi le degré d'indépendance dont peuvent jouir les autorités. En évitant aux finances publiques une trajectoire d'endettement croissante, ou un endettement trop élevé, la soutenabilité des finances publiques devrait en effet leur permettre de bénéficier d'une plus grande autonomie à l'égard des acteurs financiers internationaux.

3.1.1.7 ...et l'équilibre extérieur

La balance des opérations courantes représente principalement la différence entre les exportations et les importations de biens et services. Son solde est égal à la différence entre l'épargne et l'investissement national, encore dénommée épargne nationale nette. Si les investissements sont supérieurs à l'épargne, cela signifie que la production nationale est inférieure à la demande intérieure, et que la différence doit être comblée par les importations nettes. Pour pouvoir les financer, il faut soit réduire les créances soit augmenter l'endettement en vers le reste du monde. A contrario, une balance des opérations courantes positive représente un prêt fait au reste du monde. L'assurance d'un équilibre de la balance des opérations courantes est importante pour plusieurs raisons. Il s'agit d'abord de conserver une indépendance politico-économique suffisante en évitant une hausse de l'endettement extérieur de la Belgique. En effet, une situation déficitaire, si elle se prolonge, pourrait rendre des acteurs nationaux dépendant du bon vouloir d'acteurs extérieurs auprès desquels ils doivent s'endetter. La seconde raison vise quant à elle à éviter les ajustements économiques douloureux qui résulteraient de la correction des déséquilibres tant extérieurs qu'intérieurs tels qu'identifié ci-dessus. On pense par exemple à une compression drastique des dépenses du secteur privé ou public des suites d'une progression insoutenable de son endettement et de son incapacité à continuer à financer celle-ci.

⁵³ Et ce, bien qu'il y ait des discussions quant aux modalités de mise en œuvre des principes. Les IS se sont exprimés récemment dans un avis à ce propos : « Il importe toutefois qu'Eurostat apporte toutes les clarifications sur l'application concrète de ces règles afin de préciser le traitement comptable des dépenses d'investissement réalisées grâce à des partenariats public-privé ou d'autres formes de financement alternatif. Quant à l'application des règles budgétaires européennes inscrites dans le Pacte de stabilité et de croissance, il s'agit d'envisager de revoir la manière dont les investissements publics sont pris en compte afin que ces dépenses bénéficient d'un traitement plus favorable. Cela pourrait se faire en déterminant le solde budgétaire à prendre en compte sur la base des amortissements sur investissements publics plutôt que sur la base des dépenses d'investissement, ce qui reviendrait à corriger le solde de financement des administrations publiques à concurrence des investissements nets. Cette proposition permettrait de donner aux investissements une impulsion hautement souhaitable dans le contexte actuel d'investissements publics faibles, de demande anémique, de croissance potentielle modérée et de taux d'intérêt bas. » (CCE 2017-0440, p. 4, disponible via le lien suivant <http://www.ccecrb.fgov.be/txt/fr/doc17-440.pdf>)

Agissant en miroir, il est donc clair que position extérieure et position intérieure sont liées, et qu'un déséquilibre dans l'une correspond un déséquilibre dans l'autre, qui peut se manifester tant au niveau du secteur privé que du secteur public⁵⁴.

C'est pourquoi, les développements observés au niveau budgétaire ont souvent un impact sur le compte courant. Cet impact est d'autant plus marqué que l'économie belge est très ouverte sur le reste du monde : une partie non-négligeable de la demande intérieure est rencontrée par des importations. En agissant sur cette demande intérieure – en la stimulant ou en la calmant – la politique budgétaire génère une réponse du compte courant. Une autre manière de le voir est qu'une modification de la situation d'épargne nette des acteurs publics intérieurs peut se traduire par une modification de la situation d'épargne nette extérieure.

3.1.1.8 Un ensemble cohérent et interdépendant

Cohésion sociale, soutenabilité financière, équilibre de la balance des opérations courantes, soutenabilité environnementale, création de richesses forment un ensemble cohérent et interdépendant.

La création de richesses suffisante et une cohésion sociale forte sont les éléments constitutifs du bien-être économique et social de chacun d'entre nous. La soutenabilité environnementale participe aussi à ce bien-être en assurant un environnement de qualité pour les citoyens actuels et à venir. Garantir la soutenabilité des finances publiques est étroitement lié à l'objectif d'une croissance économique durable. En effet, une croissance économique durable donne la possibilité de lever des impôts pour financer les dépenses. Cela permet de financer diverses politiques socio-économiques. Il s'agit entre autres d'assurer un avenir à notre système social, en faisant par exemple face aux coûts du vieillissement de la population, et de mener des politiques d'investissement public, visant à accroître le potentiel productif de notre économie et de la rendre plus respectueuse de l'environnement. La soutenabilité des finances publiques peut donc être vue comme une condition à remplir pour entretenir la cohésion sociale, la soutenabilité environnementale au travers du financement de politiques socio-économiques diverses (comme notre système de sécurité/d'assistance social(e) ou les investissements publics). De même, la soutenabilité environnementale est également porteuse d'opportunités socio-économiques.

La réalisation de l'objectif de cohésion sociale a également un impact sur le potentiel de croissance économique : une société caractérisée par un niveau insuffisant de cohésion sociale gaspille beaucoup de talent et, par la même occasion, de potentiel de production.

3.1.2 La Belgique, prospère, inclusive et durable ? Les constats

Atteint-on, en Belgique, les objectifs fixés ? En d'autres mots, la Belgique se positionne-t-elle au moins aussi bien et idéalement mieux que les pays de référence ? Si ce n'est pas le cas, l'analyse met-elle en évidence des problèmes généraux de politique économique ? Les IS ont poursuivi cette année leur analyse commencée en 2015 et livrent ici les constats qu'ils ont pu tirer jusqu'à présent. L'analyse n'est ni exhaustive ni terminée, elle se poursuivra dans les prochains mois pour plusieurs questions qui ont émergé durant les travaux.

⁵⁴ La situation d'épargne nette nationale peut elle-même être divisée selon qu'il s'agisse de l'épargne nette publique ou privée. Ceci a le mérite de dévoiler les interconnexions entre tous les acteurs susmentionnés. Ces derniers ne peuvent pas être simultanément en surplus ou en déficit. Par exemple, si le secteur public national et le secteur privé national dégagent une épargne nette positive, donc sont en surplus, alors le reste du monde doit dégager une épargne nette négative, c'est-à-dire être en déficit par rapport à la Belgique, ce qui se traduirait par une balance courante positive.

3.1.2.1 Cohésion sociale

Bien que nous ne disposions pas encore d'un tableau complet du niveau de cohésion sociale en Belgique, nous examinerons ci-après plus en détail quelques-unes des dimensions de ce concept.

En termes d'inégalités – tant sur le plan du revenu que du patrimoine –, notre pays connaît des inégalités générales dans la distribution du revenu disponible relativement limitées, même si la répartition du revenu net est légèrement plus inégale que la distribution du revenu brut. Tant pour le revenu que pour le patrimoine, les inégalités sont surtout élevées dans le bas de la distribution. L'inégalité relativement élevée entre les bas revenus et le revenu médian explique le taux de risque de pauvreté relativement important en Belgique (mesuré comme le % de la population dont le revenu est inférieur à 60 % du revenu médian). De plus, en évolution, de 2007 à 2015, la croissance des bas revenus a été moins rapide que celle du revenu médian. La croissance économique a amélioré la situation absolue des bas revenus mais pas leur situation relative.

L'exposition au risque de pauvreté⁵⁵ est relativement importante en Belgique, en comparaison avec les autres pays, mais aussi inégalement répartie : le taux risque de pauvreté est très élevé pour les ménages pauvres en travail⁵⁶, qui sont plus nombreux en Belgique que dans les autres pays⁵⁷. Ce constat questionne l'accès aux, et la distribution des, emplois entre ménages, ainsi que l'adéquation des revenus de remplacement et l'efficacité du système social ; en effet, malgré le déploiement de moyens financiers importants, on observe une persistance de situations de pauvreté, même s'il y a également des différences entre les groupes dans ce domaine. La ventilation par âge révèle que le risque de pauvreté des personnes âgées a systématiquement diminué au cours des dernières années.

En ce qui concerne l'accès au marché du travail, on constate que le taux d'emploi est faible en Belgique par rapport aux pays de référence. Comme dans d'autres pays, le taux d'emploi n'est pas réparti uniformément selon l'âge, l'origine, la qualification, genre, etc. Les jeunes, les personnes âgées, les personnes issues de la migration, les faiblement qualifiés et les femmes connaissent un taux d'emploi inférieur à la moyenne. Ceci questionne l'accès aux, et la distribution des emplois, entre individus cette fois. Cette situation s'explique à la fois par des facteurs d'offre et des facteurs de demande.

S'il est un élément qui joue un rôle essentiel pour tous les groupes cibles, c'est l'enseignement et la formation.

S'agissant de la formation initiale, il ressort de l'enquête PISA que la Belgique enregistre encore des performances convenables en moyenne en matière d'enseignement, même si ce constat ne s'applique pas à toutes les Communautés. En outre, les performances moyennes semblent se dégrader depuis quelques années. Il est important que les différentes Communautés s'efforcent de se positionner/rester parmi les meilleurs. Le système éducatif belge favoriserait par ailleurs les inégalités. Ainsi, l'impact de l'origine socio-économique (mesurée comme le niveau d'instruction et professionnel des parents) sur les résultats des élèves est plus élevé en Belgique qu'en moyenne dans l'OCDE. Ceci vaut également pour l'écart de performance entre les élèves autochtones et les élèves d'origine étrangère qui ne peut pas être imputé au niveau d'instruction et professionnel des parents.

⁵⁵ Qui est la part des individus dans la population totale qui ont un revenu disponible équivalent inférieur à un seuil qualifié de seuil de risque de pauvreté. Par convention européenne, le seuil est établi à 60% du revenu disponible équivalent médian national.

⁵⁶ L'intensité en travail d'un ménage est le ratio du nombre de mois effectivement travaillés durant l'année par les membres adultes du ménage sur le nombre de mois qu'auraient pu travailler les mêmes membres du ménage durant la même année.

⁵⁷ La Belgique connaît d'ailleurs également une proportion plus importante que les pays de référence de ménages riches en travail (dont les deux membres ont un emploi). On parle alors de polarisation entre ménages pauvres en travail et ménages riches en travail.

Outre le système d'enseignement, la formation permanente revêt également une grande importance, en particulier dans un contexte de rapide évolution des compétences et connaissances requises et d'allongement des carrières. La dernière enquête CVTS montre que des avancées ont été enregistrées à différents niveaux par rapport à l'année 2010 : en 2015, 84 % des entreprises interrogées proposaient à leurs travailleurs une certaine forme de formation, ce qui correspond à une hausse de 6 %. Le nombre moyen d'heures de formation suivies par travailleur a également progressé : 18,9 en 2015 contre 17,7 en 2010. Selon la dernière enquête CVTS, les investissements financiers dans la formation sont restés stables à 2,4 % du total des coûts salariaux⁵⁸. Néanmoins, d'après l'enquête sur les forces de travail (EFC), le nombre de travailleurs qui suivent une formation tout au long de la vie est nettement inférieur à la moyenne européenne (7 % des 25-64 ans). Les performances de la Belgique sont toujours aussi faibles dans ce domaine.

Il demeure important que les travailleurs aient l'ambition et la possibilité de prendre part à un système de formation permanente et que des moyens suffisants soient dégagés à cet effet.

Pour certaines caractéristiques liées au travail, la Belgique obtient actuellement des résultats plutôt positifs. Par exemple, en ce qui concerne la part des travailleurs à bas salaire, la Belgique obtient un bon score par rapport aux pays de référence, ainsi que pour l'écart salarial entre les hommes et les femmes. En ce qui concerne la part du travail à temps partiel non souhaité, la Belgique semble être plus performante que les pays voisins. Quant à l'insécurité sur le marché du travail (estimée en combinant risque de chômage, durée attendue du chômage et taux de remplacement des allocations de chômage par rapport au salaire antérieur), elle est relativement faible en Belgique, comme dans les pays voisins. L'Allemagne et les Pays-Bas sont encore un peu plus performants en la matière, essentiellement parce que le risque de chômage y est plus faible (compte tenu de la durée attendue du chômage).

Ces constats positifs n'enlèvent rien au fait qu'il est important de surveiller l'évolution de ces indicateurs : on observe par exemple qu'entre 2006 et 2016, une plus grande proportion des nouveaux travailleurs sont occupés à temps partiel ou sous un contrat à durée déterminée. La répartition de ces caractéristiques au sein de la population est également importante. Le travail à temps partiel et les contrats de travail à durée déterminée, et la précarité professionnelle potentiellement induite par ceux-ci, sont beaucoup plus fréquents chez les jeunes et les faiblement qualifiés. La prévalence du travail à temps partiel et la durée des contrats de travail ne semblent pas non plus distribuées de manière uniforme en fonction de l'âge, du sexe, des qualifications ou de l'origine.

Comme nous l'avons déjà indiqué plus haut, il importe aussi que chacun ait accès à des services de base de qualité. Dans ce cadre, les interlocuteurs sociaux ont constaté spécifiquement pour l'énergie que l'augmentation du prix final de l'énergie a pesé sur le budget des ménages, dont de plus en plus éprouvent des difficultés pour payer leurs factures d'énergie. Ces mêmes ménages expérimentent par ailleurs, plus souvent que les autres, une plus mauvaise isolation de leurs logements, ce qui alourdit d'autant plus leur facture.

3.1.2.2 Création de richesses

La création de richesses d'un pays peut être approchée par l'indicateur du produit intérieur brut (PIB) par habitant en parité de pouvoir d'achat (PPA). Le PIB représente la valeur ajoutée créée par l'économie au cours d'une année, c'est-à-dire la valeur issue de la transformation, par le travail et le capital, des produits importés en produits destinés à la consommation intérieure ou à l'exportation. Exprimé

⁵⁸ Une comparaison avec les pays de référence n'est pas encore possible, étant donné que Eurostat n'a pas encore publié l'ensemble des résultats de l'enquête pour ces pays. Ce chiffre, issu de l'enquête CVTS, ne doit pas être pris de manière absolue et n'est pas comparable avec les chiffres issus des données du bilan social.

par habitant, il indique la capacité du pays à financer les besoins de sa population. Cette capacité dépend également du niveau des prix des biens et services en vigueur dans le pays. Afin de pouvoir comparer le pouvoir d'achat entre pays, le PIB par habitant est exprimé en PPA.

En 2016, le PIB par habitant était plus faible en Belgique qu'aux Pays-Bas et qu'en Allemagne et plus élevé qu'en France. Les niveaux de PIB par habitant des quatre pays avaient convergé dans les années 70 et la hiérarchie entre les pays s'était stabilisée dans les années 80. A partir des années 90, le niveau de PIB par habitant diverge entre les quatre pays. D'abord les Pays-Bas dans les années 90 et ensuite l'Allemagne depuis le milieu des années 2000 connaissent une croissance plus rapide du PIB par habitant qu'en Belgique, et plus encore par rapport à la France qui décroche par rapport aux autres pays depuis les années 1990.

Le niveau du PIB par habitant peut être décomposé en d'une part l'utilisation du travail (le nombre d'heures travaillées par rapport à la population) et d'autre part en la productivité du travail (le PIB par heure travaillée). Les Pays-Bas et l'Allemagne ont pu dans le contexte économique qui se développe à partir des années 90 mieux combiner croissance de la productivité et de l'utilisation du travail que la Belgique et la France pour obtenir une croissance plus rapide du PIB par habitant.

Sur la période récente, on constate que la Belgique est dans un mouvement de décrochage par rapport aux Pays-Bas, qui connaissent une croissance du PIB par habitant plus forte depuis 2013 (après une période de croissance faible, voire négative, qui a suivi la grande récession), et par rapport à l'Allemagne, dont la croissance est plus rapide qu'en Belgique depuis 2005. Ceci s'explique par une croissance de l'utilisation du travail plus faible en Belgique que dans ces deux pays. En outre, la croissance de la productivité est également plus faible en Belgique qu'en Allemagne (depuis 2005) et qu'en France (depuis 2010), alors qu'elle est de même ampleur qu'aux Pays-Bas depuis les années 2000. En fin de période, l'économie belge peine donc de plus en plus à tirer parti du contexte économique pour accroître le niveau de vie de sa population.

Une analyse des causes sous-jacentes à ces évolutions est présentée au focus 3.2.4.

3.1.2.3 Soutenabilité environnementale

En termes de soutenabilité environnementale, de manière globale, on peut déjà dire, sur base des publications de la Commission européenne (Rapport Pays) et du Bureau fédéral du plan, que la Belgique doit améliorer son score pour les trois dimensions identifiées par les IS, qui sont, pour rappel, la préservation des ressources naturelles et la biodiversité, la lutte contre le changement climatique et la préservation de la santé de la population via la qualité de l'environnement. En particulier, des efforts sont à fournir en matière d'énergie, de transport et de qualité de l'air. Le statu quo n'est pas une option.

3.1.2.4 Soutenabilité des finances publiques

En termes de soutenabilité des finances publiques, le constat est quasiment le même que l'année passée, la situation s'est même légèrement dégradée. L'endettement public belge, est, cette année encore, sur une trajectoire croissante à long terme, étant donné le coût du vieillissement. La Belgique doit donc agir sur son solde budgétaire structurel afin de stabiliser le taux d'endettement à long terme (en % du PIB). Comme l'année passée, le problème provient surtout de la composante de long terme, liée aux coûts du vieillissement de la population. La CE souligne également le risque encouru à moyen terme par la Belgique en cas de hausse du taux d'intérêt, compte tenu de son niveau d'endettement élevé.

L'estimation de l'écart de soutenabilité se base sur certaines hypothèses, qui semblent optimistes sur base de l'analyse des 15 dernières années. En ce qui concerne la croissance de la productivité, par

exemple, nous sommes encore loin de ce qu'exige le scénario de référence du CEV 2015, qui impliquerait un doublement de la croissance de la productivité (1,5% en 2035 contre 0,7% attendu pour la période 2016-2021 et contre 0,5% pour la période 2008-2015). Il en va de même pour la durée moyenne du travail, qui a connu une tendance baissière au cours de la dernière décennie, alors que les perspectives tablent sur une durée moyenne de travail constante. Si les valeurs futures de ces variables n'évoluent pas vers les hypothèses supposées, le coût budgétaire du vieillissement serait encore plus important, en % du PIB, ce qui aggraverait le problème de soutenabilité des finances publiques.

Pour garantir des finances publiques saines, les interlocuteurs sociaux soulignent l'importance de prendre des mesures structurelles : miser sur des hausses de productivité et sur une augmentation du taux d'emploi. S'agissant du second point, ils ont décidé l'an dernier de reprendre comme objectif pour cette variable la trajectoire du taux d'emploi telle que projetée en 2015 par le Comité d'étude sur le vieillissement. La stratégie de financement qui a été définie en 2015 se base en effet dans une large mesure sur ce scénario.

Les taux d'emploi pour 2015 et 2016 sont légèrement supérieurs aux projections effectuées par le CEV dans son rapport de 2015. C'est une donnée positive, mais elle doit être quelque peu nuancée. Premièrement, le CEV s'appuyait encore en 2015 sur l'hypothèse d'un taux d'emploi structurel de 8 %. S'il avait déjà utilisé à l'époque un taux d'emploi structurel de 7 %, les prévisions du taux d'emploi auraient été supérieures. Deuxièmement, la hausse plus importante que prévu du taux d'emploi en 2015 et 2016 est entièrement attribuable à la baisse plus sensible du chômage par rapport aux prévisions. Une analyse des taux d'activité – qui donnent une idée de l'évolution de l'offre de main-d'œuvre – montre que ceux-ci ont connu une progression moins forte que dans les projections de 2015.

Une ventilation par âge révèle que l'augmentation du taux d'activité des personnes plus âgées a été plus sensible que ce qui était prévu dans le rapport de 2015 : la réforme de la réglementation relative à la pension anticipée semble avoir maintenu moins de personnes en activité ces deux dernières années que ce qui avait été initialement estimé. On fera toutefois remarquer qu'un effet d'anticipation pourrait avoir joué début 2015 : l'annonce d'un durcissement des mesures de fin de carrière dans le courant de 2015 pourrait avoir donné lieu au début de l'année 2015 à un recours massif aux régimes de départ anticipé (p.ex. le régime de chômage avec complément d'entreprise - RCC). À cet égard, il sera important de surveiller si le taux d'activité observé se situera également en dessous des projections de 2015 au cours des prochaines années. Certains signes indiquent toutefois une augmentation des entrées dans le régime d'invalidité après le durcissement des réglementations relatives à la sortie anticipée du marché du travail.

Mais chez les jeunes également (15-24 ans), le taux d'activité a reculé davantage que dans les projections en 2015. D'une manière générale, le taux d'activité des jeunes est en baisse depuis un certain temps, et ce recul est plus marqué en Belgique que dans d'autres pays. Ceci n'est pas nécessairement un problème, pour autant que cela reflète une hausse de la participation à l'enseignement (supérieur) ou aux formations ; ceci peut en effet favoriser une insertion durable sur le marché du travail. Au cours de la période 2000-2008, nous avons en effet observé une forte baisse de la part des jeunes qui n'ont pas d'emploi et ne suivent pas d'études ni de formation en Belgique (taux de NEET). Par la suite, les progrès enregistrés pour cet indicateur ont été partiellement perdus. Le taux reste également plus élevé que dans les pays voisins. Concernant le cas spécifique de l'enseignement supérieur, on a observé durant la décennie écoulée un ralentissement important de l'accroissement du nombre de jeunes hautement qualifiés. Une hausse du niveau d'études ne semble donc plus être la raison principale du déclin du taux d'activité ; par contre, l'augmentation de la durée nécessaire aux étudiants pour obtenir un diplôme est un élément qui semble jouer un rôle.

Ces dernières années, le focus politique a en effet porté dans une large mesure sur la nécessité de « faire travailler les gens plus longtemps ». Une nette augmentation du taux d'emploi s'observe effectivement

chez les plus âgés, même si celui-ci reste inférieur à la moyenne des pays voisins et de l'UE-15 (surtout pour les 60+). Cependant, l'allongement de la carrière ne concerne pas uniquement la fin de la carrière ; il convient aussi d'examiner le début et la période intermédiaire, et ce pour tous les groupes cibles. Au-delà des jeunes et des personnes plus âgées, il y a un potentiel important auprès d'autres groupes de la population qui sont actuellement sous-représentés sur le marché du travail (cf. supra).

En termes d'objectifs européens, en comparant la trajectoire proposée par la Belgique dans son Programme de stabilité 2017-2020 aux Perspectives économiques 2017-2022 du Bureau fédéral du plan, il apparaît pour la Commission européenne qu'à politiques inchangées, la Belgique ne respectera pas ses engagements budgétaires.

Même en respectant les engagements budgétaires pris envers l'Europe, la Belgique fera encore face à un risque sérieux en raison de son haut taux d'endettement, et à un risque non négligeable en raison des défis budgétaires de long terme.

De manière générale, au vu des défis budgétaires auxquels la Belgique doit faire face, il faut également veiller à ne pas s'engager dans des politiques économiques qui aggraveraient la situation. Il est important à cet égard que les réformes fiscales et les réformes du marché du travail s'inscrivent dans un cadre budgétaire neutre tout en respectant les objectifs de cohésion sociale et de prospérité, de taux d'emploi et de productivité que les IS se sont fixés.

3.1.2.5 Équilibre de la balance des opérations courantes

De 1996 à 2009, nous avons assisté à une détérioration constante du compte courant de la Belgique. Ce phénomène s'explique par une détérioration de la balance commerciale, qui a elle-même résulté d'une détérioration de la balance des biens, qu'une amélioration de la balance des services n'a pas pu compenser. Durant cette même période, l'économie belge a fait face à une combinaison de deux développements néfastes pour la bonne santé de sa position commerciale, à savoir une détérioration des termes de l'échange et une croissance plus rapide des importations que des exportations⁵⁹.

La détérioration des termes de l'échange a résulté, d'une part, d'une hausse des prix des produits de base qui sont utilisés dans les activités économiques (les produits énergétiques en premier plan), et d'autre part, d'une difficulté de hausse de prix des produits exportés. Ce dernier facteur est une conséquence du positionnement de l'économie belge dans la chaîne de valeur à des niveaux où les marges à dégager sont limitées. Lorsque les produits exportés sont trop peu différenciés, ou ne contiennent pas assez de contenus technologiques, la concurrence par les prix sur les marchés internationaux est plus rude et les entreprises n'ont pas toujours la liberté de fixer ceux-ci à un niveau plus confortable.

Enfin, le déséquilibre entre importations et exportations s'explique quant à lui par la combinaison d'une demande intérieure relativement énergique, probablement soutenue par une impulsion budgétaire, et d'une demande extérieure relativement peu dynamique. Concernant ce dernier point, les marchés d'exportation traditionnels de la Belgique n'ont en effet pas été caractérisés par une croissance vigoureuse.

De 2009 à aujourd'hui, le compte courant a connu un phénomène de stabilisation autour de zéro. La balance des biens et services a quant à elle connu une nette remontée en fin de période. Selon les travaux du Bureau fédéral du plan, ces évolutions résultent pour bonne partie de la baisse des prix énergétiques, particulièrement du pétrole.

⁵⁹ À ce sujet, voir notamment : Dhyne, E., Duprez, C., (2013), « Dynamique structurelle du commerce extérieur de la Belgique », Revue économique Juin 2013, Banque Nationale de Belgique, pp.29-40 ; Commission européenne, (2015), « Rapport 2015 pour la Belgique » SWD(2015) 21 final/2, Bruxelles, pp.26-27.

Concernant l'avenir enfin, le BFP s'attend, dans ses Perspectives 2017-2022, à une nouvelle détérioration du compte courant en raison, encore une fois, d'une détérioration de la balance commerciale. Ceci devrait s'expliquer, d'une part, par une croissance contenue des marchés d'exportation traditionnels de la Belgique plutôt que par des pertes importantes de parts de marché et, d'autre part, par une croissance plus vigoureuse des importations que des exportations en raison d'une demande intérieure dynamique. Les termes de l'échange devraient eux aussi connaître une nouvelle détérioration, en raison de hausses attendues du prix du pétrole. La configuration observée par le passé devrait donc, selon ces perspectives, se maintenir dans les prochaines années.

3.1.3 Leviers de politique économique

Dans un contexte de grandes transformations socio-économiques, comment permettre à la société belge de mieux accompagner le changement en réponse aux défis de la globalisation, des ruptures technologiques (dont la digitalisation de l'économie), du vieillissement de la population, du changement climatique ainsi que de la mobilité ? Le statu quo n'est pas une option. Ce sont les pays qui accompagnent le plus rapidement et de manière constante ces grandes transformations de l'économie et de la société en devenant acteurs du changement plutôt que de le subir qui en tireront profit en termes de bien-être. Il y a donc une nécessité que la société belge puisse anticiper et s'organiser pour accompagner le changement.

Pour assurer notre niveau de prospérité dans ce contexte, les interlocuteurs sociaux pointent plusieurs éléments importants caractéristiques d'une et nécessaires à une transition vers une société de la connaissance compétitive et inclusive pour réaliser ces objectifs et réussir les transitions : investissements, institutions et formation. Ces trois éléments identifiés l'année passée par les IS pourront permettre à notre pays de transformer ces défis liés aux transitions en création de richesses afin de garantir un niveau de vie élevé et une cohésion sociale forte, tout en veillant à un meilleur respect de l'environnement, des finances publiques soutenables et une position extérieure solide. Les travaux des IS se sont cette année attachés à plusieurs composantes de ces trois éléments. Les focus qui constituent la seconde partie de ce document livrent pour certains d'entre eux une analyse approfondie, pour d'autres, une analyse partielle qui sera prolongée dans les prochains rapports. Par investissements, les IS visent les infrastructures physiques, privées ou publiques qui sont indispensables au bon fonctionnement de l'économie. C'est le cas par exemple des infrastructures routières, ferroviaires, de télécommunication ou de transport ou distribution de l'énergie. Un focus est réalisé en deuxième section du document sur cette thématique. Par institutions, les IS visent le cadre dans lequel les acteurs économiques et sociaux vont prendre les décisions qui déterminent leur comportement ainsi que les formes de coordination des comportements des agents. Les institutions fournissent des incitants aux agents socio-économiques qui les conduisent à adopter un certain comportement. Plus concrètement, il s'agit par exemple des institutions qui prévoient un cadre pour des transactions efficaces : cadre juridique des contrats, système judiciaire, réglementations de mise sur le marché, cadre juridique de la concurrence ou de la protection du consommateur, ... Mais il peut aussi s'agir d'institutions informelles comme les valeurs, normes, et habitudes propres à une société, à une entreprise, ... En matière de formation, les IS pointent le rôle de la formation initiale et de l'apprentissage tout au long de la vie. Si seule la thématique des investissements fait l'objet d'un focus cette année, cela ne dénote en rien d'une quelconque hiérarchisation entre les leviers. En effet, les autres leviers (institutions et formation), tout aussi essentiels aux yeux des IS pour atteindre les objectifs qu'ils se sont fixés, feront l'objet d'une analyse plus approfondie de la part des IS dans les prochains mois.

Les objectifs qui sont au centre de cette première partie du document devront être poursuivis en réunissant les conditions pour réussir, dans le contexte actuel de grandes transformations socio-économiques et climatiques, la transition juste et le level playing field à tous les niveaux⁶⁰. Selon le Conseil, la recherche d'un « level playing field » aura un impact positif sur l'économie, la compétitivité, l'emploi et la protection de l'environnement dans le cadre de la réalisation des objectifs de la politique énergétique. Afin d'opérer une transition juste pour tous, les créations et reconversions d'emplois doivent s'inscrire dans le cadre des structures existantes du dialogue social et de la protection sociale, de l'effort de formation et du développement des compétences, du respect des droits humains et des travailleurs. L'information, la sensibilisation et la collaboration – renforcée et plus efficace – de toutes les parties est pour ce faire cruciale. Le dialogue social, à tous les niveaux et lors de toutes les étapes de ce processus de transition est d'une importance capitale pour en assurer la réussite.

3.2 Section 2 : Focus

Les quatre focus livrent les conclusions des IS sur quatre thématiques analysées en profondeur cette année. Le premier focus concerne les investissements qui ont fait l'objet de plusieurs avis récents du Conseil. Les deux focus suivants portent sur deux défis sociétaux sur lesquels les IS se sont attelés, conformément à leur accord interprofessionnel 2017-2018 : la digitalisation de l'économie et la mobilité. Enfin, le 4^{ème} focus livre une analyse de la problématique du PIB/hab, qui est en retrait en Belgique par rapport aux pays de référence.

3.2.1 FOCUS Investissements et infrastructures

Les investissements sont au cœur de la dynamique de croissance inclusive, c'est la raison pour laquelle les institutions comme la CE, l'OCDE ou le FMI en font un des chevaux de bataille de la politique économique. Au niveau européen, alors que la consommation privée continue à tirer la croissance, les investissements apportent, eux encore, une contribution à la croissance plus limitée⁶¹ (CE, 2017b, p.1). Dans son récent avis, le Conseil « rappelle l'importance des investissements, publics et privés, et particulièrement de ceux d'infrastructure (mobilité, énergie, etc.) dans la création, l'entretien et l'extension d'un environnement propice à la croissance économique et à l'emploi. Ce faisant, ces investissements participent aussi à la progression du niveau de vie et au renforcement de la cohésion sociale et à l'équilibre des finances publiques »⁶².

En ce qui concerne la Belgique, toutes les formes d'investissement ne posent pas le même problème. Les investissements privés jouent encore un rôle important dans la croissance économique (la formation de capital net reste positive et le stock de capital privé net continue de croître). L'inquiétude porte avec beaucoup plus de force sur l'autre grande catégorie de ces dépenses, à savoir les investissements publics. Cette problématique a bénéficié cette année d'une attention particulière du CCE entre autres avec la présentation des premiers travaux liés au Pacte national pour les investissements stratégiques.

Les investissements publics en pourcentage du PIB ont stagné en Belgique depuis un quart de siècle à environ 2 % et la formation nette de capital fixe des administrations publiques a été presque nulle durant la même période. L'évolution historique comparée est également notable. En moyenne, entre 1995 et 2015, la Belgique était le deuxième pays à dépenser le moins en investissements publics en pourcentage de son PIB. Le seul pays qui faisait pire était l'Allemagne.

⁶⁰ Le lecteur se référera utilement à l'avis relatif aux défis sociaux, économiques et environnementaux à relever dans la définition d'une vision énergétique en Belgique (CCE 2017-2055 disponible via : <http://www.ccecrb.fgov.be/txt/fr/doc17-2055.pdf>)

⁶¹ Commission européenne (2017), « European Economic Forecast : Winter 2017 », Institutional Paper 048, février 2017, p.1.

⁶² Conseil central de l'économie (2017), « La Communication de la Commission européenne pour une orientation positive de la politique budgétaire de la zone euro (COM(2016) 727 final) », Avis CCE 2017-0440, Bruxelles.

Cette situation est préoccupante, lorsqu'on sait que la relance des investissements publics constitue une réelle nécessité eu égard aux objectifs économiques, sociaux et écologiques des IS.

La première des nécessités économiques est celle de la croissance économique à court terme. Augmenter les dépenses publiques stimule le PIB et agit comme une politique de relance et de soutien à l'activité économique. La seconde nécessité économique est celle de la croissance économique à plus long terme, en fournissant un environnement propice à la création et au développement d'activités socio-économiques diverses. On pense, par exemple, aux dépenses publiques d'investissement réalisées dans les infrastructures routières et/ou ferroviaires, ou celles consenties dans l'éducation et la santé.

Si ces dépenses contribuent à la croissance à court terme lorsqu'elles sont actées, elles ont donc aussi, et même surtout, un effet bénéfique sur la croissance potentielle.

Concernant la Belgique, une tentative d'estimation des impacts d'une hausse des dépenses publiques dans les investissements a été réalisée par le Bureau fédéral du plan et montre également des effets globalement positifs sur l'activité économique, à court comme à long terme ; lorsque cette hausse des dépenses se concentre particulièrement dans les investissements d'infrastructure, ces effets positifs sont encore plus prononcés⁶³.

A long terme, dans la mesure où les investissements publics peuvent stimuler la croissance future, ils contribuent alors également à détendre la contrainte budgétaire. En effet, une croissance accrue permet de dégager des moyens supplémentaires susceptibles de supporter les dépenses publiques. En particulier, la stimulation de la croissance potentielle, à travers un renforcement de la croissance de la productivité, est essentielle à l'assurance de finances publiques soutenables, en raison notamment des défis de long terme posés par le coût futur du vieillissement de la population⁶⁴.

Sur le plan de la cohésion sociale, les investissements publics assurent aux citoyens des infrastructures de qualité, que ce soit dans la mobilité, l'énergie, la santé ou encore l'éducation. Il s'agit là d'une fonction essentielle de l'Etat qui dépasse la simple dimension économique mais qui est essentielle pour garantir que la croissance soit « inclusive », comme le rappelle la section consacrée à la cohésion sociale.

Enfin, il existe une nécessité écologique à la relance des investissements publics. Plus particulièrement, une nécessité à la relance d'investissements publics capables de lutter contre la détérioration de notre environnement et d'orienter les activités économiques afin d'en réduire le plus possible les impacts négatifs sur ce même environnement. Les investissements publics peuvent ainsi contribuer à la transition vers une société à faible émission de carbone. On pense par exemple à des investissements publics dans le développement des énergies renouvelables, dans l'efficacité énergétique des bâtiments, dans l'amélioration et/ou l'extension des infrastructures de transport public, dans la recherche scientifique et technique (avec des applications diverses, comme le traitement de l'eau ou le stockage de l'énergie), dans l'éducation au respect de la nature, etc.

C'est en cohérence avec de tels constats que le Fonds européen pour les investissements stratégiques doit notamment, selon les termes du règlement européen l'établissant, « pouvoir soutenir des projets respectueux de l'environnement » et « contribuer au passage à une économie verte, durable utilisant rationnellement les ressources » (UE, 2015, pp.3-4)⁶⁵.

⁶³ Biatour et al., (2017), « Public investment in Belgium : Current State and Economic Impact », Working Paper 1-17, Bureau fédéral du Plan.

⁶⁴ Conseil central de l'économie (2017), « Pacte national pour les investissements stratégiques », Avis CCE 2017-2241, Bruxelles.

⁶⁵ Journal officiel de l'Union européenne (2015), « Règlement (UE) 2015/1017 du Parlement européen et du Conseil du 25 juin 2015 sur le Fonds européen pour les investissements stratégiques, la plateforme européenne de conseil en investissement et le portail européen de projets d'investissement et modifiant les règlements (UE) n°1291/2013 et (UE) n°1316/2013 – le Fonds européen pour les investissements stratégiques », pp.3-4.

Si les investissements publics en général ont un impact positif sur la croissance à court comme à long terme, cet impact est encore plus important lorsque lesdits investissements sont réalisés dans les infrastructures.

En la matière, les IS ont déjà identifié, dans différents avis⁶⁶, plusieurs domaines d'intérêt. Trois d'entre eux l'ont été en raison d'effets retours rapides ou suffisamment importants, et font également partie des priorités du Pacte national pour les investissements stratégiques. Il s'agit de l'énergie, de la mobilité⁶⁷ et du numérique.

Si les infrastructures présentent souvent une dimension matérielle, comme par exemple un réseau autoroutier ou de transport d'électricité, elles peuvent aussi bien revêtir une dimension immatérielle, et s'apparenter alors à de la connaissance ou du savoir-faire. Dans plusieurs domaines, ces deux dimensions se complètent, de sorte que les infrastructures matérielles seraient sous-utilisées sans leur pendant immatériel. Il s'agit par exemple des connaissances en matière de santé, de l'enseignement et de la formation et, de manière transversale, de l'innovation. Le développement du numérique et le phénomène de digitalisation de nos économies rendent les investissements en ces domaines de plus en plus importants.

Pour terminer, répondre aux besoins susmentionnés ne doit pas se faire en partant de zéro. Il faut aussi, et peut-être même d'abord, profiter au maximum des infrastructures déjà existantes, en optimisant leur usage, en investissant dans leur entretien ou dans leur modernisation. Il s'agit par exemple d'entretenir suffisamment et/ou de moderniser un réseau de transport vieillissant afin de garantir une bonne mobilité, de préserver la bonne santé des infrastructures énergétiques actuelles de manière à sécuriser l'approvisionnement en la matière ou encore de les rendre compatibles aux nouvelles réalités environnementales⁶⁸.

3.2.2 FOCUS Digitalisation

Au cours des dernières décennies, les innovations technologiques se sont succédé à une allure effrénée, ce qui se fait ressentir à tous les échelons de la société. Ces innovations peuvent conduire à davantage de croissance et d'emploi, mais leur rapidité et leur ampleur soulèvent également différentes questions préoccupantes sur le plan politique. Les contours du monde de demain sont dessinés par les idées et actions des femmes et hommes d'aujourd'hui. La digitalisation, ou numérisation, et l'économie collaborative ont par conséquent obtenu une place prééminente dans l'accord interprofessionnel que les interlocuteurs sociaux ont conclu pour les années 2017-2018.

Dans le rapport de diagnostic⁶⁹ concernant la digitalisation et l'économie collaborative, élaboré conjointement avec le CNT, le CCE a abordé trois thématiques relatives à la digitalisation : « E-gouvernement », « Digitalisation, croissance et emploi », et « Aspects réglementaires et fiscaux ». Le rapport donne également une définition du concept de digitalisation.

Globalement, les experts des organisations d'employeurs et de travailleurs siégeant au CCE sont d'accord pour aborder le débat relatif à la digitalisation dans un esprit positif et ouvert, sans toutefois fermer les yeux sur les effets indésirables potentiels qui pourraient accompagner la transition numérique.

⁶⁶ CONSEIL CENTRAL DE L'ECONOMIE : Avis : Défis sociaux, économiques et environnementaux à relever dans la définition d'une vision énergétique en Belgique, CCE 2017-2055; avis relatif au Pacte national pour les investissements stratégiques CCE 2017-2241; Avis CCE-CNT sur le projet de plan pluriannuel d'investissements du groupe SNCB pour la période 2013-2025, CCE 2013-0770 – Avis n° 1854, URL : <http://www.ccecrb.fgov.be/txt/fr/doc13-770.pdf>

⁶⁷ En ce compris le développement de solutions visant à favoriser la multimodalité

⁶⁸ Réf. aux avis Défis Energie, mobilité

⁶⁹ Disponible en FR (<http://www.ccecrb.fgov.be/txt/fr/doc17-2170.pdf>) et en NL (<http://www.ccecrb.fgov.be/txt/nl/doc17-2170.pdf>)

Digitalisation, croissance et emploi : constats

De manière générale, on peut affirmer que les technologies sont développées par et pour des êtres humains. En d'autres termes, le développement d'innovations technologiques et leur impact sur la société peuvent être dirigés activement par des choix des pouvoirs publics, des entreprises et des citoyens. Il n'existe cependant pas de définition univoque de la digitalisation au niveau de l'administration et les instruments statistiques publiquement disponibles sont actuellement insuffisants pour pouvoir évaluer en détail les effets de la digitalisation sur l'emploi, ce à quoi vient s'ajouter un manque de coordination entre les différents niveaux de pouvoir et entre les parties prenantes au sujet de cette thématique.

La digitalisation offre, comme les vagues d'innovation technologique du passé, des opportunités de croissance de la productivité et de l'économie. Il ressort clairement d'une précédente note du CCE⁷⁰ qu'il existe pour l'essentiel trois canaux par lesquels la digitalisation peut influencer positivement la productivité du travail et, par la même occasion, la croissance économique : via l'approfondissement capitalistique des TIC (c'est-à-dire l'augmentation du volume de capital relevant des TIC), via des gains d'efficacité dans les secteurs des TIC, et via des gains d'efficacité dans les secteurs utilisant les TIC. La même note affirme qu'un écosystème numérique sain est indispensable pour profiter de manière optimale des avantages potentiels de la digitalisation.

Pour saisir les opportunités offertes par la digitalisation, on soulignera l'importance de disposer de conditions appropriées, comme un climat d'investissement attrayant, une infrastructure numérique performante, un système d'enseignement et de formation de qualité capable de répondre adéquatement aux évolutions technologiques et autres, et un marché du travail efficace. Le défi sociétal consistera à soutenir les gains de productivité tout en veillant, notamment grâce à la concertation sociale, à ce que la transition ait un impact positif sur la prospérité de tous.

Là où l'impact de la digitalisation est le plus visible, par exemple dans les secteurs de haute technologie, la croissance de l'emploi a systématiquement été supérieure à la moyenne au cours des quinze dernières années (Goos et al., 2015). La digitalisation facilite également l'accès à l'entrepreneuriat, et des opportunités d'emploi apparaissent également de la sorte. Dans les bonnes conditions, la numérisation peut en outre favoriser la qualité du travail, par exemple lorsque les travailleurs sont dispensés d'effectuer des tâches lourdes, dangereuses et répétitives et qu'ils reçoivent l'opportunité de se développer dans d'autres domaines d'activité (Autor, 2015).

On peut néanmoins présumer que des emplois seront créés à court terme dans certains secteurs tandis que l'emploi sera affecté dans d'autres secteurs en raison d'évolutions technologiques, comme c'est le cas en permanence dans une économie qui évolue. Il ne sera pas évident d'identifier où et dans quelle mesure la numérisation est un facteur déterminant de la création ou destruction d'emplois dans un secteur donné. Puisque les effets sur l'emploi sont probablement divergents d'un secteur à l'autre, il serait toutefois opportun d'analyser au niveau sectoriel quelles tâches et fonctions sont menacées dans le secteur en question et comment exploiter au mieux les opportunités.

Sur le plan du travail et de l'emploi, on peut dire en d'autres termes que la digitalisation peut générer des opportunités en termes d'amélioration de la qualité du travail et d'accroissement à terme de l'emploi. Il convient toutefois de tenir compte de risques potentiels : ainsi, la digitalisation peut engendrer certains glissements sur le marché du travail, par exemple une réduction de l'emploi moyennement qualifié. Les interlocuteurs sociaux s'accordent à dire que la politique en matière de digitalisation doit

⁷⁰ CCE 2016-0523 Belgium 2.0 Vers une transformation numérique de l'économie réussie : Le rôle des infrastructures à haut débit et d'autres éléments.

veiller à l'inclusivité numérique afin de combler le fossé numérique et qu'il est important que la population active dispose des aptitudes adéquates (tant sur le plan des TIC qu'au niveau des « soft skills »).

Aspects réglementaires et fiscaux : un contexte durable pour le progrès numérique

Au cours des dernières décennies, la digitalisation a contribué à la création de nouveaux modèles d'affaires. Le cadre réglementaire et fiscal n'est cependant pas toujours entièrement adapté à ces nouveaux développements, ce qui est une source potentielle de complications.

Afin de stimuler la croissance, l'emploi et l'entrepreneuriat durables à travers la digitalisation, il est important de créer un cadre réglementaire (fédéral/régional) stable et cohérent. À l'intérieur de ce cadre, il importe notamment de tenir compte du « level playing field », de la cybersécurité, de la protection des consommateurs numériques et de la connectivité numérique. Une coordination est également nécessaire entre les différentes Régions sur le plan de la réglementation.

Il est important de vérifier si le « level playing field » n'est pas compromis par l'émergence de modèles d'affaires numériques, en partant des points de vue des acteurs à la fois nouveaux et traditionnels. Un déséquilibre du « level playing field » peut menacer les perspectives économiques de manière inévitable pour la partie défavorisée, puisqu'une des deux parties opère dans le cadre d'une réglementation différente (moins restrictive). Une réglementation restrictive peut s'avérer opportune pour préserver les intérêts de certains groupes. Il convient toutefois de laisser une marge suffisante à l'innovation numérique.

L'internet et les appareils connectés comportent des avantages mais aussi quelques risques. La dépendance accrue vis-à-vis de TIC de plus en plus complexes rend notre société plus vulnérable aux abus et aux pannes. Une politique forte en matière de cybersécurité est par conséquent recommandée afin de minimiser ces risques.

Certains aspects du commerce numérique exigent une protection spécifique des consommateurs : la négociation sans contact physique préalable, la diffusion d'informations à caractère personnel... Les ventes en ligne peuvent créer de l'incertitude et créer de nouveaux dangers en termes de pratiques frauduleuses. Cela nécessite une protection adéquate des consommateurs numériques.

La Belgique obtient un résultat relativement positif dans le domaine de la cohésion numérique. Afin de conserver ce bon score, il est important que les pouvoirs publics continuent à garantir un climat d'investissement approprié via une réglementation adéquate. Un fonctionnement efficace du marché dans le secteur des télécoms peut également contribuer à encourager les investissements, des prix abordables pour le haut débit et une infrastructure haut débit de qualité.

E-gouvernement

Les pouvoirs publics peuvent donner le bon exemple à travers une numérisation adéquate de leurs propres travaux en exploitant les opportunités de façon optimale et en minimisant les risques. Ainsi, la numérisation de l'interaction avec les entreprises et les citoyens peut entraîner une amélioration du service et de la participation. D'un autre côté, les pouvoirs publics se doivent également d'être conscients des risques potentiels d'une poursuite de la numérisation des services publics. Il importe de limiter autant que possible les effets secondaires indésirables de la numérisation des interactions avec les pouvoirs publics. La transition vers des services publics numériques peut par exemple avoir un effet polarisant entre les « favorisés » et « défavorisés » numériques, et le déploiement d'applications numériques doit suffisamment tenir compte des besoins et souhaits réels des utilisateurs (potentiels). De plus, la numérisation des services publics peut avoir un effet catalyseur pour stimuler le progrès numérique dans d'autres couches de la société.

Afin de déterminer la qualité de l'e-gouvernement en Belgique, il a été fait appel à l'évaluation annuelle de la Commission européenne (Digital Economy and Society Index, DESI). Ces évaluations montrent que la Belgique est moins performante dans le domaine de l'e-gouvernement que dans d'autres domaines de politique numérique. En matière d'e-gouvernement, la Belgique obtient encore des résultats supérieurs à la moyenne de l'UE, mais son avance s'est réduite au fil des années.

L'utilisation de l'e-gouvernement est relativement faible en Belgique et a stagné au cours de ces dernières années. Les experts estiment qu'un cadre neutre du point de vue technologique est important pour développer la digitalisation des services publics. Ils ont également souligné la nécessité de tenir compte des « défavorisés » numériques et de ceux qui disposent de ressources numériques insuffisantes. Ainsi, selon eux, le canal physique utilisé par ces groupes cibles défavorisés ne peut pas être remplacé par le canal numérique ; un « opt-out » numérique⁷¹ doit toujours être prévu et il convient à la fois de sensibiliser les utilisateurs potentiels et de leur fournir les moyens nécessaires.

Selon les calculs d'Eurostat, le taux de formulaires préremplis a fortement reculé l'an dernier en Belgique. Les interlocuteurs sociaux insistent sur l'attention à accorder au principe « only once », selon lequel une donnée ne doit être communiquée qu'une seule fois à l'administration, et à une coordination efficace entre les différents niveaux de pouvoir et autorités.

Les progrès considérables (période 2013-2015) en termes de possibilité de traitement en ligne de l'administration publique ne se sont pas poursuivis l'an dernier. Les interlocuteurs sociaux font remarquer dans ce cadre qu'il serait utile d'étendre encore le portail fédéral d'e-gouvernement existant (MyBelgium) en y incluant des liens clairs vers les sites web d'administrations locales et régionales pour accéder au service compétent. Un aspect tout aussi important que la possibilité de traiter numériquement l'administration publique est le degré avec lequel la population utilise effectivement les services numériques et estiment que ceux-ci sont utiles.

La Belgique accuse du retard dans le domaine des « open data ». La structure de compétence belge nuance toutefois la faiblesse de ce résultat. Une initiative « open data » doit en effet être présente à tous les niveaux de pouvoir pour figurer dans l'évaluation européenne. La Belgique connaît une structure de compétence dans laquelle les autorités locales et régionales ont un certain degré de souveraineté. En cas d'extension de l'open data, les experts estiment qu'il est important que l'on veille à ce que les informations à caractère personnel sensibles ne soient pas rendues publiques pour des raisons de protection de la vie privée et de sécurité.

3.2.3 FOCUS Mobilité

Les problèmes de mobilité : un défi sociétal majeur

Notre pays souffre de problèmes de mobilité de plus en plus aigus ayant des conséquences négatives pour l'économie, le fonctionnement du marché du travail, l'équilibre entre la vie privée et la vie professionnelle, la cohésion sociale, l'accès aux services, l'environnement et la santé publique. Les problèmes de mobilité ont à la fois un coût économique (estimé par l'OCDE à 1 à 2 % du PIB) et un coût social (équilibre professionnel-privé perturbé, moins de cohésion sociale). Outre le coût socio-économique, les problèmes de mobilité entraînent également des coûts environnementaux et sanitaires. En outre, les problèmes de mobilité ont un impact sur le fonctionnement du marché du travail : ils peuvent créer pour les chômeurs un obstacle à accepter un emploi ou à reprendre le travail et sont une raison

⁷¹ Comme cela figure pour les actes juridiques dans le Digital Act du 21 juillet 2016 du 21 juillet 2016, qui met en oeuvre le règlement européen 910/2014.

pour les travailleurs de changer d'emploi. L'accès aisé à une large offre de services est également entravé par des problèmes de mobilité.

Besoin pressant d'une vision et d'un plan interfédéral de mobilité qui ...

La situation de mobilité en Belgique ne va pas en s'améliorant : le besoin en transport de personnes et de marchandises augmente en permanence, alors que l'infrastructure routière et ferroviaire est déjà, en de nombreux endroits et certainement pendant les heures de pointe, sursaturée. Cette situation est tellement préoccupante que l'on ne peut plus reporter l'élaboration d'une vision interfédérale de mobilité et d'un plan d'action qui la concrétise.

... améliorent la mobilité et...

Selon les interlocuteurs sociaux, cette vision et ce plan doivent contribuer aux objectifs qu'une politique de mobilité durable devrait simultanément viser, à savoir :

- donner aux citoyens (travailleurs y compris) un accès abordable, sûr et efficace aux biens et services, aux lieux de travail et à la vie sociale ;
- permettre aux entreprises d'accéder de manière concurrentielle, sûre et efficace à leurs matières premières et de pouvoir fournir leurs biens et services de la même façon ;
- minimaliser l'impact de la mobilité sur l'environnement et la santé publique.

...contribuent au futur plan intégré Energie/Climat 2021-2030

Les interlocuteurs sociaux estiment qu'un plan interfédéral qui améliore la mobilité doit aussi contribuer à réduire les émissions de gaz à effet de serre et d'autres polluants atmosphériques, notamment en augmentant l'efficacité énergétique dans le secteur des transports qui est l'un des principaux émetteurs de CO².

Pour mettre en place ce système de mobilité performant, il est selon les interlocuteurs sociaux nécessaire d'avoir un mix équilibré d'instruments. Lors des travaux relatifs à la mobilité qu'ils ont menés en 2017, les interlocuteurs sociaux se sont penchés sur les instruments décrits ci-dessous.

Une place centrale pour le transport par rail

Les interlocuteurs sociaux sont d'avis que la politique ferroviaire doit occuper une place centrale dans la vision et le plan interfédéral de mobilité car :

- le réseau ferroviaire est un axe structurant de la mobilité ;
- faire du rail une solution intéressante pour les travailleurs (pour se déplacer entre leur domicile et leur lieu de travail) et les entreprises (pour transporter leurs marchandises) est important pour soutenir l'intermodalité. En effet, cela inciterait les entreprises à répartir plus durablement leurs flux économiques entre les différents modes de transport et les travailleurs à utiliser plusieurs modes de transport dans le cadre de leurs déplacements domicile-travail ;
- les gares ferroviaires sont des lieux privilégiés d'intermodalité. En effet, ces gares permettent souvent de faire l'interface entre les différents modes de transport.

Les interlocuteurs sociaux plaident pour une politique ferroviaire qui soit suffisamment ambitieuse pour répondre aux besoins de transport tout en préservant la mobilité. Les ambitions de cette politique doivent aller de pair avec les moyens qu'elles requièrent.

Afin de pouvoir contribuer à relever les défis majeurs en matière de mobilité auxquels notre pays est confronté, la politique ferroviaire doit, selon les interlocuteurs sociaux, rendre le rail plus attrayant pour le transport de personnes et de marchandises, suivant les recommandations qu'ils ont formulées dans leurs avis sur la politique tarifaire de la SNCB et sur les contrats de gestion de la SNCB et d'Infra-bel.

Pistes pour réduire les besoins en énergie dans le secteur des transports

Selon les interlocuteurs sociaux « Minimaliser l'impact de la mobilité sur l'environnement et la santé publique » constitue, comme déjà dit plus haut, un des objectifs qu'une politique de mobilité durable devrait poursuivre. Pour contribuer à la réalisation de cet objectif, il est important de réduire les besoins en énergie dans le secteur des transports. En vue de réduire ces besoins, quatre pistes sont essentielles aux yeux des interlocuteurs sociaux, à savoir : maîtriser la demande de transport ; inciter au choix optimal des moyens de transport ; mettre à disposition et promouvoir des véhicules motorisés plus propres ; optimiser l'utilisation de véhicules motorisés.

Un budget mobilité qui met l'accent sur la mobilité durable

Dans le cadre de l'exécution de l'accord interprofessionnel 2017-2018, les interlocuteurs sociaux ont proposé un budget mobilité qui s'insère dans une politique intégrée de mobilité durable en incitant notamment à un changement de comportement vers une mobilité plus durable et qui ne peut constituer un instrument d'optimisation salariale.

Le budget mobilité proposé par les interlocuteurs sociaux est calculé sur base annuelle, offre le choix au travailleur de remplacer la voiture de société à laquelle il peut prétendre (s'il renonce totalement à celle-ci) ou d'opter pour la combinaison d'une voiture de société plus respectueuse de l'environnement et/ou meilleur marché (budget de leasing ou charges d'amortissement moins élevés) avec des modes et services de transport durables. Les interlocuteurs sociaux ont prévu un équilibre budgétaire dans leur proposition et ils ont expliqué unanimement cette proposition au gouvernement.

Par ailleurs, les interlocuteurs sociaux demandent que, parallèlement à l'adoption d'un nouveau cadre pour le budget mobilité, le gouvernement prenne des mesures concernant le verdissement accéléré du parc des voitures de société en général.

Un cadre (para-)fiscal des déplacements domicile-travail harmonisé, simplifié et cohérent

Les interlocuteurs sociaux ont constaté que :

- l'utilisation des moyens de transport durables est découragée par un manque d'harmonisation du cadre fiscal et parafiscal des déplacements domicile-travail.
- le cadre (para)fiscal actuel est parfois trop complexe.
- il y a un manque de clarté ou de compréhension concernant les possibilités de cumuler les exonérations fiscales et les conditions régissant ce cumul.
- il n'y a pas de cadre (para)fiscal pour les nouveaux moyens de transport, tels que les voitures et vélos partagés.

C'est pourquoi ils demandent que le gouvernement œuvre pour un cadre (para-)fiscal des déplacements privés (domicile-travail et purement privés) qui soit simplifié, harmonisé et rendu plus cohérent suivant les recommandations concrètes qu'ils ont formulées, afin que celui-ci favorise davantage la mobilité durable et l'intermodalité.

Favoriser l'intermodalité

Les interlocuteurs sociaux sont favorables à des mesures qui encouragent l'intermodalité, car celle-ci contribue à une mobilité ayant moins d'impacts négatifs sur l'environnement et induisant plus de fluidité dans le trafic. Selon eux, le développement de l'intermodalité peut être favorisé via notamment : un budget mobilité et un cadre (para-)fiscal qui incitent à un changement de comportements vers une mobilité plus durable et intermodale; une meilleure articulation des horaires des sociétés de transports publics ; un seul support pour accéder à différents modes de transports ; davantage de parkings de dissuasion sécurisés destinés à accueillir des vélos et des véhicules automobiles temporairement non utilisés par leurs propriétaires en raison de leur choix de participer à du covoiturage ou à du multimodal ; l'organisation de l'aménagement du territoire en fonction de la multimodalité (par ex. implanter des nouvelles zones d'activité économique à des endroits accessibles par différents moyens de transports) ; de nouvelles technologies fournissant des informations multimodales aux usagers des transports en temps réel (« un routeplanneur multimodal ») ; des campagnes d'information et de sensibilisation destinées à inciter les usagers des transports à adopter une attitude multimodale qui consiste à mener, avant chaque déplacement, une réflexion sur la disponibilité d'alternatives valables au moyen de transport habituellement utilisé.

3.2.4 FOCUS Création de richesses

Comme indiqué plus haut, la prospérité d'une économie implique la création de richesses par la participation active de tous à la croissance et le partage des fruits de la croissance. Le focus ci-présent se concentre sur l'aspect création de richesses.

L'indicateur utilisé pour mesurer la création de richesses est le PIB par habitant. Celui-ci peut être décomposé en d'une part l'utilisation du travail (le nombre d'heures travaillées par rapport à la population) et d'autre part la productivité du travail (le PIB par heure travaillée). Les pays qui arrivent à augmenter le plus leur richesse sont ceux qui arrivent à combiner le mieux création d'emploi et croissance de la productivité.

Combiner productivité et emploi nécessite de s'adapter

Depuis les années 1990, on observe dans les pays développés l'émergence de nouvelles activités basées sur les nouvelles vagues technologiques (technologies de l'information et de la communication, biotechnologies, micro-électronique, nanotechnologie, ...)⁷² et sur la différenciation des produits (conception, marketing, vente, ...). Ces nouvelles activités sont ancrées géographiquement dans les pays développés, d'une part car elles reposent sur une main-d'œuvre qualifiée qu'on trouve plus difficilement ailleurs et d'autre part, pour ce qui concerne plus particulièrement les activités liées à la différenciation des produits, car elles doivent être proches des marchés de consommation. Dans le même temps, les activités de production des produits standardisés voient leur part dans la demande diminuer et subissent une concurrence de plus en plus intense, ce qui pousse les entreprises actives dans ce segment à accroître leur productivité.

⁷² AUDRETSCH, D. et R. THURIK (2000), "Capitalism and democracy in the 21st Century: from the managed to the entrepreneurial economy".

Les gains de productivité augmentent plus rapidement que la demande pour les produits standardisés puisque celle-ci est saturée, ce qui fait que ces activités utilisent de moins en moins de main-d'œuvre. Ceci permet aux travailleurs présents sur le marché du travail, mais également aux nouveaux entrants, d'être disponibles pour les nouvelles activités ancrées géographiquement dans les pays développés.

Une transition réussie implique innovation, dynamisme entrepreneurial et formation de la main-d'œuvre

Pour que les travailleurs puissent trouver un emploi dans cette nouvelle économie, il est toutefois nécessaire qu'ils soient suffisamment qualifiés⁷³. En outre, il faut également que ces nouvelles activités soient suffisamment développées pour absorber cette main-d'œuvre qualifiée. Le développement des nouvelles activités repose sur l'innovation, qui elle-même dépend de la dynamique entrepreneuriale. En effet, le développement d'activités innovantes peut se faire au sein des entreprises existantes mais les innovations radicales sont le plus souvent proposées par de nouvelles entreprises⁷⁴. Parmi ces nouvelles entreprises, seules celles dont le produit a été sélectionné par le marché vont pouvoir se développer et grandir. Plus la création d'entreprises est forte, plus grande est donc la probabilité de voir de nouvelles activités se développer. Pour que ces entreprises se développent, il est également nécessaire qu'elles en aient les moyens (financiers, humains, réglementaires). On observe ainsi que la création nette d'emploi dans les pays développés a lieu pour une très grande part dans les jeunes entreprises en forte croissance⁷⁵. Sous la pression de ces nouvelles entreprises, les entreprises existantes vont tenter de s'adapter, soit en adoptant les nouveaux produits, soit en innovant à leur tour afin de proposer de nouveaux produits alternatifs. Celles qui ne disposent pas des moyens financiers et humains suffisants pour innover voient leur activité se contracter et leurs moyens sont réalloués, ce qui génère des gains de productivité dans l'économie⁷⁶. Dans ce processus de transition vers la nouvelle économie, les gains de productivité sont ainsi générés par le développement des nouvelles entreprises innovantes, par l'adaptation des entreprises existantes, ainsi que par la réallocation des ressources provenant des entreprises qui n'ont pas réussi à s'adapter. Parallèlement, les nouveaux secteurs en développement connaissent la plus forte croissance de la productivité, comme par exemple les industries des technologies de l'information et de la télécommunication⁷⁷.

La transition vers cette nouvelle économie requiert de la main-d'œuvre qualifiée alors que les possibilités d'emploi pour les travailleurs peu qualifiés se réduisent du fait de la baisse de la demande de travail des activités de production standardisée. Lorsque le système éducatif et de formation tout au long de la vie ne permet pas une adaptation aux nouveaux besoins de qualification, les différents pays doivent mettre en place des programmes pour développer l'emploi peu qualifié ou pour garder les travailleurs peu qualifiés proches du marché du travail le temps que des emplois peu qualifiés soient laissés vacants par les cohortes qui partent à la retraite. Ces programmes indispensables pour maintenir la cohésion sociale ont néanmoins pour effet de freiner la croissance de la productivité.

⁷³ Voir notamment : THURIK, A.R., STAM, E. et D. AUDRETSCH (2013), op. citem, et Aghion, P., Askenazy, P., Bourlès, R., Cette, G., et Dromel, N. (2008), « Distance à la frontière technologique, rigidités de marché, éducation et croissance », *Économie et statistique*, N° 419-420, p. 11-30.

⁷⁴ AUDRETSCH, D. et R. THURIK (2004), "A model of the entrepreneurial economy", *International Journal of Entrepreneurship Education*, 2(2): pp. 143-166.

⁷⁵ Voir notamment : Dumont, M. et Kegels, C. (2016), "Young firms and industry dynamics in Belgium", Working paper 6-16; Bureau fédéral du plan; SCHREYER, P. (2000), "High-Growth Firms and Employment", *OECD Science, Technology and Industry Working Papers*, Publications OCDE, Paris; Sleuwaegen, L. (2016), "Hoge groeiondernemingen in België", rapport i.o.v. CRB, 29 p. ; De Mulder, J., Godefroid, H. et Swartenbroekx, C. (2017), « Grandir pour Survivre ? Portrait des jeunes entreprises à forte croissance en Belgique », *Revue économique*, décembre 2017, BNB.

⁷⁶ AGHION, P. et HOWITT, P. (2005) 'Appropriate Growth Policy: A Unifying Framework'. Joseph Schumpeter lecture of the European Economic Association.

⁷⁷ Biatour, B. et Kegels, C. (2015), "Labour productivity growth in Belgium Long-term trend decline and possible actions », working paper 6-15, Bureau fédéral du Plan.

Comme indiqué au point 3.1.3, les principaux leviers pour réussir cette transition sont les investissements, les institutions et la formation.

3.2.4.1 Comment s'adapte l'économie belge sur la période récente ?

Une industrie manufacturière où les gains de productivité se font davantage au détriment de l'emploi que dans les autres pays

Depuis 2000, et de manière encore plus prononcée sur la période qui suit la grande récession, on constate dans l'industrie manufacturière une baisse du volume de travail ainsi que du stock de capital plus forte que dans les pays voisins, tandis que la valeur ajoutée continue de croître, ce qui va de pair avec une forte croissance de la productivité du travail⁷⁸. Cette croissance de la productivité ne repose plus comme par le passé sur une croissance de l'intensité capitaliste mais sur une croissance de la productivité totale des facteurs, ce qui peut refléter un processus de réallocation. Par ailleurs, on observe également que les entreprises manufacturières belges sur cette période sont sur la frontière technologique⁷⁹. Tout cela semble refléter un processus où les entreprises proches de la frontière technologique et qui ont les capacités financières et humaines pour innover restent près de la frontière, alors que celle qui sont plus éloignées de la frontière et qui n'ont plus les capacités d'innover disparaissent. La baisse du volume de travail et du stock de capital concerne l'ensemble des branches, sauf l'industrie pharmaceutique et le raffinage⁸⁰, ce qui peut être mis en relation avec la concentration des efforts de R&D dans un nombre limité d'entreprise du secteur pharmaceutique qui avait été mise en évidence dans le REC 2016⁸¹. Celui-ci indiquait qu'entre 2005 et 2013 les dépenses en R&D ont augmenté plus rapidement en Belgique qu'en Allemagne, qu'aux Pays-Bas et qu'en France mais que cette évolution moyenne masquait des écarts importants. En particulier, les performances en matière de R&D sont très sensibles, voir dépendantes, des décisions de quelques grandes entreprises insérées dans des groupes multinationaux, qui évoluent dans quelques secteurs d'activité et qui sont géographiquement regroupés. Cette concentration de la R&D est aussi un indicateur de la faiblesse du dynamisme entrepreneurial. La dynamique de création d'entreprises porteuses de projets d'innovation radicale étant relativement faible.

... une croissance de la productivité plus faible que dans les pays voisins dans les services marchands et les industries de réseau ...

Dans les services marchands et dans les industries de réseau, la croissance de la productivité est plus faible que dans les trois pays voisins depuis la grande récession. Dans les industries de réseau, la productivité diminue même⁸². Ceci est interpellant étant donné que les industries de réseau sont au cœur de la transition énergétique et du processus de digitalisation de l'économie. Une investigation plus poussée est nécessaire pour comprendre ce qu'il se passe.

...une part importante de la croissance de l'emploi dans les services non marchands...

Enfin, une part importante de la croissance de l'emploi (en heures travaillées) depuis la fin des années 1990 a eu lieu dans les services non marchands⁸³, ce qui reflète la progression soutenue de l'emploi dans

⁷⁸ Biatour, B. et Kegels, C. (2017), "Growth and productivity in Belgium", Working paper 11-17, Bureau fédéral du plan.

⁷⁹ Vershelde, M., Dumont, M., Rayp, G. et Merlevede, B. (2014), "European competitiveness : a semi-parametric stochastic metafrontier analysis at the firm level", working paper series no 1701, july 2014, European Central Bank.

⁸⁰ Biatour, B. et Kegels, C. (2017), op citem.

⁸¹ CCE (2016), Rapport Emploi-Compétitivité.

⁸² Biatour, B. et Kegels, C. (2017), op citem.

⁸³ Biatour, B. et Kegels, C. (2017), op citem. Les services marchands dans cette étude comprennent les branches NACE O (administrations publiques), P (enseignement), Q (soins de santé), R (arts, spectacles et activités récréatives), S (autres services) et T (activités des ménages en tant qu'employeurs).

l'action sociale et les soins de santé, dans l'enseignement, mais aussi dans l'ordre et la sécurité publics, en réponse à des besoins sociaux – comme dans l'enseignement, la santé ou la sécurité – et au processus de régionalisation⁸⁴. La part importante de cette création d'emploi dans la création d'emploi totale a toutefois contribué à la détérioration continue du solde primaire structurel de la fin des années 1990 aux années 2010-2011 et a freiné les gains de productivité.

3.2.4.2 Comment expliquer les difficultés d'adaptation de la Belgique ?

Un dynamisme entrepreneurial surtout porté par la capacité des entreprises existantes à rester sur la frontière technologique...

La difficulté de la Belgique à pouvoir combiner croissance de la productivité et de l'emploi peut être mis en parallèle avec les caractéristiques de son dynamisme entrepreneurial limité. Comme dit précédemment, le dynamisme entrepreneurial implique la création de nouvelles entreprises, une croissance suffisamment rapide des entreprises les plus productives et la contraction ou la fermeture des entreprises peu productives. La Belgique se distingue par un faible taux de création brute et de disparition d'entreprises, ainsi que par un faible nombre d'entreprises à forte croissance. En 2014, la Belgique était classée en 25^{ème} position (sur les 26 pays de l'UE-28 dont les données sont disponibles) en termes de taux de création brute, et 23^{ème} en termes de taux de disparition des entreprises⁸⁵. En 2015, les entreprises à forte croissance⁸⁶ représentaient 0,4% de l'ensemble des entreprises en Belgique, alors que la moyenne européenne (EU-28) est de 0,6%⁸⁷. Lorsqu'il est uniquement tenu compte des entreprises comprenant au minimum 10 employés, la part des entreprises à forte croissance observée en Belgique est de 8%, contre 9,9% dans l'EU-28⁸⁸, ce qui classe la Belgique en 21^{ème} position (sur 28). Le dynamisme entrepreneurial dépend plus que dans d'autres pays de la capacité des entreprises existantes à s'adapter en proposant des produits innovants ou en adoptant de nouveaux procédés de production alors que la dynamique de création et destruction d'entreprises apparaît limitée en Belgique⁸⁹.

Une croissance de l'emploi trop peu portée par les nouvelles entreprises en forte croissance porteuses d'innovation

Cette caractéristique de la dynamique entrepreneuriale implique que les nouvelles entreprises porteuses d'innovations radicales se développent davantage dans les autres pays qu'en Belgique. Dans les branches exposées à la concurrence internationale, ces nouvelles entreprises concurrencent les entreprises belges existantes, ce qui les pousse à s'adapter ou, si elles n'en ont pas les moyens, à se contracter ou disparaître. La croissance de l'emploi dans la nouvelle économie a donc lieu principalement dans les autres pays, tandis que l'effet de la concurrence de ces nouvelles entreprises se manifeste sur l'emploi en Belgique. Ceci peut expliquer le développement observé dans l'industrie belge (forte croissance de la productivité et baisse de l'emploi et du stock de capital) et le contraste avec l'industrie allemande qui connaît la même croissance de la productivité qu'en Belgique, mais qui a une valeur ajoutée qui

⁸⁴ Voir : Bisciari et al. (2009), « L'emploi public en Belgique », Revue économique, juin 2009, pp.55-70 ; Laloy, L. (2010), « Structure et évolution de l'emploi public belge », Working paper 19-10, Bureau fédéral du Plan ; Conseil Supérieur de l'Emploi (2014), « Rapport 2014 », juin 2014 ; Banque nationale de Belgique (2015), « Rapport 2014 », février 2015.

⁸⁵ Eurostat.

⁸⁶ Selon la définition de l'OCDE, une entreprise à forte croissance est une entreprise comptant au moins 10 emplois au début de la période d'observation, dont la croissance moyenne annualisée du nombre d'emplois dépasse 10% par an pendant une période de 3 ans.

⁸⁷ Eurostat. La part relative des entreprises à forte croissance dans l'économie est supérieure en Allemagne (1,3%) et aux Pays-Bas (0,6%), mais pas en France (0,4%).

⁸⁸ 10,7% en Allemagne et aux Pays-Bas, 8,6% en France.

⁸⁹ Voir CCE (à paraître), « Note documentaire relative à l'entrepreneuriat », et SPF ECONOMIE (2017), Tableau de bord des PME et des entrepreneurs indépendants ; SLEUWAEGEN, L. (2016), Hoge Groei Ondernemingen (Deelproject doorgroei van ondernemingen in België).

croît deux fois plus, et où la croissance de l'emploi et du stock de capital sont positives⁹⁰. Ce phénomène ne touche pas que l'industrie mais l'ensemble des secteurs exposés à la concurrence internationale, comme par exemple la distribution, qui est concurrencée par l'e-commerce qui se développe aux Pays-Bas.

Une croissance de la productivité dans les services trop peu stimulée par les nouvelles entreprises en forte croissance porteuses d'innovation

La faible croissance de la productivité dans les services marchands, en comparaison avec les pays de référence, peut également être mise en relation avec les caractéristiques de la dynamique entrepreneuriale en Belgique. En effet, ces marchés sont moins exposés à la concurrence internationale, et donc à la pression concurrentielle que pourraient exercer de nouvelles entreprises innovantes situées à l'étranger. Dans le même temps, certains marchés ne fonctionnent pas de manière optimale en Belgique⁹¹. Ceci a pour effet de limiter la création de nouvelles entreprises innovantes qui pourrait pousser des entreprises existantes à innover. Par conséquent, la croissance de la productivité reste plus faible en Belgique que dans les autres pays. Notons qu'une partie de la faible croissance de la productivité dans les services marchands peut également s'expliquer par le développement important des emplois titres-services dont le niveau de productivité du travail est faible^{92 93}.

Une croissance de la productivité plus faible dans les services pousse les prix à la hausse

Dans ces conditions, les augmentations de salaire dans les services qui sont proches de celles de l'industrie, et même si elles sont en phase avec les évolutions des pays de référence, dépassent plus que dans les autres pays la croissance de la productivité. Toutefois, la faible concurrence de la part des nouvelles entreprises permet aux entreprises existantes de répercuter les hausses de leurs coûts dans leurs prix tout en maintenant leur marge à un niveau élevé. L'évolution des prix plus rapide en Belgique que dans les pays de référence pèse sur le pouvoir d'achat des ménages et freinent ainsi la croissance de la demande et donc la croissance économique. Par ailleurs, le niveau élevé des prix des services qui sont consommés par les autres entreprises davantage soumises à la concurrence internationale handicape leur compétitivité-coût.

L'importance de la compétitivité-coût

Les caractéristiques de la dynamique entrepreneuriale rendent la Belgique sensible à la compétitivité-coût. En effet, pour que les entreprises existantes puissent s'adapter face à la concurrence des nouvelles entreprises innovantes, elles doivent être en mesure d'investir (dans la R&D, dans des nouvelles chaînes de production, etc.). Ceci n'est possible que si elles ont un certain niveau de rentabilité. Or, pour les entreprises qui au départ sont plutôt actives dans la production de produits standardisés, ce qui détermine la rentabilité est avant tout le coût de production.

⁹⁰ Biatour, B. et Kegels, C. (2017), op citem.

⁹¹ Voir par exemple European Commission, Country report Belgium 2017.

⁹² Les titres-services sont enregistrés dans la branche N de la comptabilité nationale, qui est incluse dans le secteur des services marchands de l'étude du Bureau fédéral du plan.

⁹³ Entre 2004 (date de leur instauration) et 2011, le nombre de travailleurs titres-services augmente de 10%. Ce faisant, leur part dans l'emploi salarié passe de 0,2% à 2,7%. Voir CCE (2013), « Descriptif de 5 mesures d'emploi allemandes et belges », note documentaire CCE 2013-359.

Qu'en est-il de cette compétitivité-coût ?

En ce qui concerne la rentabilité de manière générale, le secrétariat est en train d'analyser si dans certaines branches ou sous-branches, les entreprises belges ont un problème de rentabilité et si c'est le cas, quelles en sont les conséquences sur l'emploi et sur les investissements.

En ce qui concerne les coûts salariaux, la loi du 26 juillet 1996 telle que modifiée le 19 mars 2017, relative à la promotion de l'emploi et à la sauvegarde préventive de la compétitivité a pour objectif d'encadrer l'évolution des salaires en alignant celle-ci sur l'évolution moyenne dans les pays de référence (Allemagne, Pays-Bas, France). En outre, le CCE est en train de mettre au point une méthodologie permettant de calculer l'écart absolu en termes de coûts salariaux entre la Belgique et les pays de référence, corrigé ou non pour la productivité du travail.

En ce qui concerne le coût de l'énergie⁹⁴, celui-ci influence la compétitivité des entreprises, et ce, non seulement vis-à-vis de leurs voisins européens, mais aussi du reste du monde. Ceci est particulièrement vrai pour la Belgique, qui dispose d'une industrie qui occupe un poids dans l'économie relativement plus important que dans les pays voisins⁹⁵ et qui est relativement plus intensive en énergie que l'industrie des pays voisins⁹⁶.

Cette situation peut s'expliquer en grande partie par la spécialisation relative de l'industrie belge dans quelques secteurs spécifiques intensifs en énergie et qui contribuent au PIB de manière plus importante en Belgique que dans les autres pays.

En ce qui concerne le prix final de l'électricité, l'étude CREG/PWC révèle un « problème de compétitivité pour les grands consommateurs industriels qui concurrencent des consommateurs électro-intensifs dans les pays voisins (surtout l'Allemagne, la France et les Pays-Bas) ». D'autres profils, dans cette étude, ont un avantage compétitif par rapport aux pays de référence en termes de facture d'électricité⁹⁷.

En ce qui concerne le gaz, l'étude souligne que « les différences de prix finaux observées entre les pays ainsi que les gammes de résultats possibles au sein d'un même pays sont moins grandes que pour l'électricité ». Toutefois, pour les prix du gaz, le handicap en termes de coûts existe pour les entreprises qui sont en concurrence au niveau international avec les États-Unis, en raison d'une offre excédentaire de gaz créée par le développement du gaz de schiste aux États-Unis.

⁹⁴ Voir Avis CCE 2017-2055 du 20 septembre 2017 relatif aux défis sociaux, économiques et environnementaux à relever dans la définition d'une vision énergétique en Belgique.

⁹⁵ Part de la valeur ajoutée dans le PIB : 14% en Belgique contre 11,78% aux Pays-Bas et 11,31% en France. Source : CREG & PWC 2016 : A European comparison of electricity and gas prices for large industrial consumers.

⁹⁶ L'intensité énergétique de l'industrie belge est en moyenne 25% plus élevée qu'aux Pays-Bas, 45% plus élevée qu'en France et 53% plus élevée qu'en Allemagne. (Calculs effectués sur base d'Eurostat, exprimés en 1000 TEP par million d'euros de valeur ajoutée, moyenne sur la période 2009-2014).

⁹⁷ L'interprétation des conclusions de cette étude en termes de politique économique doit prendre en compte l'impact des coûts énergétiques sur la compétitivité des divers secteurs, sur l'évolution des stratégies d'achat et même de production des consommateurs industriels, sur les possibilités (y compris dans une perspective internationale) d'amélioration de la compétitivité par exemple par le biais de l'efficacité énergétique et de l'innovation, sur les éléments qui renforcent ou compromettent (potentiellement) la compétitivité d'utilisateurs spécifiques et peuvent favoriser leur délocalisation. Il convient aussi de prendre en considération les éventuelles mesures de soutien et obligations qui interviennent au niveau des entreprises dans le cadre de la politique de l'énergie et du climat.

3.3 Annexe : Avantages non récurrents liés aux résultats

En application de l'Accord interprofessionnel 2007-2008 (point d'ancrage 3 : avantages non récurrents liés aux résultats) et de l'avis commun du CCE et du CNT du 20 décembre 2007, le Conseil central de l'économie effectue le suivi du système d'avantages non récurrents liés aux résultats.

Pour rappel⁹⁸, ce système prévoit la possibilité de conditionner un certain montant de rémunération à la réalisation d'objectif(s) collectif(s) prédéfini(s). Ce « bonus » est alors exonéré de l'impôt des personnes physiques à condition que l'avantage ne dépasse pas, en 2016, 2 799 € net par travailleur.

En ce qui concerne la parafiscalité, une cotisation personnelle « de solidarité » de 13,07% est mise en place pour les bonus versés depuis le 1^{er} janvier 2013. Les bonus inférieurs, en 2016, à 3 219 € brut (soit 2 799 € + la cotisation personnelle de 13,07%) ne font pas l'objet du calcul classique de cotisations sociales patronales, mais une cotisation spéciale de 33% est en vigueur.

Comme indiqué plus haut, l'avantage est donc principalement fiscal, le montant de bonus à ne pas dépasser étant dès lors de 2 799 € (hors cotisation personnelle « de solidarité »).

La décision et les modalités de mise en place de ce type de rémunération peuvent être prises au niveau des secteurs (au travers de la signature d'une convention collective de travail) ou des entreprises (via un CCT d'entreprise ou un acte d'adhésion⁹⁹).

Accords sectoriels

A l'automne 2016, un accord sectoriel est d'application dans 8 (sous-)commissions paritaires, à savoir les commissions 105 et 224 (métaux non-ferreux), la SCP 328.02 (transport urbain et régional de la région wallonne), une partie de la commission paritaire 140 (transport et logistique), la CP 326 (Industrie du gaz et de l'électricité), la CP 301 (commission des ports), la CP 203 (CP pour les employés des carrières de petit granit) et la CP 116 (chimie), pour ce qui concerne l'industrie transformatrice de matières plastiques de la province du Limbourg.

CCT d'entreprises et actes d'adhésion

Le nombre d'actes d'adhésion introduits au greffe du SPF Emploi, Travail et Concertation Sociale atteignait 6 155 en 2016 et 6 772 début novembre 2017¹⁰⁰. En ce qui concerne les conventions collectives d'entreprise, ces chiffres s'élevaient à, respectivement, 2 064 et 2 289.

Il faut préciser que la plupart de ces actes et CCT sont de courte durée, parfois inférieure à un an. Une même entreprise peut donc introduire chaque année un nouvel accord, voir plusieurs accords par année (si l'accord, par exemple, porte sur des travailleurs différents ou a une durée inférieure à un an).

⁹⁸ Une présentation plus détaillée du système est faite dans les notes CCE 2010-0395 et CCE 2011-0679 disponibles sur le site internet du Conseil.

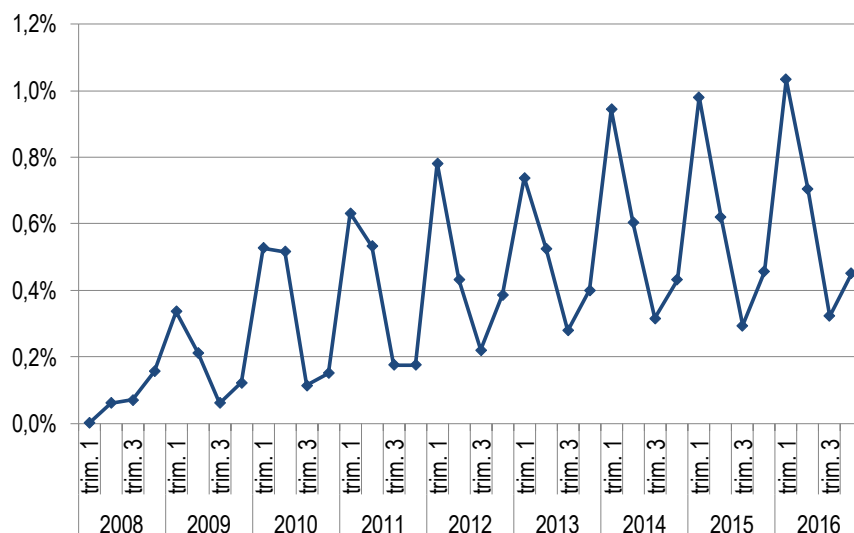
⁹⁹ Lorsque le groupe de travailleurs concernés est représenté au sein d'une entreprise par une délégation syndicale, le plan bonus est introduit par une CCT. Lorsque le groupe de travailleurs concernés n'est pas représenté au sein d'une entreprise par une délégation syndicale, le plan bonus est introduit par un acte d'adhésion.

¹⁰⁰ Chiffre provisoire pour 2016.

Impact sur l'évolution des salaires

Lorsque l'impact des avantages non récurrents liés aux résultats est mis en relation avec les salaires bruts, il apparaît que l'impact est, chaque année, concentré sur le premier trimestre. On peut supposer qu'il s'agit du paiement de bonus basés sur la réalisation d'objectifs observés l'année écoulée. Au premier trimestre de 2014, le pic s'élevait à 0,94% de la masse salariale (du secteur privé), montait à 0,98% au premier trimestre de 2015 et à 1,03% au premier trimestre de 2016. En termes de moyenne annuelle, les bonus non récurrents s'élevaient en 2009 à 0,18% des salaires bruts déclarés à l'ONSS. Cette proportion n'a cessé d'augmenter pour s'établir à 0,57% en 2014, 0,59% en 2015, et 0,62% en 2016.

Graphique 0-1: Part des avantages non récurrents liés aux résultats (en % du salaire brut ONSS, secteur privé)



Sources : ONSS (données non publiées); calculs propres du secrétariat

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Annex 9 : Opinion of the National High Council for Personnes with Disabilities

Avis n° 2018-12 du Conseil Supérieur National des Personnes Handicapées (CSNPH) relatif à la préparation du Programme National de Réforme 2018, émis pendant la séance plénière du 19 février 2018.

Avis rendu d'initiative par le CSNPH

1 Objet

Dans le cadre de la Stratégie européenne économique de Lisbonne, chaque état membre remet chaque année à l'Union européenne un inventaire des réalisations et projets permettant de rencontrer les recommandations de l'Union européenne (appelé « Plan National de Réforme » - PNR).

Le 11 juillet 2017, le Conseil de l'Union européenne remettait à la Belgique ses recommandations concernant le programme national de réforme de la Belgique pour 2017 et son avis sur le programme de stabilité de la Belgique pour 2017 : [http://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32017H0809\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/FR/TXT/PDF/?uri=CELEX:32017H0809(01)&from=EN).

La Commission européenne a remis à la Belgique un rapport évaluant les évolutions dans l'économie de la Belgique https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-report-belgium-fr_0.pdf (voir en particulier de la page 31 à 40, le volet Politique du marché du travail, politique de l'éducation et politique sociale

Dans son PNR 2018, en rendant compte des réalisations, la Belgique répondra en quelque sorte à ces deux documents européens. A son tour, la Commission, sur la base du PNR 2018 présenté par la Belgique, lui remettra ses recommandations pour la période 2018-2019.

2 Analyse

Le calendrier des travaux prévoit que l'envoi du PNR 2018 de la Belgique devra se faire le 30 avril au plus tard. Sans être certain que son avis sera demandé, et connaissant la restriction des délais de consultations, le CSNPH prend l'initiative de remettre un avis dès à présent.

L'avis qu'il rendra ci-après s'inspirera des recommandations du Conseil de l'Union européenne, du rapport de la Commission européenne et des constats du CSNPH depuis les précédents avis rendus. Voir avis 2015-17, 2016-07, 2017-04

Le Conseil de l'Union européenne considérait le 11 juillet 2017 que

12. l'investissement public est très faible selon les normes européennes, en particulier par rapport aux dépenses publiques totales. Non seulement, le stock de capital public est faible, mais la qualité des infrastructures publiques s'est également détériorée. (...);

13. La Belgique a réalisé des progrès importants en matière de réforme de son système de fixation des salaires. (...);

14. Quelques progrès ont été accomplis par rapport au fonctionnement du marché du travail. L'augmentation de l'âge de la retraite et le renforcement des restrictions à la préretraite encouragent les personnes plus âgées à rester sur le marché du travail ou à y retourner. (...) La création d'emplois a été

solide, (...). Toutefois, plusieurs lacunes structurelles demeurent. Les taux de transition du chômage ou de l'inactivité vers l'emploi sont faibles, et le taux d'emploi global est toujours négativement influencé par la mauvaise performance de groupes spécifiques. Ceux-ci incluent les personnes peu qualifiées, (...);

15. Quelques progrès ont été faits par rapport aux réformes en matière d'éducation et de formation visant à améliorer l'équité, les compétences clés et la qualité de l'éducation. Toutefois, malgré de bons résultats moyens par comparaison aux résultats internationaux, la part des jeunes de 15 ans très performants a baissé, tandis que le pourcentage d'élèves peu performants a augmenté. (...)

Le Conseil de l'UE recommandait que la Belgique s'attache, au cours de la période 2017-2018, à :

1. poursuivre un effort budgétaire important en 2018 (...) compte tenu du besoin de renforcer la reprise en cours et de garantir la viabilité des finances publiques de la Belgique; (...);
2. veiller à ce que les groupes les plus défavorisés, y compris les personnes issues de l'immigration, aient des chances égales de participer à une éducation de qualité, à une formation professionnelle de qualité et au marché du travail;
3. stimuler l'investissement dans le capital des connaissances, notamment grâce à des mesures visant à accroître l'adoption des technologies numériques, et dans la diffusion de l'innovation; accroître la concurrence sur les marchés des services professionnels, ainsi que dans le secteur du détail, et renforcer les mécanismes de marché dans les industries de réseau.

La Commission européenne dans son rapport du 1er mars soulignait quant à elle les progrès mais aussi les enjeux encore nombreux. Le CSNPH pointe en particulier des aspects qui touchent plus particulièrement les personnes handicapées :

- le taux d'emploi dans les groupes les plus faibles (...) notamment les personnes peu qualifiées,
- les principales difficultés résident dans les inégalités en matière d'éducation ;
- Des investissements insuffisants dans les infrastructures, notamment dans les secteurs (...) de l'éducation et du transport, et un faible niveau d'investissements publics en général limitent la croissance de la productivité ;
- Une proportion relativement importante de la population en âge de travailler est sans emploi. Le chômage et les différents types d'inactivité sont largement concentrés sur des groupes spécifiques tels que les jeunes peu qualifiés, les travailleurs âgés ;
- Outre le niveau de qualification, l'inactivité est fortement liée à l'âge, au sexe et au fait d'être issu ou non de l'immigration. Chez les jeunes (moins de 24 ans), l'inactivité s'explique principalement par le niveau d'éducation et de formation. Pour ce qui est des travailleurs âgés, elle a pour principale cause le départ à la retraite. Les responsabilités familiales et en matière de soins expliquent en grande partie l'inactivité des femmes mais pas des hommes. En outre, chez les travailleurs de la première tranche d'âge, l'inactivité s'explique de plus en plus par la maladie et le handicap ;
- Le marché du travail belge se caractérise par un degré élevé d'inadéquation entre l'offre et la demande de compétences ; la Belgique compte une proportion relativement élevée de jeunes en décrochage scolaire (...) et une forte proportion de jeunes adultes ayant un faible niveau d'éducation;
- La stabilité du risque global de pauvreté ou d'exclusion sociale, qui est inférieur à la moyenne de l'UE mais supérieur à celui des États membres voisins, masque toutefois des divergences entre les

différents groupes de population. Tandis que le taux d'exposition au risque de pauvreté ou d'exclusion sociale est stable pour l'ensemble de la population en âge de travailler, ce taux a baissé pour les personnes âgées (de plus de 65 ans) et augmenté chez les jeunes (de 16 à 24 ans), notamment pour les personnes peu qualifiées, handicapées ou d'origine immigrée (...). En outre, l'écart de taux d'exposition au risque de pauvreté et d'exclusion sociale entre les personnes handicapées et les personnes qui ne le sont pas s'élève à 17,7 points de pourcentage, ce qui est nettement supérieur à l'écart moyen de l'UE, établi à 9,7 points de pourcentage ;

- Une telle évolution s'explique en grande partie par l'inactivité et le chômage, qui accentuent fortement le risque de pauvreté. Le taux d'exposition au risque de pauvreté ou d'exclusion sociale au sein de la population active est nettement inférieur à la moyenne de l'UE. Par contre, ce taux est supérieur à la moyenne de l'UE au sein de la population inactive et au chômage.

3 Avis

Depuis plusieurs années, le CSNPH rend de sa propre initiative, à l'occasion du PNR, un avis à la fois sur le bilan de la politique économique et sociale de la Belgique et à la fois sur les orientations qu'elle envisage pour la suite de sa politique. Voir avis 2015-17, 2016-07, 2017-04

Le CSNPH constate que les trois exercices de consultation antérieurs n'ont eu aucun retentissement sur les orientations prises par la Belgique. Il a donc décidé cette année de remettre un avis alors que le travail de rédaction est en cours ; il espère ainsi pouvoir utilement le sensibiliser. Cette manière de faire est d'ailleurs totalement en adéquation avec le texte de la Convention sur les droits de personnes handicapées qui induit un travail de collaboration actif, tant sur les plans de la réflexion que de la rédaction des textes, entre le politique et le CSNPH (voir art.4.3 de la Convention).

Le CSNPH abonde dans le sens des constats du Conseil de l'Union européenne :

- les résultats économiques et sociaux en Belgique ne sont pas au rendez-vous des espérances de l'ensemble des citoyens ;
- que du contraire, en dépit des mesures économiques drastiques prises par les gouvernements successifs ces dernières années, les écarts se creusent au sein même de la population entre les plus nantis et les moins favorisés pour des raisons qui leur échappent (origine, âge, handicap...);
- la redistribution économique est inaboutie et l'ascenseur social de l'enseignement est en panne ;
- par leur accès limité à la formation et à l'emploi, la pauvreté et l'exclusion grandissent dans les groupes de personnes défavorisées, notamment par la maladie et le handicap.

Les recommandations formulées dans les avis 2015-17, 2016-07, 2017-04 et susceptibles de rencontrer les besoins des personnes handicapées et malades, sont restées largement lettre morte.

Le CSNPH constate que le volet « inclusif » des nécessaires réformes est trop souvent insuffisamment développé ou, lorsqu'il s'agit de rendre les domaines de l'emploi et de la formation accessibles aux personnes handicapées et malades, tout simplement complètement négligé.

Le CSNPH rappelle que l'inclusion sociétale des personnes handicapées et malades est une composante essentielle à la relance économique.

Plus spécifiquement,

Dans le domaine de l'emploi :

Le CSNPH considère qu'il faut totalement reconnaître les compétences des personnes et leur contribution économique. Les mesures « back to work » ont été un premier pas intéressant sur le plan des concepts (voir avis 2015-10, 2015-32, 2016-12).

Le CSNPH est cependant sans nouvelle de l'évaluation globale annoncée durant le 1er semestre 2016. Des retours du terrain, il ressort par ailleurs que les moyens humains nécessaires à l'accompagnement des candidats travailleurs sont totalement insuffisants. Plus grave, certaines évaluations concluent que la procédure de remise au travail aboutit au final à une procédure de licenciement du travailleur pour lequel aucun aménagement de travail ou nouveau poste de travail n'a pu être envisagé.

Le CSNPH continue par ailleurs d'insister sur les autres mesures indispensables pour rapprocher le monde du travail des besoins des personnes handicapées et malades. Ni les campagnes de sensibilisation des employeurs, ni les incitations financières n'ont permis un accès suffisant au travail pour des dizaines de milliers de personnes handicapées.

Pour rappel, l'Europe a fixé dans sa Stratégie 2020 un objectif de relèvement d'emploi pour toutes les personnes handicapées exclues en raison de leur handicap du marché du travail. Il est nécessaire que le PNR 2018 accepte d'endosser ces défis et y apporte des solutions.

Il devient donc urgent que les gouvernements concrétisent la responsabilité sociétale des employeurs du secteur privé. Le CSNPH s'est penché sur la question et recommande certaines pistes : Voir avis 2017-01

Dans le domaine de l'enseignement :

Les considérations de ces dernières années relatives au décrochage scolaire et à l'inadéquation des formations par rapport aux besoins du marché valent aussi pour les personnes handicapées bien évidemment, et peut-être encore plus que pour tout autre adolescent car s'ajoutent les obstacles liés aux déplacements, à l'absence de locaux et de matériels adaptés, à la continuité de soins pendant la journée scolaire, etc. ... De telles raisons sont tout simplement inadmissibles !

Par ailleurs, il est encore trop souvent proposé à ces jeunes, au motif de leur handicap, des formations non-qualifiantes et ne répondant pas à la demande du marché.

Le CSNPH rappelle par ailleurs sa demande pour un enseignement plus inclusif, qui devrait aussi aider à limiter le décrochage scolaire. Cela ne veut pas dire supprimer l'enseignement spécialisé, mais adapter l'enseignement ordinaire aux besoins des enfants handicapés, en laissant la liberté de choix aux personnes concernées.

Dans le domaine de l'accès à la pension, le CSNPH rappelle que l'allongement de la carrière est difficilement réalisable pour beaucoup de personnes handicapées mais aussi pour leurs aidants proches ; il faudrait pouvoir au contraire aménager leur fin de carrière et assimiler des périodes d'interruption en cours de carrière. Les personnes handicapées et/ou leurs aidants proches ont bien souvent vu leurs perspectives de travail et de carrière réduites, sans même qu'elles y consentent mais parce que leur corps et/ou l'environnement du travail se sont imposés à elles, avec toutes les situations d'exclusion sociale et de pauvreté induites.

L'arrivée à la pension pour ces personnes résonne souvent comme une seconde descente aux enfers, alors que les frais liés au vieillissement et à leur état de santé augmentent inéluctablement. La mise en

place d'un autre mécanisme devrait également être étudiée par le gouvernement à savoir une comptabilisation plus avantageuse des années de carrière effectuées par les personnes handicapées et ce, afin d'encourager l'emploi.

En d'autres mots, le CSNPH insiste particulièrement sur la nécessité de mettre en place des mesures spécifiques pour les travailleurs âgés handicapés et les aidants proches, tant au niveau de la carrière que pour le calcul de la pension.

Tant l'allongement de la carrière effective à 45 ans, que le relèvement de l'âge effectif de départ en pension seront pénalisants pour les personnes handicapées car le handicap amène durant et en fin de carrière plus de fatigue et d'investissement qui rendent problématique la poursuite de la carrière. Les personnes handicapées travaillent souvent à temps partiel pour raison de santé ou aussi parce qu'il est particulièrement difficile pour elles de trouver un temps plein.

Le CSNPH estime, au contraire, qu'un accès anticipé à la pension de retraite (tout en conservant ses droits) doit être examiné pour les personnes handicapées. Exemple : si le système de pension à points est mis en place, une année de carrière pour une personne handicapée pourrait valoir plus de points. Cela encouragerait les personnes handicapées à travailler et tiendrait en même temps compte du caractère pénible pour elles. Le CSNPH insiste donc sur la nécessité de la mise en place de dispositifs individuels, dans les situations liées au handicap et à la maladie grave, venant compléter les dispositifs collectifs.

Dans le domaine des Fonds structurels, le CSNPH rappelle que les textes réglementaires prévoient la participation et l'implication des personnes handicapées à chacun des stades de la programmation, de la mise en oeuvre et de l'évaluation. Force est de constater que, malgré la condition ex ante, l'article 4.3 n'est pas structurellement développé avec pour conséquence que de nombreux appels à projets ne répondent pas suffisamment aux besoins des personnes handicapées. Le CSNPH demande que les Fonds structurels soient consacrés à des projets qui soutiennent véritablement les personnes handicapées et leurs familles dans le développement d'une vie autonome et dans leur inclusion dans la vie collective.

Enfin, dans le domaine de la lutte contre la pauvreté :

Le CSNPH rappelle une nouvelle fois le pilier de la Stratégie 2020 relatif à la lutte contre la pauvreté et en particulier l'objectif visant à la diminution du nombre de personnes vivant dans la précarité en Belgique. A la fin de l'année 2014, le nombre de personnes dans cette situation en Belgique s'élevait à 2.286.000, alors qu'il était de 2.194.000 en 2008 (page 3 du Rapport social national - RSN). L'objectif initial de 380.000 personnes à sortir de la pauvreté devait dès lors être relevé en 2014 au moins à 472.000 (nous ne disposons pas des chiffres pour les années 2015 et suivantes, mais nous savons en même temps que les chiffres augmentent d'année en année).

Les différentes études récentes ont prouvé que les mesures prises récemment par le gouvernement fédéral, au contraire de renforcer les filets sociaux, détricotent dangereusement le tissu de protection sociale et de solidarité entre tous bâti au 20^{ème} siècle.

Tous les états membres de l'Union européenne ont adopté l'année dernière le « Pilier social européen ». Il est à présent urgent que la Belgique le mette concrètement en oeuvre, en rencontrant aussi les besoins des personnes handicapées et malades. La lutte contre la pauvreté et l'exclusion sociale doit à présent devenir une priorité réelle et commune à tous les niveaux de pouvoir belges, au même titre que la reprise économique.

Il faut que les niveaux de pouvoirs travaillent dans la cohérence et la complémentarité, autour d'un plan national de lutte contre la pauvreté et l'exclusion sociale de tous les groupes fragilisés, et de celui

des personnes handicapées en particulier. Il faut que ce plan national de lutte contre la pauvreté et l'exclusion sociale soit considéré comme une contribution nécessaire à la stabilité économique et sociale du pays.

Le CSNPH insiste une nouvelle fois sur le lien évident entre handicap et pauvreté. Les personnes handicapées perçoivent des allocations (loi du 27 février 1987) largement en-deçà du seuil de pauvreté ; l'allocation de remplacement de revenus devrait garantir un minimum de moyens d'existence et son montant être relevé à tout le moins au seuil minimum de pauvreté européen. Le CSNPH demande que cette mesure soit considérée comme une priorité aussi dans le cadre des discussions budgétaires qui débiteront au printemps.

4 Transmis

- Pour suivi à Monsieur Charles Michel, Premier Ministre ;
- Pour information aux Ministres-Présidents des Communautés et Régions ;
- Pour information à Madame Zuhail Demir, Secrétaire d'Etat aux Personnes handicapées ;
- Pour information à Madame Sophie Wilmès, Ministre du Budget ;
- Pour information au Conseil National du Travail, au Conseil Central de l'Economie, et au Conseil fédéral du Développement durable ;
- Pour information à UNIA ;
- Pour information au mécanisme de coordination interfédéral.

Pour le CSNPH

Gisèle Marlière

Présidente

Annex 10 : Opinion of the Federal Council for Sustainable Development Belgium

Mijnheer de Eerste Minister,

De FRDO heeft op 23 februari uw adviesvraag ontvangen in verband met de voorbereiding van het Nationaal Hervormingsprogramma 2018. De raad is verheugd dat u hem om advies terzakevraagt, omdat hij reeds verschillende jaren pleit voor een grotere inbreng van het middenveld in dit proces, en inhoudelijk voor een betere integratie van het concept duurzaamheid in het programma.

Wat ons evenwel voor een probleem stelt, is de termijn van de adviesvraag. U vraagt het advies voor 9 maart ten laatste, en in dit tijdsbestek van twee weken is het voor de raad onmogelijk zijn betrokken werkgroep samen te roepen, een tekst op te stellen en die te laten goedkeuren door zijn algemene vergadering. De minimale termijn voor een adviesvraag is daarom bij de FRDO vastgelegd op 1 maand. De raad blijft bereid om op uw vragen te antwoorden, in het bijzonder voor de opmaak en het proces van de nationale hervormingsprogramma's van de volgende jaren. De raad hoopt daarvoor echter wel voldoende tijd te krijgen.

We sturen u daarom als inbreng voor het Nationaal Hervormingsprogramma 2018 hieronder enkele aandachtspunten uit goedgekeurde adviezen van de FRDO, en verwijzen tevens naar enkele van onze huidige activiteiten die relevant zijn voor het Nationaal Hervormingsprogramma 2018:

1. Wat de inhoud betreft, onderstreepte de FRDO in diverse adviezen de noodzaak van een meer geïntegreerde benadering in het NHP, waarbij de verschillende dimensies op een evenwichtige manier aan bod komen en geplaatst worden in een kader van duurzame ontwikkeling. De raad stelt vast dat deze situering tot nog toe ontbreekt, en vraagt in het NHP 2018 expliciet te refereren aan de belangrijke evolutie die de "2030 Agenda for Sustainable Development" - met daarin de Doelstellingen voor Duurzame Ontwikkeling of SDGs, inhoudt in dit domein. Ons land heeft er zich immerstoe verbonden deze doelstellingen te realiseren, en zoals u zelfschrijft in de intro van de "National Voluntary Review" inzake de implementatie van de 2030 Agenda die ons land vorig jaar aan de VN presenteerde: "It is our responsibility to ensure that the 2030 Agenda lives up to its expectations, and that it truly becomes a user's manual rather than some philosophical treatise"¹⁰¹
2. Naast een horizontale beleidsintegratie (tussen beleidsdomeinen) heeft de FRDO zich in zijn adviezen steeds ook een voorstander getoond van verticale beleidsintegratie (tussen beleidsniveaus). Dat deze in ons land te weinig aanwezig is, stelde de raad onder meer in zijn advies over het NHP 2014, waarin hij vroeg om een NHP "dat meer inhoudt dan een inventaris van wat op de verschillende beleidsniveaus gebeurt".¹⁰² De FRDO meent, aansluitend bij het vorige punt, dat de Nationale Strategie Duurzame Ontwikkeling, die een belangrijk instrument vormt bij de Belgische uitvoering van de 2030 Agenda, een richtinggevend en coördinerend kader kan vormen voor de actieplannen van de verschillende entiteiten in de dimensies van duurzame ontwikkeling, en vraagt dat het NHP 2018 expliciet zou verwijzen naar deze NSDO.
3. Wat de overheidsinvesteringen betreft (cf § 12 van de aanbevelingen van de Europese Raad over het NHP 2017¹⁰³) heeft de FRDO in een recent advies over de financiering van de energetische renovatie

¹⁰¹ https://sustainabledevelopment.un.org/content/documents/15721Belgium_Rev.pdf

¹⁰² http://www.frdo-cfdd.be/sites/default/files/content/download/files/2014a02n_0.pdf

¹⁰³ <https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-speciflc-recommendations-commission-recommendations-belgium.pdf>

van gebouwen gevraagd "dat de overheid in het beslissen over toekomstige uitgaven het belang van productieve investeringen in het algemeen, en investeringen in energie-efficiëntie in het bijzonder, erkent. " In dit advies heeft de raad een aantal suggesties geformuleerd om deze investeringsuitgaven buiten de overheidsbegroting (en de EU-limitering terzake) te houden¹⁰⁴ De FRDO is momenteel verder bezig rond het thema "Financiering van de transitie naar een koolstofarme samenleving' en bereidt in dit kader een nota voor met betrekking tot het Nationaal Investeringspact van ons land, die u zal bezorgd worden.

4. Wat mobiliteit betreft (cf § 19 van de aanbevelingen van de Europese Raad over het NHP 2017¹⁰⁵) heeft de FRDO bij herhaling gepleit voor een geïntegreerde aanpak, waarbij verschillende dimensies samen bekeken worden: vraag en aanbod van mobiliteit, ruimtelijke ordening, fiscaliteit, gezondheids- en milieu-aspecten... Gezien de verschillende bevoegdheden terzake, werken de beleidsniveaus momenteel aan een "interfederale mobiliteitsvisie". De FRDO vraagt vanuit de aanbeveling terzake van de Europese Raad aan de betrokkenen om deze visie op korte termijn en met de vereiste ambitie uit te werken, en betreurt dat hij als federale adviesraad samen met de regionale adviesraden niet betrokken wordt in dit proces.

We hopen dat deze inbreng effectief meegenomen wordt in het NHP 2018. De raad is, zoals voorheen reeds gemeld, steeds bereid om verder met de overheid te overleggen over de manier waarop duurzame ontwikkeling in het Europese Semester en NHP-proces meegenomen wordt.

Met de meeste achting,

Magda Aelvoet

Voorzitster FRDO

¹⁰⁴ Zie <http://www.frdo-cfdd.be/sites/default/files/content/download/nies/2017a06n.pdf>

¹⁰⁵ <https://ec.europa.eu/info/sites/info/files/2017-european-semester-country-specific-recommendations-commission-recommendations-belgium-pdf>