Executive Summary of the Regional Strategy for Economic Transition 2022 - 2030
INTRODUCTION

1. The context: why the economic transition?

There is no escaping the economic transition today. Climate change, unemployment and growing social equality, fragile supply chains and dependence on raw materials are enormous challenges for the Brussels Region, Belgium and Europe alike. The solution to these many challenges can only be systematic: economic, social, environmental and employment policies must converge. The transition towards low-carbon, circular models, that care for natural and human capital, is not only necessary, it also generates a wealth of economic opportunities which businesses should seize.

Environmental and social necessity

The climate is changing, and every day that passes demonstrates the urgency to act, as systematically recalled by all IPCC reports. However, drastically reducing greenhouse gas emissions is no longer a pipe dream: by 2050, carbon neutral will be the norm. The European Union is committed to this, in line with the Paris Climate Agreement. All sectors of economic activity are already seeking to reduce their “carbon footprint” and their exposure to climate risk.

From a social perspective, the number of citizens who are excluded keeps increasing. Growing uncertainty weakens the social connection and erodes our “social life”. In this context, it is essential to work towards the development of a more inclusive Region, providing quality jobs for the people of Brussels, with a place for everyone.

International reference framework

Economic transition is a global issue that reaches right down to the local level. This is why the Brussels Region has adopted a strategy translating the UN Sustainable Development Goals to the regional level, namely the “Shifting Economy” or regional strategy for economic transition. The UN’s Sustainable Development Goals set the course for 2030 in the economic, social and environmental domains.

At a European level, the reference framework is the Green Deal presented by the European Commission at the end of 2019, which aims to make the European economy sustainable by transforming climate and environmental challenges into opportunities in all policy areas and ensuring a “fair and inclusive” transition for all. Its objective is to make the European economy carbon neutral by 2050.

To this end, the classification system in the European "green taxonomy" determines the criteria for awarding public aid to channel investments towards economic activities considered as "green" or facilitating the achievement of sustainability objectives. This taxonomy is also one of the reference frameworks in the Shifting Economy.

Domestic political ambition

The Economic Transition is also one of the pillars in the Government Agreement in the 2019-2024 legislature. By aligning its economic policies with climate, environmental and social objectives, the Region is placing the Economic Transition at the heart of its Go4Brussels strategy, adopted at the Social Summit in January 2020.

To this end, the Region has explicitly endorsed the gradual principle of granting public aid only to companies which are exemplary from a social and/or environmental perspective.
There are many potential benefits for businesses in Brussels: acquisition of new markets, cost reduction, competitive differentiation, technical and social innovation, positive social impact, participatory governance, etc. These various competitive advantages will thus make it possible to put Brussels on the map of foreign markets. This, in turn, will encourage the deployment of foreign investment in the capital. Let us remember how the “passive 2015” ambition enabled the Brussels construction sector to gain a positive position on international markets.¹

Situation in the Brussels Region

It is in urban areas that a new model of development must emerge, since cities accommodate over half of the world’s population. This change of course is therefore of strategic importance in the urban community. After all, it is also in the cities that the greatest difficulties are exacerbated. The Brussels Region, for example, is a paradox: on the one hand, it is the biggest economic centre in Belgium and offers the largest pool of available labour. On the other hand, the Region has the highest poverty rate in the country.

Access to basic products and services is still insufficiently mainstream, because there are unevenly distributed across the population. Indeed, almost one third of Brussels residents are at risk of poverty and the unemployment rate is 13%, while the Region has the highest income rate per capita in the country. The supply of goods and services must respond locally to the region’s vital functions and the basic needs of its citizens and users/consumers, in order to make the region resilient.

Cities are full of challenges and opportunities, because it is mainly within this urban fabric that innovations emerge. It is here that the Brussels-Capital Region, as one of the regional leaders in innovation in Europe, has an exemplary role to play. The region can count on a very dense network of research centres, companies and universities with a significant number of researchers and doctoral students recognised worldwide for their expertise.

2. The Shifting Economy

Definition

The Economic Transition Strategy of the Brussels-Capital Region or Shifting Economy.Brussels is defined as “the gradual transformation of economic activities in Brussels with a view to contributing to local and global social and environmental challenges, as well as to the creation and maintenance of quality jobs for Brussels residents”.

The Shifting Economy thus proposes a reference framework that links economic energy with social justice and environmental protection, in a process that promotes the development of citizens. With this integrated approach the Brussels economy remains within boundaries that no longer upset the delicate balance of the planet.

Target audience

The strategy targets “any entity, regardless of its legal form, carrying out an economic activity”. Entities carrying out a traditional craft or other activities on an individual or family basis, partnerships or associations regularly carrying out an economic activity shall all be considered

¹ In 2015, the Region was the first in the world to require passive standards in new construction projects, resulting in strong growth in the number of passive buildings and significantly low-energy renovations.
as such. This definition includes all economic players, such as start-ups, the self-employed, non-profit associations, VSEs, SMEs and large companies.

**Three main principles**

The main challenge is to adapt economic instruments according to the needs of the economic transition, on the one hand by supporting ‘early adopters’ in exemplary projects, and, on the other hand, by stimulating as many companies as possible to embark on the path of economic transition.

The *Shifting Economy* will thus **adapt a series of existing plans to strengthen their coherence**, such as the Brussels Regional Programme for Circular Economy (BRPCE), the industrial plan (now Productive Brussels), the Next Tech plan (stimulating the creation of digital companies), as well as the Small Business Act.

The Brussels Region is therefore redirecting economic support (guidance, financing, accommodation, public orders, etc.) so that economic activity is regionally re-anchored, respects the environment and has a social purpose. In an effort to enable economic players to adapt to this new **framework**, **public aid will gradually be focused exclusively on companies in economic transition by 2030**, i.e. those setting an example with their environmental and social approach. Companies in transition will thus be able to benefit from an increase in economic aid as from 2024. The ultimate goal is a zero carbon economy by 2050.

**Environmental and social exemplarity is the ambition. This characterises companies that have goals that go beyond financial goals.** Specifically, this means that the economy targets not only corporate income, but also the well-being of all those concerned (employees, customers, suppliers, local residents, etc.) and it respects the planet. In other words, the creation of economic value remains an objective, but the economy must also contribute significantly to environmental and social objectives. To meet the criteria of exemplarity it is sufficient for a company to demonstrate a positive contribution to the environment and/or social aspect **without harming the other aspect**.

**Governance**

The *Shifting Economy* strategy is driven by **4 administrations** (Bruxelles Environnement, Bruxelles Economie Emploi, Hub.brussels, Innoviris), in collaboration with other public actors essential to its realisation, such as finance&Invest.brussels, Citydev, the Port of Brussels, Bruxelles Mobilité, Perspective.brussels, Bruxelles-Propreté, Actiris, view.brussels, the municipalities, and so on.

Between 2022 and 2030, the *Shifting Economy* aims, as a first step, to deploy **224 measures**, identified by an acronym referring to areas of public activity (e.g. ‘ACCOMP’ for ‘accompagnement’ or guidance, etc.) plus a number. This applies to a set of **7 economic levers and instruments**:

- Developing an ecosystem conducive to entrepreneurship
- Business financing
- Business guidance
- Business accommodation
- Public procurement
- Policy supporting Research & Development and Innovation
- Support for social and democratic entrepreneurship
These measures also rest on 4 transversal policies:

- Access to waste resources, local production and logistics
- Trade
- International trade
- Digitalisation

And focus on 6 priority sectors:

- Food (Good Food)
- Resources and waste (PGRD)
- Construction (Renolution)
- Cultural and creative industry
- Mobility (Good Move)
- Health
REGIONAL STRATEGY
FOR ECONOMIC TRANSITION

Secretary of State Barbara Trachte
in charge of economic transition and scientific research

Minister Alain Maron
in charge of climate transition, environment, energy and participatory democracy

STAKEHOLDERS

COORDINATION

Members of the general coordination + Brupartners

General Cabinets of Trachte & Maron
BE – BEE – hub - Innoviris

Strategic Council of Economic Administrations
+ Innoviris + BE

4 CROSS-SECTORAL POLICIES

Access to deposits, local production and logistics

Trade

Digitalisation

International trade

7 ECONOMIC INSTRUMENTS

Entrepreneurship-friendly environment

Financing

Support

Hosting companies

Sustainable and innovative public procurement

Innovation journey

Promoting social and democratic entrepreneurship

SECTORAL FOCUS AND INTER-PLAN COORDINATION

Health

Cultural and creative industries

Mobility (GoodMove)

Construction (Revolution)

Resource and waste (PGRD)

Sustainable food (Good Food)
ECONOMIC INSTRUMENTS

1. Development of an ecosystem favourable to enterprise

To achieve the objectives of the Shifting Economy as well as those of the Go4Brussels 2030 Strategy, the priority is to create an environment that favours entrepreneurship and particularly entrepreneurship with a positive social and environmental impact, in any phase of a company's life cycle (creation, stabilisation, transmission, transition to exemplary economic models, companies in difficulty) and whatever its model. To this end, the Region will improve SME's access to finance (capital, loans and guarantees), support entrepreneurship among young people, women and socio-economically disadvantaged Brussels residents, develop an administration favourable to enterprise (simplification, permits and access to public procurement for SMEs) and help companies seize opportunities in digital technology, innovation, internationalisation and the circular economy.

2. Financing

The Shifting Economy will make it possible to expand, adapt and redirect regional financial instruments to prepare and assist all economic players for the transition. These instruments currently represent an annual budget of around €200 million and support around 7,000 businesses each year. The Region will complement the financing, support and accommodation chains already provided by the private sector in order to enable all economic players to engage in the economic transition. The objective is for the financing instruments available to the Region to have a leverage effect or complement the private offer, in particular by intervening on topics and levers for which there is currently no or insufficient intervention from private financing.

3. Guidance

The awareness-raising and information strategy aims to encourage companies to engage in environmental management, change their economic model and/or implement participatory governance principles, while promoting the employment of Brussels residents. The present guidance available must be extended to cover all phases in the business life cycle. At the same time, it will be necessary to ensure the strengthening of existing players to meet the objectives of the transition, including best practices. Hub.brussels will develop courses and e-learning tools to give guidance in the economic transition, in partnership with other administrations and to complement their activities.

4. Business accommodation

It is becoming increasingly difficult for entrepreneurs and companies to find a location or site on which to develop their economic activity. Besides the fact that Brussels is a very densely populated Region, economic and productive activities are particularly affected by the pressure on land and prices, which hinder land accessibility for economic players. This reception of companies is to be formalised through the provision of land, the leasing of buildings or accommodation through regional public landlords. With their new 2021-2025 Management Contracts, Citydev.brussels and the Port have committed to the priority of supporting companies that are part of or committed to an economic transition process, in particular de-carbonised,
circular and regenerative economic models, which ensure the creation of a local economic fabric and which contribute to creating quality and non-relocatable jobs for the people of Brussels.

5. Innovative, sustainable and pro-SME public procurement

In this new context of transforming the regional economy, public authorities must lead by example. Public procurement (13% of the Brussels economy) will thus be sustainable, innovative and will favour SMEs. It will promote the development of economic activities that respect the environment, are long-term and create quality jobs in Brussels. As such, it will integrate social, environmental and ethical clauses and will be oriented towards the local economic fabric, in particular by promoting the dialogue that precedes public procurement. Public buyers in the Region will benefit from transversal expertise and will have at their disposal, in particular, tools for cost analysis across the complete life cycle. Market hubs for communal purchasing will be developed.

6. RDI and innovation journeys

Research, development and innovation (RDI) are driving forces behind economic prosperity. They stimulate the creativity and competitiveness of companies, while also facilitating the development of innovative solutions to tackle the major challenges of the future and improve the well-being of citizens. The Region will direct innovation efforts towards the strategic challenges in the economic transition and the Region’s priority themes, namely: the circular economy and new sustainable economic models, the social and inclusive transition, social innovation, and digitalisation. Innoviris will thus develop "innovation paths" based on these themes, which are accessible at any time, to suit the projects’ particular phase of evolution and, at the same time, ensuring ongoing coordination between financing and support.

7. Promotion of social enterprise and democracy

Social enterprise and democracy (SED) is an economic model that is part of the economic transition, i.e. the gradual transformation of economic activities with a view to contributing to global social and environmental challenges. In Brussels, nearly 5,000 social economy organisations accounted for 12% of employment in the Brussels-Capital Region in 2018, but more than 20% of net job creation in Belgium. Social entrepreneurs in Brussels are active in various domains, which make it possible to meet the needs of the region and its inhabitants: food, mobility, traditional crafts, socio-legal, digital, etc. The Region will give visibility to these enterprises to stimulate demand for goods and services from SED and to promote supply by sustaining existing companies, and creating, upscaling, and transferring social innovations.
TRANSVERSAL POLICIES

1. Access to waste resources, local production and logistics

Like most European cities, Brussels has been experiencing a marked decline in productive urban activities since the 1970s. Between 2000 and 2018 alone, the areas dedicated to productive activities in the city (in its broadest sense) fell by 16% (from 791 to 685 ha). Guaranteeing the maintenance and development of productive activities in the city is essential in achieving the Region’s economic transition. The Region will adapt the legal frameworks and rules relating to tax, finance, urban planning and the environment with regard to urban production in Brussels in an effort to maintain, support and stimulate it.

In order to reduce the environmental impact, both directly and indirectly, and strengthen the business productivity, it is important for economic players to choose raw materials of high environmental quality. Therefore it is essential to facilitate access to sustainable primary and secondary resources for production activities. Greater use of sustainable resources in production activities requires efforts in supply and demand. In particular it is a question of supporting the ecosystem so that the offer is available and accessible, via reuse, sorting of materials at source, new remanufacturing, upcycling and recycling channels.

Finally, the logistics aspect is crucial in the transition of the Brussels economy: logistics infrastructure, mobility of goods, distribution, storage, warehousing, packaging, etc. The implementation of an intelligent logistics ecosystem, allowing the development of local production, access to resources and the supply of businesses in the Region, is one of the priorities in the strategy. This must be done by ensuring sustainable transport and storage of goods in the urban fabric without increasing traffic congestion in Brussels.

2. Trade

Traders play an important part in the economic transition. The growing awareness of Brussels consumers and entrepreneurs (including restaurateurs) of the social and environmental impact of consumption and production choices must therefore be supported in a more targeted manner. Awareness-raising activities targeting traders will be set up to encourage their transformation and evolution towards eco-management or sustainable and socially innovative models because this positive dynamic is also an (economic) opportunity that can increase the attractiveness of their offer. The Region will support all willing traders, regardless of their stage of development and transition, adapting to the great diversity of audiences, since the transition can range from eco-management to fundamental changes in the business model. The Region will stimulate consumption in trade outlets that set an example, by marketing products of great environmental and social value.

3. Digitalisation

The digital sector represents 7.6% of Brussels’ GDP, compared to 1.4% and 2.6% of GDP in Wallonia and Flanders respectively. In Brussels, the industry employs almost 30,000 people, of which 3,000 via 400 start-ups. The Region aims to develop a centre of excellence in Brussels in information and communication technologies (ICT), allowing the technologies of the future to aid the transition. The Region encourages VSEs/SMEs to digitalise, regardless of their level of “digital maturity” in order to take advantage of economic opportunities, while choosing solutions that are digitally responsible. The Brussels Region is also working on the deployment of 5G, a
plan to consolidate public fibre-optic networks present in the Region and a plan to deploy a fibre network in collaboration with the private sector. The Region supports a responsible digital approach, i.e. a digitalisation of the economy that aims to be inclusive, sustainable, democratic and ethical.

4. International trade

On an international level, the Region will better inform (neo-)exporters about the importance of new economic models (functional economy, circular economic models, corporate social responsibility) in an effort to accomplish and sustain their activities on an international scale.
SECTORAL FOCUS

1. Good Food Strategy

In Brussels, the food sector is a must in the economic landscape. 14% of the household budget Brussels is devoted to food expenditure (in and outside the home) and this is the second largest item of expenditure after housing. More than 30% of Brussels businesses are food businesses (grocery stores, supermarkets, restaurants, ...). The number of Good Food labels continues to grow despite the crisis in the hospitality sector: there are currently 80 Good Food restaurants in Brussels.

The Good Food strategy aims to reshape our food system, and the entire related economy, towards a more sustainable and resilient model: a healthy food model, respectful of humans, returning to local and seasonal, in order to regenerate biodiversity. To do this, the Region intends, on the one hand, to place the Brussels public authorities as a "matchmaker" between existing Good Food supply (largely in the Flemish and Walloon regions) and Brussels demand, in order to create, in the long term, a shift in the market where the Good Food sectors are predominant. On the other hand, the Region will support the Brussels food-processing sector, in particular by stimulating access to professional infrastructure and the Good Food label, but also by supporting alternative models of food distribution accessible to all.

2. Resources and Waste Management Plan

The Resources and Waste Management Plan (PGRD), adopted in November 2018, aims in particular to apply circularity methods to the supply and production of goods. The chapter on the Shifting Economy about access to the flow of secondary materials includes several measures from the PGRD, including support for economic actors relating to reuse, the promotion of "preservation" and the stimulation of new sectors for remanufacturing, upcycling and recycling. The economic levers in the Shifting Economy will thus amplify the means implemented to achieve the environmental objectives in the PGRD.

3. Renolution Alliance

Energy renovation represents a very important source of jobs and economic prosperity for the Brussels Region. The "Renolution" Alliance is a sectoral policy mobilising public and private players plus associations, around concerted actions related to the challenges of the renovation strategy in Brussels. It aims to stimulate the demand for energy renovation of buildings, to strengthen the capacities of the renovation and renewable energy production sector and to develop the necessary skills.

The Shifting Economy will guide "regional logistics", as Renolution’s thematic workshop. This workshop aims to develop the necessary measures to allow the implementation of a real circular economy and reduce nuisance: determining reconditioning/storage spaces for material reuse, developing logistics management tools for construction professionals and public decision-makers (permits), supporting the creation of logistics projects dedicated to construction, examining whether it is beneficial to make a logistics plan mandatory, as well as analysing the use of inland waterways in supplying construction sites and removing soil and site debris, etc.
4. Cultural and creative industry

There are many artisans and makers active in the Brussels Region whose activities and production depend directly on the particular dynamics of the cultural and creative industry. To support them, the Region intends to respond to the specific needs of these players. The cultural and creative industry (CCI) already represents 3.8% of the Brussels economy and is expected to increase in the coming years. It employs over 90,000 people and more than 10,000 freelancers (VSEs, self-employed persons and freelancers), representing 15% of Brussels workers. 97% of the companies active in the CCI are micro-enterprises. The Region will develop new funding and support offers for the CCI. The Region will also promote the development of the Brussels ecosystem through the creation of a "platform for the cultural and creative industry". It will bring together CCI stakeholders: public institutions, private companies, designers, higher education and training structures, makers, etc. The platform will identify the economic actors active in the CCI in the Brussels Region and develop an action programme conducive to the deployment of the creative economy.

5. Good Move

The new regional mobility plan 2020-2023 for the Brussels-Capital Region (BCR), known as "Good Move", aims to define the main political orientations in the field of mobility. The goods transport and warehousing sectors are identified as priority sectors in the Shifting Economy. As such, the strategy advocates alternatives to road transport, as a source of congestion and emissions (air pollutants and greenhouse gases), and the optimisation of routes for incoming and outgoing goods traffic. The organisation of supply chains is key in developing a circular economy in a highly urbanised region such as Brussels. The development of pooling locations will thus play an important role in optimising the flow and circularity of materials for economic players at the different levels of distribution.

6. Health

When it comes to medical care and research, the Region has a high concentration of hospitals, including university hospitals. In 2019, 240 companies were active in the life sciences domain (biopharma, medical devices and equipment, digital health and support services) in Brussels. The medical device sector is the most represented and the digital health sector the fastest growing. In 2021, the liftech.brussels cluster had 250 members (184 of which 84 HealthTech) and partners (companies, technology transfer offices, universities, colleges, professional federations, Brussels government institutions, etc.). This particularly dense ecosystem, made up of faculties (medicine, bioengineering, etc.), laboratories, high-performance research centres and incubation structures, is a real source of innovation in health. The Region will promote their connection, with a view to fostering synergies, initiating new public or private opportunities, and promoting "made in Brussels" innovation in the health domain, in particular via an e-health platform and by supporting innovative project leaders.
CONCLUSION

The recent crises, ranging from health, economic, energy and climate, only demonstrate that it is high time to become more economically independent. There is an urgent need to change our production and consumption habits, in other words, a paradigm shift. For this, it is necessary to place the economy in its social perspective. The _Shifting Economy_ is a change of course that goes in this direction and must lead us to a fully de-carbonised economy by 2050. The objective of _Shifting Economy_ is to ensure that all Brussels economic sectors are involved in this transition. And therefore that all economic tools, as well as all the Region’s administrations and private players, are fully involved in this dynamic. This is the result of enormous collaboration involving the entire government and, upstream, all the administrations and economic actors in Brussels. By reorienting all economic tools, we are moving in the same direction. The transition is already on track and thanks to this collective dynamic, we will move forward "together, towards the economy of tomorrow"!

More information: [https://shiftingeconomy.brussels/](https://shiftingeconomy.brussels/)

*Download the complete document* for sources of statistics and more details on the 224 measures