

Making space for a more foundational construction sector in Brussels

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Social innovation in the Foundational Economy
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1. Introduction

Brussels Canal Zone



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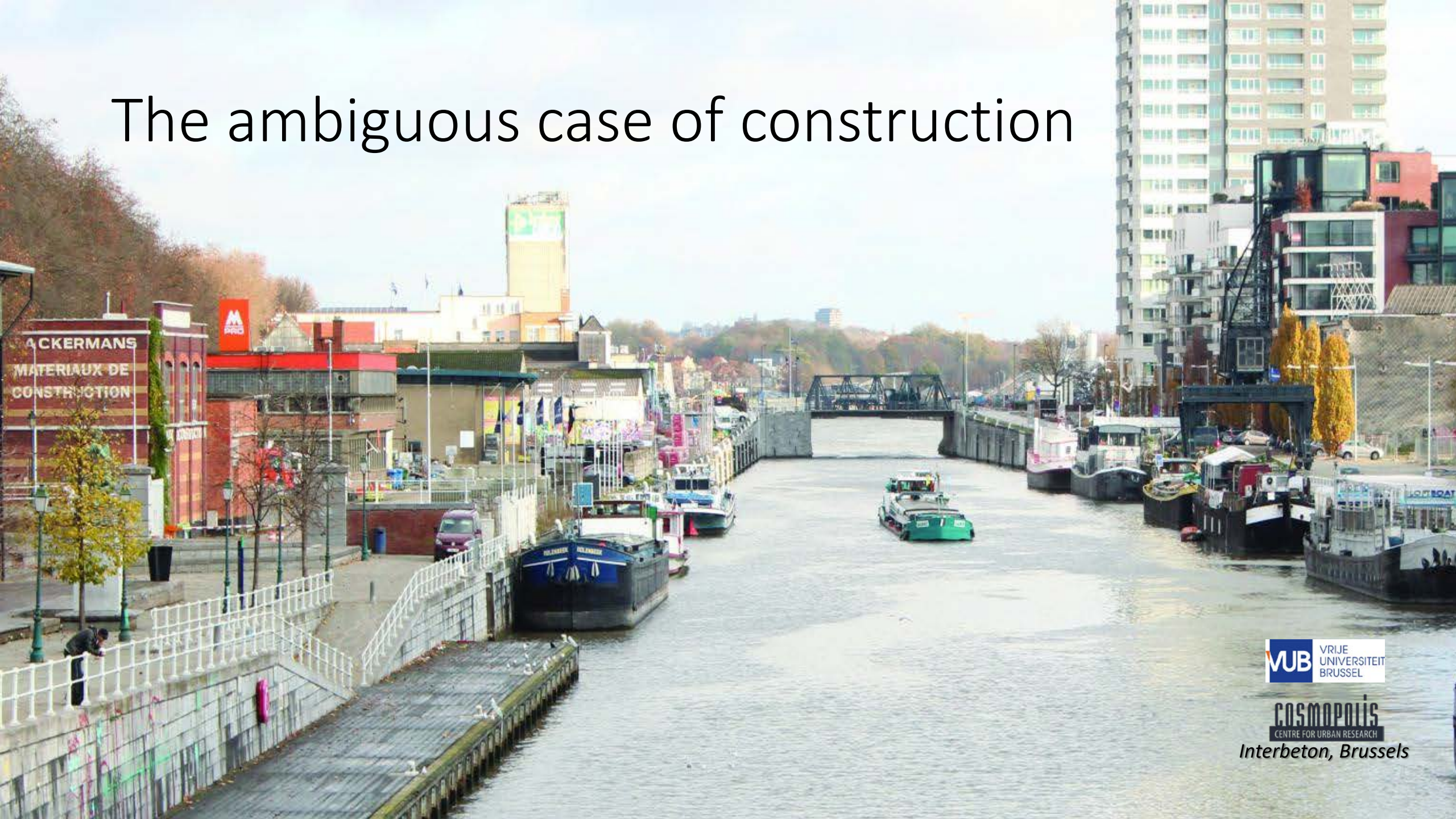
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Exploring opportunities to create more lever for urban governments to support the local & regional productive and industrial activities: the case of construction.

- 1) Introduction
- 2) The foundational dimensions of the Brussels construction sector
- 3) Regulation opportunities to reinforce the foundational dimensions of the construction sector:
 - a. Governing urban labor markets & public procurement
 - b. Governing urban land markets & physical workspace

The ambiguous case of construction



2. The foundational dimensions of the Brussels construction sector

Features of foundational activities

Bentham et al. (2013)

- 1) their relation to everyday life
30.000 jobs or 5% of all jobs in the BCR, >70% local employment, especially for youngsters, people without higher education and people with a migration background.
- 2) the fact that they are locally distributed
Example: Interbeton, concrete plant in the city center
Small enterprises well-embedded in the urban tissue
- 3) the fact that they are part of sheltered activities
Less vulnerable to delocalization
But, >50% of intra-EU posting jobs

Internal jobs in the Brussels Capital Region according to residency and educational level (average 2011-2013)							
Sector of economic activity	Total		Residency (%)		Educational level (%)		
	Jobs	(%)	Brussels	Commuters	Low	Average	High
Foundational activities							
Domestic activities	6,007	1	93	7	42.9	35.5	21.6
Hotel & restaurant business	26,387	4	75.1	24.9	40.1	37.3	22.6
Agriculture	441	0	73.6	26.4	24.3	36.3	39.3
Health care & social work	73,382	10	59.3	40.7	13	24.9	62.1
Wholesale & retail	62,497	9	56.9	43.1	26.2	38.3	35.5
Water & waste management	3,888	1	51.8	48.2	38.9	35.2	25.9
Education	56,575	8	49.5	50.5	7.7	11	81.3
Information & communication	42,976	6	39.9	60.1	3.9	21.6	74.5
Transport & logistics	32,554	5	39.3	60.7	26.6	41.6	31.9
Electricity & gaz	6,258	1	33.7	66.3	4.5	20.8	74.8
<i>Subtotal</i>	<i>310,965</i>	<i>44</i>	<i>57.2</i>	<i>42.8</i>	<i>22.8</i>	<i>30.3</i>	<i>47.0</i>
Productive activities							
Construction	30,758	4	62	38	36.3	41.9	21.8
Industry	32,298	5	41.8	58.2	20.7	31.2	48
<i>Subtotal</i>	<i>63,056</i>	<i>9</i>	<i>51.9</i>	<i>48.1</i>	<i>28.5</i>	<i>36.6</i>	<i>34.9</i>
Apex activities							
Extraterritorial organizations	36,531	5	67.2	32.8	2.7	14.6	82.6
Real estate	7,629	1	61.9	38.1	15.3	29.8	54.9
Other services	19,766	3	61.7	38.3	14.2	31.7	54
Administrative & supportive services	41,733	6	61.6	38.4	30.8	35.1	34.1
Art, entertainment & recreation	14,736	2	56.8	43.2	14.9	30.4	54.8
Liberal professions, academic & technological activities	42,684	6	48.2	51.8	4.2	17	78.8
Finance & insurance	66,446	9	26.5	73.5	4.6	22.8	72.6
<i>Subtotal</i>	<i>229,525</i>	<i>32</i>	<i>54.8</i>	<i>45.2</i>	<i>12.4</i>	<i>25.9</i>	<i>61.7</i>
Public services							
Public services	105,384	15	29.9	70.1	13.4	35.5	51.2
<i>Subtotal</i>	<i>105,384</i>	<i>15</i>	<i>29.9</i>	<i>70.1</i>	<i>13.4</i>	<i>35.5</i>	<i>51.2</i>
<i>Total</i>	<i>708,930</i>	<i>100</i>	<i>48.6</i>	<i>51.4</i>	<i>15.9</i>	<i>28.5</i>	<i>55.7</i>

**Brussels Employment Agency (2014),
adapted by the authors**

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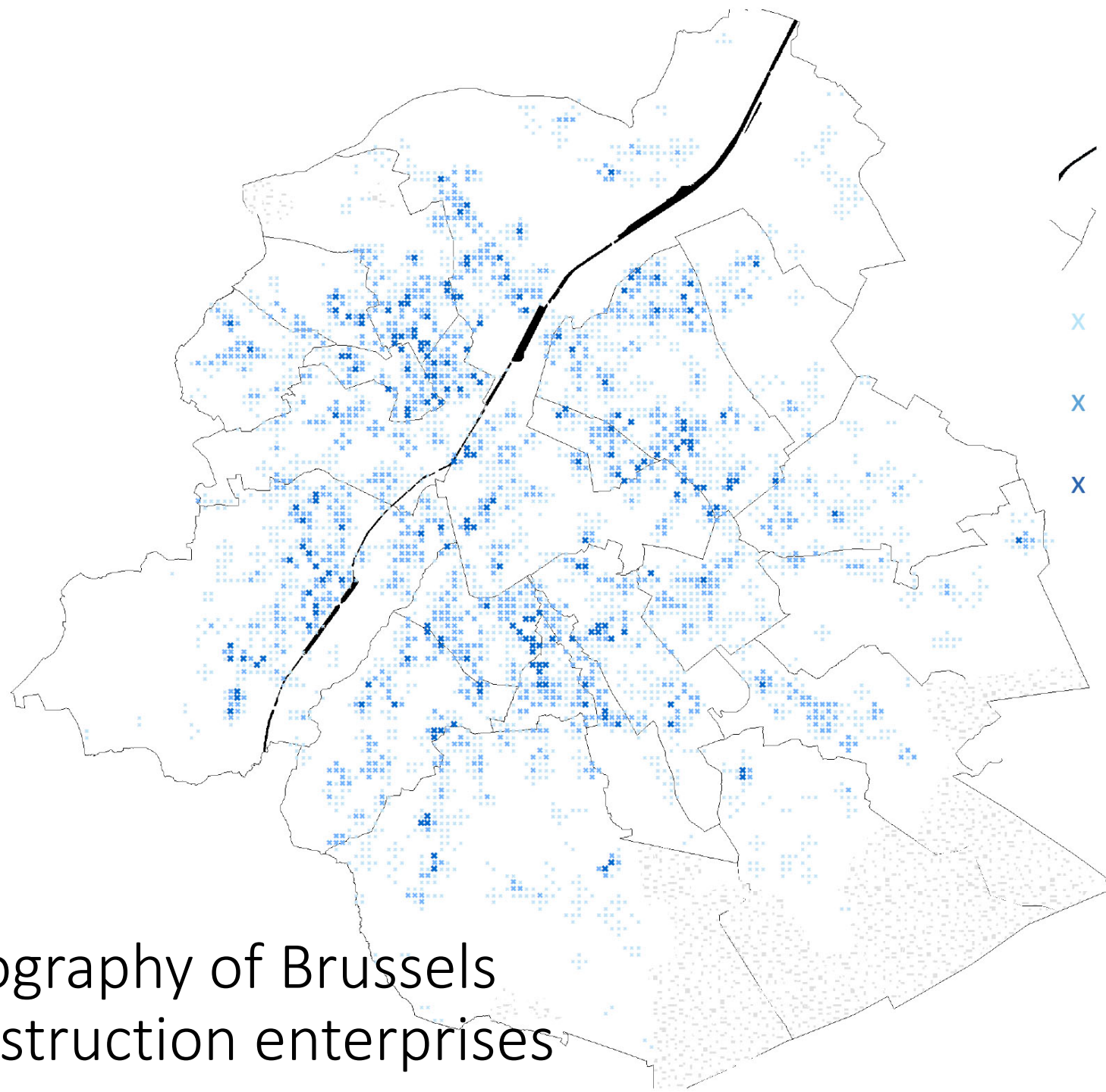


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Interbeton, Brussels

Geography of Brussels construction enterprises



LEGEND

-  Brussels Canal
-  Brussels municipality borders
-  Hotspot with density of 0 to 2 construction companies
-  Hotspot with density of 2 to 4 construction companies
-  Hotspot with density of 4 to 8 construction companies

Features of foundational activities

Bentham et al. (2013)

- 3) the fact that they are part of sheltered activities
 - Less vulnerable to delocalization
 - But, >50% of intra-EU posting jobs
- 4) all governmental goods and services, related to everyday life, take place in a local infrastructure
 - Whether it be office buildings, schools, streets, underground stations, the sewage system, social housing etc.

3. Regulation opportunities to reinforce the foundational dimensions of the construction sector

Governing urban labour markets & public procurement

- Intra-EU posting jobs are not recognized in official data, completely change the labor market, and construction workers often work in unacceptable working conditions
- A strategy to regain and reinforce urban governance capacity is to explore the social potential of public tenders in a context of deep Europeanization and the role of public procurement as a regulation tool.



Governing urban land markets & physical workspace

- Tension between 'workspace' and residential development space lead to industrial gentrification, due to a combination of land pressure, real estate dynamics and fiscal competition between economic and residential functions in municipalities with tight budgets.
- As regulators, urban governments can design planning regulations that safeguard and integrate productive space in the city.
- The Port of Brussels, with the ex. of Interbeton, is an emblematic example of how public land ownership can be used to anchor foundational activities in central locations in the city.

Thanks for your attention!

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