

Abstract

INVESTMENT PREMIUMS IN THE WALLOON REGION

In view of their importance in the regional policy of aid to enterprises, the Court has examined the investment premiums scheme and, more particularly, the two key concepts of 'employment' and 'firm', since the beneficiaries' jobs policy has a predominant influence on the aid granted and the resulting obligations imposed on them; besides, the conditions for public authorities' actions vary whether the investment relates to creating or to expanding an enterprise. The Court's legality audit was based on interviews with the officials in charge of the Walloon Region General Directorate for Economy and Employment (*Direction générale de l'économie et de l'emploi*) and on the examination of a sample of more than 500 files opened as part of the 1992 decrees on economic expansion.

Vague legal framework

There is no discounting the difficulty of adopting a coherent legislation that would reduce the sources of misuse, but the audit reveals the inconsistencies of concepts such as 'employment' (calculation of the number of persons employed, workforce schedules, former employer, etc.) or 'enterprise' (creation, expansion etc.). Although a few restricting measures have been introduced to prevent abuse, this legal vagueness has put the administration in some awkward situations, prompting it to develop a jurisprudence, which is not widely publicised, changing constantly, subject to the various services' own interpretation, and possibly producing results that are at odds with the pursued aims.

Complex legal framework

The existence of various investment premium schemes, all subject to different conditions for public authorities' actions, induced enterprises to select the scheme regarded as the most favourable. Sometimes, in an effort to evade constraints, some investment programmes were split up to be treated in different aid schemes, which further complicates the task of the Region's administration. With administrative simplification now considered as a priority, does it make sense to uphold such a wide variety of rules?