



**The “Samenwerkingsverband Sociale Tewerkstelling”** (*Social Employment Cooperation*) (SST) is the coordinating organization of the Social Workshops and Centres for Labour Care in Flanders. By its member number, the SST represents way over 90 % of the sector; it is active in three different fields.

- Support of its members by supplying information and by encouraging the communication within its own sector.
- Direct defense of interests on sector level and being the discussion partner towards the authorities and the wide scope of the re-employment economy.
- Taking up formal and structured employership on sector level for the Social Workshops. This fits in with joint industrial committee 327.

Social Workshops create employment whereby productivity does not have priority over the attention for the specific needs of the employees. They work in two different fields : in the reality of business economics and as an employment project. The motivation behind this idea is that employment is regarded as the driving force for reintegration of the target group into society.

Offering ‘tailor-made labour’ within the production process is a key assignment of Social Workshops. In this respect, they contrast with regular enterprises.

The target group distinguishes itself from other employment measures by its large distance from the labour market. For many among them, employment in the social workshop means finality employment.

At the time being, there are 97 registered social workshops in Flanders. They employ 3000 VTE (*FEE*) target group employees and about 600 VTE (*FEE*) subsidized supervisors.

If we compare the European definition of “disadvantaged people” and the target of our Social Workshops, it is striking that the concept used by the EU is a very wide one, but that no differentiation is made in terms of the gravity of the problem. **If subsidies were differentiated depending on the gravity of the problem, it would be possible to integrate more people into the labour market.**

Our comments on the revised draft general block exemption in the State aid area continue to underline **the need of subsidies differentiation and, for workers who will be always underproductive workers because of the gravity of their problems, permanent subsidies**. At the moment, in our enterprises emerges a new “residual category”, because subsidies originally intended to assist employers to engage more employees particularly from disadvantaged groups may become exclusive to the integration needs of these groups. Subsidies compensate for part of the “limitation” in productivity during the integration phase. If the compensation is insufficient, these people will never be offered an employment and a “residual category” will emerge. We want to avoid people dropping out once again due to new regulations.

For these reasons we suggest **pragmatically**:

- **A new category for the definition of ‘disadvantaged worker’**
- **The introduction of the definition of ‘multi-disadvantaged worker’**

Concerning the specific articles of the regulation:



**Page 15 - (57)** Certain categories of disabled or disadvantaged workers still experience particular difficulty in entering the labour market. For this reason there is a justification for public authorities to apply measures providing incentives to undertakings to increase their levels of employment, in particular of workers from these disadvantaged categories. Employment costs form part of the normal operating costs of any undertaking. It is therefore particularly important that aid for the employment of disabled and disadvantaged workers should have a positive effect on employment levels of these categories of workers and should not merely enable undertakings to reduce costs which they would otherwise have to bear. Consequently, such aid should be exempt from prior notification when it is likely to assist these categories of workers in re-entering the job market or, as regards disabled **and multi-disadvantaged** workers, re-entering and staying in the job market.

**Art 2-**

18. 'disadvantaged worker' means any person who belongs to any of the following categories:

- (a) any person who has not been in paid employment for the previous 6 months;
- (b) any person who has not attained an upper secondary educational or vocational qualification (ISCED 3);
- (c) any person over the age of 50 years;
- (d) any person living as a single adult with one or more dependents;
- (e) any person working in a sector or profession characterised by a gender imbalance which is 25 % more significant than the average national gender imbalance;
- (f) any person who is a member of an ethnic minority within a Member State and who requires development of his or her linguistic, vocational training or work experience profile to enhance prospects of gaining access to stable employment;

**g) any person in social exclusion situation certified by public authority**

**19) multi-disadvantaged worker – any person who belongs to two of the categories of the 'disadvantaged worker' definition (art 2 §17)**

20) "disabled worker" means any person:...

21) "sheltered employment" means employment in an establishment where at least 50 % of workers are disabled **or/and multi-disadvantaged**;

22) "supported employment" means employment of disabled **or/and multi-disadvantaged** workers in an establishment which offers personal assistance or support, but is not a "sheltered employment" environment;

.....

**Article 6**

**Individual notification thresholds**

1. This Regulation shall not apply to any individual aid, whether granted ad hoc or on the basis of a scheme, the grant equivalent of which exceeds the following thresholds:

- (a) SME investment and employment aid: EUR 7,5 million per undertaking per investment project;
- (b) investment aid for environmental protection: EUR 7,5 million per undertaking per investment project;
- (c) aid for consultancy in favour of SMEs: EUR 2 million per undertaking per project
- (d) aid for SME participation in fairs: EUR 2 million per undertaking per project;
- (e) research and development project aid and feasibility studies:
  - (i) if the project is predominantly fundamental research, EUR 20 million per undertaking, per project/feasibility study;



- (ii) if the project is predominantly industrial research, EUR 10 million per undertaking, per project/feasibility study;
- (iii) for all other projects, EUR 7,5 million per undertaking, per project/feasibility study;
- (iv) if the project is a EUREKA project, twice the amounts laid down in points (i), (ii) and (iii) respectively.

A project shall be considered to consist "predominantly" of fundamental research or "predominantly" of industrial research, if more than 50% of the eligible project costs are incurred through activities which fall within the category of fundamental research, respectively industrial research. In cases where the predominant character of the project cannot be established, the lower threshold shall apply.

- (f) aid for industrial property rights costs for SMEs: EUR 5 million per undertaking per project;
- (g) training aid: EUR 2 million per training project;
- (h) aid for the recruitment of disadvantaged workers: EUR 5 million per undertaking per year;
- (h) aid for the employment of disabled **and multi-disadvantaged** workers in the form of wage costs: EUR 10 million per undertaking per year;
- (i) aid for the employment of disabled **and multi-disadvantaged** workers compensating for additional expenses: EUR 10 million per undertaking per year.

2. Regional aid awarded in favour of large investment projects shall be notified to the Commission if the total amount of aid from all sources exceeds 75% of the maximum amount of aid an investment with eligible costs of EUR 100 million could receive, applying the standard aid threshold in force for large enterprises in the approved regional aid map on the date the aid is to be granted.

## **SECTION 8**

### **Aid for disadvantaged and disabled workers**

#### **Article 35**

##### **Aid for the recruitment of disadvantaged workers in the form of wage subsidies**

1. Aid schemes for the recruitment of disadvantaged workers shall be compatible with the common market within the meaning of Article 87(3) of the Treaty and shall be exempt from the notification requirement of Article 88(3) of the Treaty, provided the conditions laid down in paragraphs 2 to 5 are fulfilled.
2. The aid intensity shall not exceed 50 % of the eligible costs.
3. Eligible costs shall be the wage costs over a maximum period of 12 months following recruitment.
4. Where the recruitment does not represent a net increase in the number of employees in the undertaking concerned, the post or posts shall have fallen vacant following voluntary departure, disability, retirement on grounds of age, voluntary reduction of working time or lawful dismissal for misconduct and not as a result of redundancy.
5. Except in the case of lawful dismissal for misconduct, the disadvantaged worker shall be entitled to continuous employment for a minimum period consistent with their national legislation governing employment contracts. In case the period of employment is shorter than 12 months, the aid shall be reduced pro rata accordingly.

#### **Article 36**

##### **Aid for the employment of disabled workers in the form of wage subsidies**



1. Aid schemes for the employment of disabled workers **and multi-disadvantaged workers** in the form of wage subsidies shall be compatible with the common market within the meaning of Article 87(3) of the Treaty and shall be exempt from the notification requirement of Article 88(3) of the Treaty, provided the conditions laid down in paragraphs 2 to 5 are fulfilled.
2. The aid intensity shall not exceed 75 % of the eligible costs.
3. Eligible costs shall be the wage costs over any given duration during which the disabled **or multi-disadvantaged** worker is being employed.
4. Where the recruitment does not represent a net increase in the number of employees in the undertaking concerned, the post or posts shall have fallen vacant following voluntary departure, disability, retirement on grounds of age, voluntary reduction of working time or lawful dismissal for misconduct and not as a result of redundancy.
5. Except in the case of lawful dismissal for misconduct the workers shall be entitled to continuous employment for a minimum period consistent with their national legislation governing employment contracts. In case the period of employment is shorter than 12 months, the aid shall be reduced pro rata accordingly.

### **Article 37**

#### **Aid for the compensating the additional costs of employing disabled (and multi-disadvantaged) workers**

1. Aid schemes for compensating the additional costs of employing disabled workers **and multi-disadvantaged workers** shall be compatible with the common market within the meaning of Article

87(3) of the Treaty and shall be exempt from the notification requirement of Article 88(3) of the Treaty, provided the conditions laid down in paragraphs 2 and 3 are fulfilled.

8.9.2007 EN Official Journal of the European Union C 210/35

2. The aid intensity shall not exceed 100 % of the eligible costs.
3. Eligible costs shall be costs other than wage costs, which the employer has to bear and which are additional to those which the undertaking would have incurred if employing workers who are not disabled **or multi-disadvantaged**, over any given duration during which the disabled **or multi-disadvantaged** worker is being employed.

The following costs shall be eligible:

- (a) costs of adapting premises;
- (b) costs of employing staff for time spent solely on the assistance of the disabled **or multi-disadvantaged** workers;
- (c) costs of adapting or acquiring equipment, or acquiring and validating software for their use by disabled **or multi-disadvantaged** workers, including adapted or assistive technology facilities, which are additional to those which the beneficiary would have incurred if employing workers who are not disabled **or multi-disadvantaged**;
- (d) where the beneficiary undertaking provides sheltered employment, the costs of constructing, installing or expanding the establishment concerned, and any costs of administration and transport which result directly from the employment of disabled **or multi-disadvantaged** workers;
- (e) where the beneficiary provides supported employment, any costs of administration and transport which result directly from the employment of disabled **or multi-disadvantaged** workers.

Contacts:



SST (samenwerkingsverband sociale tewerkstelling)

\* Coordinator: Katrien Van Den Broucke: [katrien.vandenbroucke@sst.be](mailto:katrien.vandenbroucke@sst.be)

\* Kelly Wood: [kelly.wood@sst.be](mailto:kelly.wood@sst.be)

