

Road to employment conference Paris 2020

Workshop: Using State Aid to boost employment

 Cedris



State Aid in the Netherlands

- Introduction about myself and Cedris
- Main characteristics of the system in the Netherlands.
- Cedris mission and its members
- What is considered State Aid
- When is State Aid permissible
- Cedris members get state support
- Line of reasoning

Introduction Cedris

- Arend Pieterse, acting director Cedris
- Cedris is an umbrella organisation of 100 members
- Members provide sheltered and supported employment for 90,000 people
- Members provide products and services
- 95 members are publicly owned, 5 are privately owned



Main legal framework

- Our members operate as businesses but most of them are owned by one or more municipalities.
- Funding comes from the state and goes to the municipalities.
- Two systems: WSW before 2015 and the Participation Act from 2015 onwards.



Mission of Cedris

- Provide work for persons disadvantaged in the employment market: people unable to earn a minimum wage independently. Our goal is to create more paid work for them. We aim to achieve this within the open labour market, with or without subsidy (supported employment), or otherwise in a social firm or a sheltered environment if the open market options have proven inaccessible.



State Aid

It is considered (undesirable) State Aid if:

- An enterprise receives aid that gives an economic advantage.
- The advantage is selective. It's only for certain enterprises.
- The advantage creates unfair competition.



When is State Aid permissible?

- The general block exemption Regulation
- Aid under 200,000 euros → the *de minimis* rule.
- Services of general economic interest; exemption decision.
- Non-economic services of general interest.
 - in the Dutch context this is not considered 'State Aid'.



Cedris members get state support

- Support to our companies is not considered State Aid because according to the Dutch Ministry of Social Affairs:

Creating work for disabled persons is a social (not economic) service of general interest.



Line of reasoning:

1. The goal is to create socially meaningful work. Delivering services and products is of secondary importance.
2. Regular companies who offer work to disabled persons can claim financial support in the form of wage cost subsidy (if it exceeds the *de minimis* threshold).



Line of reasoning:

3. According to the relevant laws, the work rendered may not interfere with fair practice on the market. The municipalities must pay market-based prices for the work rendered.



Questions?

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