

# Application of Articles 87 and 88 of the EC Treaty to state aid for employment

2002/2126(COS) - 12/04/2002 - Non-legislative basic document

**PURPOSE** : to present a draft Commission Regulation on the application of Articles 87 and 88 of the EC Treaty to State aid for employment. **CONTENT** : this draft Regulation shall apply only to schemes which provide aid for the creation of employment, to schemes which provide aid for the recruitment of disadvantaged and disabled workers and to schemes which provide aid to cover the additional costs of employing disabled worker, including aid for the production, processing and marketing of agricultural products falling within Annex I of the Treaty, as well as in the forestry sector, and in the transport sector. However, aid in the transport sector for the creation of employment, in the sense of Article 4, is not exempted from notification by this Regulation. The promotion of employment is a central aim for the economic and social policies of the Community and of its Member States. The Community has development of a European employment strategy in order to promote this objective. Unemployment remains a significant problem in some parts of the Community, and certain groups of workers still find particular difficulty in entering the labour market. For this reason there is a justification for public authorities to apply, measures providing incentives to enterprises to increase their levels of employment, in particular of workers from these disadvantaged categories. Having regard to those considerations, the purpose and effect of the aid exempted by this Regulation should be to promote employment in accordance with the European Employment Strategy, in particular of workers from disadvantaged categories, without adversely affect trading conditions to an extent contrary to the common interest. It should be noted that employment aid granted to a firm on an individual basis may have a major impact on competition in the relevant market because it favours that firm over other which have not received such aid. Interested parties may submit their comments within one month of the date of publication of this draft.