

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

2002/2126(COS) - 19/06/2002

The committee adopted the non-legislative report by Luis BERENGUER FUSTER (PES, E) in response to the Commission's proposed regulation on the application of Articles 87 and 88 of the EC Treaty (determining when state aids are compatible with the common market) to state aid for employment. It welcomed the proposal which, it said, would make a valuable contribution to promoting employment in the EU, particularly among disadvantaged workers, in line with the European employment strategy. In bringing together systematically the various criteria and guidelines, the proposal would ensure greater administrative transparency and establish a coherent system for authorising aid and encouraging the principle of legal certainty. The committee also welcomed the introduction of an aid register which would ensure that the establishment of a system of exemption by category did not entail any less rigorous monitoring of state aid. It added, however, that an increase in employment in the EU would primarily result from increased labour market flexibility and that state aid for employment should be considered a last resort.