

State Subsidies' Approval - The General Block Exemption Regulation (GBER) Public Consultation

The General Block Exemption Regulation (GBER) is crucial for channelling public aid to social enterprises fostering inclusive employment and training in reuse, repair, and recycling sectors. However, the social economy ecosystem, as the European Commission acknowledges, suffers from severe underfunding.

Evidence from the French Court of Auditors (2025, [attached](#)) further attests to the insufficient public funding levels for the social economy. In 2024, only 7% of total public aid to enterprises was allocated, despite the social economy contributing to 13.7% of private employment creation in France. As such, only 4% of social economy entities received subsidies. The limited state aid in France, a country with some of the strongest EU social economy frameworks, raises grave concerns about the situation in other Member States, especially those with weaker frameworks.

Furthermore, RREUSE and its reuse social enterprise members have been sounding the [alarm about the ongoing crisis](#) in the second-hand textile ecosystem, which is exacerbated by low investments into the reuse infrastructure in Europe, among other factors.

This highlights a need for the GBER reform to bring substantial improvements. Our recommendations aim to refine existing provisions, enabling more targeted support that matches current realities.

Key Proposals for the GBER Reform:

- **Extended Support Schemes for Recruitment Aid:** We suggest increasing the maximum support duration for recruiting disadvantaged workers to 24 months, and 36 months for severely disadvantaged workers. For older workers, we recommend removing fixed time periods entirely due to their unique challenges to re-enter the labour market.
- **Broadened Definition of "Disadvantaged Worker":** We propose broadening the "disadvantaged worker" definition to include refugees, individuals facing employment barriers due to family reunification, prisoners and ex-convicts, victims of (domestic) violence, people with addiction problems, and LGBTIQ+ workers experiencing systemic disadvantage. We also suggest extending the youth age range from 15-24 to 15-30 to ensure support reaches all those in need.
- **Increased Fund Coverage for Training:** To promote comprehensive training for underrepresented groups, we propose increasing aid intensity to 100% for SMEs training people with disabilities or disadvantaged workers. For larger entities, we recommend an 80% maximum aid intensity for similar training.
- **Flexible Fund Coverage for Wage Subsidies:** We propose a higher aid intensity of up to 75% for severely disadvantaged workers in social economy enterprises to reflect their

additional social inclusion costs, while maintaining the 50% baseline for disadvantaged workers and 75% for those with disabilities.

- **Enhanced Fund Coverage for Assistance Costs:** We propose a 75% aid intensity for assistance costs supporting (severely) disadvantaged workers. This covers enhanced supervision, workplace adjustments, and should better target transition support to the mainstream labour market.
- **Explicit Reference to Reuse Aid:** To strengthen legal clarity around aid for reuse, especially for intact products like textiles, electronics, and furniture, we recommend explicitly referencing reuse in the key circular economy dispositions of Article 47.
- **Clear Definition of Social Enterprise:** For clarity and consistent application, we propose adding definitions of 'social economy' and 'social enterprise' to the Regulation, based on Council Recommendation (C/2023/1344), as already integrated into the Waste Framework Directive and European Social Fund Plus Regulation.

Our questionnaire responses are specifically designed to elaborate on how the suggestions for the General Block Exemption Regulation can be put into practice. Our primary goal is to demonstrate concrete methods and strategies that will ensure more effective, simple, and comprehensive support for the social economy in the circular economy sector within the GBER framework.

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