

Guiding State Aid toward resilient societies: policy brief on the General Block Exemption Regulation

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The **General Block Exemption Regulation (GBER)** sets out how much public funding an actor may receive from national authorities without the European Commission assessing each individual case. This includes subsidies, public investments, loans, and other state aid supporting the social and circular missions of reuse, repair, and recycling social enterprises.

As the GBER is set to expire at the end of 2026, the European Commission is currently revising the Regulation and plans to consult EU government officials on its latest draft soon.

Why is the GBER crucial to support the work of social enterprises?

The GBER touches upon social enterprises' day-to-day work. It determines how long social enterprises' workers can receive wage subsidies, which workers are considered 'disadvantaged', and how much money can be allocated for training or sorting facilities, among others.

While the EU Regulation sets maximum ceilings and cuts bureaucracy for selected investments, national authorities are ultimately responsible for deciding funding allocations. The GBER is then instrumental in creating greater planning certainty, signalling investment areas, and creating dedicated support for social enterprises and the broader social economy.

Current challenges with the GBER

Despite accounting for at least [6.3% of the EU-employed population](#), the EU social economy does not receive adequate state aid support. The French Court of Auditors noted that in 2024, social economy entities in France received only 7% of total enterprise aid, even though they account for [13.7% of private employment nationwide](#). The disparity in a country known to have some of the most robust social economy frameworks underscores the need for action at the EU level.

RREUSE, Europe's largest network of reuse, repair, and recycling social enterprises, estimates that social enterprises generate an average of [70 jobs for every 1,000 tonnes of material collected for reuse](#). These roles primarily serve individuals finding systemic obstacles to employment, providing them with [accessible training](#) and supportive workplaces. The GBER must acknowledge the specific nature of social enterprises and guarantee fair competition, as these entities face higher initial expenses while fulfilling their social objectives.

Key points at a glance

RREUSE and its network members call on EU and national policymakers for the following provisions in the revised General Block Exemption Regulation:

- 1. Extend Recruitment Aid Durations:** 24 months for disadvantaged workers and 36 months for severely disadvantaged ones. No cap for elderly workers to address labour market barriers.
- 2. Expand Disadvantaged Worker Definition:** Encompass refugees, ex-convicts, former substance users, youth (25-29), family reunification recipients, domestic violence victims, and the LGBTIQ+ community.
- 3. Increase Coverage for Training:** Enable 100% cost coverage, including via dedicated social enterprise provisions.
- 4. Increase Wage Ceilings:** Provide up to 65% for workers categorised as (severely) disadvantaged and 85% for people with disabilities.
- 5. Increase Assistance Ceiling:** Raise aid intensity to 75% and align it with 24 and 36-month recruitment aid durations.
- 6. Clarify Reuse and Repair Aid:** Retain the draft reuse definition and explicitly include repair under preparation for reuse in Article 65, following the Waste Framework Directive and waste hierarchy goals.
- 7. Recognise Social Enterprises in Circular Investment Aid:** Increase the aid intensity by 10 percentage points for social enterprises under Article 65 to account for their unique model and specific challenges.
- 8. Align Social Enterprise Definition:** Ensure its consistency with the social enterprise definition of the Social Economy Council Recommendation C/2023/1344, supported by a clear definition of social economy to facilitate national implementation.
- 9. Align Sheltered Employment Definition:** Align with Article 20 of the Public Procurement Directive.
- 10. Keep Social Enterprise Special Provisions:** Facilitate access to private investments, higher loans, guarantees, grants, tax incentives for young social enterprises, and a higher aid ceiling for building energy performance to address systemic state aid barriers.

Main impact of provisions

- Increased hiring and training capacity for workers in need.
- Strategic state aid for social economy-led labour market activation.
- Enhanced reinvestment in public missions due to reduced self-funding.
- Reuse and repair investments fostering social cohesion and local circularity.
- Reduced administrative burden for authorities and social enterprises.