



**EUROPEAN COMMISSION**

**PRESS RELEASE**

Brussels, 3 July 2013

## **State aid: Commission approves Swedish support scheme in favour of young workers**

The European Commission has authorised a Swedish scheme to subsidise combined work-and-training contracts for young workers aged 15 to 24 (Vocational Introduction Employment) under EU State aid rules. The measure will contribute to the fight against youth unemployment, in line with EU objectives, without unduly distorting competition in the Single Market.

Commission Vice President in charge of competition policy, Joaquín Almunia, said: *"Fighting youth unemployment is a top priority of the EU. This scheme explores new ways of getting young people on to the job market without unduly distorting competition."*

The measure is part of the Swedish government's efforts to reduce youth unemployment levels. In recent years, the social partners have pioneered Vocational Introduction Employments (VIE) on a small scale, combining practical work with on-the-job training. Similar apprenticeship-style models exist in other Member States but have so far not been common on the Swedish job market. Sweden believes that these contracts can provide an effective tool to ease the transition from school to working life and plans to provide incentives for a broader use of VIE by means of public subsidies.

The envisaged state aid would consist of a wage subsidy in the form of a tax credit for the employer, combined with a direct grant towards the cost of training. The measure is initially notified for a period of three years (2014-2016). It will only apply to employers bound by collective agreements with the trade unions.

The measure therefore pursues an objective of common EU interest, namely the fight against youth unemployment. The Commission has found that the aid is limited to the minimum necessary to achieve this objective and that the scope of the measure and the aid amount involved will not lead to an undue distortion of competition. The Commission therefore concluded that the measure was in line with Article 107(3)(c) of the Treaty on the Functioning of the European Union (TFEU), which allows aid to facilitate the development of certain economic activities, provided it does not adversely affect trading conditions to an extent contrary to the common interest.

## **Background**

The non-confidential version of the decision will be made available under the case number [SA.36671](#) in the [State Aid Register](#) on the [DG Competition](#) website once any confidentiality issues have been resolved. New publications of state aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#)

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