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Factsheet for case **NL-2020-12/761**

Temporary subsidy for self-employed

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Country	Netherlands, applies nationwide
Time period	Temporary, started on 17 March 2020
Type	Legislation or other statutory regulation
Category	Income protection beyond short-time work – Extensions of income support to workers not covered by any kind of protection scheme
Case created	21 April 2020 (updated 28 April 2020)

Background information

The national government initiated this measure, together with the Association for Dutch Municipalities (VNG), and other social partners, specifically, Divosa. Divosa is an association of municipal government directors or managers who work in the social policy domains. Divosa, the VNG, and national government developed this measure. The implementation of the measure is done by the municipal governments.

Financial aid programme for entrepreneurs and solo self-employed. This is part of a package of emergency measures accepted by the Dutch parliament.

This has been introduced as emergency measures specifically to combat or cushion the effects of the corona crisis. More specific this measure is aimed at providing self-employed a minimum income to live from. The ultimate aim is to keep the economy functioning (including the financial flow) until the pandemic is under control.

The municipal governments implement this national measure. The measure has been implemented using existing implementation mechanisms for another, existing measure, the Bbz regulation (which also supports solo-self employed). A separate, existing measure which helps struggling entrepreneurs, entrepreneurs who wish to end their enterprise, or individuals who wish to start an enterprise from a welfare position (the Bbz). This measure is also implemented and carried out at the municipal level, and the implementation mechanisms from this measure are being used to implement the Tozo. These measures are of course different, but especially the Bbz mechanisms for establishing who gets which type of support. The Tozo support can now also be registered as a form of welfare assistance, along side for instance Bbz assistance.

This is important so that the government can track who has received what financing for their enterprise.

The funding is provided entirely by the national government. Municipal governments implement the measure but are fully reimbursed by a portion of budget set aside by the national Ministry of Employment and Social Affairs, to the amount of 3.8 billion euro. This amount has been reserved for the Tozo measure.

Content of measure

Tijdelijke Overbruggingsregeling Zelfstandige Ondernemers (TOZO) is governmental financial aid for self-employed people and entrepreneurs that are negatively affected by the coronavirus. The government and municipal governments pay a portion of the income for entrepreneurs and self-employed to supplement their daily subsistence. Users of the measure can receive either a payment in the form of a social security benefit, where the municipal government pays out money to bring an entrepreneur to the minimum social assistance level (bijstandsniveau) for up to three months. The municipal governments supplement income up to this level, or up to the amount of 1050€ for a single person and up to 1500€ for a couple. The other option is for the entrepreneur to take out a loan of up to around 10,000€ as capital for the enterprise. This loan can be paid back within three years at an interest rate of 2%.

(All self-employed individuals which adhere to the eligibility criteria. In practice this means that individuals fulfil the criteria for being self-employed (working at least 1225 hours a year or 23,5 hours a week), the solo-enterprise must be active and must have been active before the corona crisis and the TOWO came into effect.)

It should be noted that this measure is separate and different from the Bbz measure (mentioned in the background information to this measure). Where the Bbz is a measure to help support existing entrepreneurs or individuals receiving welfare payments to set-up an enterprise, the Tozo is an emergency measure to help provide rapid financial support to enterprises. The Tozo measure is registered as a type of welfare payment within the Bbz for administrative ease and efficiency (this way a new system of screening and delivery did not need to be set up). The access to Tozo financing is easier than with the Bbz, certain criteria were removed, including the check of partner earnings for instance. The application for Tozo financing is also made quicker, taking up to 4 weeks instead of the usual 13 weeks

Use of measure

No information available

Actors, target groups and funding

Actors	Target groups	Funding
National government Social partners jointly	Self-employed Solo-self-employed	National funds

Local / regional government		
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Social partners

Role of social partners	Agreed (outcome)
Form of involvement	Direct consultation

Sources indicate that the social partners were involved in the design of this measure, together with the national and municipal governments. However, the exact nature of the involvement is not clear. As a rule, Dutch policy making often involves consultation with relevant social partners for a given sector or field, to discuss the main challenges in a given policy area and the expected effects of a policy intervention. In this case an organisation, Divosa, comprised of municipal government directors active in social policy domains, were involved in developing the measure.

Sectors and occupations

This case is not sector-specific.

This case is not occupation-specific.

Sources

- 25 March 2020: Tijdelijke Overbruggingsregeling Zelfstandige Ondernemers (Tozo) (www.rijksoverheid.nl)
- 25 March 2020: Vragen over de Tijdelijke overbruggingsregeling zelfstandig ondernemers (Tozo) (www.rijksoverheid.nl)
- 21 April 2020: Tijdelijke overbruggingsregeling zelfstandig ondernemers (Tozo), (www.divosa.nl)