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

Temporary subsidy for self-employed

Factsheet generated on 08 May 2020, 07:39

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 06 May 2020)

Background information

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

It consist of a financial aid programme for entrepreneurs and solo self-employed. It is also part of a package of emergency measures accepted by the Dutch parliament.

This has been introduced as a bunch of emergency measures specifically to combat or cushion the effects of the COVID-19 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 proceeding has been conducted employing the existing implementation mechanisms for another measure, the Bbz regulation (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 funding is provided entirely by the national government. The municipal governments 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

This measure, named Tijdelijke Overbruggingsregeling Zelfstandige Ondernemers (TOZO) is governmental financial aid for self-employed people and entrepreneurs that are negatively affected by the COVID-19.

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 €1,050 for a single person and up to €1,500 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%.

The eligibility criteria are based on being self-employed (working at least 1,225 hours a year or 23.5 hours a week), while the solo-enterprise must have been active before the COVID-19 crisis and the TOZO 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 Local / regional government	Self-employed Solo-self-employed	National funds

Social partners

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