



EUROPEAN FEDERATION OF EMPLOYEE SHARE OWNERSHIP

Seventh European Meeting of Employee Ownership - Brussels, 23 May 2008

Report of the Meeting

The main aim of the meeting was the publication of the first "Annual Economic Survey of Employee Ownership in European Countries".

It was also the celebration of the tenth anniversary of the First European Meeting of Employee Ownership in May 1998.

The Meeting was organised by the European Federation of Employee Share Ownership together with the Inter-University Centre for Comparative Law of the Free University of Berlin.

A new political dynamics took place in Europe. This is the main conclusion of a first roundtable which gathered representatives from various European countries. New political initiatives are developed in many European countries to encourage employee ownership.

All presentations and documents are available on the website of the Conference.

For Germany, Heinrich Beyer gave a picture of the new legislation which Angela Merkel's government prepares. It will be adopted soon and it will be much more supportive, a significant progress for employee ownership in Germany.

For UK, Mark Lazarowicz introduced the report of the new "All Party Parliamentary Group on Employee Ownership". The purpose of the Group is to discuss and support the development of employee ownership. The report was just published on May 19, evidencing "How employee ownership is changing the face of business".

For Spain, Miguel Millana defined in which sense the law governing Spanish employee-owned companies (*sociedades laborales*) will be changed.

For Slovenia, Zvone Zupan gave a detailed presentation about the new legislation which Slovenia voted some weeks ago. This is a major new step, Slovenia having adopted the first appropriate legislation in a new Member State since the privatisations 15 years ago.

For France, Jean-Claude Mothié gave a picture of recent developments at political level.

Finally, Jens Lowitzsch made a presentation about the new Report to the European Parliament: "Financial Participation for a New Social Europe". He encourages a "building block approach" for new legislations in Europe. For developing a full employee ownership

culture, we need a set of simple models and appropriate laws. Considering business transmission, Europe is still lacking such an effective model as the American ESOPs (Employee Stock Ownership Plans) launched in the early seventies of the last century.

Then Marc Mathieu announced the first "Annual Economic Survey of Employee Ownership in European Countries" which EFES published on May 23 in Brussels.

The Survey reveals that employee ownership is progressing at a quicker rate and with greater depth across Europe than expected. This is a sudden development in most European countries.

When considering recent trends, employee ownership is predicted to double within the next 5-10 years, from currently 8.2 million employee owners to 16 million and from currently 26.2% of all employees in large European companies to 40-50%, and finally capitalisation held by employees is predicted to rise currently from 2.35% to 4 - 4.5%.

This survey was made possible due to a new database which enabled the collection of detailed information about employee ownership and employee share plans in each of all the large European companies.

Over the last 20 years, some European reports have occasionally given information about employee ownership and its development across Europe. The most important reports were known as PEPPER Reports. However, they were based on partial information (mainly enquiries) which was not made available immediately and often only after long delays.

The need for more accurate and more recent information was crucial. On the one hand, it was known that employee ownership was developing. However, information was not made available without long delays.

This led to the conclusion that a hiatus was probably growing between companies and practitioners on the one hand, and social and political actors on the other hand, resulting in an incorrect picture of employee ownership in Europe.

This is why it was urgent to set up a new reliable information tool. It will also be made available in electronic version on EFES' website.

Following this first Annual Economic Survey of Employee Ownership in European Countries, Professor Iraj Hashi of Staffordshire University and Professor Richard Woodward of the University of Edinburgh confirmed the high dynamics of employee ownership and financial participation of employees in Europe.

They made a presentation about the first draft of the next PEPPER IV Report which will be published in October 2008 thanks to the support of the European Commission. avec le

Finally as a conclusion, Professor Herwig Roggemann of the Free University of Berlin underlined the success and the convergence of all initiatives being developed across Europe.

All presentations and documents are available on page:

[http://www.efesonline.org/2008/Seventh European Meeting/Presentation.htm](http://www.efesonline.org/2008/Seventh%20European%20Meeting/Presentation.htm)