

## **Employee ownership organisations - Which new deal for Europe?**

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In 2010 there has been growing interest in the issues of employee share ownership and of financial participation more generally. As is often the case, various projects dealing with the subject have arisen and spontaneously converged through the comparison of experiences, orientations and suggestions. We might also say that the events of 2010 have met with widespread interest even outside the circle of experts closely acquainted with the issue, who have been a constant presence over the past decade, although they have often gone unheeded by institutions, opinion leaders and political parties. This is cause for satisfaction for those who have built relationships, spread information, listened and spoke at all possible institutional opportunities. The Opinion of the European Economic and Social Committee is the best evidence that employee share ownership is returning to occupy its place in socio-political debate. This Conference places the institutional seal on activities in 2010.

This is why it ought to be emphasized that this Conference is not chronicling the events of 2010 or the past decade, but rather blazing new trails to interpret and govern a difficult future, making it less uncertain and more deeply rooted in those ideal aspects that steered the founding fathers of the European Union to build a new Europe on the ruins of the old.

We are now embarking upon the process of constructing a new interpretation of labour and social relations, a long-term goal that is a vague yet constant presence for those who have the younger generations, our children, at heart, in order to leave them a future that is not a copy of our present, that allows them to achieve their ideals. Our ideals - at least those of a fifty-year-old who hopes to continue to make an active contribution to society - are first and foremost these.

Why are we at a point of departure? The answer lies in the history of the past decade. Employee share ownership has taken root as a practice approved by workers and companies that, where applied voluntarily and with the proper incentives, has met with increasing favour, owing in particular to young people's innate propensity to bet on their own futures, not only as individuals, but also as parts of a collective. Our point of departure today is represented by the need to clarify, define and agree on the consequences of this development, which, in my opinion, once made explicit, will become an unstoppable driver of growth for the phenomenon and the deployment of all of its positive influences.

All definitions of employee share ownership rely on two aspects, among others: better corporate governance oriented towards sustainable results and improved productivity.

Let us address this first aspect. Proper corporate governance is not created in a vacuum. It is the result of the exercise of rights by those who are at once active parts of the company, regardless of their hierarchical levels, and shareholders. I would like to take this opportunity to clarify once and for all that there can be no conflict of interest between the employee collective and the rest of the market; certainly no more than with a majority shareholder, a shareholder that manages a primary supplier or a client of the company. On the contrary, there is a common interest, namely ensuring the survival of an organization that exists to the extent it produces, sells and provides services, directly through the work of its employees. This is an important point in the Opinion of the Economic and Social Committee: employees' rights in their capacities as shareholders ought to be exercised. Otherwise it is impossible to see how employee share ownership could have the positive influence on governance that everyone attributes to it. Today this subject is one of the issues to be resolved. Ten years ago, no one was even aware of it.

I think that socially-oriented Europe has come to a crossroads regarding productivity. On the one hand, we have productivity as an end to itself, which inevitably leads to excess production. No reference to Marx is necessary, but merely to 1929 or the newspapers of the past two years. Producing just to produce, consuming to destroy, not respecting the environment, non-renewable resources. Even some "consumerist" models, in the name of the consumer's interest, sometimes favour, or merely lack the courage to combat, the goal of decreasing the price of products as a priority over all other considerations. These are the Taylorist, or Neo-Taylorist, models, which do

not place people at the centre of society. They are also successful models in some areas of human resource management, which take a favourable view of salaries directly proportional to units produced or sold. On the other hand, we have the model based on financial participation, which views employee share ownership as the strongest sign of commitment: it is not greater productivity, but better productivity, that is the goal. It exalts the individual's initiative, merit, loyalty to the company, professional growth, development of shared leadership and collaboration in group work over egotism. New products, new services, innovation. A way of doing business in which there is compensation, on the one hand, the product of union negotiations, and on the other participation, a voluntary choice that leads those who opt for it to struggle against the current of market challenges and overcome them through choral collaboration. Today, the Economic and Social Committee has confirmed for us - if confirmation were needed - that compensation and participation are not antagonists, but rather, in their respective contexts, integrated into a virtuous model that can and must be a part of the new Europe of 27, at companies large and small, in different ways but with the same spirit. In the past, these two paths might have travelled in very close parallel. Today the fork in the road is clear. Choosing the right way is part of building a better tomorrow.