

ANNUAL ECONOMIC SURVEY OF EMPLOYEE OWNERSHIP IN EUROPE – 2007

INTRODUCTION TO COUNTRY FILES

Employee ownership is progressing faster and stronger across Europe than anyone could expect. This is a quick and recent new development in most European countries. However, some countries began earlier while others dawdled on the way (see [Graph 1](#)). Considering recent trends, employee ownership is going to double within the next 5-10 years, from 8.2 millions employee owners now to 16 millions, from 26.2% of all employees in large European companies now to 40-50%, and capitalisation held by employees going to raise from 2.35% now to 4 - 4.5%. This is the main conclusion of the economic survey of employee ownership in the European countries in year 2007. This survey is based on information about each of all large European companies – which also means a similar information for each of all European countries. Furthermore, it is based on information given by companies themselves in Annual Reports – which means a quick information and a high quality. The full version of this Annual Survey is available at the European Federation of Employee Share Ownership.

ESTONIA (EE)

Compared to other European countries, employee ownership in large companies looks very low in Estonia, as well as in many other new Member States of the European Union.

Large companies in Estonia are still in very small number. This is why it can be helpful to analyse things through the aggregate of new Member States (see below).

NEW MEMBER STATES (NM)

Due to the small number of large companies in most new Member States, relevant comparisons are not so easy. This is why we set up this aggregate of "New Member States", including all new Member States - without Poland.

Compared to other European countries, employee ownership looks very low in many new Member States of the European Union. Employee ownership was stronger in most countries during the privatisation period, but afterwards it declined sharply. However, history and situation are not the same in all countries.

To summarize:

- Two countries seems quite well positioned regarding employee ownership in large companies: Cyprus and Malta, probably linked to British influences.
- Slovenia and Hungary also are quite well positioned, maintaining some strong employee ownership in a number of large privatised companies.
- The Czech Republic keeps a number of large workers cooperatives.
- Finally, most countries come in last position compared to other European countries. Compared to the 29 European countries, Slovakia is number 29 considering employee ownership in large companies, just before Romania – 28th, Latvia – 27th, Bulgaria – 26th, Czech Republic – 25th, Lituania – 24th.

Considering the global percentage of capital held by employees, the aggregate of new Member States seems not too bad with 1.60% compared with 2.35% in Europe. However, most new Member States are close to zero ([Graph 2](#)).

Same observation about large companies having some employee share ownership: It is 69% for the new Member States, not too bad, but most of them are much lower – compared with 83.4% in Europe and 100% in Ireland ([Graph 3](#)).

Same observation about large companies having "broad based" employee share plans (all-employee plans) – see [Graph 4](#).

Still very bad dynamics. Only 7% of large companies in new Member States launched new employee share plans in 2006/7 – compared with 29% in Europe and 44% in Denmark ([Graph 5](#)). Only Malta and Cyprus have a better dynamics.

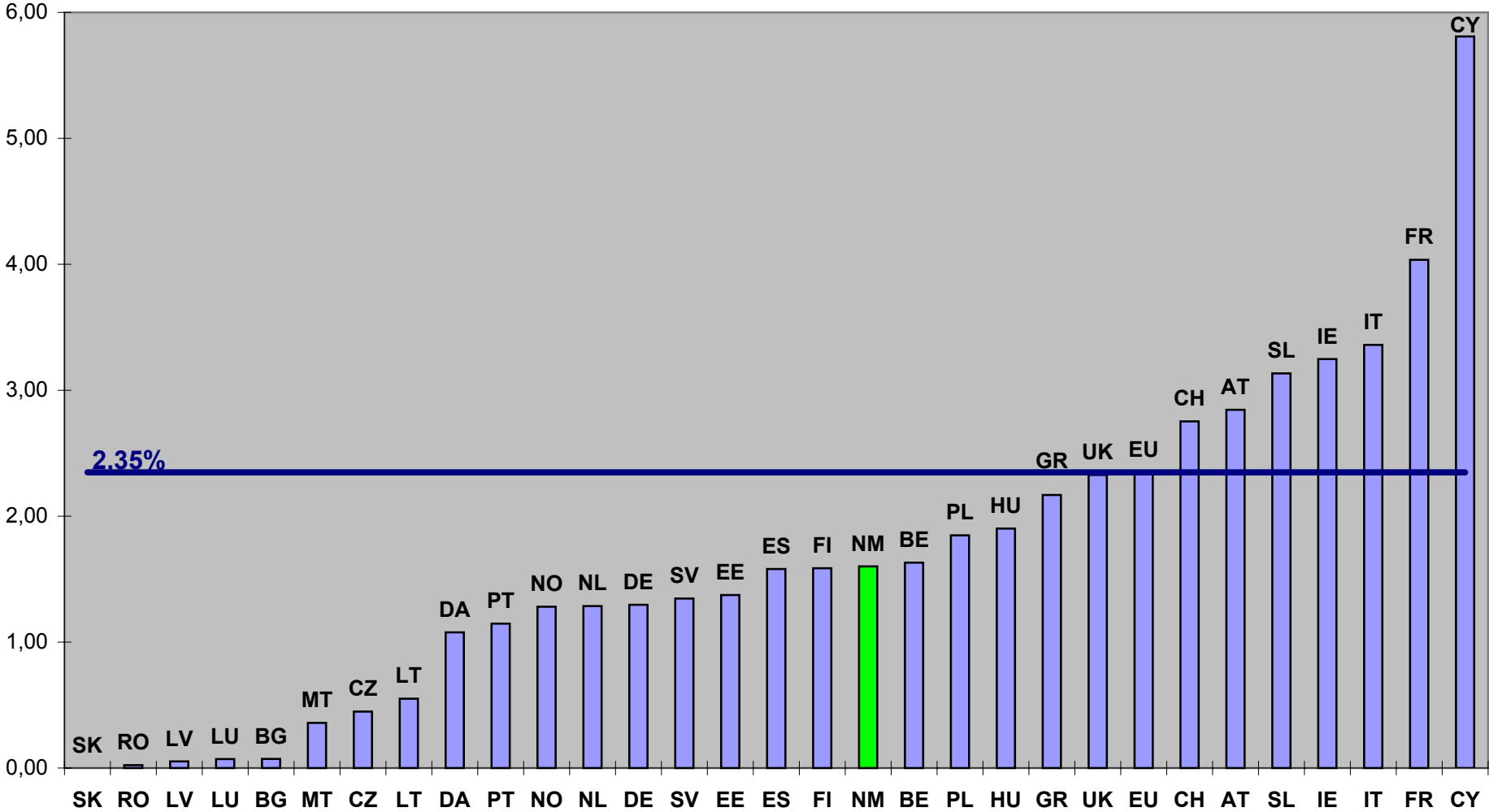
When did they launch their first employee share plans? The aggregate of new Member States seems close to the European average, but most countries are still waiting for a new start, while Slovenia and Hungary have still maintained a number of large companies with employee share plans launched for privatisations ([Graph 6](#)).

Stock options: Most new Member States are very low, with 13% of large companies having stock option plans – compared with 65.6% in Europe and 97% in Ireland ([Graph 7](#)). Here again, Malta and Cyprus are better positioned.

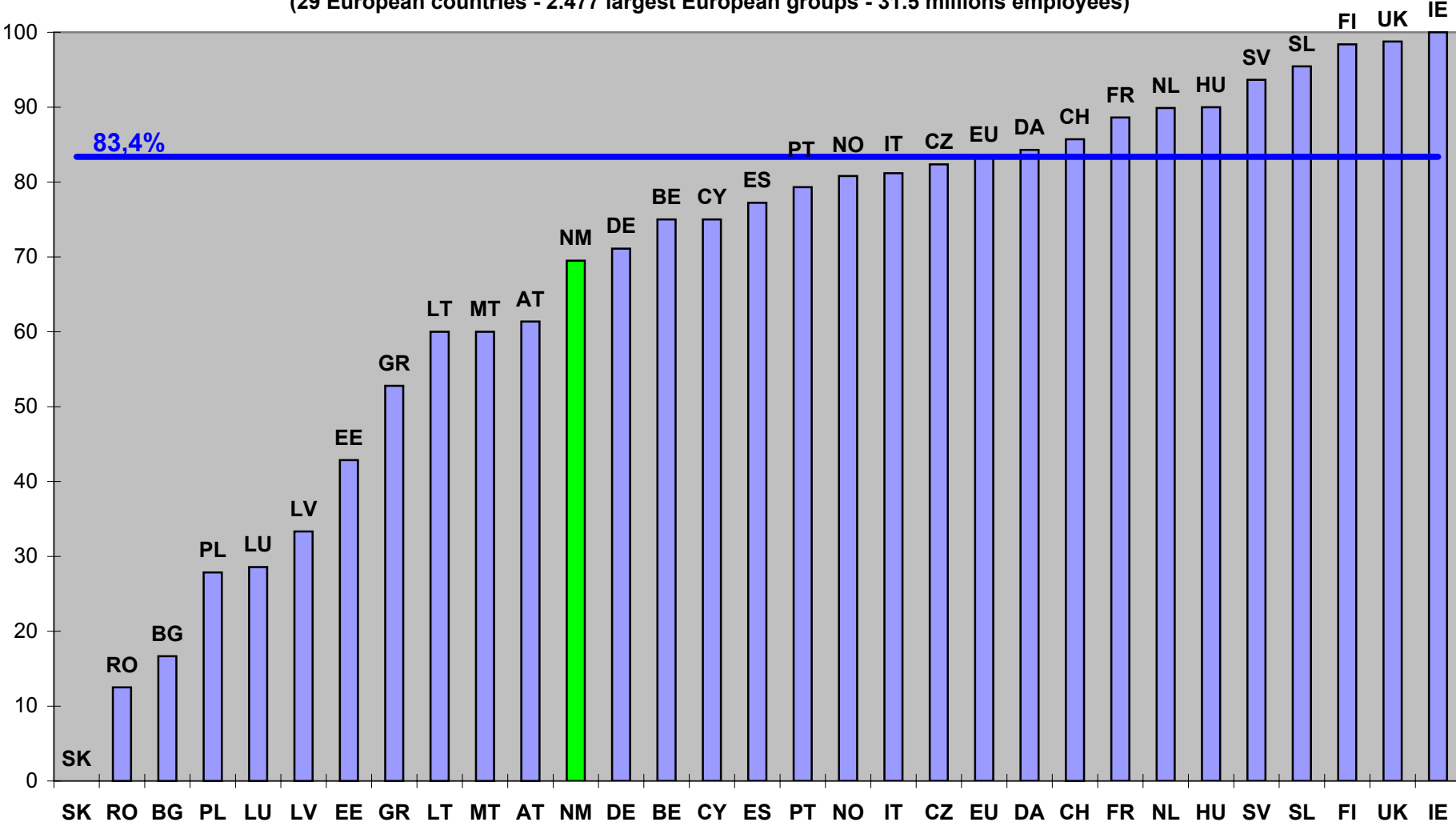
Same remark about the proportion of employee owners amongst all employees ([Graph 8](#)). Finally about large companies having "significant" employee ownership: the Czech Republic, Hungary and Slovenia have still a number of such companies (particularly workers cooperatives in the Czech Republic), while most other countries are close to zero ([Graph 9](#)).

% CAPITAL HELD BY EMPLOYEES in 2006/7

(29 European countries - 2.477 largest European groups - 31.5 millions employees)

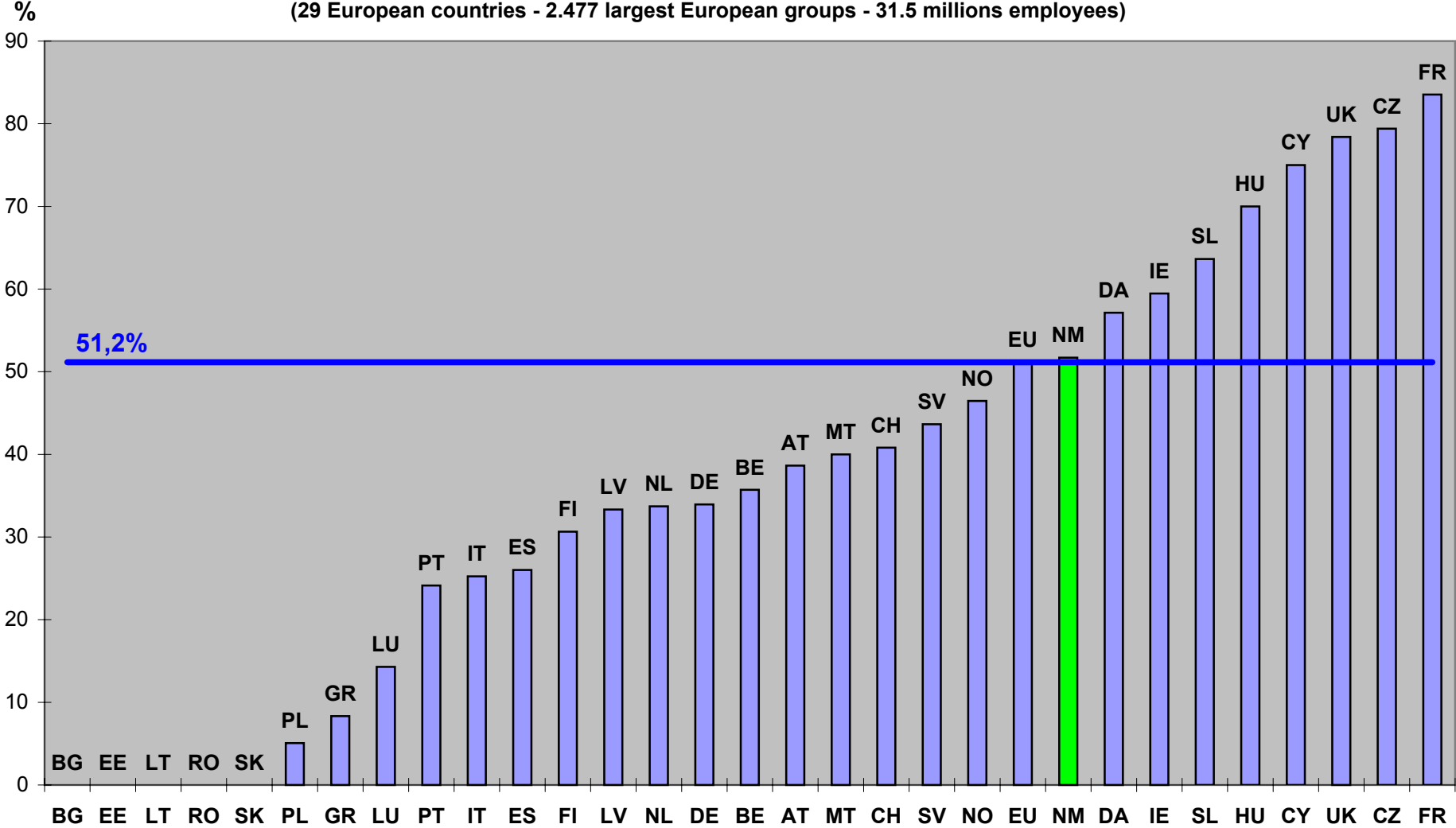


% EUROPEAN GROUPS HAVING EMPLOYEE OWNERSHIP
in 2006/7
(29 European countries - 2.477 largest European groups - 31.5 millions employees)



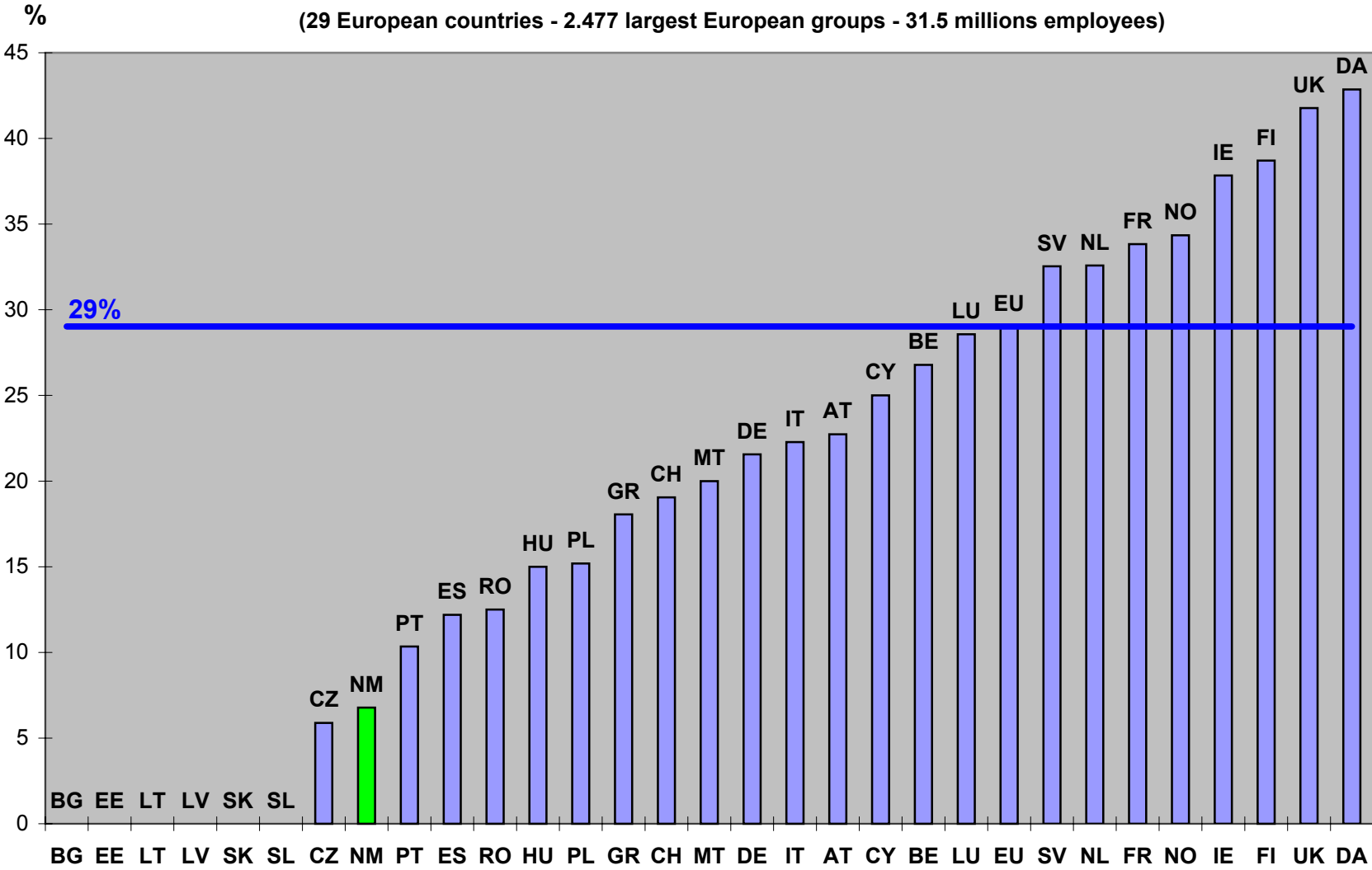
% EUROPEAN GROUPS HAVING BROAD BASED EMPLOYEE SHARE PLANS in 2006/7

(29 European countries - 2.477 largest European groups - 31.5 millions employees)



% EUROPEAN GROUPS HAVING LAUNCHED NEW EMPLOYEE SHARE PLANS in 2006/7

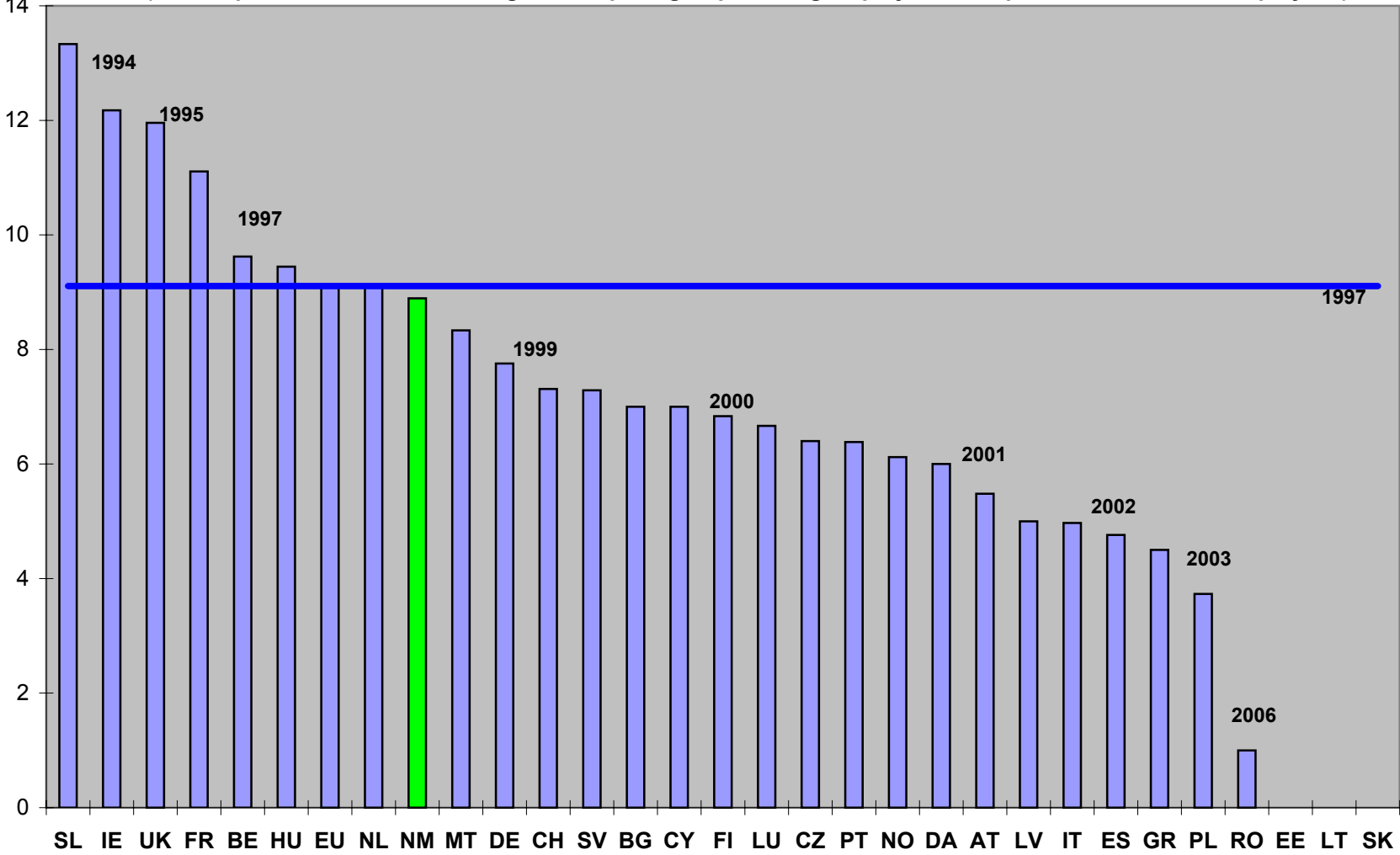
(29 European countries - 2.477 largest European groups - 31.5 millions employees)



WHEN DID THEY LAUNCH THEIR FIRST EMPLOYEE SHARE PLAN ? (average of all listed groups)

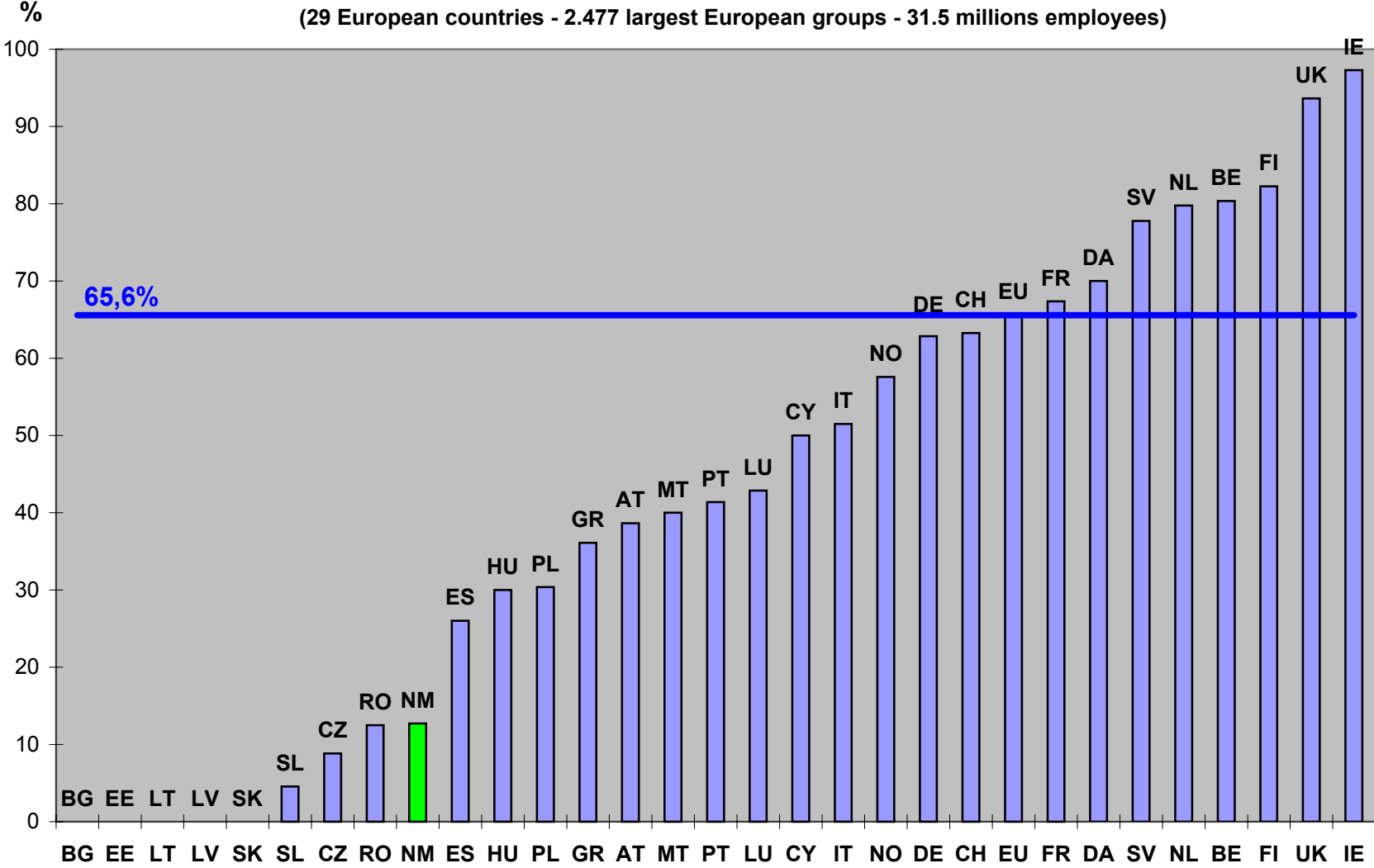
Number
of years

(29 European countries - 1.787 largest European groups having employee share plans - 28,7 millions employees)



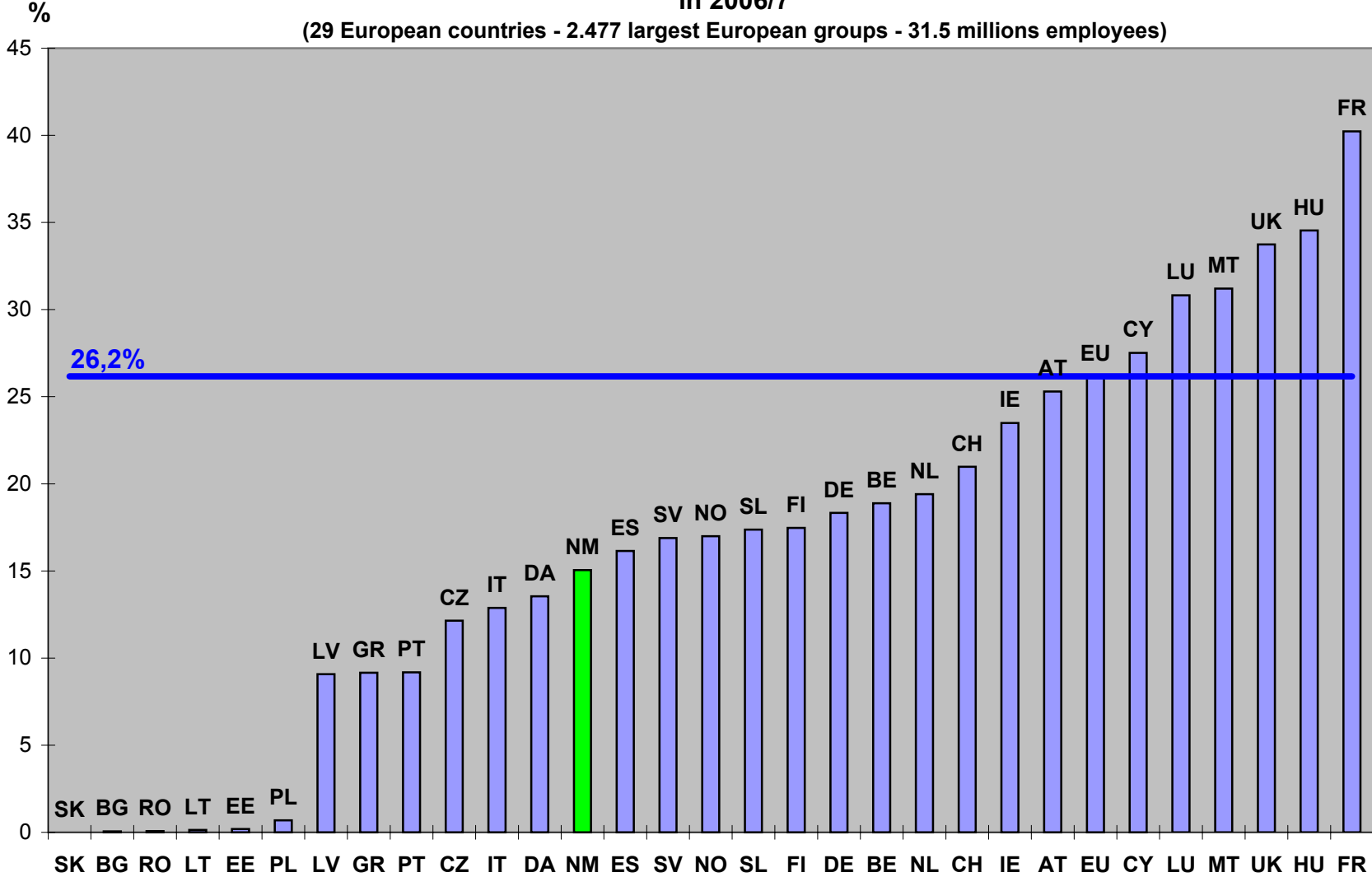
% EUROPEAN GROUPS HAVING STOCK OPTION PLANS in 2006/7

(29 European countries - 2.477 largest European groups - 31.5 millions employees)



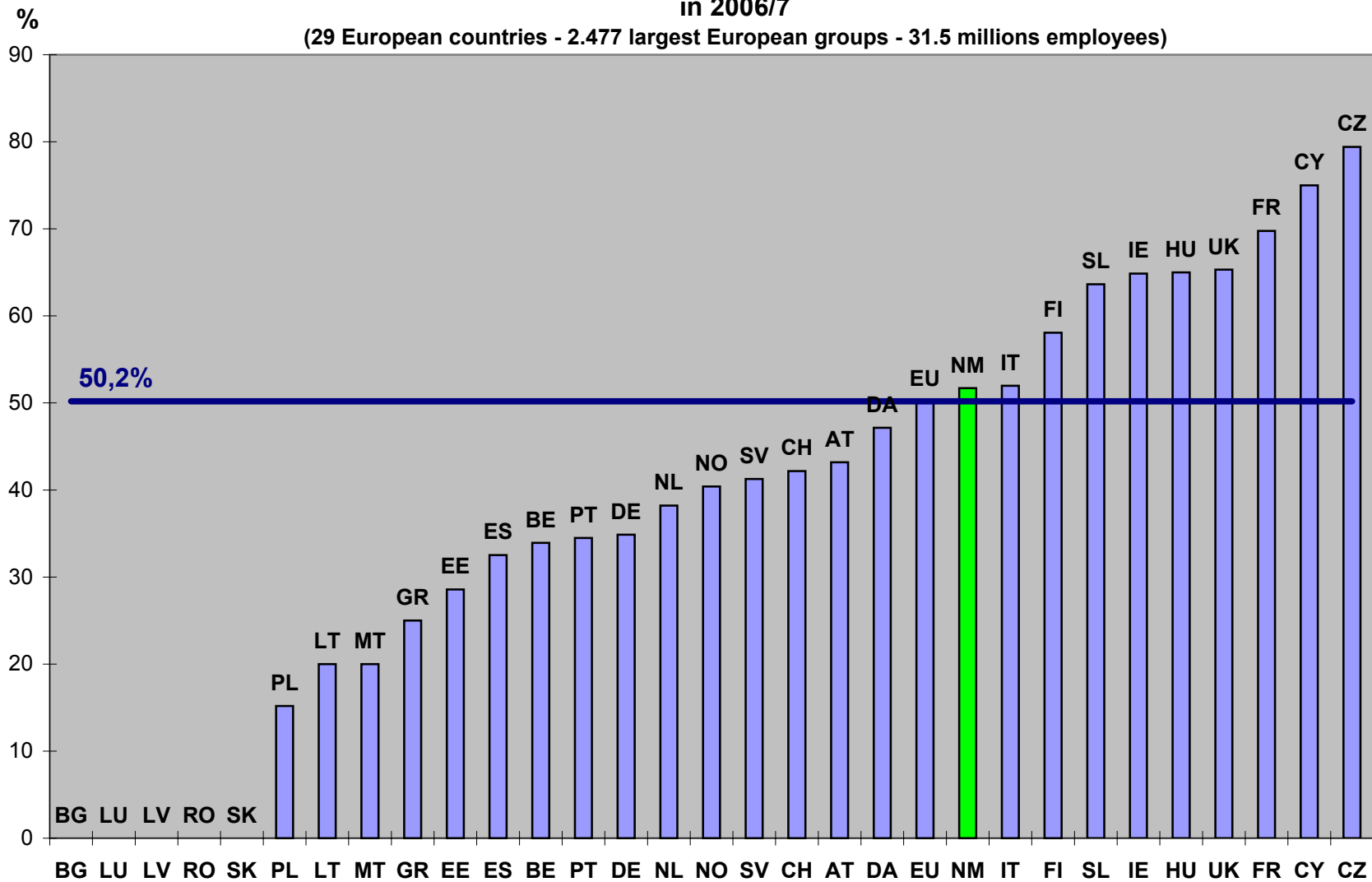
% EMPLOYEE OWNERS AMONGST ALL EMPLOYEES in 2006/7

(29 European countries - 2.477 largest European groups - 31.5 millions employees)



% EUROPEAN GROUPS HAVING "SIGNIFICANT" EMPLOYEE OWNERSHIP (EO>1%) in 2006/7

(29 European countries - 2.477 largest European groups - 31.5 millions employees)



CAPITAL HELD BY EMPLOYEES: EXECUTIVES AND NON-EXECUTIVES SHARES in 2006/7

(29 European countries - 2.477 largest European groups - 31.5 millions employees)

