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For immediate release:

Appeal to all European governments and institutions Employee share ownership in times of pandemic

The **European Federation of Employee Share Ownership (EFES)** launches its appeal to all European governments and institutions.

This is not the first pandemic. However, for the first time, it affects the whole world without exception. Like all previous ones, this one will come to an end, after which there will be a recovery. In the meantime, it is causing a great deal of suffering, including for industrial and financial assets, which have suffered a massive loss of value.

This situation is highly favourable to the development of employee share ownership.

Indeed, to cope effectively, everyone is inclined to join forces, to act in solidarity, to succeed together. These are also features of employee share ownership.

Many companies are suffering, encountering serious liquidity problems, and are looking to reduce salary costs, in order to cope. This can be offset by allocating shares to employees, especially as share prices have fallen. Taxation should not stand in the way of this compensation, it should encourage it. This is what the "initiative for employee participation" in Germany is aiming for (see www.mitarbeiterbeteiligung.de).

In addition, many businesses are at risk of bankruptcy. To cope, it is time to promote the other aspect of employee share ownership, that of the takeover of companies by employees. There are many tried and tested formulas for this - employee cooperatives, *sociedades laborales*, employee ownership trust, ESOP plans, the latter being undoubtedly the most effective.

Finally, many companies remain healthy but have to deal with the temporary loss of value of their assets and the coming requirements of the return to work. Here too the distribution of shares to employees can be a powerful factor for success for all.

In all these situations, taxation and public policy should not hinder but should encourage and facilitate.

We call on all European governments and institutions to act accordingly.

All information about this appeal is now available on the EFES website on www.efesonline.org.

Notes to editors:

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The European Federation of Employee Share Ownership (EFES) is an international not for profit organization. The EFES is the voice of employee share ownership in Europe. It was established in 1998 as the umbrella organisation of employee shareholders, companies and all persons, trade unions, experts, institutions looking to promote the development of employee share ownership in Europe.