

ANNUAL ECONOMIC SURVEY OF EMPLOYEE OWNERSHIP IN EUROPEAN COUNTRIES IN 2008

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](#)). The new Annual Survey for year 2008 shows that employee ownership declined a bit on the threshold of the financial crisis, from 283.3 to 240.2 billion Euro (-15.2%). However, this was still much more than the 206.2 billion one year before. As a percentage, employees' share stabilized on 2.63% in the capital ownership structure. Considering recent trends, employee ownership is going to double within the next 5-10 years, from 9.1 million employee owners now to 16 millions, from 28.2% of all employees in large European companies now to 40-50%, and capitalisation held by employees going to raise from 2.63% now to 4-5%. This is the main conclusion of the economic survey of employee ownership in the European countries in year 2008. 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.

BULGARIA (BG)

Compared to other European countries, employee ownership looks very low in Bulgaria, as well as in many other new Member States of the European Union. Large companies in Bulgaria are still in small numbers.

NEW MEMBER STATES (NM)

Due to the small number of large companies in most new Member States, relevant comparisons are not so easy. For this reason it was decided to set up an aggregate of "New Member States", including all new Member States - without Poland.

Compared to other European countries, employee ownership is 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 are 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 significant employee ownership in a number of large privatised companies.
- The Czech Republic has retained a number of large workers' cooperatives.
- Finally, most countries are rated in the last position compared to other European countries. Compared to the 29 European countries, Romania is number 29 considering employee ownership in large companies, just before Latvia – 28th, Bulgaria – 26th, Lithuania – 25th, Estonia 24th...

Considering the global percentage of capital held by employees, the aggregate of new Member States seems low at 1.40% compared with 2.63% in Europe. Furthermore, most new Member States are close to zero ([Graph 2](#)).

Same observation about large companies having some employee share ownership: It is 66% for the new Member States, not so bad, but most of them are much lower – compared with 85.1% in Europe and 100% in Ireland or Finland ([Graph 3](#)).

The observation is the same concerning large companies having "broad-based" employee share plans (all-employee plans) – see [Graph 4](#), not bad for the new Member States as a whole but most of them being close to zero.

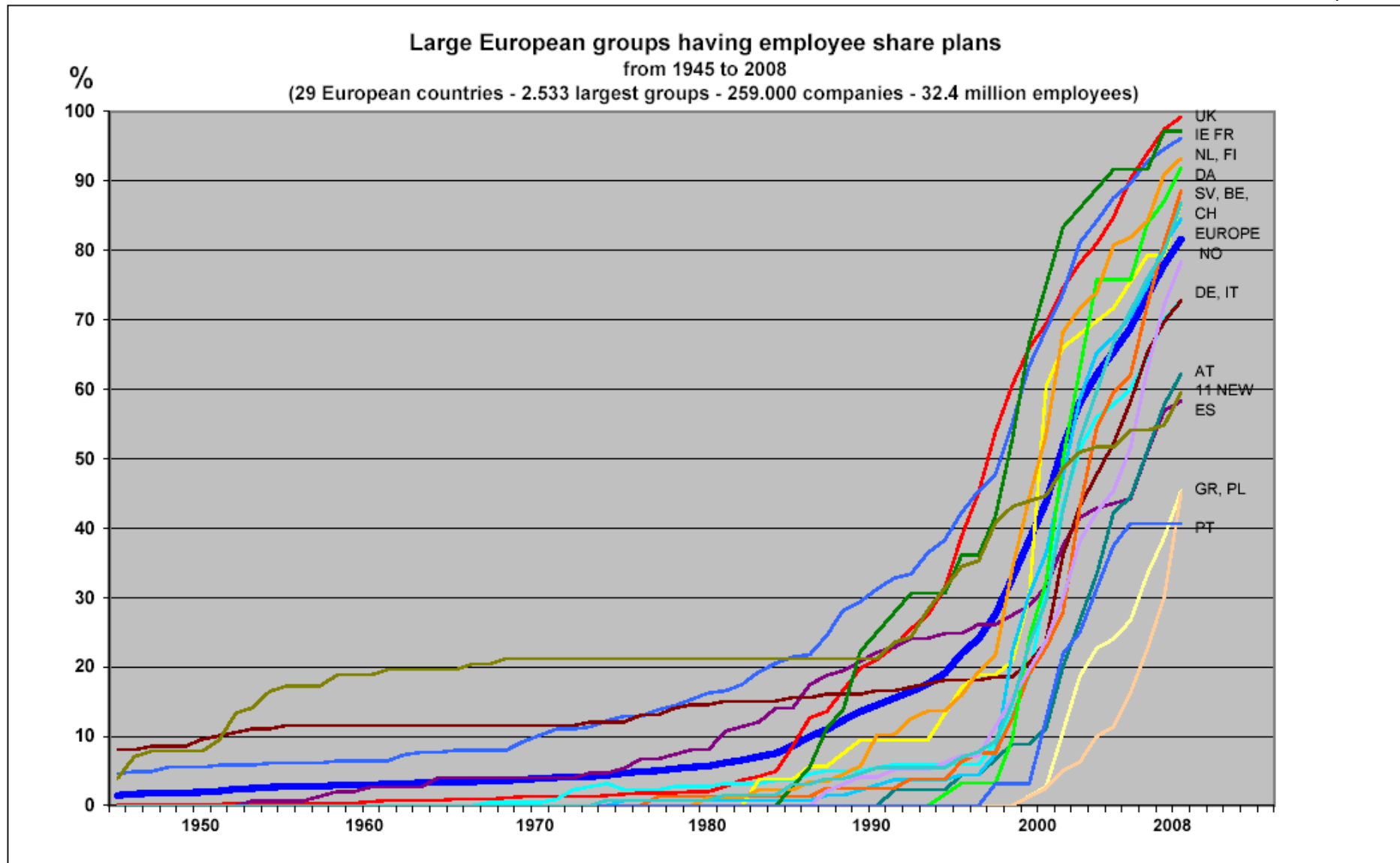
Still very poor dynamics. Only 9% of large companies in new Member States launched new employee share plans in 2007/8 – compared with 36.6% in Europe and 53% in Belgium or 52% in Denmark ([Graph 5](#)).

When did they launch their first employee share plans? The aggregate of new Member States is 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 15% of large companies having stock option plans – compared with 64.6% in Europe and 97% in Ireland ([Graph 7](#)). Malta and Cyprus are better positioned than others here.

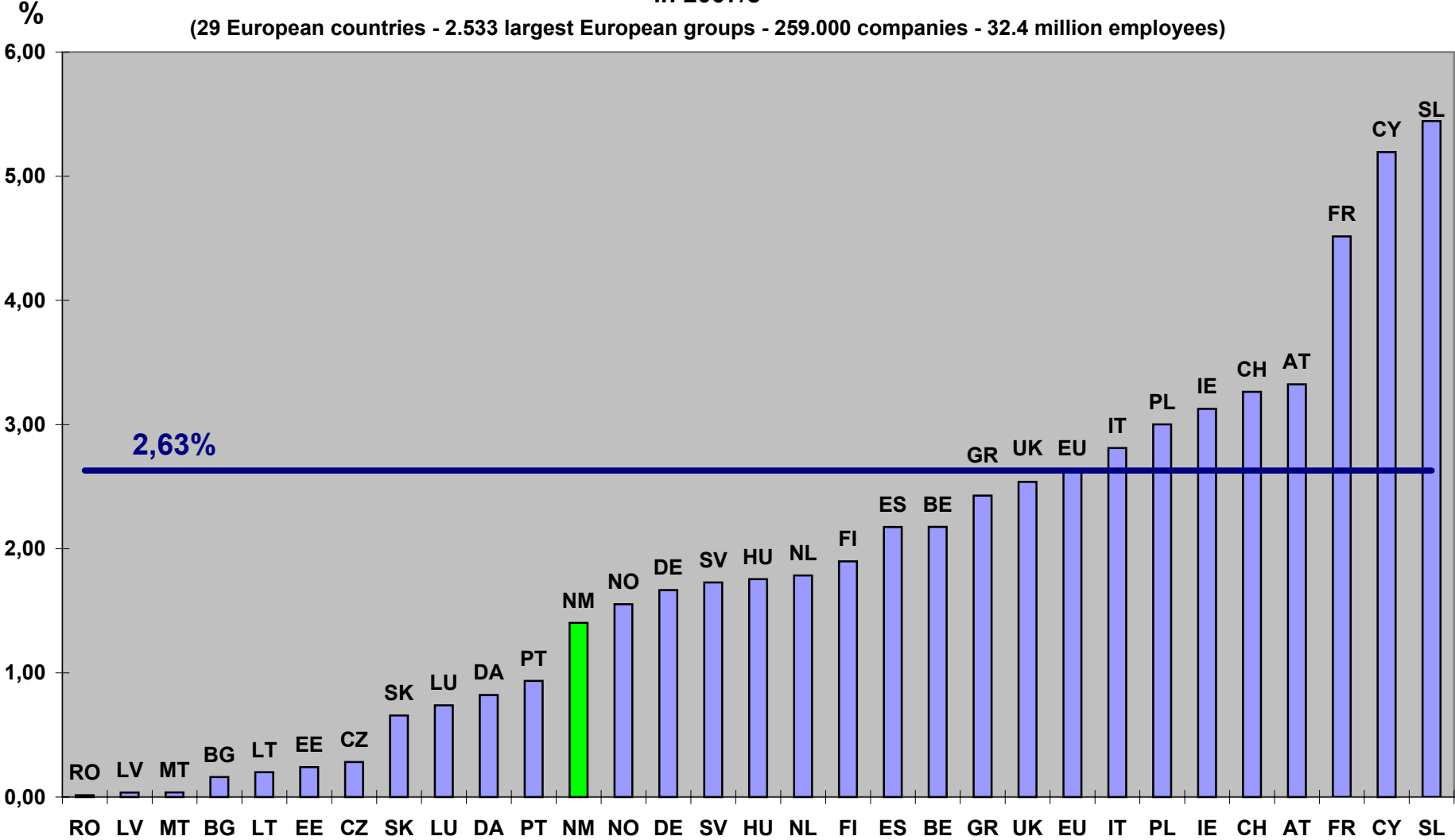
The same comments apply to the proportion of employee owners amongst all employees, only 10% in the new Member States compared to 28.2% in Europe as a whole ([Graph 8](#)).

Finally regarding large companies having "significant" employee ownership: the Czech Republic, Hungary and Slovenia still have a number of such companies (particularly workers' cooperatives in the Czech Republic), while most other countries are close to zero ([Graph 9](#)).



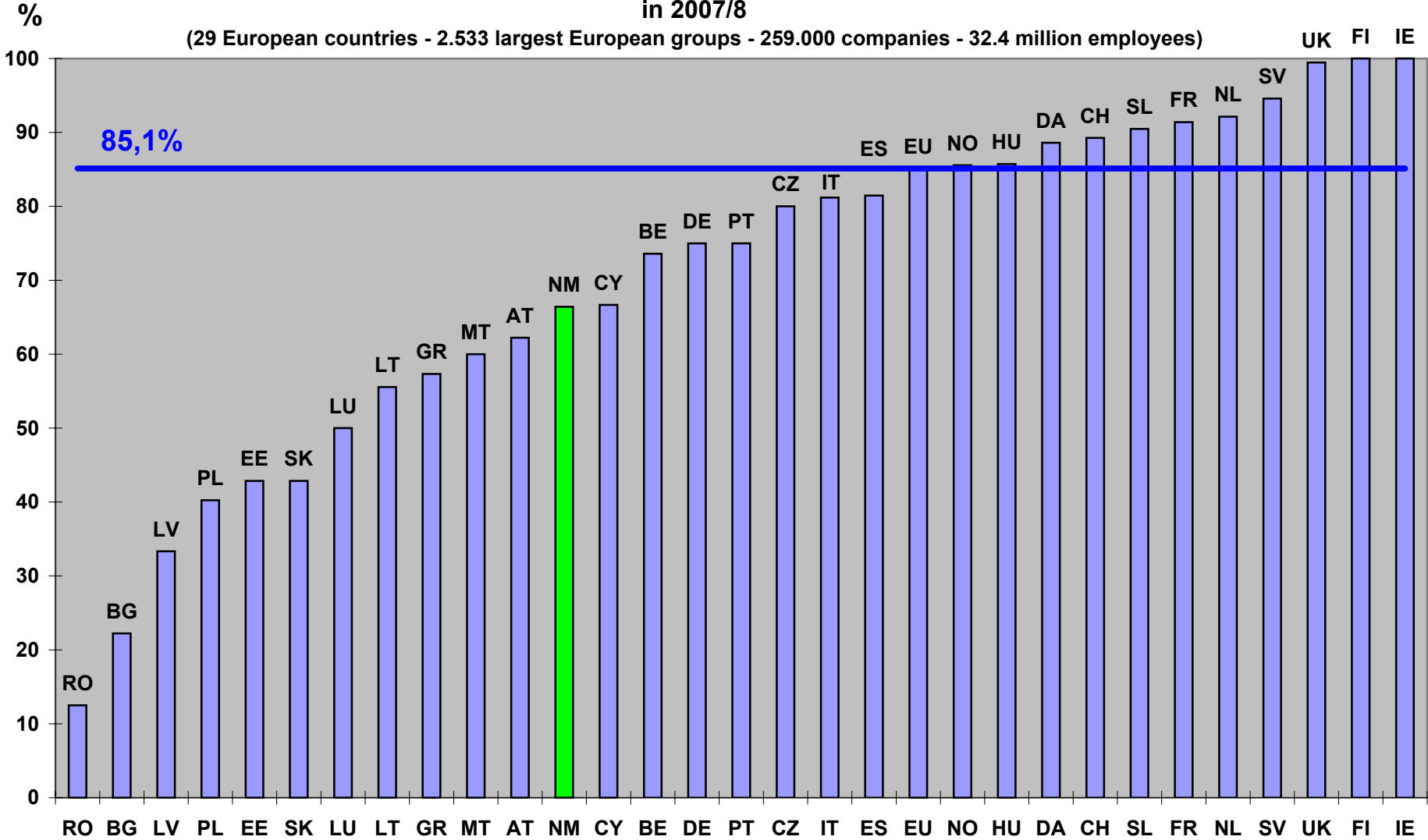
% CAPITAL HELD BY EMPLOYEES IN EUROPEAN COMPANIES in 2007/8

(29 European countries - 2.533 largest European groups - 259.000 companies - 32.4 million employees)



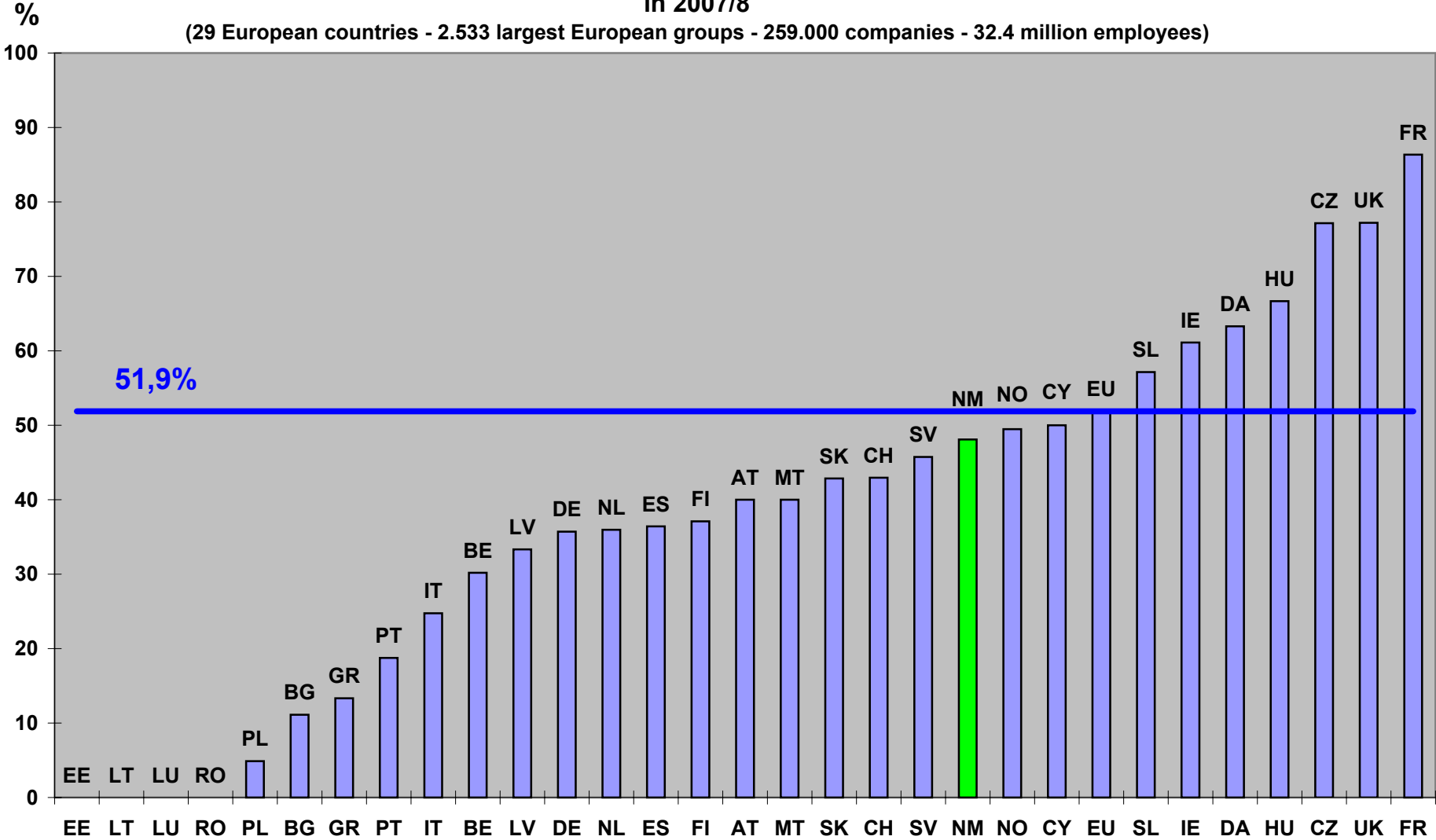
% EUROPEAN GROUPS HAVING EMPLOYEE OWNERSHIP in 2007/8

(29 European countries - 2.533 largest European groups - 259.000 companies - 32.4 million employees)



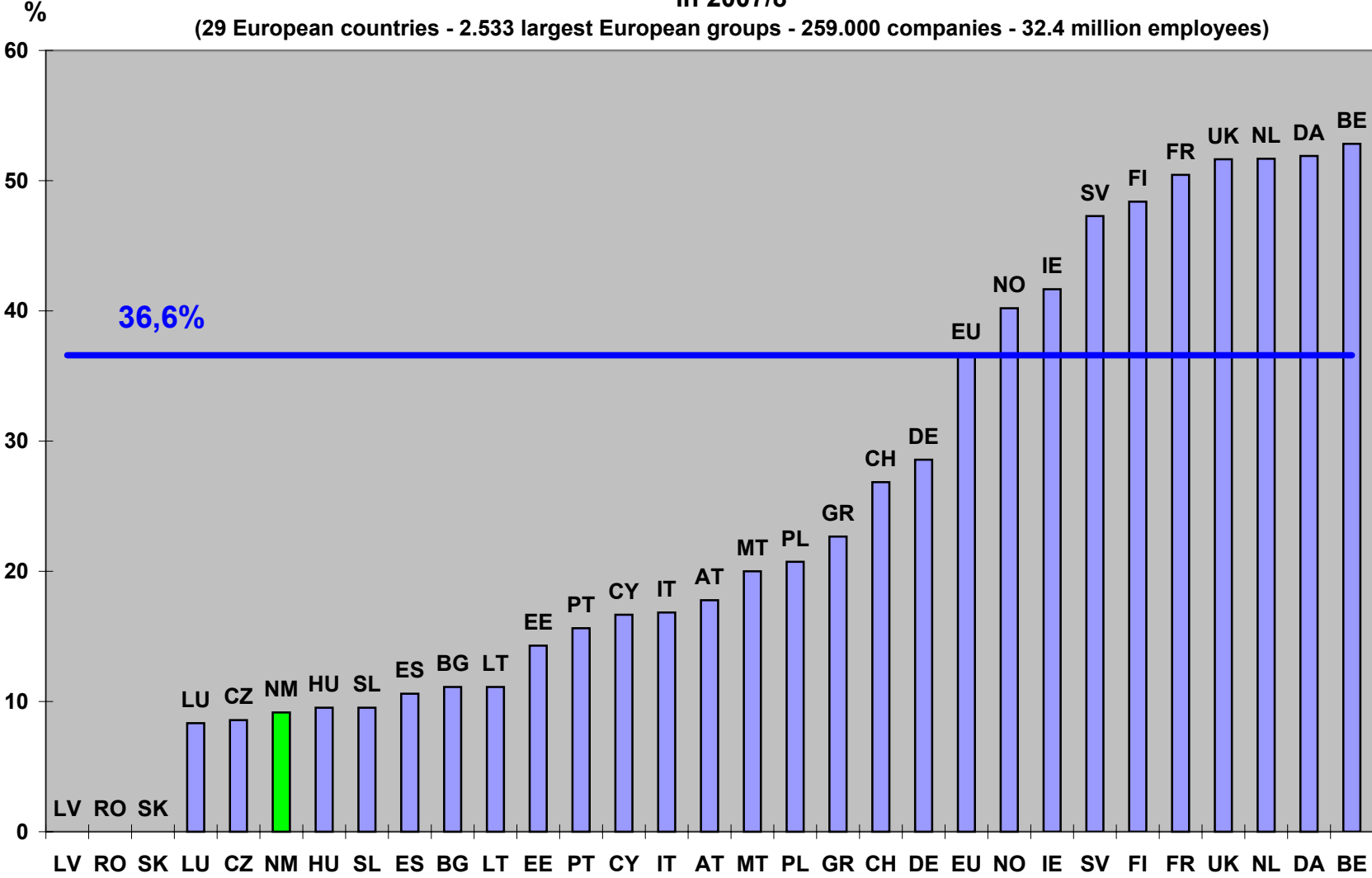
% EUROPEAN GROUPS HAVING BROAD-BASED EMPLOYEE SHARE PLANS in 2007/8

(29 European countries - 2.533 largest European groups - 259.000 companies - 32.4 million employees)



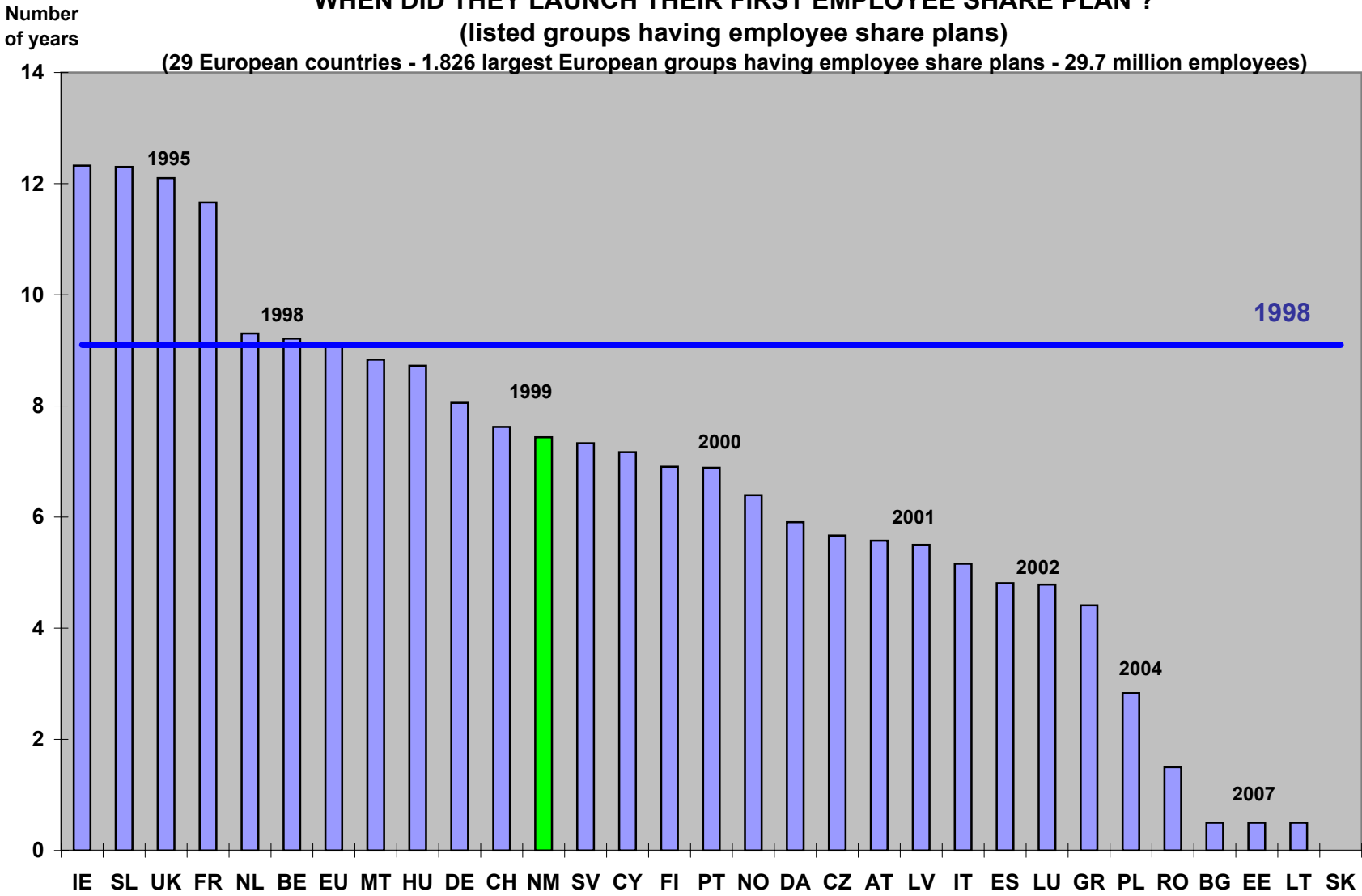
% EUROPEAN GROUPS HAVING LAUNCHED NEW EMPLOYEE SHARE PLANS in 2007/8

(29 European countries - 2.533 largest European groups - 259.000 companies - 32.4 million employees)



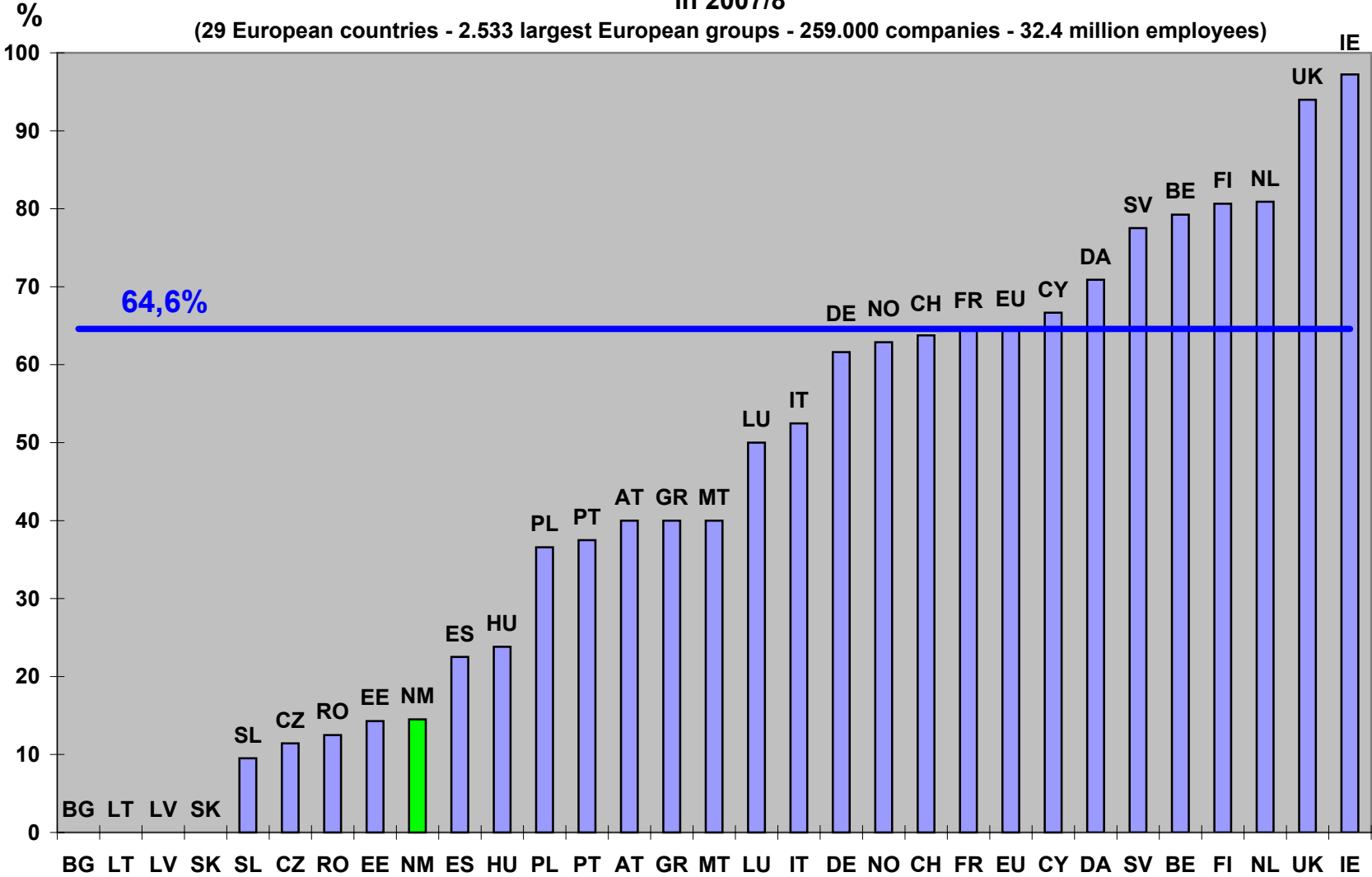
WHEN DID THEY LAUNCH THEIR FIRST EMPLOYEE SHARE PLAN ? (listed groups having employee share plans)

(29 European countries - 1.826 largest European groups having employee share plans - 29.7 million employees)



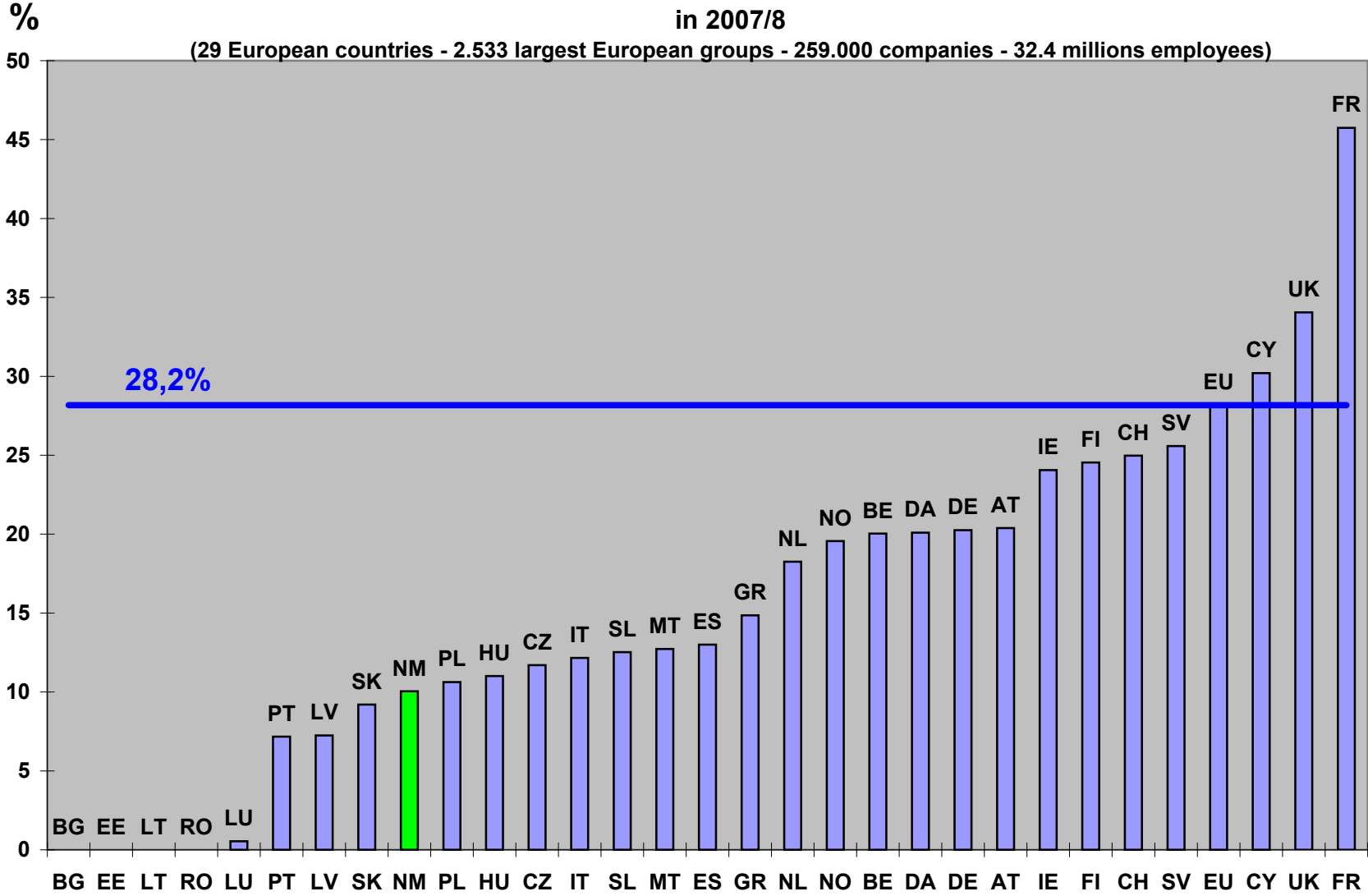
% EUROPEAN GROUPS HAVING STOCK OPTION PLANS in 2007/8

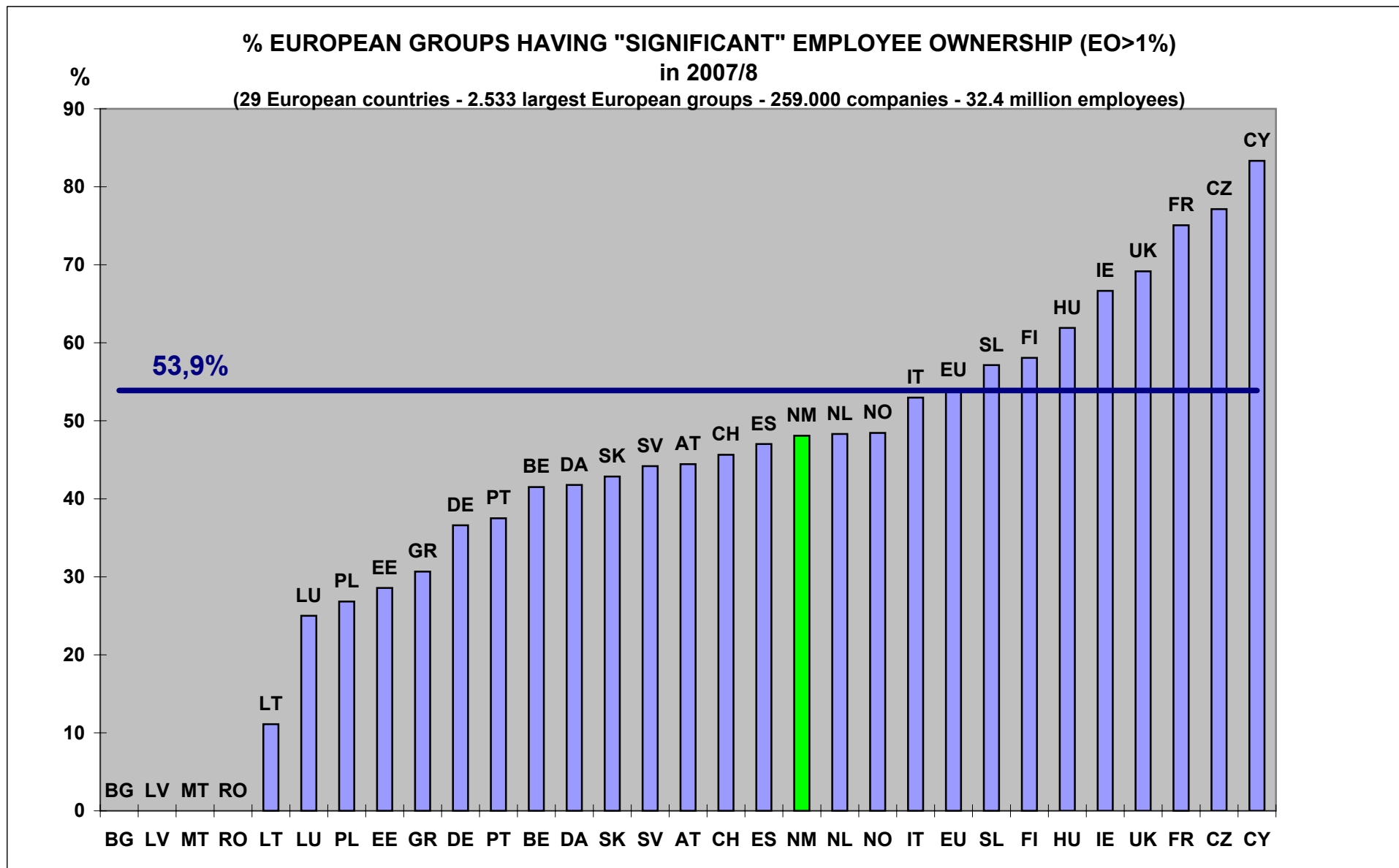
(29 European countries - 2.533 largest European groups - 259.000 companies - 32.4 million employees)



% EMPLOYEE OWNERS AMONGST ALL EMPLOYEES in 2007/8

(29 European countries - 2.533 largest European groups - 259.000 companies - 32.4 millions employees)





CAPITAL HELD BY EMPLOYEES: EXECUTIVES' AND NON-EXECUTIVES' SHARES
 in 2007/8

(29 European countries - 2.533 largest European groups - 259.000 companies - 32.4 million employees)

