



April 9, 2025

## ***Employee share ownership in Europe in 2024***

**The European Federation of Employee Share Ownership (EFES)** releases the new "Annual Economic Survey of Employee Share Ownership in European Countries in 2024" on April 10.

**1. The paradigm shift in European employee ownership is becoming increasingly apparent.** In terms of dynamics, large companies are giving way to SMEs. In this case, employees do not share "a small piece of the cake", they acquire the biggest piece – in most cases, the whole cake. The context and objective are not so much to share profits as to meet the need for business transfers. Great Britain is becoming Europe's number one, while the continent, and France in particular, are fading into the background.

**2. The paradox is deepening when it comes to employee share ownership in large European companies.** Everything indicates that companies want it. Everything indicates that employees want it too. Companies are increasing the number of employee share plans. Yet overall, the number of employee shareholders is falling, employee ownership stake is stagnating, and the democratisation of employee share ownership is crumbling. As a result, the plans are becoming less and less effective. The plans and policies behind them are becoming increasingly undemocratic.

The main employee share ownership indicators in Europe are in [Table 1](#) hereafter.

On the positive side, an increasing number of large European companies are introducing employee share ownership schemes and seeing a greater uptake in employee share ownership. In 2024, 95% of large companies had some form of employee share ownership and 58% had democratic plans for all their employees.

As for employees, the trend is still towards growth in the capital they hold in their company shares, amounting to €477 billion in 2024. Millions of employees benefit from these schemes, which represents an average of €39,600 (+15%) for each employee shareholder (excluding executive directors). All the figures show that employee shareholders in large companies are committed to the long term, believing that the balance of risks and rewards is clearly in their favour ([Graph 14 page 48](#)).

However, the number of employee shareholders has dropped to 6.69 million, and is still below the level reached in 2011 ([Graph 4 page 16](#)).

The rate of democratisation of employee share ownership continues to fall. Today, only one employee in five is a shareholder in their company, compared with one in four previously. The fall was particularly drastic in France. Employment has risen sharply in large French companies, but the number of employee shareholders has not kept pace. As a proportion of the number of employees, the proportion of employee shareholders was 41% in France's largest listed companies in 2010, falling to 31% in 2024 ([Graph 5b page 18](#)). Had the rate of democratisation been maintained, large French companies would have 3.7 million employee shareholders today instead of the 2.8 million recorded.

Finally, employee shareholding in large European companies has stopped growing. It represents 3.04% in 2024 versus 3.07% in 2013 ([Graph 1 page 13](#)). Here, the proportion of ordinary employees (non-executives) reached 1.69%, compared with 1.79% in 2013 ([Graph 11 page 37](#)).

**3. Why is employee share ownership taking a hit in Europe's large companies? The main reason is political.** It is about the inability of European legislators to produce legislation in line with the development of large companies.

Today, only 35% of the employees of large European companies are still based in their home country ([Graph 79 page 144](#)). As a result, only a small minority of them are able to benefit from the tax incentives for employee share ownership set out in national legislation. Employee share ownership policies, for example, have lost 30% of their effectiveness in just a few years because they remained national in scope.

When it comes to employee share ownership, as with so many other issues, Europe is sick of its political divisions and localised thinking. Legislators continue to rely on outdated frameworks and mechanisms. This explains why recent legislative efforts in several countries have had no significant impact on employee share ownership in large companies. France's Loi Pacte is the ultimate example of this impotence.

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**4. A strong employee ownership movement is now taking hold in European SMEs, starting in Great Britain.** In this country, employee buy-outs are now the most common form of transfer for SMEs, after family transmission. We are rapidly moving towards a situation where one in ten SMEs will be employee-owned. With 600 SME transfers to employees in 2024, Great Britain created 50,000 new employee owners in just one year, as many as all the workers cooperatives in France (SCOPs) over an entire century.

**For employee share ownership worldwide, this marks a true revolution.** In fact, for almost two hundred years, numerous frameworks and models have been tried and tested to develop employee ownership in SMEs. Today, for the first time in the world, we have succeeded in setting up a model that outperforms all others. Since 1974, the world's best-known model had been the ESOP plan in the United States. The *Employee Ownership Trust* formula introduced in the UK in 2014 now appears to be by far the most effective.

The reasons behind its success are well understood: well-designed legislation based on trust mechanisms. This is what ensures its three advantages of simplicity, ease and adaptability, in a way that no other model has been able to achieve.

As a result, the UK is the only European country (along with Norway) where the number of employee shareholders has increased over the last twelve years.

Table 1

	Employee shareholders (thousand)	Democratisation rate of employee share ownership (in%)	Employees' stake in ownership structure	Capitalization held by employees (billion €)	Companies having employee share ownership	Companies having broad-based share plans	Companies having launched new plans
2006	6.170	24,5%	2,31%	176	67,8%	33,5%	
2007	6.533	24,4%	2,59%	236	71,2%	35,1%	16,2%
2008	6.892	24,4%	2,71%	211	74,2%	36,4%	21,4%
2009	6.973	23,8%	2,91%	150	75,7%	37,4%	19,2%
2010	7.076	24,6%	2,83%	178	76,6%	37,9%	17,6%
2011	7.109	24,2%	2,95%	216	78,2%	38,6%	20,5%
2012	6.911	22,7%	2,86%	185	80,4%	39,4%	20,5%
2013	6.621	21,4%	3,07%	247	82,0%	40,2%	20,3%
2014	6.623	21,5%	3,02%	275	83,1%	41,3%	20,9%
2015	6.604	21,1%	2,99%	317	85,5%	42,9%	24,0%
2016	6.609	21,0%	3,09%	285	87,3%	44,2%	23,6%
2017	6.655	20,8%	3,07%	341	88,9%	45,9%	26,7%
2018	6.694	20,4%	2,97%	348	90,3%	47,3%	27,3%
2019	6.927	20,4%	2,96%	340	91,6%	49,2%	28,4%
2020	7.018	20,5%	3,17%	311	91,4%	50,7%	27,6%
2021	6.847	20,6%	3,19%	432	92,4%	52,3%	30,1%
2022	6.799	20,3%	3,14%	422	93,6%	54,6%	33,1%
2023	6.895	20,0%	3,01%	437	94,5%	56,5%	33,8%
2024	6.692	19,2%	3,04%	477	95,0%	58,2%	32,0%

The new Annual Survey will be available from April 10 on the EFES website on <https://www.efesonline.org/>  
The detailed publication [can be downloaded here](#).

#### **Notes to editors:**

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***The European Federation of Employee Share Ownership (EFES) is an international not for profit organization. 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.***

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