

## **Annual Economic Survey of Employee Ownership in European Countries in 2007**

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The first Annual Economic Survey of Employee Ownership in European Countries reveals that employee ownership is progressing at a quicker rate and with greater depth across Europe than expected. This is a sudden development in most European countries.

When considering recent trends, employee ownership is predicted to double within the next 5-10 years, from currently 8.2 million employee owners to 16 million and from currently 26.2% of all employees in large European companies to 40-50%, and finally capitalisation held by employees is predicted to rise currently from 2.35% to 4 - 4.5%.

This survey was made possible due to a new database which enabled the collection of detailed information about employee ownership and employee share plans in each of all the largest European companies.

The database was conceptualised and tested in 2005. Then it was set up in 2006, thanks to the support of the European Commission and it was finally fully completed and updated for commencement in 2007.

Over the last 20 years, some European reports have occasionally given information about employee ownership and its development across Europe. The most important reports were: the PEPPER I Report in 1991, PEPPER II Report in 1996 and a Report named "Recent trends in employee financial participation in the European Union" by Professor Erik Poutsma in 2001. At this time, these reports were practically the only source of information regarding the extent of employee ownership in the European Union.

However, they were based on partial information which was not made available immediately and often only after long delays.

The need for more accurate and more recent information was crucial. On the one hand, it was known that employee ownership was developing. However, information was not made available without long delays.

This led to the conclusion that a hiatus was probably growing between companies and practitioners on the one hand, and social and political actors on the other hand, resulting in an incorrect picture of employee ownership in Europe.

For this reason it was necessary to set up this new database and this survey. This database is based on information about each of all the large European companies – which also means a similar information for each of all the European countries.

Furthermore, this database is based on information produced by the companies themselves in their Annual Reports and this has meant very timely access to high quality information.