



Under the Auspices of Staffan Nilsson, President of the European Economic and Social Committee (EESC)

The Inter-University Centre Berlin/Split at the Free University of Berlin,
the Italian Trade Union Research Institute SINDNOVA,
the Association of Employers of Slovenia ZDS
and DIESIS invite you to a

Venue:
European Economic and Social Committee,
Room JDE 62, Jacques Delors Building
Rue Belliard, 99
B-1040 Brussels

Conference at the European Economic and Social Committee, Brussels

The Week of Employee Financial Participation in the EU

Monday, 17 October 2011

Key Findings on EFP in the EU-27 / EFP and Business Succession in SMEs – The European ESOP

Tuesday, 18 October 2011

EFP in Services of General Economic Interest / A Piece of the Cake? – EFP and Young EU Citizens

Wednesday, 19 October 2011

EFP for a Better Corporate Governance / EFP in Europe Tomorrow – The Building Block Approach

Simultaneous interpretation
Passive: EN/DE/FR/IT/ES
Active: EN/DE/FR

In Partnership with the European Economic and Social Committee and with the financial support of the European Commission



European Economic and Social Committee



INTER-UNIVERSITY CENTRE

SindNova



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MONDAY Morning

9.00 – 9.30 am
Registration

9.30 – 9.45 am
Staffan Nilsson, President of the EESC
Opening of the conference

9.45 – 10.00 am
László Andor, Commissioner Employment, Social Affairs & Inclusion*
EFP as a tool for social policy and economic integration in the EU

10.00 – 10.15 am
Prof. Jens Lowitzsch, European University Viadrina
Results of the PEPPER IV Report and presentation Pro-EFP project

10.15 – 10.45 am *Coffee break and press conference*

Session 1 – Political Panel / Briefing on Key Findings on Employee Financial Participation (EFP) in the EU-27

10.45 – 11.05 am
Alexander Graf von Schwerin, EESC Group II / Madi Sharma, EESC Group I
Why EFP is important to European employees and employers?

11.05 – 11.25 am
Waldemar Pawlak, Vice Prime Minister of Poland *
EFP as a part of the agenda of the Polish Presidency of the EU

11.25 – 11.45 am
Prof. Milica Uvalic, University, Perugia, author PEPPER I Report
30 Years of Financial Participation – Future trends

11.45 am – 1.00 pm
Debate: Why is EFP relevant to the European Social Model? What economic and industrial policies are needed?

Chair: Prof. Iraj Hashi, Staffordshire University

- Jürgen Thümann, President of BUSINESS EUROPE *
- Bernadette Ségol, General Secretary of ETUC *
- Pervenche Berès, MEP, Chair of the Committee on Employment and Social Affairs
- Elmar Brok, MEP, Chair of Delegation for relations with the U.S.
- John D. Menke, President of the Menke Group, San Francisco

Subsequent discussion with the public

1.00 pm – 2.00 pm *Lunch break*

* tbc

MONDAY Afternoon

Session 2 – EFP in SMEs: Enhancing Competitiveness and Innovation

2.00 – 2.15 pm
José María Algora, President of Confesal
Welcome speech

2.15 – 2.45 pm
Dario Scannapieco, European Investment Bank *
Financing tools for business succession in SMEs – A role for EFP?

2.45 – 3.15 pm
Prof. Jens Lowitzsch, European University Viadrina
Facilitating business succession in SMEs: The European ESOP
Debate

3.30 – 4.15 pm
Panel 1 – The European ESOP and strategic employee shareholding in the aftermath of the crisis

Chair: Miguel Ángel Cabra de Luna, EESC Group III
Reports from the national workshops

- Fred Hackworth, ESOP Centre
- Paul Maillard, FONDACT
- Max Stelzer, voestalpine Arbeitnehmerprivatstiftung
- Anže Hiršl, Senior Legal Adviser ZDS
- Dr. Arkadiusz Radwan, Instytut Allerhand

4.15 – 4.30 pm *Coffee break*

4.30 – 5.15 pm
Panel 2 – Reactions from European social partners and EU institutions: Opportunities and threats from EFP applied to SMEs

Chair: Kevin O'Kelly, IAFP

- Andrea Benassi, General Secretary of UEAPME
- Marcel Grignard, Vice Secretary General CFDT *
- Rossano Rimelli, President of CECOP *
- Boris Rischow, Amundi *

5.15 - 5.30 pm
Henri Malosse, EESC, President of Group I
Conclusions

6.00 – 7.30 pm *Sponsored evening reception*

Background

Eleven years ago, the Belgian Presidency of the EU convened a conference on Employee Financial Participation (EFP). Then, in November 2010, ten years of public policies in support of employee ownership in Europe were examined: Since 2001, employee ownership and financial participation in Europe has grown dramatically (see PEPPER IV Report 2009). Over the intervening decade, the number of large European companies with employee share plans more than doubled.

The European Economic and Social Committee adopted the Own-initiative opinion SOC 371 on EFP in Europe on 21 October 2010 by 170 votes to 9 with 22 abstentions.

The “Week of EFP” in Brussels

The Conference on 17-19 October is a follow-up of nine national conferences on EFP organised by the project partners of the Commission financed „Pro-EFP“-Project. It gathers more than 200 participants from the EU-27 including members of Parliament, representatives of the Council, the Commission and the EESC.

The business succession problem of the European SMEs

A Commission Communication from 2006 stated that with the aging of Europe’s population, “one third of EU entrepreneurs, mainly those running family enterprises, will withdraw within the next ten years”. This portends an enormous increase in business transfer activity, which could affect up to 690,000 small and medium-sized enterprises and 2.8 million jobs every year. As the largest sector of employers, SMEs and micro-enterprises are a major factor in labour market policy.

Confronted with this increasing need for business transfers an appropriately designed long-term EFP model, which could perpetuate employees' jobs, could facilitate the process. Best practice are, e.g., proven Employee Stock Ownership Plans (ESOP models).

The way to a EU Framework: “Building Block Approach”

A European Regulation should thus – in the context of the open method of co-ordination – encompass a broad incentive system, which provides different and flexible solutions, compatible with those already established in the Member States. An adaptable scheme can provide for a solution suitable for use throughout the European Union, comprising best practises of national legislation and customs.

Combining them in a single program with alternative options leads to a “Building Block Approach”, with the different elements being mutually complementary.

TUESDAY Morning

Session 3 – EFP in Services of General Economic Interest

9.00 – 9.15 am

Carl Cederschiöld, President of CEEP *

Welcome speech

9.15 am – 9.30 am

Marina Monaco, Sindnova

Presentation of the Pro-EFP discussion paper on SGEI

9.30 – 10.30 pm

Panel 1 – EFP in SGEI, a thrust for innovativeness? Financial aspects

Chair: Prof. Andrew Robinson, University of Leeds

- Daniela Ronzitti, CEEP Director
- Antony Randazzo, Gaz de France-Suez*
- Jan Willem Goudrian, Deputy General Secretary EPSU *
- Shaky Cody, Impact
- Pierre Ferracci, Secafi

Debate

10.30 – 11.00 pm *Coffee break*

11.00 – 12.00 am

**Panel 2 – Sustainable services in the aftermath of the crisis –
What is the role of EFP for efficient SGEI?**

Chair: Stavroula Demetriades, Head of Unit, Dublin Foundation

- Carlo De Masi, General Secretary, FLAEI CISEL *
- Anna Thoursie, Chief Economist KFS *
- Enrico Toffali, Municipality of Verona*
- Prof. Marco Caramelli, INSEEC Paris Business School
- Sarah Short, East Midlands Councils *

Debate

12.00 – 12.30 am

Debate with the public

Chair: Francesc Abab Rigla, chief executive of Confesal

12.30am – 1pm

Ralf Resch, General Secretary of CEEP

Conclusions

1.00 pm – 2.00 pm *Lunch break*

* tbc

TUESDAY Afternoon

Session 4 – A Piece of the Cake? EFP and Young EU Citizens

2.00 – 2.15 pm

Philippe Adriaenssens, Young European Federalists

Welcome speech

2.15 – 3.00 pm

**Panel 1 – Financial participation in the aftermath of the crisis –
Socialising losses while privatising profits?**

Chair & Introduction: Luca Jahier, EESC, President of Group III *

- Viviana Galli, European School Student Unions (OBESSU) *
- Peter Matjašič, European Youth Forum *
- Thiébaud Wéber, Confederal Secretary for Youth CFDT

Debate with the public – Chair: Gyula Kocsis, European Univ. Viadrina

Financial crises bail-out – A form of participation?

Bailing out the working poor – The unconditional minimum income

3.00 – 3.45 pm

**Panel 2 – Do future generations participate in today's recovery?
EFP for non-employees – The GSOP & the CSOP**

Chair & Introduction: Maurizio Petriccioli, CISEL

- Dimitris Tsigos, President EU Confederation of Young Entrepreneurs
- Tomasz Jasinski, President of Youth Committee ETUC *
- Gilda Farrell, DGIII for Social Cohesion, CoE *

Debate with the public – Chair: Julia Golla, European University Viadrina

EFP and distributive justice

Financial participation for non-employees

3.45 – 4.15 pm *Coffee break*

4.15 – 5.00 pm

Panel 3 – Policy proposals for the EU 2020 Strategy

Presentation by students of the European University Viadrina

Round table – Reaction to policy proposals, Chair: Julianne Bir, ETUC

- Daniel Cohn-Bendit, MEP *
- Dario Fo, Nobel Prize Literature / Graziano Rinaldini, Gruppo Formula
- Patricia Kelso, President of the Kelso Institute

Debate with the public – Chair: Jasmin Lakatos, European Univ. Viadrina

5.00 – 5.15 pm

Bernd Hüttemann, General Secretary, Network European Movement

Conclusions

6.00 – 7.30 pm *Sponsored dinner cocktail*

EFP in services of general economic interest

The EESC postulates to search for solutions concerning the question of EFP in the public sector, which to date has not been addressed appropriately. Certain types of enterprise, particularly in the non-profit sector - and thus their employees - are either excluded from the classical forms of EFP by definition (public sector, non-profit organisations) or have very limited access to such arrangement (associations, foundations etc). Furthermore, workers' cooperatives are a good example for EFP, particularly when a majority of employees are both owners and workers.

“A piece of the cake?” – Participation in productive property

The close link between property ownership and political stability in a democracy is undisputed. At the same time, the catastrophe of 2008 has occasioned very little demand for radical financial, fiscal or ownership reforms. Quite the opposite, in the aftermath of the crisis the financial behemoths once declared “too big to fail” have grown even bigger and richer while the ordinary citizen's life has become more precarious than ever.

In Germany, for example, even before the meltdown in 2007 the richest 20% of the population owned 80% of all capital assets while 50% owned either no assets at all or had only “negative assets”, a euphemism for debt. Thus, even Germany's social market economy constitutionally founded as a society of owners remains a society in which the majority of citizens own little or nothing.

In a more efficient economy the market must serve the common good and not the interest of few. While redistribution of wealth obviously has its limits, citizens need to participate in productive property in order to ensure equal opportunities to all. Therefore policies promoting asset formation and wider ownership have to be further promoted.

EFP in the context of enterprise crises

Companies may experience financially difficult times. In this situation, the business's future is a priority. Where a crisis or restructuring is tackled jointly by management and workforce, EFP is a way to let employees participate in the long-term recovery of the firm and the economy. However, potential pitfalls must be considered.

Financial participation in the company for which you work is often seen as posing a twofold risk. Therefore, a clear distinction needs to be made between share ownership, which is on top of the employee's salary, and the kind where employee's savings are invested in the employer company.

WEDNESDAY Morning

Session 5 – EFP for a better Corporate Governance: The Automotive Sector Case

9.00 – 9.15 am

Maurizio Petriccioli, CISL

Welcome speech

9.15 – 9.30 am

Dr Marco Cilento, Sindnova

Presentation of the results of the study on employee involvement in the automotive sector

9.30 – 10.30 am

Case studies

- **Dr Cristina Schultz-Côrtés, Supervisory Board Volkswagen AG ***
- **Bruno Vitali National Secretary FIM CISL FIAT ***
- **Jean-Francois Kondratiuk, Chairman EWC PSA Peugeot ***
- **Jocelyne Andreu, EWC Chairwoman Renault ***

Debate

10.30 – 11.00 am *Coffee break*

11.00 – 11.30 am

Maurizio Petriccioli, CISL

A proposal for employee involvement in the EU industry sector

11.30 – 12.00 am

Reactions

Chair: Marco Bentivogli, FIM CISL

- **Bart Samyn, Deputy Secretary, EU Metalworkers' Federation***
- **Roberto Gualtieri, MEP**
- **George Dassis, President of EESC Group II**

12.00 -12.30 am

Antonio Tajani, EU Commissioner for Industry and Entrepreneurship and Vice-President of the European Commission *

Conclusions

12.30 am – 2.00 pm *Lunch break*

* tbc

WEDNESDAY Afternoon

Session 6 – EFP in Europe Tomorrow: The Building Block Approach and Mutual Recognition

2.00 – 2.15 pm

Heinz Zourek, Director General of DG Enterprise and Industry

Industrial and economic policy for SMEs and the role of EFP

2.15 – 2.45 pm

Prof. Jerzy Buzek, President of the European Parliament *

Presentation of the Polish edition of the book "Financial Participation for a New Social Europe"

Jean-Claude Juncker, Prime Minister of the Grande-Duchess of Luxembourg and President of the Europe Group *

Economic versus social policy? The EU 2020 Strategy

2.45 – 3.15 pm

Laurent Wauquiez, French Minister of Higher Education and Science *

/ Eveline Lemke, Minister of Economy of Rheinland-Pfalz *

Mutual Recognition of EFP – the Example Franco-Allemande

3.15 – 4.00 pm

Proposals and responses

Michel Barnier, EU Commissioner for Internal Market and Services *

Mutual recognition, tax incentives for EFP and "effective tax rates"

Ria Oomen-Ruijten, MEP

Future trend – A European ESOP?

George Dassis, President of EESC Group II

EFP as part of the European Social Model

Debate

4.00 – 4.15 pm *Coffee break*

4.15 – 5.00 pm

**Round table of EU social partners, stakeholders and EU institutions:
EFP in Europe tomorrow**

Chair: Prof. Herwig Roggemann, Free University of Berlin

- **Daniel Vaughan-Whitehead, ILO**
- **Winfried Menrad, Rapporteur 2003 Report on Asset Formation**
- **Dietmar Hexel, DGB ***
- **Claude Fischer, President Confrontations Europe ***
- **John Evans, TUAC ***

5.00 pm *Closing of conference and cocktails*

EFP and corporate governance

Employee share ownership may, depending on the way it is structured, lead to participation in decision-making processes, via shareholder voting rights. These may be executed individually or collectively, i.e., via an intermediary entity. Companies, which issue large numbers of employee shares, have a group of demanding but patient and loyal shareholders, their own employees, supporting them in resisting the prevailing short-termism of the financial markets.

Therefore, as the EESC points out, capital participation of employees as shareholders ensures that the long-term interests of the company tend to dominate.

Tax incentives and mutual recognition of EFP schemes

For the first time the conference presents Effective Tax Rates for EFP across the EU-27.

It has been demonstrated that tax incentives are not a prerequisite for EFP, but an effective instrument for promoting their dissemination in countries that offer them. Although they are the most widely used promotion instrument, a European regulation of tax incentives would go beyond EU competences and conflict with national legislative powers.

An optional, uniform incentive model, with similar tax arrangements throughout the EU, may considerably boost EFP. This would make it easy to structure schemes available throughout a group of companies. As basis principle, deferred taxation could be taken as lowest common denominator.

However, the EESC recommends mutual recognition of the schemes of individual EU Member States before a European model with uniform tax incentives is established.

Recommendations of the EESC own-initiative opinion

Most important, the EESC calls for a new Council recommendation (like 92/443/EEC of 27.7.1992) concerning the promotion of EFP and proposals to deal with obstacles to cross-border plans. Among the measures that the EESC recommends to be adopted at an EU level are:

- The application of EFP should be facilitated EU-wide on the basis of common principles, particularly in SMEs;
- Related activities should be supported by the EU budget through a dedicated budget heading;
- Employee buyouts as a vehicle for business succession should be encouraged; they boost the continuity and competitiveness of EU firms while rooting them in the regions.
- Information sources on the implications of EFP should be established.