



2018/2053(INI)

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COMPROMISE AMENDMENTS

1 - 25

Draft report
Renate Weber
(PE622.074v01-00)

The role of Employee Financial Participation in creating jobs and reactivating
the unemployed
(2018/2053(INI))

Amendment 1

Renate Weber

Compromise amendment replacing Amendments 4, 6

Motion for a resolution

Recital B

Motion for a resolution

B. whereas the most appropriate EFP model will mostly depend on the size, activity and status of the company, especially if it is listed;

Amendment

B. whereas the most appropriate EFP model ***must be carefully chosen by the individual company and its workers taking due account of the specific national taxation rules and sectoral context, and*** will mostly depend on the size, activity and status of the company, especially if it is listed; ***whereas it is not appropriate to develop a comprehensive ‘one size fits all’ model for EFP at EU level;***

Or. en

Amendment 2

Renate Weber

Compromise amendment replacing Amendments 5, 7

Motion for a resolution

Recital B a (new)

Motion for a resolution

Amendment

Ba. whereas, according to the data from the 2013 European Company Survey¹, EFP schemes can vary greatly according to company characteristics, while 62% of European establishments use some form of variable pay, out of which profit sharing accounts for 30%, pay linked to group performance to 25% and share-ownership schemes are used by 5% of establishments; whereas these EFP schemes are more prevalent in the private sector than in the public sector (with some national exceptions) as well as in certain economic sectors, particularly

information and communications technology, finance, insurance, and consultancy; whereas larger companies are more likely to use these EFP schemes than small and medium-sized enterprises, and they are also more common in foreign-capital or multinational companies and in companies located in economically² central or advanced regions;

^{1.} *Third European Company Survey. Eurofound 2013*

^{2.} *Changes in remuneration and reward systems. Eurofound 2016*

Or. en

Amendment 3

Renate Weber

Compromise amendment replacing Amendments 9, 10, 36

Motion for a resolution

Recital C

Motion for a resolution

C. whereas ESOPs are *commonly preferred by employees, because the* intermediate entity *used can* exercise voting rights or other forms of governance on behalf of employees;

Amendment

C. whereas ESOPs are *a form of EFP using an* intermediate entity *able to* exercise voting rights or other forms of governance on behalf of employees, *and could be voluntarily chosen by them;*

Or. en

Amendment 4

Renate Weber

Compromise amendment replacing Amendments 11, 12, 13

Motion for a resolution

Recital D

Motion for a resolution

D. whereas EFP schemes involving

PE625.328v01-00

Amendment

D. whereas EFP schemes involving

4/16

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workers in consultation and decision-making have benefits for the company in terms of sustainable governance, social dialogue and other aspects such as recruitment, retention, *absenteeism*, motivation and skills development;

workers in consultation and decision-making have *proven*³ benefits for *both employees and* the company *including* in terms of sustainable governance, *transparency*, social dialogue, *mutual respect between employers and employees*, and other aspects such as recruitment, retention, motivation, *job satisfaction* and skills development, *as well as overall performance and profitability*;

³ *ANNUAL ECONOMIC SURVEY OF EMPLOYEE SHARE OWNERSHIP IN EUROPEAN COUNTRIES 2017 - by MARC MATHIEU EUROPEAN FEDERATION OF EMPLOYEE SHARE OWNERSHIP*

Or. en

Amendment 5

Renate Weber

Compromise amendment replacing Amendments 14, 16, 17

Motion for a resolution

Recital D a (new)

Motion for a resolution

Amendment

Da. whereas employee participation in decision making could improve organisational performance and employees' quality of working life and whereas it could act as a workplace innovation tool⁴ to promote a sense of ownership, enhance the flow of information in the company, and improve levels of trust between employers and employees;

⁴ *Workplace innovation in European companies. Eurofound. 2016*

Or. en

Amendment 6

Renate Weber

Compromise amendment replacing Amendments 18, 20, 21

Motion for a resolution

Recital E

Motion for a resolution

E. whereas EFP schemes **could** have positive impacts on the economy of Member States by supporting SMEs and the job market;

Amendment

E. whereas EFP schemes **can** have positive impacts on the economy of Member States by supporting **companies, including** SMEs and the job market; **whereas workers' financial participation in their company can contribute to job satisfaction, sense of ownership, mutual respect between employers and employees, overall performance and can help employees find opportunities in their home countries;**

Or. en

Amendment 7

Renate Weber

Compromise amendment replacing Amendments 19, 24

Motion for a resolution

Recital F

Motion for a resolution

F. whereas EFP **can** contribute to **overcoming widespread** reluctance **among retail investors** to invest **their savings in shares owing to a lack of knowledge about its benefits and risks;**

Amendment

F. whereas **in the context of the development of the Capital Market Union, the EFP could** contribute to **the CMU objectives of inclusive growth and transparency in economic activity;** **whereas EFP, if coupled with training for participants provided by companies and Member States, could improve financial education amongst EU citizens, potentially reducing their** reluctance to invest, **and potentially increasing retail investment;**

Or. en

Amendment 8

Renate Weber

Compromise amendment replacing Amendments 25, 26, 29

Motion for a resolution

Recital F a (new)

Motion for a resolution

Amendment

Fa. whereas EFP must go hand-in-hand with a high level of information, training and consultation with staff so that they are fully aware of the functioning of the financial participation schemes that they could join, to enable them to make a fully informed assessment of the potential benefits and risks of these schemes, such as in the case of the company's bankruptcy;

Or. en

Amendment 9

Renate Weber

Compromise amendment replacing Amendments 15, 31, 32

Motion for a resolution

Recital G

Motion for a resolution

Amendment

G. whereas EFP can help SMEs with respect to business continuity by addressing company succession problems;

G. whereas, by involving employees in the decision making process, depending on the specificity of the scheme, in some cases, EFP can help companies, including SMEs with respect to restructuring and business continuity by addressing company succession and generational renewal problems, for example in family businesses;

Or. en

Amendment 10

Renate Weber

Compromise amendment replacing Amendments 33, 34, 35

Motion for a resolution

Recital H

Motion for a resolution

H. whereas EFP, *especially ESOPs or similar schemes could act as a shock absorber, allowing bonuses or other rewards to be managed in trusts by third parties, spreading the investment risk among the company's principal shareholders and ensuring that workers have a portfolio of saved shares;*

Amendment

H. whereas *bearing in mind that EFP has positive and negative elements to it;*

Or. en

Amendment 11

Renate Weber

Compromise amendment replacing Amendments 38, 39, 40

Motion for a resolution

Recital I

Motion for a resolution

I. whereas *an ESOP is an example of an effective employee buy-out model for non-listed companies in which an intermediate entity acquires the shares for the employees, protecting them from additional risks;*

Amendment

I. *whereas EFP bears some financial risks, it might as well, act as a shock absorber, allowing bonuses or other rewards and also ensuring that workers have a portfolio of saved shares; whereas ESOPs in particular may be an example of an employee buy-out model for non-listed companies where the priority buy-out process could allow employees to potentially safeguard their own jobs when there is the possibility of buyouts by other companies;*

Or. en

Amendment 12

Renate Weber

Compromise amendment replacing Amendments 8, 37, 41, 42

Motion for a resolution

Recital J

Motion for a resolution

J. whereas measures are needed to protect employees from facing **double** risks such as losing their job and the capital invested when their employer is impacted by a crisis;

Amendment

J. whereas measures are **therefore** needed to protect employees from facing risks such as losing **both** their job and the capital invested when their employer is impacted by a crisis, **whereas EFP may not be used to reduce the social and employment rights acquired by employees, must not replace normal basic pay, other forms of remuneration or contributions to pension schemes, and must not be a way to transfer risks onto the worker or not to comply with labour law;**

Or. en

Amendment 13

Renate Weber

Compromise amendment replacing Amendments 43, 44, 45, 46, 59

Motion for a resolution

Recital K

Motion for a resolution

K. whereas participation in the EFP should remain voluntary for employees, while not affecting their mobility;

Amendment

K. whereas participation in the EFP should remain voluntary for employees, **particularly in SMEs** while not affecting their **labour market** mobility; **their social security or their rights to take collective action; whereas employees should therefore have access at all times to information regarding the economic situation of the company, with the exception of its trade secrets and commercially sensitive information, and be informed of the advantages and disadvantages of each EFP scheme available;**

Or. en

Amendment 14

Renate Weber

Compromise amendment replacing Amendments 50, 51 52

Motion for a resolution

Recital N

Motion for a resolution

N. whereas the European Social Fund *could support frameworks similar to **Sociedades Laborales as a supporting active labour market policy throughout Europe;***

Amendment

N. whereas the *current* European Social Fund *promotes social entrepreneurship and the social and solidarity economy and the upcoming ESF Plus should continue to do so, and whereas Employee Financial Participation can make a valuable contribution to the development of the social and solidarity economy by, for example, making investment or funding more accessible;;*

Or. en

Amendment 15

Renate Weber

Compromise amendment replacing Amendments 54, 55

Motion for a resolution

Recital P

Motion for a resolution

P. whereas the European Globalisation Adjustment Fund, which *supports* re-skilling and *EFP, is an avenue for continuously training workers, maintaining their employability and reducing the risks of getting laid off;*

Amendment

P. whereas *EFP could be a complementary tool to the European Globalisation Adjustment Fund which helps people who have lost their jobs as a result of major structural changes due to globalisation or economic and financial crisis, with respect to re-skilling, training, supporting self-employment, business start-ups and employee takeovers;*

Or. en

Amendment 16

Renate Weber

Compromise amendment replacing Amendments 57, 58 60

Motion for a resolution

Recital Q

Motion for a resolution

Q. whereas EU guidelines for EFP *will* help Member States develop EFP schemes *throughout Europe, leading to the* benefits *mentioned above*;

Amendment

Q. whereas EU guidelines for EFP *could* help Member States develop *frameworks for* EFP schemes *that could potentially lead* to benefits *both for employers and employees as well as increase public awareness of EFP*;

Or. en

Amendment 17

Renate Weber

Compromise amendment replacing Amendments 61, 62, 63, 64, 71

Motion for a resolution

Paragraph 1

Motion for a resolution

1. Calls on the Commission to consider appropriate *measures* to encourage Member States and companies *that show an interest in EFP* to develop and offer EFP schemes;

Amendment

1. Calls on the Commission to consider appropriate *recommendations* to encourage Member States and companies, *particularly SMEs*, to develop and offer EFP schemes *which*:

- *protect workers' income safety,*
- *do not exploit workers in a crisis situation,*
- *do not shift entrepreneurial risk to workers,*
- *guarantee a high level of protection to the workers investments, for the benefit and in the interest of both employees and companies;*

Or. en

Amendment 18

Renate Weber

Compromise amendment replacing Amendments 65, 66, 69, 75

Motion for a resolution

Paragraph 2

Motion for a resolution

2. Calls on the Member States to provide incentives, in line with best practice principles, when promoting employee ownership schemes among companies and employees;

Amendment

2. Calls on the Member States to provide ***non-mandatory*** incentives, ***including tax incentives, while not overriding national taxation rules***, in line with best practice principles, when promoting employee ownership schemes among companies and employees ***while supporting the highest standards of social protection for the employees and safeguarding their right to collective action***;

Or. en

Amendment 19

Renate Weber

Compromise amendment replacing Amendments 67, 70, 82

Motion for a resolution

Paragraph 2 a (new)

Motion for a resolution

Amendment

2a. Underlines that EFP has to be embedded in a system of workers' involvement, for example in company decision making, including through workers' representatives and that EFP must not be a substitute for fair and decent pay nor an alternative to public pensions or to collectively agreed pension schemes;

Or. en

Amendment 20

Renate Weber

PE625.328v01-00

12/16

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Compromise amendment replacing Amendments 77, 91, 94

Motion for a resolution

Paragraph 5 a (new)

Motion for a resolution

Amendment

5a. Calls on the Commission and the Member States to provide dedicated websites, that would include model profit-sharing agreements for SMEs and VSEs for ease of implementation; information about attached risks and other relevant material; further calls on the Commission and Member States to continue collecting data on the use and spread of financial participation schemes, as well as to examine the impact of financial participation on the functioning of the company, the quality of its work and retention of workers, with the help of the European Foundation for the Improvement of Living and Working Conditions;

Or. en

Amendment 21

Renate Weber

Compromise amendment replacing Amendments 76, 79, 61, 80

Motion for a resolution

Paragraph 6

Motion for a resolution

Amendment

6. Notes that, to avoid administrative and development costs associated with implementing EFP in *corporations* and SMEs, there are outsourcing options, but these need to be promoted;

6. Calls on the Member States and the Commission to assist companies which show an interest in EFP with solutions and specific support measures to avoid excessive administrative and development costs associated with implementing EFP in *companies* and especially SMEs and encouraging the outsourcing operators such as banks and investment funds, to propose simple EFP schemes tailored to suit this type of

company, while making sure intermediaries do not take advantage of the smallest companies, or that there are no hidden costs;

Or. en

Amendment 22

Renate Weber

Compromise amendment replacing Amendments 87, 88, 89

Motion for a resolution

Paragraph 8

Motion for a resolution

8. Calls on the Commission and the Member States to engage with social partners, employee ownership organisations and other stakeholders to design the most appropriate EFP *schemes, negotiated* on a ‘plant-by-plant’ basis *and* considering the type of company, its workforce and financial situation, but also the national legislation and practices;

Amendment

8. Calls on the Commission and the Member States to engage with social partners, employee ownership organisations and other stakeholders *at the beginning of the process in order* to design the most appropriate EFP *frameworks, and when a EFP scheme is considered relevant, to negotiate it* on a ‘plant-by-plant’ basis *while* considering the *size and* type of company, its workforce and financial situation, but also the national legislation and practices;

Or. en

Amendment 23

Renate Weber

Compromise amendment replacing Amendments 43, 99, 100, 101

Motion for a resolution

Paragraph 11

Motion for a resolution

11. Recalls that the decision to join EFP schemes should be based on the informed consent of an employee, fully aware of his or her entitlements, obligations and risks, of the situation of the

Amendment

11. Recalls that the decision to join EFP schemes should be *totally voluntary, meaning no action should be taken against the employees if they decide not to join an EFP scheme and when they agree,*

company *and* of the taxation effects when joining the scheme and the conditions which apply when he or she leaves the company or the scheme;

their participation should be based on *appropriate training and* the informed consent of an employee, fully aware of his or her entitlements, obligations and risks, of the situation of the company, *of the advantages and disadvantages of each scheme*, of the taxation effects when joining the scheme and the conditions which apply when he or she leaves the company or the scheme;

Or. en

Amendment 24

Renate Weber

Compromise amendment replacing Amendments 103, 105, 106

Motion for a resolution

Paragraph 12

Motion for a resolution

12. Considers that EFP *benefits* should *always* be complementary to *the* contractual *remuneration and* rights;

Amendment

12. Considers that EFP should *not replace or diminish normal basic remuneration or any other form of contribution such as social security contributions, but should* be complementary to *all social and* contractual rights; *this being a pre-condition to implementing EFP*;

Or. en

Amendment 25

Renate Weber

Compromise amendment replacing Amendments 107, 108

Motion for a resolution

Paragraph 14

Motion for a resolution

14. Calls on the Commission and the Member States to consider the rapid evolution and change of the labour market

Amendment

14. Calls on the Commission and the Member States to consider the rapid evolution and change of the labour market

and the consequent challenges regarding skills, digitalisation, automation ***and, potentially,*** wealth inequalities, and ***therefore*** continuously create new opportunities ***for the labour force to adapt in order to be financially sustainable and independent;***

and the consequent challenges regarding skills, digitalisation, automation, wealth inequalities, ***and social security cuts;*** and continuously create new opportunities ***to support and protect workers as to adapt and develop professionally and personally;***

Or. en