

## **Workshop of the European Parliament's Committee on Employment and Social Affairs – Employee share ownership – 11 November 2014**

The most recent Commission background and context for the Pilot Project on the “Promotion of Employee Ownership and Participation”

- The European Commission's 2012 Action Plan on company law and corporate governance<sup>1</sup> together with the recent developments in the European Parliament on employee financial participation, constituted the immediate context for the 2013 call for tenders “Implementation of the Pilot Project – Promotion of Employee Ownership and Participation” (which included the study on the promotion of employee ownership and participation and the related conference).
- In its 2012 Action Plan, the Commission underlined the importance of (i) enhancing transparency, both for investors and society at large as well as for companies, (ii) engaging shareholders more in the corporate governance and (iii) facilitating cross-border operations of European businesses.
- In the context of engaging shareholders, the Commission underlined that employees' interest in the sustainability of their company was an important element to be considered in the design of any well-functioning governance framework and that employees becoming shareholders was also an important form of employee involvement in the affairs of a company.
- The Commission found it important to analyse the internal market dimension of employee share ownership and announced that it would identify and investigate potential obstacles to trans-national employee share ownership schemes. On that basis it would then identify which initiatives would be appropriate to encourage the development of such schemes throughout Europe.
- The study carried out for the Commission by Stiftung Europa-Universität Viadrina Frankfurt (Oder) and Freie Universität Berlin carries out such an assessment of employee ownership and financial participation across the EU and of the main obstacles to cross-border schemes. It also suggests a number of regulatory and non-regulatory policy options to be considered at EU level to promote and encourage employee financial participation. The preliminary results of the study were already presented and discussed at the January 2014 conference.
- It is now for the new Commission, which took up office on 1 November, to examine these suggestions carefully, also in the light of recommendations included in the Parliament's 2014 resolution on employee financial participation, and to decide which steps to take in the future to encourage and promote employee share ownership. It will be important to have close cooperation between the Parliament and the Commission in considering the next steps in this area.

---

<sup>1</sup> COM(2012) 740 final; <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52012DC0740&from=EN>