



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 Confederation CISL,
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 Interest / A Piece of the Cake? – EFP and Young EU Citizens

Wednesday, 19 October 2011

EFP for a Better Corporate Governance / The Building Block Approach & Effective Tax Rates

Simultaneous interpretation
17 Oct.: **DE, EN, ES** / FR, PL
18 Oct.: **EN, FR, IT** / DE, ES
19 Oct.: **DE, EN, IT** / FR, PL
Active + Passive / Passive

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



Inter-University Centre



MONDAY Morning

8.30 – 9.15 am *Registration*

9.15 – 9.30 am

Alexander Graf von Schwerin, EESC Group II

Opening of the conference

9.30 – 9.50 am

Dr Arkadiusz Radwan, Allerhand Institute

EFP as a part of the agenda of the Polish Presidency of the EU?

9.50 – 10.10 am

Henri Malosse, EESC, President of Group I * / Prof. Jens Lowitzsch, European University Viadrina

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

10.10 – 10.30 am

Prof. Jens Lowitzsch, European University Viadrina

Facilitating business succession in SMEs: The European ESOP

10.30 – 11.00 am *Coffee break and press conference*

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

11.00 – 11.30 am

Prof. Iraj Hashi, Staffordshire University

Results of the PEPPER IV Report and presentation Pro-EFP project

11.30 am – 1.00 pm

Debate: What economic and industrial policies are needed?

Chair: Prof. Jens Lowitzsch, European University Viadrina

- Bernard Daly, ICC ESOP Trustee Ltd. / EFES Board Member
- John D. Menke, President of the Menke Group, San Francisco
- Max Stelzer, voestalpine Arbeitnehmerprivatstiftung

Subsequent discussion with the public

1.00 pm – 2.30 pm *Lunch break*

* tbc

MONDAY Afternoon

Session 2 – EFP in SMEs: Enhancing Competitiveness and Innovation

2.30 – 2.45 pm

José María Algora, President of Confesal

Welcome speech

2.45 – 3.40 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

- Paul Maillard, Honorary President of FONDACT
- Anže Hiršl, Senior Legal Adviser ZDS
- Dr Andrea Borroni, University of Naples
- Fred Hackworth, ESOP Centre

3.40 – 4.00 pm

Debate

4.00 – 4.30 pm *Coffee break*

4.30 – 5.45 pm

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

Chair: Gianluca Pastorelli, President of DIESIS

- Pascal Trideau, CEO of CGSCOP
- Francesco Abad Rigla, CEO of Confesal
- Dr Henrik Steinhaus, CEO of Excellence in Change
- Elisabeth Fuchs, IBU succession management

5.45 – 6.00 pm

Henri Malosse, EESC, President of Group I

Conclusions

6.30 – 9.00 pm *Evening reception – Atrium 6th floor*

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 Interest

9.00 – 9.15 am

Dr Marco Cilento, CISL

Welcome speech

9.15 am – 9.30 am

Prof. Marco Caramelli, INSEEC Paris Business School

Introduction to the topic of EFP in SGI

9.30 – 10.30 pm

Panel 1 – Implementation of EFP in Services of General Interest, Examples and practices

Chair: Prof. Andrew Robinson, University of Leeds

- Malcom Hurlston, ESOP Centre
- William Coupar, Bayswater Institute
- Philip Copestake, OPM

Debate

10.30 – 11.00 pm *Coffee break*

11.00 – 12.00 am

Panel 2 – EFP and SGI: Efficiency and sustainability?

Chair: David Anciaux, CEEP

- Carlo De Masi, General Secretary, FLAEI CISL
- Oscar Usetxi Blanco, Director of Innovation, Provincial Council of Gipuzkoa
- Massimo Castellani, CISL Provincia di Verona

12.00 – 12:15 am

David Anciaux, CEEP

Summary of Session 3

Session 4 – Why is EFP relevant to the European Social Model?

12.15 am – 1.00 pm

Chair: Kevin O’Kelly, IAFP

- Andrea Benassi, General Secretary of UEAPME
- Josef Niemic, Deputy General Secretary of ETUC
- Valeria Ronzitti, Director of CEEP
- Maxime Cerutti, Senior Advisor BUSINESS EUROPE

1.00 pm – 2.30 pm *Lunch break*

* tbc

TUESDAY Afternoon

Session 5 – A Piece of the Cake? EFP and Young EU Citizens

2.30 – 2.40 pm

Philippe Adriaenssens, Young European Federalists

Welcome speech

2.40 – 3.20 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

- Peter Matjašič, European Youth Forum
- Max Neufeind, ETH Zurich
- Thiébaud Wéber, Confederal Secretary for Youth CFDT

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

Financial crises bail-out – A form of participation?

Bailing out the working poor – The unconditional minimum income

3.20 – 4.00 pm

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

Chair & Introduction: Maurizio Petriccioli, CISL

- Lukas Wiafe, European University Viadrina
- Dimitris Tsigos, President EU Confederation of Young Entrepreneurs
- Patrik Kovács, Founder-President Young Entrepreneurs Hungary

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

EFP and distributive justice

Financial participation for non-employees

4.00 – 4.30 pm *Coffee break*

4.30 – 5.30 pm

Panel 3 – Policy proposals for the EU 2020 Strategy

Elena Naydenova, Jasmin Lakatoš, Anders Hentschel, Gyula Kocsis, European University Viadrina

Round table – Reaction to policy proposals, Chair: Prof. Jens Lowitzsch

- Pervenche Berès, MEP, Chair of the Committee on Employment and Social Affairs
- Elmar Brok, MEP, Chair of Delegation for relations with the U.S.
- Dario Fo, Nobel Prize Literature / Graziano Rinaldini, Gruppo Formula
- Patricia Kelso, President of the Kelso Institute

Debate with the public – Chair: Niklas Hofmann, European Univ. Viadrina

5.30 - 5.45 pm

Bernd Hüttemann, General Secretary, Network European Movement

Conclusions

6.15 – 9.00 pm *Dinner cocktail – Atrium 6th floor*

EFP in Services of General Interest

Enterprises providing Services of General Interest (SGIs) employ more 30% of the European workforce and contribute to more than 26% of the European GDP. SGIs include energy, water, public transport, postal services, telecommunications as well as healthcare, social work, education, public administration, etc. EFP in SGIs is less common with its actual incidence unknown as very few studies are available to date.

The EESC postulates to further investigate the question of EFP in SGI, which to date has not been addressed appropriately.

“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 6 – 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, CISL
Presentation of the results of the study on employee involvement in the automotive sector

9.30 – 10.30 am

Case studies

- **Alexandra Baum-Ceisig, IG Metal/Volkswagen AG**
- **Bruno Vitali, National Secretary FIM CISL FIAT**
- **Jean-Francois Kondratiuk, Chairman EWC PSA Peugeot**
- **Benoit Ostertag, Renault CFDT**

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 – 12.30 am

Reactions

Chair: Marco Bentivogli, FIM CISL

- **Bart Samyn, Deputy Secretary, EU Metalworkers' Federation**
- **Roberto Gualtieri, MEP**
- **Steven D'Haeseleer, Business Europe ***
- **Izaskun Alzola, Mondragon University**

12.30 am – 1.00 pm

Jean-François Lebrun, European Commission, DG Employment, Social Affairs and Equal Opportunities
Conclusions

1.00 pm – 2.30 pm *Lunch break*

WEDNESDAY Afternoon

Session 7 – EFP in Europe Tomorrow: The Building Block Approach and Mutual Recognition

2.30 – 2.45 pm

Heinz Zourek, Director General of DG Enterprise and Industry
Industrial and economic policy for SMEs and the role of EFP

2.45 – 3.05 pm

Prof. Jens Lowitzsch, European University Viadrina
Presentation: EU-27 Effective Tax Rates - Base of common tax incentives

3.05 – 3.30 pm

Jean-Philippe Debas, Equalis Capital
Fond de Reprise in France, a business succession tool – First experiences
Pierre Genest, Amundi France / Boris Rischow, Amundi Germany
Mutual Recognition of EFP – The example of French FCPEs in Germany

3.30 – 4.00 pm

Proposals and responses
Ria Oomen-Ruijten, MEP, Member of the Committee of Social Affairs
The European ESOP – Future trend in enterprise policy?

Debate

4.00 – 4.30 pm *Coffee break*

4.30 – 5.30 pm

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

Chair: Prof. Herwig Roggemann, Free University of Berlin

- **Jacopo Schettini Gherardini, Standard Ethics**
- **Stavroula Demetriades, Head of Unit, Dublin Foundation**
- **Winfried Menrad, Rapporteur 2003 Report on Asset Formation**
- **Claude Fischer, President of Confrontations Europe**

5.30 – 6.00 pm

László Andor, Commissioner Employment, Social Affairs & Inclusion / George Dassis, President of EESC Group II
Conclusions: EFP as part of the European Social Model

6.00 pm *Closing of conference*

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.