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## **Employee share ownership in Europe in 2021**

**The European Federation of Employee Share Ownership (EFES)** releases the new "Annual Economic Survey of Employee Share Ownership in European Countries in 2021".

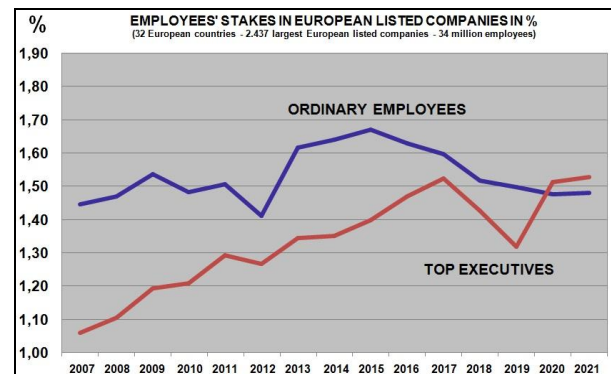
New progression for employee shareholders in Europe last year, with a capitalization held of 433 billion Euro in shares in their companies, **a new record figure**. Happy news for all those who can benefit from employee share plans.

The development of employee share ownership has continued in large European companies in 2021. More and more of them are organizing employee share plans. In 2021, 88% of all large European companies had employee share plans of all kinds, while 53% had "broad-based" plans for all employees, and 60% had stock option plans.

However **employee share ownership is in danger within Europe. It is becoming less and less democratic**. The number of employee shareholders decreased last year and it is lower than it was ten years before. The fall in the democratization rate of employee share ownership has been dramatic over the last ten years. And the employees' stake in the ownership structure of large European companies is decreasing for five years now.

In addition, a shift has occurred between the share held by top executive officers and that of ordinary employees. For the first time in European listed companies, the share held by top executives exceeds that of ordinary employees.

A group of 10,000 top executive officers now owns more than the 34 million employees of large European companies. That's more than 20 million Euros on average for each top executive, and 30,000 for each ordinary employee shareholder.



This observation sanctions **Europe's failure to promote a democratic employee share ownership policy**. Promoting democratic employee ownership is indeed a political choice, usually supported by fiscal incentives. Without support, the average employee cannot afford to invest financially in his or her company. Few European countries do this effectively.

On the contrary, we can observe that the top executives have not lacked the resources to do so. Have public policies to support employee share ownership, where they exist, been poorly calibrated and misused by top executives? We can see that **this is not the case**.

However, where, in which countries has the share of top executives multiplied the most over the last fifteen years, and where has it been contained? The share of top executives increased the most in countries where democratic share plans are most absent. Where has the share of top executives been contained? Where democratic employee ownership is most significant. This is particularly the case in France, the country with the highest share of ordinary employees in Europe, and the rare country where the share of top executives has not soared, since it is now at the same level as fifteen years ago.

The facts are plain to see: Democratic employee ownership is a guarantee of balance. Its absence or weakness opens the door to the soaring share held by top executives.

The new Annual Survey will be available from April 7 on the EFES website on [www.efesonline.org](http://www.efesonline.org). The detailed publication can be [downloaded here](#).



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EUROPEAN FEDERATION OF EMPLOYEE SHARE OWNERSHIP

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**Notes to editors:**

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**The European Federation of Employee Share Ownership (EFES) is an international not for profit organization. EFES is the voice of employee share ownership in Europe. It was established in 1998 as the umbrella organisation of employee shareholders, companies and all persons, trade unions, experts, institutions looking to promote the development of employee share ownership in Europe.**

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