

**Applicant's Name** : Mr Kevin P O'Kelly

**Workshop Name** : EMPLOYEE FINANCIAL PARTICIPATION

**Chair** : Jean-Michel Content, Secretary-General, International Association for Financial Participation (AIPF/IAFP), France

**Presenter/s** :

1 Employee Financial Participation in the Netherlands, South Africa and the UK: A Comparative Study Dr Ulke Veersma, University of Greenwich, UK, and Prof Erik Poutsma, University of Nijmegen, the Netherlands

2 European policy on financial participation: challenges and evidence  
Prof Andrew Pendleton, University of York, UK

3 Employee Financial Participation in South Africa: the Law and Challenges Tendani Nelwamondo, Industrial Development Corporation, South Africa

4 Ideas for the formation of a South African association for employee financial participation

Lauren Rawlings, Rawlings Advisors,  
Independent Consultants, London, UK

5 Question/Answer session; Discussion

**Discussant** : Kevin P O'Kelly

**Convenor** : Kevin P O'Kelly **Contact email** :

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## **PROPOSAL**

There is a growing interest in the development of employee financial participation (EFP) arrangements, such as profit sharing, employee share ownership, ESOTs and employee ownership schemes, in many countries in the aftermath of the global financial crisis. Numerous studies, both at national and international levels, show that EFP, among other benefits, a) increases productivity; b) reduces industrial conflict; c) increases worker retention rates and d) in SMEs, providing an option for succession planning. It is increasingly seen as a way of boosting economic growth and tackling the growing problem of inequality in today's labour markets. As the outgoing EU Commissioner for the Internal Market, Michel Barnier, recently stated: *'employees know the firm better than external shareholders and thirty years of research shows the employee share ownership firms are more profitable, more competitive, create more jobs and pay more taxes than firms without employee share ownership schemes ... there is a need to highlight, not only the obstacles, but also concentrate on the benefits'*.

There is also a growing interest in sharing experiences on the legal challenges, the initial introduction and administration of EFP arrangements between countries, in particular through the International Association for Financial Participation. As there is an interest in South Africa is setting up a national EFP association, this workshop is designed to contribute to the discussions on the role such an association can play in the development of the South African economy.

The speakers will deal with a) a comparison of experiences in the Netherlands, the UK and South Africa, using data from the international CRANET surveys (Veersma and Poutsma); b) an overview of recent developments in the EU Member States, where there is a growing interest in EFP (Pendleton); c) in those enterprises that already have EFP plans in situ in South Africa, what has been the experiences and what is the legal basis for their

operations (Nelwamondo); and d) how could an association contribute to the dissemination of EFP in South Africa? (Rawlings).

It is proposed that this workshop be open to interested participants in the Congress, but also to social partners, such as trade unions and employers, with an interest in promoting EFP in South Africa.

**Congress participants:**

**Chair:** J Content

**Convenor:** K P O'Kelly

**Discussant:** K P O'Kelly

**Presenters:**

U Veersma

E Poutsma

A Pendleton

K O Kelly