



A new corporate form for more democracy and sustainability.

THE RESPONSIBLE OWNERSHIP COMPANY

ISSUE 2/2021



Dear Readers, Dear Colleagues,

Recently, when the incredible pictures spread throughout Europe of the disastrous flooding in our region here on the border between North Rhine-Westphalia and Rhineland Palatinate, we received many concerned queries at EZA. Fortunately, we were not directly affected. I have been very touched by the empathetic solidarity from the EZA network. The wave of donations and help coming from all over Germany and other European countries is phenomenal. Thousands of people spontaneously made their way right across the country armed with diggers and buckets in order to assist on the spot.

But it is not only our region that is suffering: we are witnessing a seemingly endless series of bad news of devastating wild fires in Greece and on Sicily, as well as flooding in North Italy. These are the kind of pictures that used to reach us primarily from other parts of the world. There is no disputing the link between natural disasters and climate change. The resulting lessons that we must learn from this fact are yet again the subject of fierce discussions. Yet again, the resulting suggestions frequently fall short.

The prizewinning German publicist Carolin Emcke, who writes among others for the daily newspapers "Die Süddeutsche" and "El País", appeals for superficial political reflexes not to be allowed to prevent a brutally honest view of the extent of our own self-destruction, and the Herculean task involved in the radical transformation of our European societies. She talks of the "end of a way of life" that has been "irrevocably lost". "We should grieve for all the lost years in which we could have known better and in which we did know better, but still did not change our way of life."

Mid-July the European Commission presented its "Fit for 55" plans for the concrete implementation of the Green Deal. The EU has set itself the climate target of reducing its CO2 emissions by 55% by 2030, compared to 2019 levels, and to be climate-neutral by 2050. Alongside specific measures such as expanding emission trading and e-mobility, there should also be a carbon border adjustment mechanism and a social climate fund to protect the European economy and to cushion social hardships. The next few months will see tough negotiations in Brussels and the Member States when it comes to the specific details of the twelve legislative proposals. Workers' organisations will fight for a social transformation that compensates job losses and guarantees high-quality jobs with fair pay. It is indispensable for us to take honest, courageous and rapid steps towards the socioecological transformation of our society and economy.

It will also be a great challenge for EZA to ensure that its European educational work is climate-neutral. All the social distancing concepts imposed during the pandemic have made it painfully clear that our work lives from direct contact between people. Now I hope you enjoy reading the magazine!

With kind regards,

Sigrid Schraml, Secretary-General





BUILDING UP EUROPE AS A COMMON PROJECT

EZA President Luc Van den Brande on the Conference on the Future of Europe

For EZA, the Conference on the Future of Europe is an important item on the agenda of the education programme. Already in June, EZA organised a kick-off-seminar with the most important information about the ideas behind the Conference and the basic principles for involvement. Over the next few months, EZA will be holding further events in order to offer a platform for debate – both digitally and in situ for EZA's member centres and additional interested audiences. EZA's President Luc Van den Brande calls everyone to participate in this discussion. Read what he has to say:





TEXT: Luc Van den Brande / Lukas Fleischmann

PHOTOS: Lukas Fleischmann

■ e are currently living in a period of multiple changes in Europe: climate change, digital transformation, managing the consequences of the COVID-19 pandemic. These are challenges that will shape political and social action - and workers' organisations will also have to play their role in these processes to ensure changes go in the right direction. It will be particularly important to ensure that ,no one is left behind', to quote the President of the European Commission, Ursula von der Leyen. We as workers' organisations have a strong say in this: we must make our opinion known about the EU Green Deal and how we see the greening of the economy. Furthermore, we need to show to what extent we are prepared for a digital Europe and the implications of a digitised economy. I encourage you to think about the role of a stronger Europe in the world. I invite you to improve our democracy and to promote our way of life. This is particularly important when it comes to supporting people who are already experiencing difficulties and disadvantages on the labour market, both in the past and in the present.

he future of Europe will depend essentially on how we manage to provide decent work for the most vulnerable, and give them a place that makes them feel they make a valuable contribution to European society. Thinking about the future of Europe is more than necessary. At the same time, it is a mammoth task. In my perception, it is important to take up and start acting on good proposals. We should

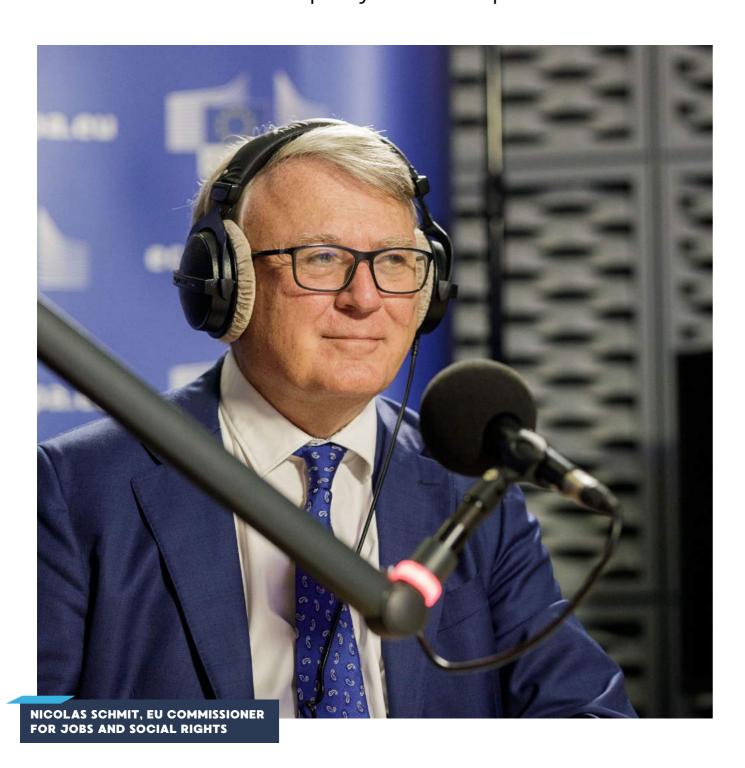
avoid the pitfall of waiting for new treaty discussions. It is wise to use what is already provided for in our current treaties and not to get lost in theoretical discussions.

n our case, it means that social partners must not only be observers but structural partners in policy making. This is proven by the snail's pace at which the European Pillar of Social Rights, declared in Gothenburg (2017), is being transposed into real regulations. The initiatives were only followed up at the Porto Social Summit in May 2021. That is far too late! The EU must get in touch with the citizens as it is more than a platform of Member States, it is a living community of people. Subsidiarity as a fundament of EU policy is a rewarding principle, but it should be treated in a more horizontal dimension, involving all stakeholders in our common society. The biggest error is to think only institutional decisions can bring a change for the better.

Let us thus also open the discussion about electing the President of Europe and go for the concept of 'Spitzenkandidaten' (lead candidates). Good governance is needed to deal with the challenges currently facing the EU. We all know it is much easier to talk about proposals than to implement them. But what we need is new ideas, persistence and committed action. This will require intensive reflection, evaluation of existing experiences and a holistic approach. Europe is counting on your contribution.

"OUR AIM IS TO POSITIVELY IMPACT THE LIVES OF MILLIONS OF EUROPEANS"

Nicolas Schmit, EU Commissioner for Jobs and Social Rights about the future of social policy in the European Union



INTERVIEW: Mon Verrydt, Lukas Fleischmann

PHOTOS: EC AV Service

EZA: Mr. Schmit, the most important event in the recent history of the European Pillar of Social Rights (EPSR) was the Porto Summit in May 2021. However, the EPSR was already proclaimed in 2017 at the Gothenburg Summit. Why are we still talking about implementation of the Pillar four years on? Where do you see progress over that period?

Gothenburg was where it all began. It is where the European Pillar of Social Rights was launched. And there has certainly been a lot of progress since then in the social field, for example the Work-Life Balance Directive, and the Recommendation on Access to social protection for workers and the self-employed. But the Porto Social Summit was a game-changer. The social dimension is now anchored more than ever in European policies. The Porto Declaration is very specific, it contains clear political commitments to develop a strong, inclusive and social Europe. We are turning the principles of the Pillar into actions that will be felt by European citizens who are demanding them.

EZA: Furthermore, the social agenda for the next decade was announced at the Porto Summit. Ten years is a long time. What kind of milestones do you see over this period?

We have to bring Europe closer to the concerns of its citizens. Our aim is to positively impact the lives of millions of Europeans. As we continue to emerge from the health crisis, we must give a very strong signal to all Europeans that the EU is concerned for their livelihoods, their jobs, and their well-being. The Pillar Action Plan sets three headline targets for the EU to be achieved by 2030: at least 78% of people aged 20 to 64 should be in employment, at least 60% of all adults should participate in training every year, and the number of people at risk of poverty or social exclusion should be reduced by at least 15 million.

Because we have to recover from a crisis, and with major transitions still ahead, we need a labour market policy that favours mobility, gives all workers the best possible opportunities, creates quality jobs and helps companies

"WE HAVE TO BRING EUROPE CLOS-ER TO THE CONCERNS OF ITS CIT-IZENS. OUR AIM IS TO POSITIVELY IMPACT THE LIVES OF MILLIONS OF EUROPEANS."

to find the best skilled people. So it's crucial that over the years ahead, Member States continue to implement active labour market policies.

EZA: In order for the EPSR to work correctly, the Commission relies on the support of the Member States. But not all of them seem to fully support the Commission's plans. How can you ensure ongoing implementation of the EPSR in view of the fact that actual power remains with the national governments?

Nicolas Schmit: : I do not agree that not all Member States support the Commission's plans to implement the Pillar of Social Rights: quite the contrary, in fact! All Member States have put their weight behind the Action Plan that we presented in March, and the European Council signed the Porto Declaration, proving the commitment of the Member States. Of course, the Commission is aware of its limitations when it comes to setting social policy: it is indeed in the hands of Member States by and large. The Commission's role is to offer guidance, set recommendations, encourage exchange of best practice, and where appropriate propose legislation.

Take homelessness as an example. In June, we launched the European Platform on Combatting Homelessness. Housing and assisting the homeless is Principle 19 of the European Pillar of Social Rights, and it is indeed for national and regional authorities and cities to tackle. However, homelessness is a European problem, and we need to face it together. On 21 June, all Member States – along with the EU institutions, civil society and social partners – pledged to work together to radically reduce homelessness in Europe. And this was in large part thanks to impetus from the EU.



"A WELL-FUNCTIONING SOCIAL MARKET ECONOMY NEEDS EFFECTIVE SOCIAL DIALOGUE BETWEEN ACTIVE SOCIAL PARTNERS. STRENGTHENING AND PRO-MOTING SOCIAL DIALOGUE AND COLLECTIVE BARGAINING THROUGH CA-PACITY BUILDING IS AN IMPORTANT OBJECTIVE OF THIS COMMISSION, AND IT IS ALSO AN IMPORTANT OBJECTIVE FOR ME PERSONALLY."

Let us continue with the Conference on the Future of Europe, which has just started. What are your expectations? Are you in favour of transferring more social policy competences to the EU?

Nicolas Schmit: I think there are clearly areas of social policy where the EU can play a strong guiding role. For example, we are putting in place a framework to ensure that workers earning the minimum wage in their country can afford a decent living, and are not on the poverty line. I am in favour of whatever system allows for good collaboration and the commitment to making Europe a more inclusive and fair society. I would certainly agree that in some cases, moving from unanimity to qualified majority voting would be a constructive change. The society of 2021 is radically different from that of 1957, especially when it comes to the world of work. Employment status is more complex, and we have online platforms that did not exist before.

EZA: In your view, what is the role of the social partners at this Conference?

Nicolas Schmit: It is key that social partners are actively involved in the Conference on the Future of Europe. They represent the views and positions of workers and businesses in Europe. A well-functioning social market economy needs effective social dialogue between active social partners. Strengthening and promoting social dialogue and collective bargaining through capacity building is an important objective of this Commission, and it is also an important objective for me personally. In July 2020, I appointed Andrea Nahles, former German Federal Minister of Labour and Social Affairs, as my special advisor on social dialogue and asked her to produce a report on how this can be achieved. She has delivered this report and many of her recommendations are included in the European Pillar of Social Rights' Action Plan.

SOCIAL MEDIA AND DIGITAL COMMUNICATION: EZA GOES INNOVATION IN LUBLIN

The series of seminars on social media and innovative online communication has moved on into the second round



TEXT: Lukas Fleischmann **PHOTOS:** Lukas Fleischmann

ublin – Podcasting, storytelling, social media strategies: digital channels and new forms of communication have seen a huge increase in significance, not just due to the pandemic. The EZA education programme has taken account of these developments: for the second time after 2020, the seminar "Social media and innovative communication for workers' organisations" was held as a hybrid event. Roughly 25 participants met online and on site in Lublin (Poland) to train their digital communication skills.

"We have to be extraordinary", said Mirek Urban. The psychologist and coach gave an introduction to the art of storytelling, i.e. a technique that prepares information on the basis of storytelling rules. "No-one takes notice anymore of anything that's just standard. If we want to arouse interest as a workers' organisation, we have to think how we present our contents." Urban gave insights into the results of psychological studies with certain conclusions about attention and awareness. Basically, workers' organisations must improve the way that their communication is inspired by the environment and the internet. "It begins with producing memes and extends into the dramaturgical structure of the texts or posts that I use for my media work", said the trainer.

From theory to practice

As well as theoretical aspects of storytelling, a workshop showed the participants how cameras work, with practical tips about image composition. "Image quality is increasingly

important for social media users. Workers' organisations have to take this into account, otherwise they'll reach the point where no-one takes them seriously", said trainer Lukas Fleischmann. Besides the image workshop, in the afternoon the trainer gave insights into the hype medium podcasting which has swiftly come to the fore, particularly during the pandemic. "Podcasting gives us a unique opportunity to take a real in-depth look at contents. Podcast consumption is mostly geared to special interests, so that workers' organisations are ideally positioned to start their own channels", said Lukas Fleischmann. Studies show that most people listen to podcasts because they want to learn something. "EZA's network has numerous education institutions, and classic trade unions are also somehow educational organisations. There is potential here for developing a podcast series."



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Planning contents with the SMART method

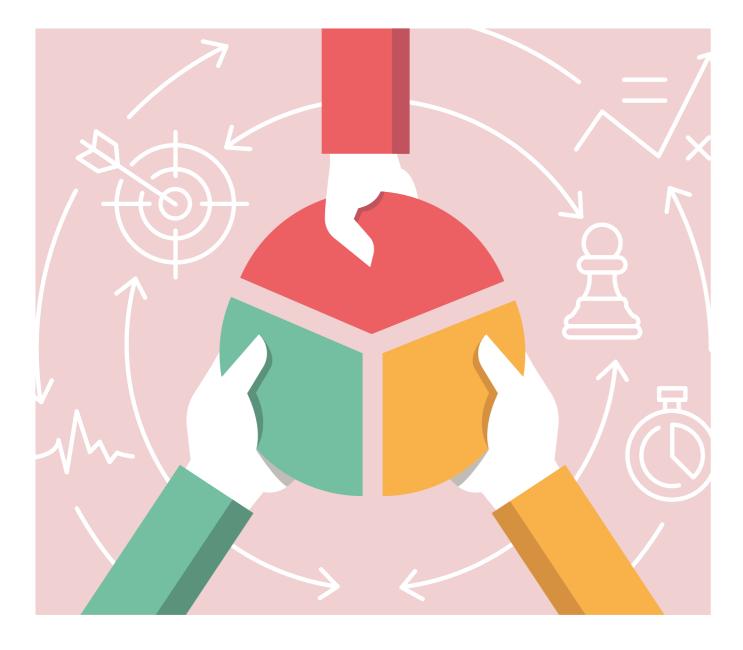
he third part of the workshop consisted of a status report on current social media trends in 2021. This was mainly a case of finding suitable target groups for the respective channels, and developing the contents and posts to match. Paulina Siewierska-Kowalczyk, CEO of StartUp Lublin, introduced the participants to the SMART strategy (Specific, Measurable, Achievable, Relevant, Timebound) when planning meaningful contents for social media: First of all, it's important to know exactly what you want to achieve. "It's a case of describing the specifics: Do I want to extend my reach? Do I want more interaction with my posts, or do I just want to use Instagram as a new channel? There are different ways and approaches for each question", said Siewierska-Kowalczyk. The second step deals with how the results are measured. "Which yardstick do I use for my measures? Is it enough just to generate new followers on Instagram, or do I want to extend the reach of my posts by 30 percent?", said the CEO of StartUp Lublin, showing some of the aspects to be considered. And finally, it is also important to check relevance. "What do users gain from this social media work? For example, do I want to overcome prejudices about my job? Or do I just want to increase awareness for my organisation?", asked Paulina Siewierska-Kowalczyk. "Timebound" means checking the results within a specific period of time. "Six or twelve months later, it is important to check what the new social media strategy has achieved hitherto so that new steps can then be taken, or it might even be necessary to adjust the strategy itself."

bove all, every SMART strategy has to give due consideration to the specific channels and their own characteristics: "The people we can reach on Twitter, for example, differ totally from those on Instagram", said Siewierska-Kowalczyk, "but this is also a huge opportunity: we can devise specific content for individual platforms. On Twitter, our main points of contact are with politicians and journalists. On TikTok, we can reach people who might be interesting for our youth organisations." She also explained the need to overcome various prejudices. Instagram, for example, has evolved way beyond being just a platform for fashion influencers and is turning increasingly into an information platform.

This report was produced during the EZA seminar «Social media and innovative communication for workers' organisations" which was held in Lublin (Poland) in July 2021. It was organised by Europejski Dom Spotkań – Fundacja Nowy Staw in cooperation with EZA. Interested readers can contact EZA for the presentations and seminar resources.

THE RESPONSIBLE OWNERSHIP COMPANY

A new corporate form for more democracy and sustainability.



TEXT: Lukas Fleischmann **PHOTOS:** Gregor Ernst

ermany already has them, even if they are still in the minority: responsible ownership companies. From large traditional companies such as Bosch through to small start-ups such as the search engine Ecosia, who see responsible ownership as a development opportunity. The idea behind this business form is easily explained. The assets remain tied to the company. In other words, the company is controlled by people who are tied to it in the long term, so-cal-

led trustees. They are paid in the usual way for the industry and also have full decision powers, but: "Profits and assets remain in the company. They own the responsibility but not the assets, hence the name", says Gregor Ernst, Chair of the Stiftung Verantwortungseigentum (Responsible Ownership Foundation) in Germany. The aim of responsible ownership is to keep companies independent in the long term.



The problem of legal embodiment

his is already the way things are done in many family-owned companies, and could become increasingly significant in future as a way of running companies without family ties. However, one impediment has to be overcome: at the moment there is still no valid legal form for such companies, at least not in Germany, which means they currently have to revert to foundation consortiums. But according to Gregor Ernst, "These are too elaborate and complex for small and medium-sized enterprises, so that we are advocating a new legal form: the company with locked assets."

B that the new form will bypass one of the principles of the social market economy by decoupling liability and ownership. Rainer Kirchdörfer, chair of the Stiftung Familienunternehmen (Family Company Foundation), does not see the need for a special legal form. He tells the German newspaper Handelsblatt: "Family companies don't hide in the anonymity of the capital markets: instead, they have stood for responsible ownership for generations." A new legal form would create more problems than it would solve.

Proponents of responsible ownership won't be sidetracked. One reason is that responsible ownership can be applied to every sector of the economy. "Agriculture is a prime example", says Gregor Ernst from the Stiftung Verantwortungseigentum. "Here the interest comes above all from a desire to keep agricultural land out of the hands of speculators and to make the farm attractive for potential successors: they join the business as trustees and are free to organise things as they want, but cannot convert ownership of the company to cash for their own purposes." A movement for all of Europe

A movement for all of Europe

Similar endeavours to those made by the Stiftung Verantwortungseigentum in Germany can be seen in other parts of Europe, with the "CIC" (Community Interest Companies) in the United Kingdom and the "entreprise à mission" (companies with a mission) in France. In Denmark, the possibility of legally embodying responsible ownership is already regulated in foundation law.

Running a company like this can offer definite advantages to the workers: first, it is a legal form that does not affect the co-determination rights of the institutionalised entities for the workforce. Furthermore, studies up to now have revealed that responsible ownership results in greater staff satisfaction. "They are less likely to quit and stay longer in the company, as seen in studies by Prof. Steen Thomsen from Copenhagen Business School", says Gregor Ernst, "and in fact, it's fairly obvious because employees in these companies know that they work for the development of the company, rather than the shareholder value.

MAGAZINE



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