

KKR Partner: Now Is the Time for Japanese Employees to Receive Equity Compensation, Warning of U.S.-Style Inequality

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“Japan today is in a similar position to the United States in the 1980s. Now is the time to transfer ownership to workers and citizens,” said Pete Stavros, Partner at global investment firm KKR. He warned that unless Japan acts, it risks facing “the same inequality and division that the U.S. is experiencing today” in 40 years’ time.

Speaking at the October 20 launch of Ownership Works Japan, a nonprofit he founded to expand employee ownership programs, Stavros emphasized that wage growth alone is not enough to build wealth. “People need to own assets that can grow in value,” he said.

Founded in the U.S. in 2022,

Ownership Works aims to build a society where workers can build wealth at work. The organization promotes programs by which all employees hold a stake in their business and share in the value they help create when its investor sells its stake. Beyond wealth creation, Stavros notes that such programs also strengthen employee motivation and improve company performance.

Japan is the organization’s first international location. Stavros said he hopes to open four additional overseas offices by 2030.

Highlighting traits of Japan’s workforce, such as strong loyalty and long tenure, Stavros

also pointed out that Japan’s “productivity growth remains very low.” Introducing employee ownership and equity-based compensation, he argued, could harness these strengths and “create outcomes that benefit both workers and companies.”

Globally, Ownership Works has partnered with 167 companies. In Japan, in addition to KKR, Ownership Works is supported by organizations including Japan Post Insurance, Norinchukin Bank, and Mizuho Financial Group. The nonprofit aims to implement employee ownership programs at more than ten Japanese companies by 2027.

Article translated from Japanese into English by KKR, original article available [here](#).