

The social balance sheet 2005

Ph. Delhez
P. Heuse

Introduction

Introduced in 1996, the social balance sheet contains a set of information concerning various aspects of employment in enterprises. That information can be used as a basis for analysing the trend in employment, staff costs and working time, the structure of employment at the end of the financial year, staff movements and employee training. In addition, the social balance sheet was intended to provide information on the use which companies made of various employment promotion measures. However, the constant adjustments to the employment policy have made that record obsolete and hence unusable, despite the efforts of the legislature to update it.

The simplification of the social balance sheet has been on the agenda for some years now. The work carried out in that connection in recent years should soon bear fruit, as the social partners have agreed on a new form which will come into effect as soon as the implementing decrees have been published. That document is not fundamentally different from the existing form, except that it no longer includes the table relating to employment promotion measures, since the NSSO is able to supply the information requested from the multi-purpose declaration that firms have been required to file since 2003. In addition, changes have been made to the tables concerning training. In order to assess all corporate training efforts more accurately, formal training, informal training and initial training will be recorded in three separate tables.

This article is divided into five sections which examine in turn the trend in employment between 2004 and 2005, staff movements during this financial year, the structure of employment (particularly working arrangements, type

of employment contracts and the use of agency workers), staff costs and training.

The analysis concerns the provisional results of the social balance sheet 2005 obtained after early closure of the period for receiving the annual accounts. It is based on comparison of the information gathered for a reduced population which is the same in 2004 and 2005. Constructed in accordance with the principles described in Annex 1 section 1, this population contains all the firms which, as at 31 December 2004 and 2005, had completed a 12-month financial year and submitted social balance sheets which met a range of criteria concerning quality and consistency.

This year, the provisional closing date for the accounts was 25 September 2006, or almost three weeks later than in previous years. As a result, the number of firms included in the analysis – namely 48,976 – is higher, and this reduced population (the characteristics of which are given in Annex 1 section 2.2, table 2) is more representative: the workers employed in the constituent firms, totalling around 1,434,000 people in 2004, represent almost 80 p.c. of the total population and 54 p.c. of the private employees recorded in the national accounts (see Annex 1, section 2.1, table 1).

The analysis focuses on the developments recorded in the firms classified by branch of activity or by size. This latter classification distinguishes between small firms, which have fewer than 50 full-time equivalents (FTEs), medium-sized firms employing 50 – 250 FTEs, and large companies employing over 250 FTEs. The breakdown by branch of activity is based on the branches of the Nace-Bel nomenclature of activities given in Annex 2. The results per branch of activity need to be interpreted with caution

in the case of branches such as agriculture⁽¹⁾, hotels and restaurants and community, social and personal services: the workers employed in firms in the reduced population in those branches in fact represent under 30 p.c. of the paid employment recorded by the national accounts. The reason for that small percentage is that employers in those branches include a relatively large number of self-employed operators – who are not required to file a social balance sheet.

Most of the tables and charts in this article present the results obtained from the reduced population of firms. Use of this constant population permits analysis of the movement in a range of variables between the 2004 and 2005 financial years, whereas comparison with the complete data for 2004, which cover a much larger population, would introduce a bias which would distort the conclusions. However, the use of a constant population does impose constraints on the interpretation of those trends as, by definition, the firms which are included in that population must have filed social balance sheets of adequate quality, covering a 12-month financial year ending on 31 December for two successive years. This automatically excludes new firms and bankrupt companies from the scope of the analysis, possibly causing some discrepancies between the changes observed in the reduced population and those recorded for the total population. However, the adoption of this approach is justified in view of the excessive length of time required to obtain information for all firms, and the safeguards offered by the representativeness of the reduced population.

Where long series appear in the tables and charts, they always (unless otherwise stated) concern the results obtained for the total population, calculated for the years 1998-2004⁽²⁾. The changes recorded between 2004 and 2005 for the reduced population are sometimes used to extend these historical series: they are marked “2005e”. As every year, detailed data per branch of activity are given in Annexes 3 to 9. In the majority of cases, these tables present, alongside the changes recorded between 2004 and 2005, retrospective data for the years 1998 to 2004.

(1) This branch is included in Annexes 3 to 9, but the body of this article contains no comments on the corresponding results.

(2) The data relating to the total populations comprise the results for firms which, as at 31 December, have completed a standard 12-month financial year and whose social balance sheets respect the same quality and consistency criteria as the reduced population (see Annex 1). That means that the results appearing in this study differ from the aggregate data published by the Central Balance Sheet Office. This last source in fact uses all the annual accounts made up during a calendar year, whatever the closure date and the length of the financial year.

1. Employment development

In the 48,976 firms in the reduced population, the average workforce increased by 7,814 persons between 2004 and 2005, a rise of 0.5 p.c. This growth reflects the expansion of the part-time workforce, which increased by 15,498 units, or 4.7 p.c., while the number of full-time employees contracted by 7,684 persons, or –0.7 p.c. The strong expansion of part-time working meant that the total volume of employment in terms of FTEs increased slightly, by 0.2 p.c., during this period.

The reduced population presented no apparent difference between the increase in the number of persons employed recorded as an average during the year and the growth figure recorded at the end of the year, both being equal to 0.5 p.c., whereas during 2005 the national accounts reported a slowdown in the growth of private paid employment. It should be remembered that the results obtained from the social balance sheets are based on a constant population, so that changes in employment due to the creation or closure of companies cannot be taken into account. On the other hand, the volume of employment in terms of FTEs indicates a slowdown in growth during the year, since the 0.2 p.c. increase in the number of FTEs, recorded on average over the year, gave way to a stabilisation between 31 December 2004 and 2005.

As at 31 December 2005, the firms in the reduced population employed 6,999 more workers than a year previously. The male workforce declined by a total of 1,406 units, as the increase in the number of part-time workers (totalling 4,697 units) was insufficient to offset the contraction of the full-time workforce (–6,103 units). In contrast, the female workforce continued to grow by a total of 8,405 units, despite the albeit minor fall in the number of women working full time (–1,390 units). Altogether, in firms in the reduced population, women represented 37.7 p.c. of the workforce in 2005, against 37.3 p.c. a year earlier.

It was mainly firms with fewer than 50 FTEs that increased their average workforce: they recorded almost 9,700 extra jobs (of which two-thirds concern full-time workers), representing an increase of 2.4 p.c. In medium-sized firms, the staff expanded by around 4,000 units, or 1.3 p.c., the main factor being the growth of the part-time workforce. In contrast, large firms saw a decline in employment, down by almost 5,800 units or 0.8 p.c. of the workforce. Here, full-time workers decreased by around 14,100 units, while the part-time workforce expanded by over 8,300 units.

TABLE 1 EMPLOYMENT DEVELOPMENT BETWEEN 2004 AND 2005
(Reduced population)

	Persons employed			FTEs
	Full-time	Part-time	Total	
Annual averages				
Units	-7,684	15,498	7,814	2,227
Percentages	-0.7	4.7	0.5	0.2
As at 31 December				
Units	-7,493	14,492	6,999	59
of which:				
Men	-6,103	4,697	-1,406	-3,538
Women	-1,390	9,795	8,405	3,597
Percentages	-0.7	4.3	0.5	0.0

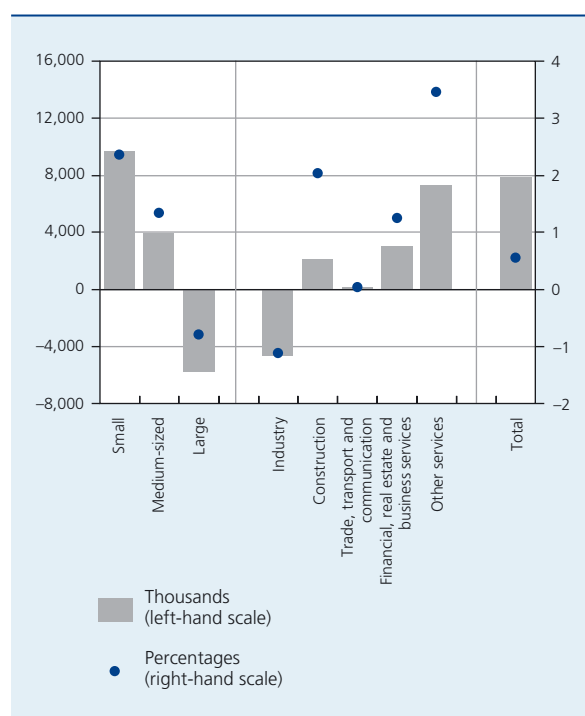
Source: NBB (social balance sheets).

An increase in part-time working was recorded to varying degrees in all branches of activity. Conversely, the full-time workforce declined except in construction and the other services branch. Altogether, 4,700 jobs were lost in industry, a decline of 1.1 p.c. The cuts were made in equal proportions in the mining and quarrying and manufacturing industries and in energy and water. In trade, transport and communication, employment remained steady, the rise recorded in trade being offset by the reduction in transport and communication, while employment remained unchanged in the hotel and restaurants branch.

The trend was more favourable in other branches of activity. In construction, the rise in employment totalled around 2,100 units, or 2 p.c. The large expansion seen in real estate and business services (+5,000 persons or 3.7 p.c.) more than offset the significant fall in employment in financial and insurance services (-2,000 persons or -1.9 p.c.), so that, overall, employment expanded by more than 3,000 units (1.3 p.c.) in the financial, real estate and business services branch. Other services was the branch with the most substantial increase: here the number of persons employed in 2005 was 7,300 units higher than a year earlier, representing a growth of 3.5 p.c. Both community, social and personal services and health and social work services recorded a significant increase in their staff, respectively totalling 600 persons (or 2.2 p.c.) and 6,700 persons (3.6 p.c.). This last branch includes, in particular, some firms whose services are paid by means of service vouchers, which have seen strong growth since they were introduced.

CHART 1 DEVELOPMENT IN EMPLOYMENT BETWEEN 2004 AND 2005: BREAKDOWN BY SIZE AND BY BRANCH OF ACTIVITY

(Annual averages, reduced population)



Source: NBB (social balance sheets).

2. Staff movements

2.1 Staff recruitment and departures in firms as a whole

The change in the number of workers employed is due to the staff movements recorded during the year: new workers come into a firm's service, while some staff leave their employer, either spontaneously or otherwise. It is these external movements recorded in a special table in the social balance sheet that are analysed in this section. Internal changes also affect the composition of the existing staff (such as the relative percentages of the various working arrangements or employment contracts) examined in section 3.

The staff movements recorded in 2005 reflect a less buoyant employment picture than in the previous year. The number of new staff entered in the register totalled 479,896 workers, 1 p.c. fewer than in 2004. Conversely, staff departures numbering 470,809 units increased. In all, net recruitment – i.e. the difference between total staff joining and leaving – totalled just over 9,000 units in 2005, which was half as many as in the previous year.

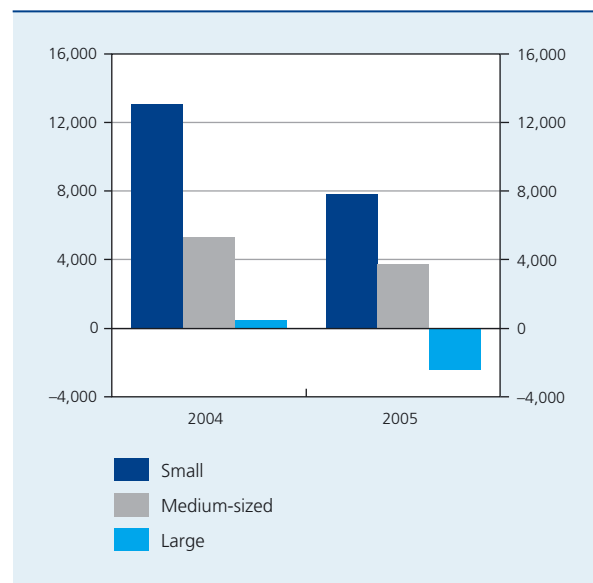
A decline in the number of net recruitment was recorded in varying degrees in all categories of firms. Thus, in those with fewer than 50 FTEs, net recruitment totalled around 7,800 persons in 2005, representing a 40 p.c. fall compared to the previous year. The contraction was hardly any smaller in medium-sized firms, where net recruitment was down by 30 p.c. at 3,700 units, while in large firms the virtual stabilisation of the workforce recorded in 2004

TABLE 2 STAFF RECRUITMENT AND DEPARTURES
(Persons, reduced population)

	2004	2005
Recruitment		
Total	484,801	479,896
of which: full-format accounts	292,211	281,658
Departures		
Total	466,035	470,809
of which: full-format accounts	284,378	278,241
Net recruitment		
Total	18,766	9,087
of which: full-format accounts	7,833	3,417

Source: NBB (social balance sheets).

CHART 2 NET STAFF RECRUITMENT⁽¹⁾:
BREAKDOWN BY SIZE
(Persons, reduced population)



Source: NBB (social balance sheets).

(1) Difference between total staff recruitment and total departures.

gave way to staff cuts totalling around 2,400 units in 2005.

During 2005, net staff recruitment mainly concerned full-time workers in SMEs: the latter represented 84 p.c. of net recruitment in small firms and 64 p.c. in medium-sized firms. In large firms, net departures of full-time workers exceeded those of part-time workers.

2.2 Staff recruitment and departures in firms filing full-format accounts

The information on staff recruitment and departures differs according to the size of firms, as companies filing short-format accounts are only required to state the type of working arrangements for these people. Conversely, firms filing full-format accounts have to specify the contract of employment, sex and standard of education of the workers joining and leaving. In addition, departures have to be broken down according to the reason for leaving.

In firms filing full-format accounts, which represented only 18.4 p.c. of the total firms but 78.5 p.c. of the workforce in 2005, 281,658 workers were taken on during the year under review, while 278,241 were crossed off the staff registers. Altogether, the workforce

expanded by 3,417 units during the year, against 7,833 during 2004.

2.2.1 Standard of education of the workers

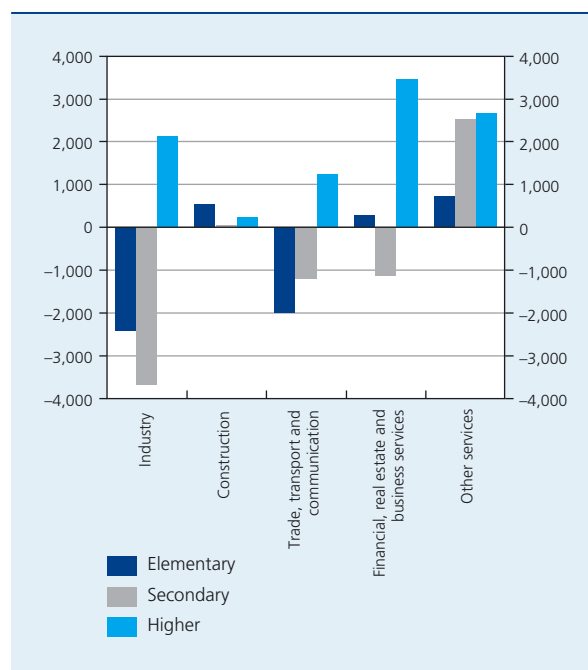
In 2005, employers recorded net recruitment of workers with higher education qualifications totalling 9,800 units, while net departures were recorded for those holding a certificate of elementary education (-2,900 units) and secondary education (-3,500 units). Net departures of workers who have only completed elementary education were recorded in industry and in trade, transport and communication. Cuts in the number of personnel educated to secondary level were also seen in these two branches, and in financial, real estate and business services. In contrast, the construction branch recorded net recruitment of workers educated to elementary level, outstripping the growth of the highly-skilled workforce, which is hardly surprising in that many of the tasks to be performed demand skills acquired on the job. The financial, real estate and business services branch and the other services branch also saw an increase in the number of workers who had only completed elementary education, although the rise was moderate in relation to total net recruitment. Other services was the only branch recording a significant increase in workers who had completed secondary education. In contrast, the number of workers with higher education qualifications increased in varying degrees in all branches.

However, workers who have completed only elementary or secondary education continue to represent the bulk of recruitment: the former make up 19 p.c. of total workers taken on in 2005, and the latter 57 p.c. According to the labour force survey, this latter category of personnel represents only 39 p.c. of total paid employment, which means that a higher proportion of these workers change jobs during their working life.

Analysis by type of education profile reveals notable differences in the case of persons taken on full time. They represent 76 p.c. of male workers recruited, but only 47 p.c. of females taken on. The average standard of education of women recruited full time in 2005 is higher than that of men: 25 p.c. held higher non-university qualifications and 10 p.c. were university graduates, against 16 and 9 p.c. respectively for men. Conversely, women who had completed only elementary education represented just 12 p.c. of female recruitment, against 19 p.c. for men. In the case of part-time personnel taken on, the differences of profile between men and women are negligible. Part-timers comprise a considerably larger percentage of low-skilled persons and a smaller proportion of highly qualified staff than the full-time workforce.

CHART 3 NET STAFF RECRUITMENT⁽¹⁾ IN 2005: BREAKDOWN BY BRANCH OF ACTIVITY AND STANDARD OF EDUCATION

(Persons, reduced population, full-format accounts)



Source: NBB (social balance sheets).

(1) Difference between total staff recruitment and total departure.

On recruitment, the average standard of education of persons employed part-time is therefore significantly lower than that of full-time workers.

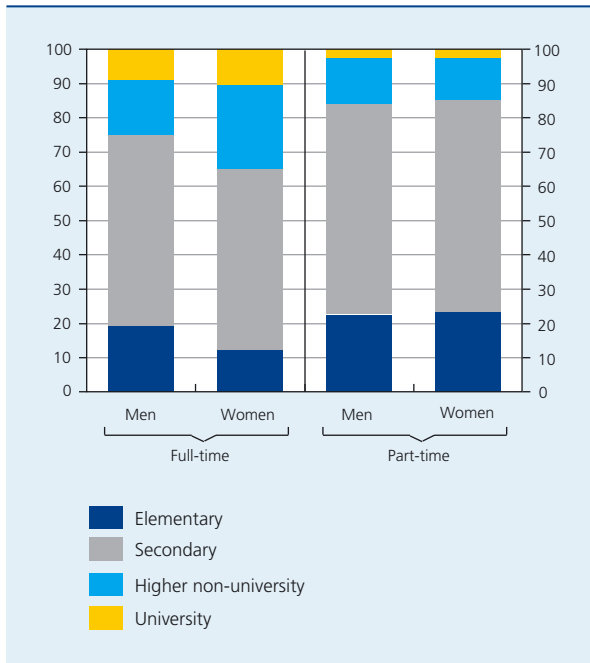
2.2.2 Type of contract

The mobility of temporary workers obviously accounts for a substantial proportion of staff movements during any year. Thus, in 2005, fixed-term contracts represented 49.1 p.c. of total recruitment and 45.5 p.c. of departures. The temporary nature of the link between employer and worker makes it possible to use these contracts for various purposes: to cope with a temporary surplus of work, to test workers' skills during a probationary period, or to satisfy the obligations on employers concerning the employment of trainees. In the case of workers employed under this type of contract, staff turnover is therefore very high, as it is for workers recruited as substitutes for members of the permanent workforce (4.5 p.c. of recruitment in 2005) or to carry out a specific project (1.1 p.c.).

The link between employer and worker is considered to be more stable in the case of permanent contracts; that explains why the proportion of workers on permanent contracts remains high, even though they do not account

CHART 4 STAFF RECRUITMENT IN 2005: BREAKDOWN BY SEX, WORKING ARRANGEMENTS AND STANDARD OF EDUCATION

(Percentages of the total, reduced population, full-format accounts)



Source: NBB (social balance sheets).

for the majority of staff recruitment (45.3 p.c. in 2005). Nonetheless, there is still some turnover in staff employed under permanent contracts owing to natural wastage, or termination of contracts at the worker's or employer's instigation.

The turnover rate for workers on permanent contracts is calculated by comparing the number of staff departures during the year with the workforce recorded at the beginning of the year. In 2005, in the reduced population, it came to 12.8 p.c., which was slightly lower than in the previous year.

The staff turnover rate varies greatly according to firm size and branch of activity. Thus, in small firms it was close to 22 p.c. in 2005, while it was half that in firms employing over 250 FTEs. These differences are due partly to better organised career management in large firms, where it is easier to switch jobs and the options are more varied. Moreover, the growth of earned incomes is often more structured there than in small firms.

The branches of activity containing the most large firms are also the ones with the lowest staff turnover rates. For example, in industry, the rate was below 10 p.c. in 2005.

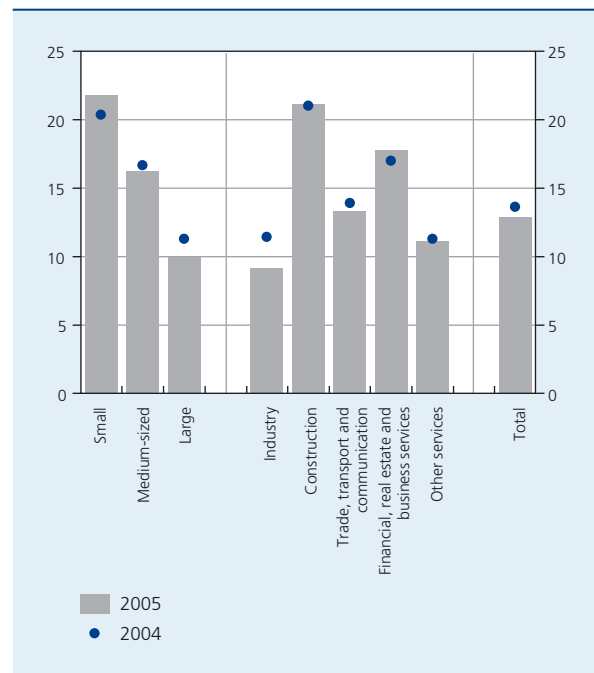
The same applied in transport and communication, financial and insurance services, and health and social work. Conversely, a much larger proportion of staff departures occurred in construction (around 21 p.c.) and in real estate and business services (almost 30 p.c.). In the community, social and personal services branch and in the hotel and restaurants branch, both branches where the social balance sheets record only part of the total volume of employment, these rates appear to be in the region of 40 and 50 p.c. respectively. In the majority of cases, this high rate of external mobility is probably due to the arduous nature of the work for comparatively low pay.

2.2.3 Reasons for leaving

In firms in the reduced population filing full-format accounts, gross staff departures declined by 2.2 p.c. between 2004 and 2005, falling from 284,378 to 278,241 units. A decline was recorded in respect of most of the reasons for leaving, except the expiry of temporary contracts, whether concluded for a specified period, for substitution or for the execution of a specific project. As already stated, contract expiry – by definition – accounts for a large proportion of staff departures. In 2005, this

CHART 5 RATE OF TURNOVER⁽¹⁾ FOR WORKERS EMPLOYED UNDER PERMANENT CONTRACTS IN 2004 AND 2005

(Percentages, reduced population, full-format accounts)



Source: NBB (social balance sheets).

(1) Number of staff departure in t, divided by the workforce recorded at the end of the year t reduced by staff recruitment and increased by departure recorded during this year.

TABLE 3 STAFF DEPARTURES: BREAKDOWN BY REASON
(Reduced population, full-format accounts)

	Percentages of the total		Units
	2004	2005	2005
Retirement	2.5	2.6	7,123
Early retirement	3.8	3.0	8,320
Redundancy	17.4	16.2	44,983
Expiry of temporary contract ⁽¹⁾ . .	48.9	50.4	140,112
Other reason ⁽²⁾	27.5	27.9	77,703
Total	100.0	100.0	278,241

Source: NBB (social balance sheets).

(1) Fixed-term contracts, substitution contracts and contracts for a specific project.

(2) Agreement between worker and employer, death in service.

was the reason for half of the departures recorded in firms in the reduced population filing full-format accounts, or just over 140,000 units.

The largest decline was seen in staff leaving to take early retirement, their number dropping from 10,688 units in 2004 to only 8,320 in 2005, a 22.2 p.c. fall. This reduced their share of total departures from 3.8 to 3 p.c. between 2004 and 2005. The manufacturing industry branch made substantial use of early retirement: in 2005, it accounted for more than half of the total early departures from the staff registers. Although the numbers taking early retirement declined sharply in this branch, the decline was most marked in transport and communication. In 2004, over 2,000 workers had left the labour market in this way, with a particularly large number of workers leaving the Postal Service. In 2005, the figure was less than 500.

The number of redundancies also declined – by just under 10 p.c. – to around 45,000 units in 2005, or 16.2 p.c. of total departures, compared to 17.4 p.c. a year earlier. There was only a small reduction in the numbers retiring, representing around 2.5 p.c. of departures, or just over 7,000 workers, in both 2004 and 2005. Finally, the number leaving for other reasons – mainly departures due to an agreement between the worker and the employer, but also death in service – remained more or less stable: just under 78,000 workers left the firms in the reduced population in this way in 2005, or around 28 p.c. of total departures.

3. Employment structure

While staff recruitment and departures are likely to change the employment structure from one year to the next, the same is true – if not more so – of changes affecting existing staff. However, these changes cannot be identified as such in the social balance sheet. Their significance can only be understood by comparing the situations observed between two closure dates and staff movements during the year. In view of the structure of the social balance sheet, that exercise can only be carried out for a small number of variables: the working arrangements for all firms taken together and the type of employment contracts for those filing full-format accounts. Moreover, this exercise has its defects, since the staff changes recorded between 31 December in one year and the next are not always equal to net staff recruitment and departures.

3.1 Full-time and part-time employment

For several years now, the expansion of employment has been sustained by the growth of part-time working. From a static point of view, job sharing enables the volume of work necessary for production to be spread among a larger number of people. From a dynamic point of view, part-time work permits the development of new activities. In some firms, if some of the staff switch to part-time working, that can attenuate the effects of restructuring or make it easier for people to adapt to retirement. In addition, it accords with the wishes of some workers who want to achieve a better balance between their working life and the needs of their family.

Part-time working has been increasing steadily in firms required to submit a social balance sheet. In 1998, one in five workers was employed part-time; in 2004, it was one in four. The changes seen in the reduced population indicate a further rise of almost 4 p.c. in the proportion of part-timers. Part-time working was already very widespread among the female working population, since almost half of all women employed work part-time, but there was a further 2.2 p.c. increase in the proportion of women working part time between 2004 and 2005. However, the increase was even more marked for men, since it totalled 6.2 p.c. By applying this increase to the proportion of part-time workers recorded in the total population in 2004, it is estimated that 10 p.c. of men now work part time.

The further increase in this type of working arrangement is due only partly to the recruitment of part-time workers, as the latter represented only 39 p.c. of the total staff recruitment recorded during 2005. Taking account

TABLE 4 PART-TIME EMPLOYMENT FROM 1998 TO 2005
(Percentages of the corresponding employed population, data as at 31 December)

	Men	Women	Total
Total population			
1998	6.2	43.0	20.0
1999	6.7	43.7	20.8
2000	7.0	44.0	20.7
2001	7.3	45.4	21.9
2002	8.2	47.1	23.4
2003	9.2	48.5	24.6
2004	9.8	49.2	25.4
Reduced population			
2004	8.7	48.2	23.4
2005	9.3	49.2	24.3
<i>p.m. Percentage changes</i>	6.2	2.2	3.8

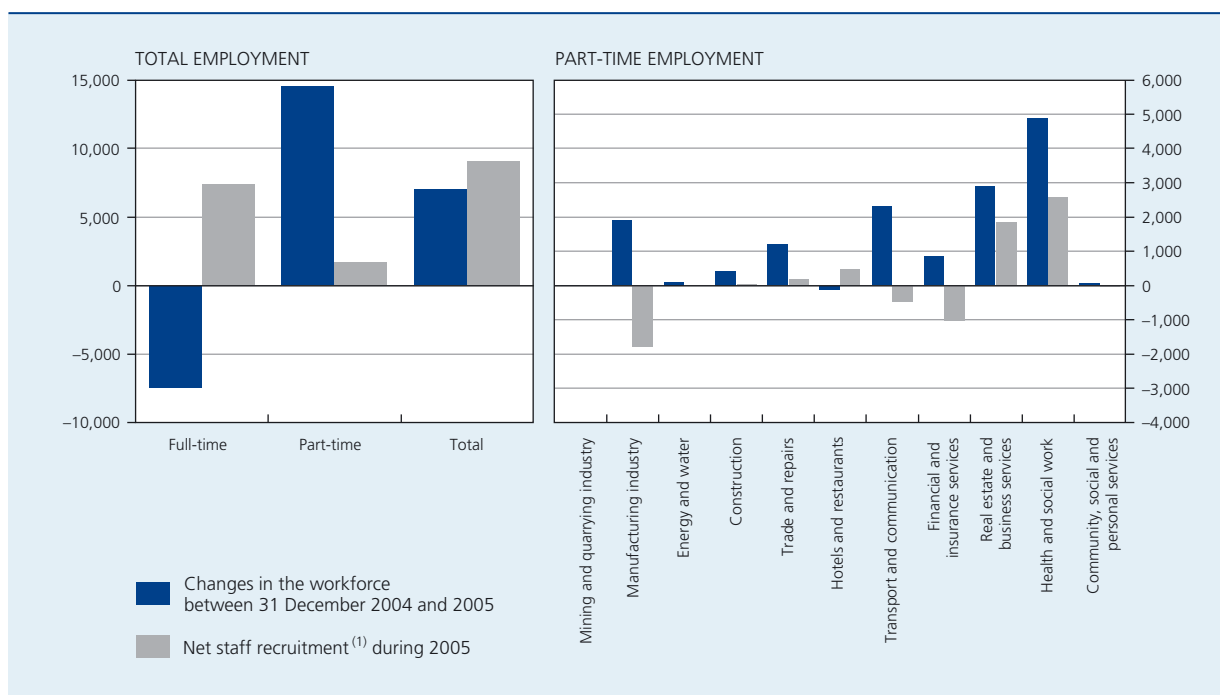
Source : NBB (social balance sheets).

of departures, net recruitment of part-time staff totalled just under 1,700 persons during the period under review, whereas net full-time recruitment exceeded 7,400 units

over the same period. In contrast, the staff registers record an increase of almost 14,500 units in the part-time workforce, while the number of full-timers was down by 7,500 units. This implies that a number of full-time workers opted for working arrangements entailing reduced hours during 2005. Of these, there are probably many who took advantage of the facilities offered by the various time-credit schemes to reduce their working hours, either for a specific period or until the end of their working life, as it is now possible for workers aged over 50 years.

According to NEMO's annual report, the numbers reducing their working hours by means of the time-credit scheme increased by an average of 27 p.c. between 2004 and 2005, and concerned a total of more than 76,000 workers. Of these, 55 p.c. are aged 55 or over and are using this scheme to adjust to their retirement. Men represent almost one in four scheme users. The NEMO report does not specify the branches of activity where this scheme is particularly popular, but the information obtained from the social balance sheets shows that changes in working arrangements for existing staff are particularly common in manufacturing industry, transport and communication, and in health and social work. The data by size of firm suggest that these changes occur mainly in companies with over 250 FTEs. However, the time-credit scheme

CHART 6 STAFF MOVEMENTS DURING 2005: BREAKDOWN BY WORKING ARRANGEMENTS
(Persons, reduced population)



Source : NBB (social balance sheets).

(1) Difference between total staff recruitment and total departures.

is a worker entitlement which employers cannot refuse, although they may postpone implementation. In firms with up to ten workers, the exercise of this right is subject to the employer's approval.

While net departures of part-time workers were recorded in manufacturing industry totalling almost 1,800 units, significant internal staff movements contributed towards the growth in the total part-time workforce, which expanded by over 1,900 units in 2005, although the latter still represented only 11 p.c. of total employment. In transport and communication, internal changes also offset the net departures of part-timers (-500 units). Altogether, part-time working increased by 2,300 units in 2005, thus representing 17.6 p.c. of the total, or 1.4 percentage points more than in 2004. On the other hand, in the health and social work branch, internal changes added to the net recruitment of part-time workers so that the rate of part-time working increased by 0.8 percentage point. This is the branch where this working arrangement is most clearly successful, since 53.1 p.c. of employees worked reduced hours in 2005. The reason can probably be attributed to the large proportion of women in this branch (around 80 p.c.) and the working hours (with compulsory night/week-end work) which are not very compatible with family life.

In the other branches of activity, changes to working arrangements for existing staff – which varied widely in extent but were on a smaller scale – boosted part-time working everywhere, except in the hotel and restaurant branch where, despite net recruitment of part-timers, the size of the part-time workforce declined.

3.2 Permanent and temporary employment

Contracts concluded for a fixed term, including temporary employment agency contracts, are a much more flexible instrument than part-time employment for adjusting the volume of labour in line with production requirements. At times when the economy is slowing down, there is generally a decline in the use of these contracts, whereas the expansion of temporary agency employment is often one of the first signs of a revival or acceleration in activity.

The full-format social balance sheets contain more information than those in the short-format on the use which firms make of these various types of contracts, so that a separate section has been devoted to them.

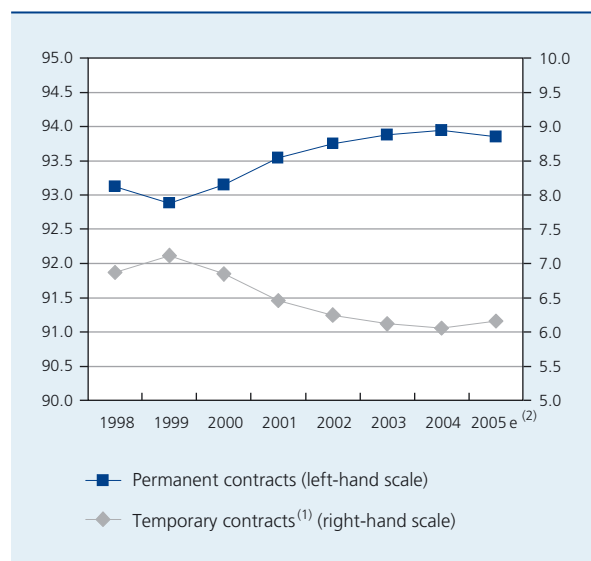
3.2.1 Temporary employment in firms as a whole

Although it had increased between 1998 and 1999, the proportion of persons entered in the staff register with a temporary employment contract, i.e. a fixed-term or substitution contract or one concluded for a specific project, declined gradually from 7 to 6.1 p.c. of total employment between 1999 and 2003, and then remained steady.

The information obtained from the reduced population does not imply any change of trend: the proportion of temporary workers hardly varied here between 2004 and 2005. True, there was a small rise in the case of SMEs, but it does not affect the general trend since the relative importance of these firms is small, and they make proportionately less use of temporary employment. However, over the long term there is some convergence in the behaviour of the three groups of firms in regard to the use of temporary contracts. In small firms, their share increased from 4.3 to 5.3 p.c. between 1998 and 2004, whereas it showed a marked fall from 8.9 to 6.7 p.c. in large companies. In medium-sized firms, where the decline (-0.5 percentage point) was smaller, that proportion totalled 6 p.c. in 2004.

CHART 7 RELATIVE IMPORTANCE OF TEMPORARY⁽¹⁾ AND PERMANENT EMPLOYMENT CONTRACTS BETWEEN 1998 AND 2005

(Percentages of the total, data as at 31 December, total population)



Source: NBB (social balance sheets).

(1) Temporary contracts: fixed-term contracts, substitution contracts or contracts concluded for a specific project.

(2) The results for 2005 were calculated by applying the change recorded between 2004 and 2005 for the reduced population to the value observed for the total population in 2004.

Temporary employment remained fairly stable in the various branches of activity between 2004 and 2005. That applies in particular to the health and social work branch, where these contracts – which are especially widespread – accounted for 11.5 p.c. of paid employment in 2005, but also in manufacturing industry, construction, trade, and transport and communication. A decline, albeit minor (–0.3 percentage point) was recorded in the hotel and restaurant branch, where 10.9 p.c. of personnel were temporary workers in 2005. The largest increases were recorded in the real estate and business services branch (+0.7 percentage point), the mining and quarrying industry (+0.5 point) and community, social and personal services (+0.4 point). In real estate and business services, the percentage of temporary contracts in 2004 was one of the lowest in the reduced population. The rise in 2005 is worth mentioning, since it partly made up the difference in relation to the other branches.

3.2.2 Temporary and agency employment in firms filing full-format accounts

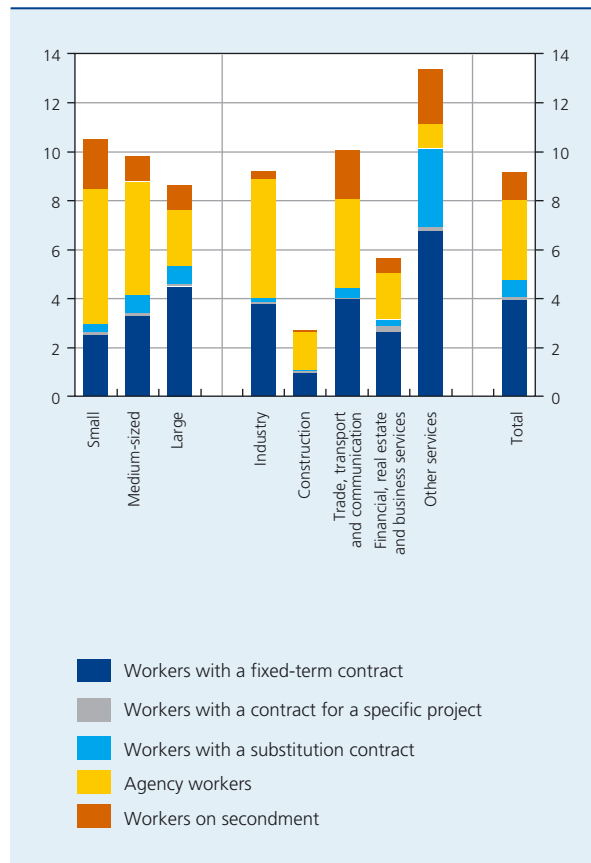
The social balance sheets of firms filing full-format accounts provide information on all jobs arranged on a temporary basis, both for workers entered in the staff register and for agency workers or those on secondment in another firm, being made available by their regular employer who thus hands over part of his authority. Only data in terms of FTEs are available for these last two types of contract. In this section, the number of workers recorded in the staff register is therefore also expressed in terms of FTEs.

Altogether, registered and non-registered temporary workers represented just over 9 p.c. of total employment in terms of FTEs in firms in the reduced population filing full-format accounts. Of these temporary workers, over half were recorded in the staff register under fixed-term contracts (43 p.c.), substitution contracts (8 p.c.) or contracts for a specific project (just 1 p.c.). Almost 36 p.c. were agency workers and around 13 p.c. workers on secondment.

The bigger the firm, the larger the proportion of workers on permanent contracts. In small companies, 10.5 p.c. of workers have a temporary contract, compared to 9.8 and 8.6 p.c. respectively in medium-sized and large firms. The type of temporary contract used also differs considerably. Small firms prefer to use agency staff (52 p.c. of the total), while workers on fixed-term contracts and those on secondment represent respectively 24 and 20 p.c. of temporary staff. In medium-sized firms, agency workers represent just under half of the temporary contracts (47 p.c.), but fixed-term contracts are much more common (33 p.c.)

CHART 8 RELATIVE IMPORTANCE OF NON-PERMANENT EMPLOYMENT CONTRACTS IN 2005

(Percentages of total employment in FTEs, reduced population, full-format accounts)



Source : NBB (social balance sheets).

and persons on secondment here represent only 11 p.c. of the total. Finally, substitution contracts – which are unusual in small firms – represent around 8 p.c. of temporary employment in medium-sized companies. The relative importance of these last two types of contract is similar in large firms. On the other hand, the shift in favour of fixed-term contracts is even more marked, as the latter represent over half of temporary employment, while the share of agency staff is only 27 p.c.

With 13.4 p.c. of temporary workers, the other services branch is the one with the highest proportion of flexible contracts. Agency working is not widespread here. On the other hand, this branch records the highest rates of usage of fixed-term contracts (6.8 p.c. of total employment), workers on secondment (2.3 p.c.) and substitution contracts (3.2 p.c.). The latter are over-represented in this branch of activity: 70 p.c. of all workers with this type of contract are employed in the other services branch.

In the trade, transport and communication branch, 10 p.c. of FTEs have temporary contracts. The commonest are fixed-term contracts (39 p.c. of the total) and agency contracts (36 p.c.). Workers on secondment (20 p.c.) are also relatively numerous. The financial, real estate and business services branch also favours these three types of contract, but temporary employment is less developed here, representing only 5.6 p.c. of FTE employment. The percentage of agency workers is similar here, but almost half of temporary workers have a fixed-term contract and one in ten is on secondment.

Conversely, this last formula is very little used in the secondary sector. In both industry and construction, most temporary workers are agency employees (53 and 58 p.c. respectively) or persons on fixed-term contract (41 and 35 p.c. respectively). Other contracts are still of marginal importance. However, there are great differences between these two branches in the use of temporary workers: it is more than three times higher in industry, where temporary workers represent 9.2 p.c. of total employment, than in construction. The fact that building sites have only been permitted to use agency workers since January 2002 suggests that there is potential for further expansion in the latter branch.

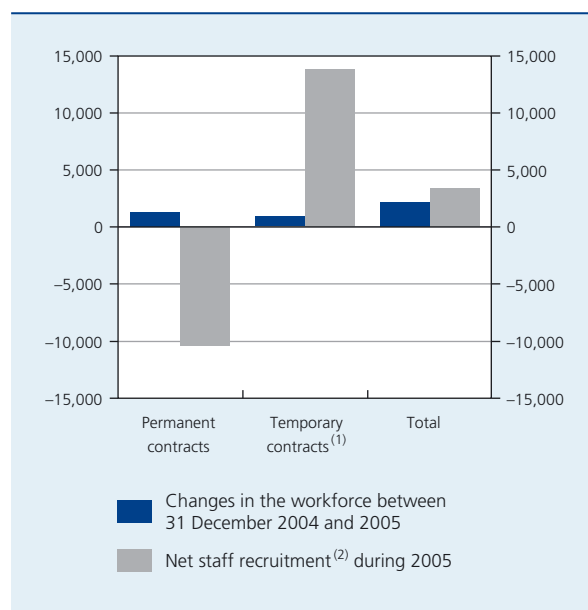
The majority of persons employed under temporary contracts are destined to remain with their firm for only a short time. However, there are others who are offered a permanent job once their temporary contract has expired. That is revealed by analysis of the net staff movements and changes in the workforce at the end of the financial year in firms filing full-format accounts, by identifying changes of contract concerning workers registered under temporary contracts during 2005. Conversion to a permanent contract cannot be verified in the case of agency staff and persons on secondment, since they are not recorded in the staff register.

While substantial net recruitment of temporary workers entered in the staff register was recorded in 2005 (totalling almost 14,000 units) the number of temporary workers at 31 December showed hardly any increase between 2004 and 2005 (+900 units only). In contrast, despite net departures of workers on permanent contracts (over 10,000 units), the total workforce in this category expanded by around 1,300 units, revealing that considerable numbers of existing staff had their contracts converted.

As regards agency employment, only firms filing full-format accounts are required to supply information on the number of agency workers (FTEs) taken on, the hours which they worked and the costs incurred.

CHART 9 STAFF MOVEMENTS DURING 2005 :
BREAKDOWN BY TYPE OF EMPLOYMENT
CONTRACT

(Persons, reduced population, full-format accounts)



Source : NBB (social balance sheets).

- (1) Fixed-term contracts, substitution contracts and contracts for a specific project.
(2) Difference between total staff recruitment and total departures.

The volume of agency work measured in hours worked, as recorded in the social balance sheets, represented 42 p.c. of the volume recorded by Federgon⁽¹⁾ for the year 2005. However, Federgon's figures are influenced by the development of the service voucher activities, which saw particularly strong growth in 2005. These activities, performed exclusively for individuals, are not included in the social balance sheets, which record only the agency workers used by companies.

The number of agency workers employed by firms in the reduced population nevertheless also increased significantly between 2004 and 2005, rising from 33,934 to 35,314 FTEs, or 3.3 p.c. of total FTE employment in 2005. In proportional terms, the volume of work performed by these agency staff is even greater, representing 4 p.c. of the total hours worked. The average annual working time of an agency employee, namely 1,880 hours in 2005, is in fact considerably higher than the figure for registered staff, at 1,517 hours. Conversely, the average hourly cost of an agency worker (which includes in addition to the worker's wages the fee for the services provided by the agency) is less than the average hourly cost of a registered

(1) Federation of temporary employment agencies.

TABLE 5 TEMPORARY AGENCY WORK IN FIRMS
FILING FULL-FORMAT ACCOUNTS
(Reduced population)

	2004	2005
As a percentage of the total		
Number of FTEs	3.1	3.3
Hours worked	3.8	4.0
Staff costs	2.6	2.7
In units		
Number of FTEs	33,934	35,314
Hours worked (thousands)	63,940	66,390
Hours worked per FTE	1,884	1,880
Staff costs per hour worked (in euro)	22.5	22.7
As a percentage of agency work recorded by Federgon		
Hours worked	43.7	41.7

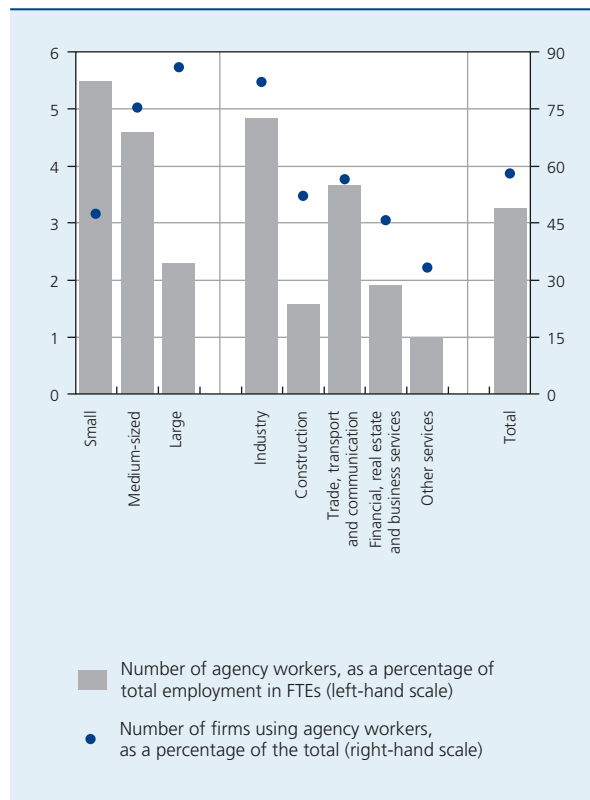
Source: NBB (social balance sheets).

worker, at 22.7 and 34.4 euro respectively, so that the expenses incurred in employing agency staff represented, in 2005, only 2.7 p.c. of the total personnel costs of firms filing full-format accounts.

The use of agency workers is widespread. In the reduced population, almost 60 p.c. of firms filing full-format accounts used this type of labour in 2005. It is mainly firms with over 50 FTEs that employ agency workers, as fewer than 50 p.c. of small firms do so, compared to 75 p.c. in the case of medium-sized firms and 86 p.c. for large firms. However, in proportional terms, it is small firms that have the highest percentage of agency workers in relation to total employment in FTEs. The figure was 5.5 p.c. of the workforce in firms with fewer than 50 FTEs, compared to 4.6 p.c. in medium-sized firms and only 2.3 p.c. in large ones.

Industry is the main user of agency workers: 82 p.c. of firms in this branch filing full-format accounts used them in 2005, with agency work there representing 4.8 p.c. of total FTE employment. The trade, transport and communication branch is also a major user of agency staff: 56 p.c. of firms employed them, and agency workers represented 3.7 p.c. of total FTE employment. In construction, over half of firms use this type of worker: though their relative importance remains small, it is increasing (1.6 p.c. in 2005 against 1.1 p.c. in 2004).

CHART 10 TEMPORARY AGENCY WORK IN 2005
(Percentages, reduced population, full-format accounts)



Source: NBB (social balance sheets).

4. Staff costs

The staff costs recorded in the social balance sheets comprise only payments by employers to staff entered in the register. They differ from the labour cost concept used in the national accounts in that they do not include the payments made to retired workers – who are no longer recorded in the staff register – or certain costs associated with restructuring and recorded on the balance sheet of firms as exceptional expenses. Furthermore, the picture indicated by the social balance sheets relates to a reduced population of firms, constant for 2004 and 2005, with the omissions of workers and companies which this methodology implies. Consequently, the movement in costs mentioned in the social balance sheets is not directly comparable to that calculated on the basis of the national accounts.

The staff costs incurred by firms in the reduced population increased by 2.3 p.c. between 2004 and 2005. Over the same period, the number of workers, expressed in FTEs, increased by only 0.2 p.c., so that the annual costs per FTE went up by 2.1 p.c., from 47,758 to 48,764 euro.

Table 6 Staff costs relating to workers recorded in the staff register

(Euro, annual averages, reduced population)

	Per FTE	Per hour worked		
		Per full-time worker	Per part-time worker	Total
2004	47,758	31.4	27.4	30.8
2005	48,764	32.5	28.9	31.9
Percentage changes between 2004 and 2005 ..	2.1	3.4	5.5	3.6

Source: NBB (social balance sheets).

Since the volume of labour in terms of hours worked declined by 1.3 p.c., hourly staff costs rose faster than costs per FTE, increasing by an average of 3.6 p.c.; this rise is greater than that due to the automatic wage indexation (2.1 p.c. in 2005). The increase was slightly lower for full-time workers (at 3.4 p.c.), putting up their average hourly wage from 31.4 to 32.5 euro. For part-time workers, staff costs increased from 27.4 to 28.9 euro per hour worked, a much sharper rise (5.5 p.c.).

The change in hourly staff cost of part-time workers is often more volatile than that of full-timers. There are numerous factors which explain these differences. The costs increase with the number of workers employed part time, and also with their average wage, which is related to their characteristics in terms of jobs, qualifications, age, etc. In recent years, the success of the schemes to adjust working time, particularly for older workers, has probably boosted the incidence of part-time working, particularly among male workers. This has caused the hourly cost of part-time workers to rise more quickly since, in general, all other things being equal, older workers are paid above-average wages. Working time is influenced by the scale of the average reduction in working hours, so the decision by new part-time workers to cut their hours by half or one-fifth does have an influence. However, few changes were seen between 2004 and 2005, since the contractual working hours of a part-time employee expressed as a percentage of a full-time employee's hours remained close to 62 p.c.

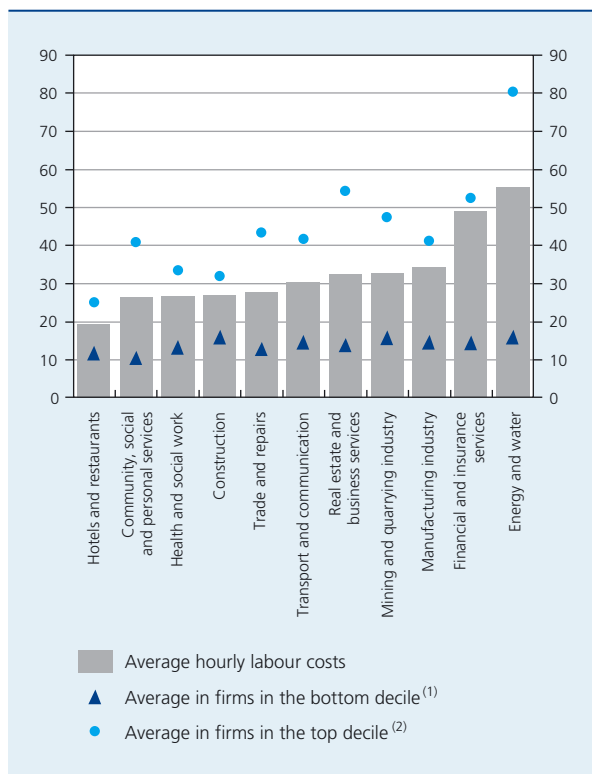
The rise in average hourly staff costs was slightly more moderate in small firms (3.6 p.c.) than in medium-sized and large companies, where it was around 4 p.c. Large differences are evident between the various branches of activity. The increase was most marked in transport and communication (6.8 p.c.), mainly because of the impact on hourly labour costs of the decline in the average annual contractual working time for Postal Service employees.

At the other extreme, in the energy and water branch, average hourly costs fell by 0.7 p.c. In this branch, too, the dominant firm, Electrabel, accounts for this trend: here, a significant fall was recorded following the departure of many older workers, only some of whom were replaced, and at much lower wages. In the hotel and restaurant branch and in construction, hourly staff costs increased decidedly less sharply than the average (2 and 2.6 p.c. respectively). In the other branches, the rise in average hourly costs was between 3 and 4 p.c.

The level of hourly costs varies from one branch of activity to another. Some branches make extensive use of low-skilled workers – e.g. hotels and restaurants, and construction – while others use mainly staff with higher education qualifications. The relative power of employers and workers, the scope for productivity gains and competition conditions also explain differences. These averages per branch cannot be used to assess the scale of the actual dispersion of average costs between firms in the same branch of activity. The firms in the reduced population were therefore divided into deciles according to the individual level of hourly labour costs. Thus, for each branch, the 10 p.c. of firms with the lowest hourly costs were grouped together, and so were the 10 p.c. of firms with the highest costs. The average of the hourly costs applicable within each of these groups was then calculated.

This reveals that the dispersion of hourly labour costs is not uniform across the branches of activity. The ratio between the average costs calculated for the top and bottom deciles is around 2 in construction and the hotel and restaurant branch, 2.5 in health and social work, and nearly 3 in manufacturing, mining and quarrying industries, and in transport and communication. It is between 3.4 and 3.9 in trade, financial and insurance services, in community, social and personal services and in real estate and business services. In the energy and water branch,

CHART 11 DISPERSION OF STAFF COSTS PER HOUR WORKED IN 2005 : BREAKDOWN BY BRANCH OF ACTIVITY
(Euro, reduced population)



Source : NBB (social balance sheets).

(1) Average staff costs in the 10 p.c. of firms with the lowest hourly costs.

(2) Average staff costs in the 10 p.c. of firms with the highest hourly costs.

the staff costs in firms incurring the highest hourly labour costs are five times as high as in the bottom decile.

Despite the existence of a minimum wage across sectors, the average hourly labour costs of firms in the bottom decile range between 10 and 16 euro. The cumulative differences are considerable if monthly wages are calculated. In firms in this bottom decile, the lowest hourly labour costs are recorded in firms in the community, social and personal services branch and in the hotel and restaurant branch (under 12 euro), the highest in construction, the three branches of industry, and transport and communication (over 14.5 euro).

In firms in the top decile, the differences between branches of activity are even greater. Companies offering the best pay conditions in the hotel and restaurant branch – just under 25 euro per hour worked – incur labour costs which are three times lower than in firms of the energy and water branch, where workers cost on average 80 euros per hour worked. Although this last

branch of activity is an extreme, in mining and quarrying industry, in financial and insurance services and in real estate and business services, the average wages are nevertheless twice as high as in the hotel and restaurant branch.

5. Training

The social balance sheet makes it possible to measure the training efforts of firms exhaustively on an annual basis⁽¹⁾. It comprises two tables, one concerning formal training and the other dealing with mentoring activities resulting from the law of 5 September 2001 promoting the employment rate of workers.

5.1 Formal training

Formal training covers the training courses and programmes run by a person trained for the purpose in premises devoted to that activity. The organisation of these activities is planned according to the needs of the trainer. Employers are required to state the number of trainees, the hours spent on these activities and the costs incurred by the firm. The concept of training costs is understood in the broad sense, i.e. not only the costs invoiced, the trainers' pay and the various logistical costs associated with these activities, but also the wage of the trainees and specific contributions to the sectoral and social security funds, less any subsidies received.

In 1998, under the central agreement for 1999-2000, the social partners had set a quantified target for the training budget: in 2004, the training costs borne by all firms in the private sector were to represent 1.9 p.c. of labour costs. Intermediate targets had been set for the years 2000 (1.4 p.c.) and 2002 (1.6 p.c.).

In 2003, at the Employment Conference, a target for participation in training was added: by 2010, one in two workers must have access to training each year. It was also agreed to redefine the instruments measuring firms' training efforts.

At the end of 2005, under the Generation Pact, the government asked the social partners to ensure that these commitments were fulfilled, and to define new growth paths, including at sectoral level. However, the Pact stipulates that the target of 1.9 p.c. of the wage bill to be spent on training must now be achieved in 2006 as

(1) For a report on the years 1998 to 2004, see Heuse P., 2006, "L'effort de formation des entreprises en Belgique: un bilan des années 1998 à 2004", in Guyot, J.-L., et Mainguet C. (éds), *La formation professionnelle continue. Stratégies collectives*, Brussels, Belgium, De Boeck.

a minimum. The need for equal access to training was once again emphasised, to avoid discriminating against certain groups of workers, particularly older or less skilled persons.

The social balance sheet does not allow assessment of the access to training of these various population groups. The information supplied by firms in the social balance sheets consists of global data, broken down only by sex, which is therefore the only dimension that can be ascertained. Differentiation by age, standard of education or nationality requires the use of other instruments, such as the labour force survey, but the latter has the drawback of not being exhaustive and of being based on answers given by individuals rather than firms.

Nonetheless, the proportion of firms stating that their workers take part in training activities remains extremely low so far, especially in the smallest organisations. In 2004, the 5,244 firms providing training represented 6.9 p.c. of all firms filing social balance sheets, the lowest proportion recorded since 1998. However, the information obtained from the reduced population for 2004 and 2005 suggests some improvement, since the proportion of training firms has risen by 2 p.c.

The volume of training activities depends on many factors. The economic situation is one of them, but the requirements dictated by the management of companies, at individual level, exercise a dominant influence. Investment

programmes, the needs resulting from redeployment or restructuring, the inflow of new workers, the application of a new employment agreement or an increased use of regional or sectoral training subsidies may thus have a considerable impact on the size of the training budget, which therefore varies greatly from year to year.

The total training budget has been shrinking steadily since the beginning of the decade, falling from almost 940 million euro in 2001 to less than 850 in 2004 in the total population. Between 2004 and 2005, in the reduced population, a further decline of almost 5 p.c. was recorded. Since staff costs increased by 2.3 p.c. over the same period, the indicator of firms' financial effort devoted to training (i.e. the ratio between the training budget and total staff costs) dropped by almost 7 p.c. Since the year 2000, when it peaked at 1.42 p.c., this indicator has steadily diverged further from the 1.9 p.c. target set in 1998. By applying to the 2004 level the change recorded between 2004 and 2005 in the reduced population, it is estimated at just 1.05 p.c. in 2005, a decline of around 0.30 percentage point compared to the 1998 level.

True, the subsidies granted by the regions and communities for worker training have increased during the last years, particularly since the introduction of the training vouchers and the extension of their use, which would thus help to reduce the training costs incurred by firms. However, the decline in the financial effort of firms has

TABLE 7 FORMAL TRAINING

	Training firms	Training cost		Training time		Workers in training
	(as p.c. of total firms)	(as p.c. of staff costs)	(average per hour, in euro)	(as p.c. of total hours worked)	(average per trainee, in hour)	(as p.c. of average employment)
Total population						
1998	7.5	1.34	44.5	0.75	33.1	33.0
1999	7.8	1.30	44.4	0.74	31.2	34.6
2000	7.6	1.42	43.0	0.86	35.3	35.1
2001	7.1	1.35	44.1	0.84	33.4	35.4
2002	7.2	1.26	46.1	0.78	31.3	35.0
2003	7.1	1.19	45.2	0.77	30.6	35.0
2004	6.9	1.13	46.5	0.73	28.3	35.9
Reduced population						
2004	8.6	1.27	48.1	0.81	29.1	39.4
2005	8.8	1.18	46.2	0.81	28.5	39.6
<i>p.m. Percentage changes</i>	2.0	-6.8	-3.9	0.4	-2.0	0.6

Source: NBB (social balance sheets).

coincided with a reduction in the proportion of working hours devoted to training, down from 0.86 to 0.73 p.c. between 2000 and 2005.

Only the proportion of trainees has remained steady at the level of five years ago. The number of employees given access to training increased from 522,000 in 1998 to around 600,000 in 2000 and 645,000 in 2004. The rise outpaced the growth of employment, so that the participation rate increased from 33 p.c. in 1998 to 35.1 p.c. in 2000 and 35.9 p.c. in 2004. In the reduced population, this proportion showed a further very slight rise of 0.6 p.c. between 2004 and 2005.

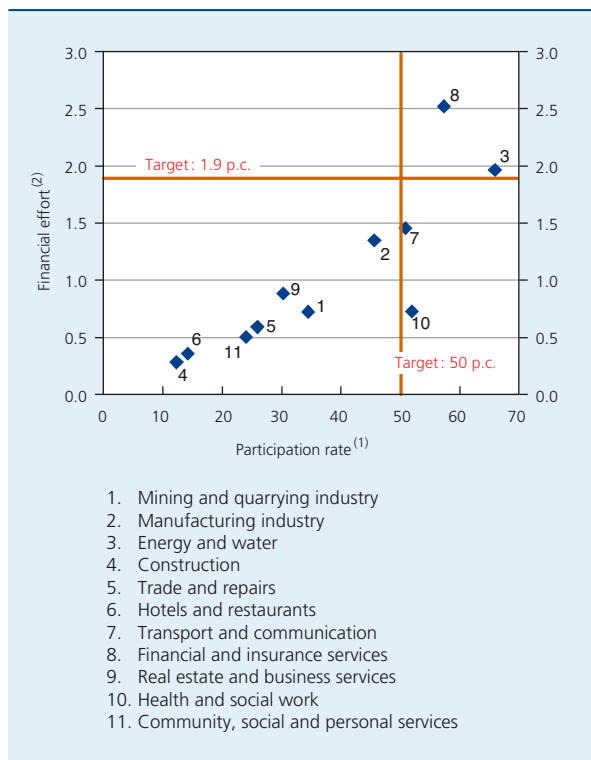
The overall target of training 50 p.c. of workers each year, set for 2010, is nevertheless still a long way off. For some branches of activity, however, it has already been achieved. That was the case, for example, in 2005, in the energy and water branch (66 p.c.), in financial and insurance services (57 p.c.), in health and social work (52 p.c.) and in transport and communication (51 p.c.). Conversely, other branches fell far short of this target,

such as construction and the hotel and restaurant branch (less than 15 p.c.), and likewise trade and community, social and personal services (around 25 p.c.).

Among the branches of activity with a participation rate close to or over 50 p.c., only two also fulfilled the financial target in 2005. In financial and insurance services, and in energy and water, investment in training represented 2.5 and 2 p.c. respectively of staff costs. The other branches fall well short of the 1.9 p.c. target. Performance ranges from barely 0.3 and 0.4 p.c. in construction and the hotel and restaurant branch, to 1.3 and 1.5 p.c. in manufacturing industry and transport and communication.

The relative position of the various branches of activity in terms of these two targets is very important in the context of the Generation Pact, which specifies that training efforts will be assessed annually. As soon as the new social balance sheet form will be introduced, the National Labour Council will examine each year whether the training target has been met (that target is currently 1.9 p.c. but may be revised annually in the future). If it has not, the effort made by the sectors will be assessed and sanctions will be applied if appropriate: an increased contribution in favour of training leave will be imposed in the branches of activity whose performance is unsatisfactory. The biennial social consultation will consequently have to make provision, at sectoral level, for stepping up the training effort, either in terms of the participation rate or in financial terms. The social partners may choose from various solutions, such as the granting of a fixed amount of training time per worker, individually or collectively, and the adjustment of contributions to a sectoral fund. Checks will be conducted per sector.

CHART 12 SITUATION OF BRANCHES OF ACTIVITY IN RELATION TO TRAINING TARGETS IN 2005
(Percentages, reduced population)



Source: NBB (social balance sheets).

(1) Workers given access to training, as a percentage of the total workforce.

(2) Training costs, as a percentage of staff costs.

5.2 Mentoring

The section of the social balance sheet relating to training, guidance and mentoring activities, in existence since 2002, records the number of persons over the age of 50 years receiving allowances for having halved their working hours and spending the time thus made available on the training of new workers in their firm or branch of activity.

There are very few firms supplying this information. In 2002 they numbered 328, or barely 0.5 p.c. of the total; the number then declined from 388 in 2003 to 381 in 2004. In the reduced population, the figures were 297 in 2004 and 310 in 2005.

In 2002, 5,631 training officers were recorded. This number increased to 7,702 in 2003, then dropped to 7,626 in 2004. The number of workers trained increased from 26,035 to 30,908 between 2002 and 2003, before dropping to 29,345 in 2004, or 1.6 p.c. of the total workforce.

According to the information obtained from the reduced population, the number of mentors and the numbers receiving mentoring increased significantly between 2004 and 2005, as did the volume of hours spent on these activities. The number of trainers increased from 6,598 to 6,896, a 4.5 p.c. rise. On average, these people spent almost 78 hours on these activities in 2005, compared to 73 hours a year earlier. The numbers of trainees increased by over 30 p.c. from 24,745 to 32,476 persons, representing 2.3 p.c. of the total workforce in 2005.

5.3 Training in the new social balance sheet form

The new social balance sheet form which will come into use shortly requires firms to supply a range of information on vocational training and initial training in enterprises.

Vocational training is intended to extend the knowledge and improve the skills of the firm's workers. It comprises the formal training defined above and informal training, covering other apprenticeship activities directly connected with job, organised according to the internal needs and requirements of the trainee's organisation. This includes, for example, workplace training, on-the-job training and job rotation, plus attendance at conferences and seminars, and private study. These activities are all ways of improving the workers' skills without recourse to formal training officers. However, they still generate costs for the employer, since – in the short term – the working time spent on these activities is lost to production. These costs, which are probably proportionately higher in certain firms, will in future be recorded in the social balance sheets in a special table relating to informal training. Here, firms will have to state the number of workers taking part in these activities, the working hours devoted to them and the costs incurred by the firm. The data will be broken down by sex. Conversely, the table concerning mentoring will be dropped.

Firms will also be required to fill in a similar table for initial training given to persons employed under schemes offering alternate periods of training and work experience, with the aim of gaining an official qualification or certificate.

These additions to the social balance sheet are connected with the assessment of firms' training policies, a task entrusted jointly to the National Labour Council and the Central Council of Economy at the October 2003 Employment Conference. For the purpose of performing that task, a "score board" with various training indicators obtained mainly from the social balance sheet and the labour force survey had been adopted. An updated version of this score board is included in the technical report of the Central Council of Economy published in November 2006.

Conclusion

This study has set out the provisional results taken from the social balance sheets for the year 2005. Since not all the social balance sheets were available in September 2006, it is based on a reduced population of 48,976 firms which filed their social balance sheet with the Central Balance Sheet Office before 25 September 2006.

In this reduced population, constructed according to the constant sample principle, employment grew by an average of 0.5 p.c. between 2004 and 2005. The movement in employment observed between 31 December 2004 and 2005 was of the same order of magnitude, but the rate of increase in the volume of labour expressed in FTEs declined during the year. A similar slowing down was seen for net recruitment during 2005, which fell by half against the previous year.

In small and medium-sized firms, employment expanded. In contrast, staff cuts were recorded in large firms. The workforce contracted further in industry. Employment remained stable overall in the trade, transport and communication branch. In the other branches it increased. There was a particularly marked rise in the other services branch, which include firms in the health and social work sector: these have recorded net job creation (including low skilled jobs) for a number of years. There was also sustained employment growth in construction.

In firms filing full-format accounts, there was an increase in the number of workers with higher education qualifications, while the number of workers with low or average skills declined. However, the latter still make up the bulk of the workers recruited. Examination of this recruitment shows that the workers taken on part time have a lower standard of education, on average, than full-time workers recruited, for whom there is a marked difference of profile according to sex: men are on average less skilled than female recruits. Taking firms as a whole, the female workforce grew by around 8,400 units during

2005, to represent 37.7 p.c. of total employment as at 31 December, while the number of men employed declined by around 1,400 units.

While net staff recruitment concerns proportionately greater numbers of full-time workers, changes in working arrangements for existing staff in favour of a part-time job contributed to the (almost 4 p.c.) rise in the percentage of part-time working in almost all branches of activity. The growth was more marked for men (6.2 p.c.) than for women (2.2 p.c.). This is partly due to the development of the time credit, which is increasingly used to achieve a better balance between work and family life, but also to ease the transition from working to retirement, particularly in large firms.

In the case of firms filing full-format accounts, changes to the contract of employment have also affected existing staff, with some temporary workers being offered permanent contracts. Despite the large net recruitment of temporary workers, the size of the temporary workforce actually varies very little, representing around 6 p.c. of total employment for the past three years. Staff turnover is in fact high in the case of temporary workers. However, it is also significant for staff on permanent contracts, since 12.8 p.c. of them left their employer in 2005.

The full-format social balance sheets can be used to assess the relative importance of the various types of flexible contracts, including agency work (3.3 p.c. of FTE employment in the reduced population in 2005) and staff on secondment (1.1 p.c.). Altogether, 9.2 p.c. of workers in these companies are employed under temporary contracts. The profile of these workers varies considerably by size of firm and branch of activity. Thus, small organisations favour agency workers, and large firms prefer

fixed-term contracts. Both industry and construction use mainly agency workers, though the proportions are very different. The service branches make more use of fixed-term contracts. Staff on secondment and substitution contracts are found mainly in the various service branches.

The wage bill increased by 2.3 p.c. between 2004 and 2005 in firms in the reduced population. Since the volume of labour declined by 1.3 p.c., hourly costs increased by an average of 3.6 p.c. Hourly labour costs vary considerably between branches. Wage dispersion is also uneven: the ratio between the average costs recorded in firms with the highest hourly costs and the average calculated for those with the lowest hourly costs varies from about 2 in construction and the hotel and restaurant branch to 3.9 in community, social and personal services, and in real estate and business services, actually reaching up to 5 in the energy and water branch.

Finally, in regard to training, the performance observed is still well below the targets set. The indicator of the financial effort devoted to training declined once again in 2005, by almost 7 p.c. If this percentage were applied to the level attained in 2004 for all firms, the training budget would represent only 1.05 p.c. of staff costs in 2005, against 1.42 p.c. in 2000. However, there was a further small increase in the training participation rate of workers between 2004 and 2005. Thus, it is estimated that 36 p.c. of workers had access to training in 2005, one percentage point more than at the start of the decade. In line with previous agreements, the Generation Pact adopted at the end of December 2005 stipulates that the first indicator should reach 1.9 p.c. in 2006 and the second 50 p.c. by 2010. The Pact stresses the need to define sectoral plans, failing which compensatory measures will be introduced.

Annex 1

Methodology for composing the populations of firms for the financial years 1998 to 2005 and characteristics of the reduced population used for the 2005 analysis

The populations of firms used to calculate the results set out in the tables and charts of this article consist of companies whose social balance sheets have passed certain tests concerning homogeneity, consistency and quality. The methodological principles which determine whether or not the firms are included in the population are the same for the years for which the accounts have been finalised (namely 1998 to 2004) and for the 2005 financial year for which an early closing date of 25 September 2006 was set.

1. Methodology for composing the populations of firms used for analysis

The use of the strict methodological principles defined in points 1.1 to 1.4 below for composing the basic populations inevitably reduces the number of firms included in the analysis, compared to the population of firms filing a social balance sheet for each of the years in question, as recorded in the aggregate data published by the Central Balance Sheet Office.

In addition, the classification of firms by branch of activity used in this article differs from that used by the Central Balance Sheet Office because the activity code in the business register⁽¹⁾ developed on the basis of the DBRIS databank was systematically preferred to the code allocated by the Central Balance Sheet Office. However, the resulting reclassifications only concerned a few firms.

Despite the exclusion of a number of firms, necessary in order to ensure that the historical data were reliable and consistent, the populations used for the years 1998 to 2004 are still amply representative of the total, as regards both the number of firms and the number of workers. The results obtained for those years may be regarded as representative for the entire employed population. However, there is a possibility that the aggregate data may be distorted by one-off events or by legal changes in some major companies. Those anomalies have not been corrected.

1.1 Duration and closing date of the financial year

In order to ensure the internal consistency of the social balance sheets and the uniformity of the period covered by the analysis, firms were only considered if they ended a 12-month financial year on 31 December.

1.2 Exclusion of some categories of firms or activities

The analysis takes no account of firms which – according to the national accounts – belong to the public sector and which mainly come under the branches L “General government” (mainly health insurance funds in the social balance sheet) and M “Education”, in order to keep as close as possible to the private sector concept in which firms behave in a more uniform way. In contrast, public enterprises⁽²⁾, such as the Post Office and the BNRC, are included in the reference population in the branches where they pursue their activities.

(1) The 2004 edition of the business register (containing a set of administrative information concerning the firms active during a particular year) was taken as the reference source for determining the branch of activity of firms for all years 1998 to 2005. The firms which do not appear in this register keep the activity code allocated by the Central Balance Sheet Office.

(2) The use of the 2004 business register as the reference for the whole period 1998-2005 implies the exclusion, from the basic populations, of the public transport operators “de Lijn”, “TEC” and “STIB”, which come under the public sector, in contrast to earlier publications where these firms were allocated to the private sector.

Private sector firms in the NACE-Bel division 80 "Education", and firms which do not pursue any visible activity or whose activities are not clearly defined and the extraterritorial organisations belonging to the private sector are also disregarded. Temporary employment agencies are also omitted in view of the specific character of this sector and the difficulty of identifying anomalies in their social balance sheets.

Finally, firms employing less than one FTE were left out of the analysis owing to the numerous errors in their social balance sheets.

1.3 Consistency between annual accounts and social balance sheets

To allow comparison between the annual accounts and the social balance sheet of firms obliged to file both these documents, the analysis only takes firms into account if those documents relate to the same population of employees, which means that firms where some of their employees work abroad or are not recorded in the staff register (statutory personnel) are excluded. In practice, this means that the items recording the workers employed, namely 1003 in the social balance sheet and 9087 in the annual accounts, have to tally. However, a small difference, less than 0.5 FTE, is tolerated.

1.4 Critical thresholds for some ratios

A large number of firms submit abnormal values for one financial year or another in respect of labour costs per hour or number of hours worked per FTE. Critical values have therefore been set for those ratios. In some cases, the thresholds have been made flexible to take account of situations specific to certain branches of activity. Firms which, for any given year, submit results with ratios outside those critical values are removed from the population for that year. On the basis of that criterion, a firm can therefore be excluded from the total population for one year but included for other years.

1.5 Adjustments to the items concerning training and temporary agency employment

The social balance sheet is a key instrument for measuring the training efforts made by firms; those efforts are regarded as essential both by the social partners and by the Belgian and European authorities. However, year after year, substantial and sometimes actually recurrent anomalies are found in the items relating to training (number of workers trained, hours of training and training costs). To eliminate those errors and still keep the social balance sheets as a whole for the firms for which the anomalies are found, the items relating to training are recorded as zero for those firms while the rest of the social balance sheet is kept intact. Two ratios are used to detect anomalies: the number of hours of training per trainee must not exceed 15 p.c. of the annual number of hours worked per FTE, while the average hourly training costs must not be more than five times higher than the average labour costs per hour. Conversely, no adjustments are made at all to the new items relating to mentoring introduced since the 2002 financial year.

The report on the use of agency workers by firms filing full-format accounts also contains anomalies in terms of average hourly costs or average working hours. The items relating to agency workers were also recorded as zero if anomalies were found, while the rest of the social balance sheet was left unchanged.

1.6 Composition of a constant reduced population for the 2004-2005 analysis

Developments between 2004 and 2005 are measured on the basis of a constant, reduced population. The reason for using a reduced population is the smaller number of firms which can be taken into account in the analysis at the time of the early closure. The use of a constant population is also necessary to measure the changes in certain variables. Comparison of the results obtained on the basis of a reduced population with those based on a total population could introduce a bias and distort the conclusions of the analysis. Consequently, the results presented in this article reflect the developments observed in a stable population and may differ from the picture that emerges after the final closure for the full population. The method adopted implies the loss of the information concerning firms which have not submitted

a social balance sheet, either in 2004 (recently established firms or firms taking on their first employee) or in 2005 (social balance sheet filed or processed too late, bankruptcy, merger, takeover, de-merger). Since the Central Balance Sheet Office gives priority to processing the annual accounts of large firms, the results based on the reduced population for 2005 lead to some distortion in favour of the large firms.

For the analysis of the 2005 results, the reduced population consists of the companies which, on 25 September 2006, had filed a social balance sheet for both 2004 and 2005, and which also satisfied the quality criteria applicable to all firms (see 1.1 to 1.5). Any firms affected by legal changes (merger, takeover, de-merger) were disregarded if they displayed inconsistencies in the staff movements recorded, or if abnormal changes were detected in regard to average labour costs per hour or average annual working hours, indicating incorrect recording of the implications of these legal changes.

At the end of the selection procedure, the reduced population consisted of 48,976 firms which together employed 1,441,506 workers in the year 2005 (see table 2 in annex 1). For some of these firms, the data concerning training and temporary work were implausible. If the errors could not be corrected in time by contacting the firms, and if these firms represented a considerable share of their branch of activity, all of the items relating to training and/or temporary work were recorded as zero, so as not to distort the developments observed in these branches.

The populations of firms for the financial years 1998 to 2004 have a different status from those for 2005. The tables in Annexes 3 to 9 therefore contain data in terms of levels for the years 1998 to 2004. The results for 2005 are shown mainly as percentage changes and reflect developments observed in the firms in the reduced population between 2004 and 2005. In some cases, however, the level data for the reduced population are stated for the years 2004 and 2005, to draw attention to any differences between the results obtained for the total population and those for the reduced population.

2. Characteristics of the reduced population used to analyse the social balance sheets for the financial year 2005

2.1 Representativeness⁽¹⁾

In 2004, the employees recorded in the staff register of firms included in the reduced population represented 54.5 p.c. of private sector employment as recorded in the national accounts⁽²⁾ and 79.6 p.c. of employees in all firms filing a social balance sheet for the year under review, although the number of firms included in the reduced population represents only 64.1 p.c. of the total population of firms.

Representativeness according to the employment criterion varies from one branch of activity to another. Expressed as a percentage of the total number of workers employed in the firms of the total population for 2004, the representativeness is lowest in the branches dominated by small firms, whose annual accounts are filed and/or processed later. That applies to agriculture, for instance, and the hotel and restaurant branch. These are also the branches with the largest number of unincorporated self-employed persons (who are consequently exempt from submitting a social balance sheet, even if they employ paid staff). Therefore, in terms of the percentage of employment recorded in the national accounts, these branches are decidedly unrepresentative.

(1) The representativeness of the reduced population is calculated with regard to both the national accounts (private sector) and the total population of firms. It therefore relates to the 2004 financial year, the last year for which the total population of firms having filed a social balance sheet is available.

(2) The concept of paid employment in the private sector used here corresponds to employment in the total economy (S1) less employment in the public sector (S13). That concept also omits workers employed in the branches L "General government", M "Education" and P "Domestic services", who are not taken into account in full in the social balance sheets.

TABLE 1 REPRESENTATIVENESS OF THE REDUCED POPULATION IN 2004

	Number of employees			Representativeness of the reduced population	
	In the private sector of the national accounts ⁽¹⁾	In the social balance sheet of firms in the total population ⁽²⁾	In the social balance sheet of firms in the reduced population ⁽²⁾	In p.c. of private sector employment	In p.c. of the total population
	(1)	(2)	(3)	(4) = (3) / (1)	(5) = (3) / (2)
According to the employment criterion					
Agriculture	26,338	9,844	6,034	22.9	61.3
Industry	609,911	472,437	416,821	68.3	88.2
Mining and quarrying industry	3,099	2,980	2,650	85.5	88.9
Manufacturing industry	582,168	447,087	392,105	67.4	87.7
Energy and water	24,644	22,370	22,066	89.5	98.6
Construction	188,493	133,057	103,215	54.8	77.6
Trade, transport and communication	806,469	565,435	455,297	56.5	80.5
Trade and repairs	469,503	303,890	242,816	51.7	79.9
Horeca	101,435	56,073	30,154	29.7	53.8
Transport and communication	235,531	205,472	182,328	77.4	88.7
Financial, real estate and business services	514,494	292,761	241,138	46.9	82.4
Financial and insurance services	127,500	115,335	103,826	81.4	90.0
Real estate and business services	386,994	177,427	137,311	35.5	77.4
Other services	484,965	326,966	211,187	43.5	64.6
Health and social work	384,449	288,003	183,581	47.8	63.7
Community, social and personal services	100,516	38,963	27,606	27.5	70.9
Total	2,630,670	1,800,501	1,433,692	54.5	79.6
According to the criterion concerning the number of firms					
	n.	76,417	48,976	n.	64.1

Sources: NAI, NBB (social balance sheets).

(1) The concept of paid employment in the private sector used here corresponds to employment in the total economy (S1) less employment in the public sector (S13).

Moreover, this concept excludes employees in the branches L "General government", M "Education" and P "Domestic services", who are not taken into account in full in the social balance sheets.

(2) Item 1001 + item 1002.

2.2 Characteristics of the reduced population in 2005

Of the 48,976 firms in the population used to analyse the situation in 2005, 938 firms, mainly belonging to the health and social work branch and to financial and insurance services, together employing around 270,000 workers, had filed a separate social balance sheet. Also, there were 39,952 firms which had submitted short-format accounts and employed 310,462 workers; this corresponded to an average of 7.8 employees per firm, compared to an average of 125.3 employees in the 9,024 firms filing full-format accounts. The firms which submitted accounts in the full format therefore represent 18.4 p.c. of the total number of social balance sheets and 78.5 p.c. of the total number of workers employed in firms in the reduced population.

For the purposes of the analysis, the firms filing a social balance sheet were classified by branch of activity and by size.

Manufacturing industry employs 26.9 p.c. of workers in the reduced population. The branches trade and repairs, health and social work, and transport and communication respectively account for 17, 13.2 and 12.5 p.c. of that workforce. The branches real estate and business services, construction, and financial and insurance services employ 9.9, 7.3 and 7.1 p.c. of workers respectively. The other branches are of rather minor importance; they each represent under 2 p.c. of the workers taken into account in this study.

TABLE 2 CHARACTERISTICS OF THE REDUCED POPULATION IN 2005

	Number of firms		Number of employees ⁽¹⁾ (annual average)	
	Units	In p.c. of the total	Units	In p.c. of the total
Firms filing a social balance sheet having met the selection criteria	48,976	100.0	1,441,506	100.0
of which:				
Firms filing a separate social balance sheet	938	1.9	270,487	18.8
Firms filing a social balance sheet as an annex to the annual accounts	48,038	98.1	1,171,020	81.2
of which:				
Firms filing short-format accounts	39,952	81.6	310,462	21.5
Firms filing full-format accounts	9,024	18.4	1,131,045	78.5
Breakdown of firms by branch of activity				
Agriculture	785	1.6	5,973	0.4
Industry	7,656	15.6	412,150	28.6
Mining and quarrying industry	76	0.2	2,621	0.2
Manufacturing industry	7,533	15.4	387,694	26.9
Energy and water	47	0.1	21,836	1.5
Construction	7,330	15.0	105,308	7.3
Trade, transport and communication	20,707	42.3	455,439	31.6
Trade and repairs	15,159	31.0	245,595	17.0
Horeca	2,398	4.9	30,138	2.1
Transport and communication	3,150	6.4	179,706	12.5
Financial, real estate and business services	9,515	19.4	244,152	16.9
Financial and insurance services	1,805	3.7	101,811	7.1
Real estate and business services	7,710	15.7	142,342	9.9
Other services	2,983	6.1	218,484	15.2
Health and social work	1,525	3.1	190,262	13.2
Community, social and personal services	1,458	3.0	28,221	2.0
Breakdown by size of firms⁽²⁾				
Small firms (no more than 50 FTEs)	45,664	93.2	419,750	29.1
Medium-sized firms (more than 50 to 250 FTEs)	2,674	5.5	299,735	20.8
Large firms (more than 250 FTEs)	638	1.3	722,022	50.1

Source: NBB (social balance sheets).

(1) Item 1001 + item 1002.

(2) Determined on the basis of the number of FTEs (item 1003) in 2004.

The classification of the firms by size is based on the average number of workers expressed in FTEs⁽¹⁾ recorded in 2004. Small firms with no more than 50 FTEs, i.e. 93.2 p.c. of the total, accounted for around 30 p.c. of the workforce in the reduced population in 2005, or an average of 9.2 workers per firm, while medium-sized firms employing 50 to 250 FTEs represented 2,674 firms and some 300,000 workers, which is 21 p.c. of the total. There were 638 large firms, i.e. those with over 250 FTEs, which employed around 722,000 persons in 2005, which represents an average of 1,132 workers per firm and more than half of the total number of workers employed in the firms considered.

(1) Item 1003 of the social balance sheet.

Annex 2

LIST OF SECTIONS AND DIVISIONS FROM THE NACE-BEL NOMENCLATURE OF ACTIVITIES USED FOR THE ANALYSIS

Title	Section	Division
Agriculture	A-B	01-05
Industry		
Mining and quarrying industry	C	10-14
Manufacturing industry	D	15-37
Energy and water	E	40-41
Construction	F	45
Trade, transport and communication		
Trade and repairs	G	50-52
Horeca	H	55
Transport and communication	I	60-64
Financial, real estate and business services		
Financial and insurance activities	J	65-67
Real estate and business services ⁽¹⁾	K	70-74
Other services		
Health and social work	N	85
Community, social and personal services	O	90-93

(1) Excluding temporary employment agencies (code NACE-Bel 74,502).

Annex 3

CHANGE, BETWEEN 2004 AND 2005, IN THE NUMBER OF WORKERS RECORDED IN THE STAFF REGISTER IN FIRMS IN THE REDUCED POPULATION

	In full-time equivalents			In persons						
	Average employment		Employment at the end of the exercise	Average employment						Employment at the end of the exercise
	(units)	(p.c.)		Full-time		Part-time		Total		
			(units)	(p.c.)	(units)	(p.c.)	(units)	(p.c.)	(p.c.)	
Agriculture	36	0.7	-1.7	12	0.3	-73	-4.1	-61	-1.0	-2.0
Industry	-5,421	-1.3	-1.2	-6,891	-1.8	2,220	5.3	-4,671	-1.1	-1.0
Mining and quarrying industry	-31	-1.2	-1.5	-54	-2.1	25	20.0	-29	-1.1	-1.5
Manufacturing industry	-5,058	-1.3	-1.3	-6,484	-1.8	2,073	5.1	-4,412	-1.1	-1.0
Energy and water	-332	-1.5	0.3	-353	-1.7	123	8.7	-231	-1.0	0.4
Construction	2,048	2.0	2.1	1,755	1.8	337	6.8	2,093	2.0	2.2
Trade, transport and communication	-1,627	-0.4	-0.6	-4,051	-1.2	4,193	3.6	142	0.0	-0.1
Trade and repairs	1,893	0.9	0.1	849	0.5	1,930	2.7	2,780	1.1	0.4
Horeca	-112	-0.5	-1.2	-70	-0.5	54	0.3	-16	-0.1	-0.7
Transport and communication	-3,408	-2.0	-1.5	-4,830	-3.2	2,208	7.5	-2,622	-1.4	-0.8
Financial, real estate and business services	1,895	0.9	0.7	-417	-0.2	3,431	5.5	3,014	1.3	1.5
Financial and insurance services	-2,623	-2.7	-2.3	-3,673	-4.6	1,658	6.7	-2,016	-1.9	-2.0
Real estate and business services	4,518	3.7	3.0	3,257	3.3	1,774	4.7	5,030	3.7	4.0
Other services	5,295	3.1	2.4	1,907	1.8	5,390	5.2	7,297	3.5	2.8
Health and social work	4,842	3.3	2.6	1,465	1.7	5,217	5.4	6,681	3.6	3.0
Community, social and personal services	453	1.9	0.8	443	2.2	173	2.3	616	2.2	1.1
Total	2,227	0.2	0.0	-7,684	-0.7	15,498	4.7	7,814	0.5	0.5

Source: NBB (social balance sheets).

Annex 4

HOURS WORKED BY WORKERS RECORDED IN THE STAFF REGISTER

	Units, per year (total population)									Percentage changes between 2004 and 2005 (reduced population)		
	1998	1999	2000	2001	2002	2003	2004			Per full-time equivalent	Per full-time worker	Per part-time worker
	Per full-time equivalent						Per full-time equivalent	Per full-time worker	Per part-time worker			
Agriculture	1,552	1,572	1,573	1,537	1,545	1,533	1,556	1,545	753	-1.8	-1.4	2.8
Industry	1,546	1,537	1,534	1,518	1,506	1,508	1,533	1,534	990	-1.2	-1.1	-0.9
Mining and quarrying industry	1,490	1,516	1,517	1,479	1,487	1,497	1,490	1,490	887	-1.9	-1.9	5.3
Manufacturing industry	1,549	1,539	1,540	1,523	1,510	1,512	1,539	1,541	989	-1.4	-1.3	-0.9
Energy and water	1,498	1,501	1,417	1,415	1,427	1,426	1,411	1,413	1,053	2.5	2.3	-1.1
Construction	1,430	1,469	1,461	1,439	1,428	1,432	1,465	1,461	899	-2.0	-2.1	2.5
Trade, transport and communication	1,713	1,711	1,677	1,640	1,626	1,616	1,605	1,606	899	-1.9	-1.9	-2.1
Trade and repairs	1,660	1,650	1,634	1,627	1,609	1,600	1,608	1,614	949	-0.7	-0.9	0.0
Horeca	1,634	1,621	1,624	1,580	1,590	1,567	1,562	1,535	635	-0.3	-0.3	-1.3
Transport and communication	1,811	1,827	1,739	1,666	1,656	1,648	1,608	1,604	1,033	-3.6	-3.1	-7.3
Financial, real estate and business services	1,628	1,613	1,601	1,588	1,552	1,541	1,551	1,568	870	-0.9	-0.7	-1.1
Financial and insurance services	1,573	1,534	1,529	1,501	1,428	1,426	1,436	1,465	876	-1.2	-0.3	-5.1
Real estate and business services	1,677	1,676	1,657	1,654	1,646	1,625	1,630	1,641	867	-1.1	-1.4	1.4
Other services	1,568	1,560	1,555	1,537	1,530	1,537	1,532	1,519	935	-1.2	-1.4	-0.7
Health and social work	1,564	1,555	1,549	1,530	1,524	1,530	1,525	1,507	944	-1.4	-1.6	-0.8
Community, social and personal services	1,598	1,600	1,595	1,583	1,581	1,594	1,583	1,580	828	0.2	-0.2	0.3
Total	1,598	1,595	1,584	1,562	1,547	1,545	1,552	1,552	916	-1.4	-1.4	-1.2

Source: NBB (social balance sheets).

Annex 5

BREAKDOWN OF WORKERS RECORDED IN THE STAFF REGISTER BY TYPE OF CONTRACT AND BY GENDER

(Percentages of total, data as at 31 December)

	1998	1999	2000	2001	2002	2003	2004	2004	2005	
	(total population)							(reduced population)		
By type of contract										
Permanent contract	93.1	92.9	93.1	93.5	93.8	93.9	93.9	94.6	94.6	
Fixed-term contract	5.2	5.5	5.4	4.9	4.9	5.0	5.0	4.4	4.5	
Agriculture	6.3	8.8	7.5	7.5	5.2	6.1	6.2	5.2	5.2	
Industry	4.7	4.6	5.2	4.2	3.9	3.6	3.8	3.8	3.8	
Mining and quarrying industry	3.4	4.5	6.1	5.6	5.8	6.0	6.1	6.4	7.0	
Manufacturing industry	4.6	4.5	5.1	4.0	3.7	3.4	3.7	3.7	3.7	
Energy and water	8.4	8.7	8.0	7.4	6.2	6.3	6.0	6.0	6.3	
Construction	3.0	3.2	3.1	2.1	2.7	2.7	2.7	2.3	2.3	
Trade, transport and communication	5.0	5.2	4.6	4.7	5.2	5.7	5.5	5.0	5.1	
Trade and repairs	4.4	4.7	5.1	5.6	5.6	6.0	5.7	5.6	5.7	
Horeca	7.2	8.1	9.9	8.9	9.7	11.4	12.6	10.6	10.5	
Transport and communication	5.3	5.0	2.8	2.5	3.7	3.7	3.2	3.2	3.3	
Financial, real estate and business services	4.5	5.0	4.7	4.1	4.1	4.2	4.0	2.8	3.0	
Financial and insurance services	4.3	4.9	4.8	4.4	3.5	2.9	3.0	3.0	2.8	
Real estate and business services	4.6	5.0	4.6	3.9	4.4	5.0	4.7	2.6	3.1	
Other services	8.2	8.9	8.5	8.3	7.6	7.6	7.7	7.4	7.4	
Health and social work	8.3	8.9	8.5	8.2	7.5	7.4	7.6	7.3	7.3	
Community, social and personal services	7.1	8.4	8.9	8.8	8.8	8.6	7.9	7.7	8.0	
Substitution contract	1.4	1.4	1.3	1.3	1.1	1.0	0.9	0.8	0.8	
Contract for a specific project	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.1	0.1	
By gender										
Male	62.6	62.1	62.9	61.7	61.0	60.7	60.6	62.7	62.3	
Female	37.4	37.9	37.1	38.3	39.0	39.3	39.4	37.3	37.7	

Source: NBB (social balance sheets).

Annex 6

BREAKDOWN OF EMPLOYMENT BY STATUS OF WORKERS IN FIRMS FILING FULL-FORMAT ACCOUNTS

(Percentages of average FTE employment)

	1998	1999	2000	2001	2002	2003	2004	2004	2005
	(total population)							(reduced population)	
Workers recorded in the staff register	96.3	96.5	96.2	96.5	96.6	96.4	95.8	95.7	95.6
Temporary agency workers	2.7	2.8	3.0	2.7	2.6	2.7	3.1	3.1	3.3
Agriculture	2.9	3.3	2.9	3.6	5.4	5.4	6.7	6.8	4.4
Industry	4.3	4.2	4.8	4.2	4.1	4.4	4.9	4.8	4.8
Mining and quarrying industry	2.9	2.9	4.1	3.3	3.7	3.1	2.4	2.2	2.4
Manufacturing industry	4.5	4.4	5.0	4.4	4.3	4.5	5.2	5.1	5.1
Energy and water	0.7	0.8	1.2	0.9	0.9	1.1	0.9	0.9	1.1
Construction	1.3	1.5	1.5	1.5	1.2	1.2	1.2	1.1	1.6
Trade, transport and communication	2.8	2.8	2.9	2.8	2.7	2.9	3.4	3.3	3.7
Trade and repairs	3.4	3.2	3.7	3.5	3.4	3.5	3.9	3.8	4.0
Horeca	3.8	4.3	6.1	5.0	4.7	4.0	4.0	3.8	4.2
Transport and communication	2.1	2.2	1.9	1.9	2.0	2.2	2.8	2.7	3.3
Financial, real estate and business services	1.6	1.9	2.0	2.0	1.8	1.7	2.0	1.8	1.9
Financial and insurance services	0.8	1.1	1.2	1.2	0.8	0.7	0.6	0.6	0.6
Real estate and business services	2.5	2.7	2.9	2.8	2.7	2.7	3.2	3.1	3.1
Other services	0.7	0.9	1.1	0.8	0.8	0.9	1.0	1.0	1.0
Health and social work	0.4	0.4	0.6	0.4	0.4	0.5	0.5	0.4	0.5
Community, social and personal services	4.5	5.7	5.3	5.1	5.2	5.1	5.2	5.4	5.4
Workers on secondment ⁽¹⁾	0.9	0.8	0.7	0.7	0.8	0.9	1.1	1.1	1.1

Source: NBB (social balance sheets).

(1) Workers recorded in a firm's staff register and seconded to another firm which is obliged to file a social balance sheet are counted twice.

Annex 7

STAFF COSTS PER FTE ⁽¹⁾

	Euro, per year (total population)							Percentage changes between 2004 and 2005 (reduced population)
	1998	1999	2000	2001	2002	2003	2004	
Agriculture	25,296	26,353	26,649	27,005	28,417	28,745	29,775	2.1
Industry	43,041	44,128	44,986	46,479	48,704	49,692	51,578	2.2
Mining and quarrying industry	37,942	38,998	39,958	41,812	43,941	45,628	46,147	1.2
Manufacturing industry	41,514	42,704	43,841	45,302	47,298	48,631	50,276	2.3
Energy and water	79,864	77,809	70,491	74,014	77,452	74,704	77,728	1.7
Construction	31,321	32,954	33,658	34,685	35,824	36,684	37,864	0.6
Trade, transport and communication	35,557	36,808	37,439	38,765	40,447	41,212	42,360	2.9
Trade and repairs	37,195	37,791	38,282	39,716	41,000	41,502	42,375	3.0
Horeca	23,844	24,467	24,753	25,152	26,504	27,499	28,233	1.7
Transport and communication	35,162	37,798	38,419	39,754	42,002	43,215	44,942	2.9
Financial, real estate and business services	51,517	52,630	53,570	55,160	56,140	56,860	57,475	1.8
Financial and insurance services	59,136	61,530	62,447	63,909	64,258	65,611	67,245	2.0
Real estate and business services	44,786	45,454	46,637	48,584	49,925	50,512	50,728	2.5
Other services	33,091	33,366	33,890	35,213	37,138	38,705	39,355	2.2
Health and social work	33,258	33,455	33,994	35,322	37,148	38,766	39,452	2.0
Community, social and personal services	31,802	32,698	33,166	34,423	37,058	38,250	38,688	3.3
Total	39,674	40,638	41,379	42,732	44,421	45,293	46,484	2.1

Source : NBB (social balance sheets).

(1) Item 1023 / item 1003.

Annex 8

STAFF COSTS PER HOUR WORKED ⁽¹⁾

	Euro (total population)							Percentage changes between 2004 and 2005 (reduced population)
	1998	1999	2000	2001	2002	2003	2004	
Agriculture	16.30	16.76	16.94	17.57	18.40	18.75	19.13	4.0
Industry	27.84	28.71	29.32	30.62	32.34	32.95	33.65	3.3
Mining and quarrying industry	25.46	25.73	26.35	28.27	29.56	30.48	30.96	3.2
Manufacturing industry	26.81	27.75	28.47	29.75	31.32	32.17	32.66	3.6
Energy and water	53.30	51.83	49.76	52.30	54.28	52.40	55.09	-0.7
Construction	21.91	22.43	23.03	24.10	25.08	25.61	25.85	2.6
Trade, transport and communication	20.75	21.51	22.32	23.64	24.87	25.50	26.40	4.8
Trade and repairs	22.40	22.91	23.43	24.40	25.48	25.94	26.35	3.7
Horeca	14.59	15.10	15.24	15.91	16.67	17.55	18.08	2.0
Transport and communication	19.42	20.69	22.09	23.86	25.37	26.23	27.96	6.8
Financial, real estate and business services	31.64	32.63	33.46	34.73	36.18	36.89	37.06	2.8
Financial and insurance services	37.59	40.10	40.84	42.58	45.00	46.02	46.82	3.3
Real estate and business services	26.70	27.12	28.14	29.37	30.32	31.08	31.12	3.7
Other services	21.11	21.39	21.79	22.92	24.27	25.18	25.68	3.4
Health and social work	21.27	21.52	21.94	23.09	24.38	25.34	25.87	3.5
Community, social and personal services	19.90	20.44	20.79	21.74	23.44	24.00	24.44	3.1
Total	24.82	25.48	26.12	27.36	28.71	29.31	29.94	3.6

Source: NBB (social balance sheets).

(1) Item 1023 / item 1013.

Annex 9

VOCATIONAL TRAINING IN FIRMS INCLUDED IN THE REDUCED POPULATION IN 2005

	Number of trainees			(in p.c. of the number of hours worked)	Hours of training			(in p.c. of staff costs)	Training costs		
	(in p.c. of employment as at 31 December)				(average per trainee, units)				(average per trainee, in euro)		
	Total	Male	Female		Total	Male	Female		Total	Male	Female
Agriculture	2.4	2.4	3.0	0.06	31.7	27.4	39.7	0.10	1,115	1,171	1,009
Industry	46.6	48.5	40.9	1.02	32.0	33.1	27.3	1.39	1,548	1,601	1,316
Mining and quarrying industry	34.5	35.1	32.8	0.63	26.0	26.1	25.8	0.72	985	967	1,216
Manufacturing industry	45.6	47.6	39.9	1.00	32.0	33.1	27.5	1.35	1,487	1,534	1,284
Energy and water	65.8	67.1	59.6	1.49	31.9	33.5	25.2	1.97	2,327	2,471	1,715
Construction	12.3	12.4	10.2	0.21	24.8	24.9	23.0	0.28	882	879	925
Trade, transport and communication	35.0	37.4	31.2	0.74	29.8	32.5	24.4	0.96	1,092	1,281	714
Trade and repairs	25.9	27.5	23.9	0.44	23.8	25.7	21.2	0.59	895	1,024	724
Horeca	14.2	12.9	15.7	0.17	13.6	14.7	12.6	0.36	557	611	511
Transport and communication	50.8	49.6	56.7	1.22	34.7	36.6	29.2	1.46	1,255	1,438	722
Financial, real estate and business services	41.5	43.6	38.5	0.95	31.3	34.0	27.6	1.69	2,175	2,295	2,016
Financial and insurance services	57.3	60.8	53.9	1.31	29.5	30.6	28.2	2.52	2,775	2,902	2,625
Real estate and business services	30.2	32.5	26.5	0.71	33.7	38.2	26.7	0.89	1,359	1,560	1,050
Other services	48.3	37.5	51.7	0.72	18.0	19.9	17.6	0.70	467	580	440
Health and social work	51.9	40.8	54.6	0.78	17.8	19.4	17.5	0.73	446	527	430
Community, social and personal services	24.0	29.1	18.3	0.36	21.2	21.6	20.6	0.50	776	773	783
Total	39.6	39.4	40.1	0.81	28.5	32.0	22.8	1.18	1,317	1,533	967

Source: NBB (social balance sheets).