

The social balance sheet 2003

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Introduction

Introduced in the 1996 financial year, the social balance sheet contains a consistent set of data on various aspects of employment in firms. This article presents the provisional results of the social balance sheet for 2003, obtained from the social balance sheets submitted before 9 September 2004. Where appropriate, these provisional results are compared with the final results obtained for the years 1997 to 2002. The results presented in this article concern all firms which, as at 31 December, had completed a financial year of a standard twelve-month duration and whose social balance sheet met the criteria concerning homogeneity, quality and consistency defined in the methodology for constituting populations of firms for the years 1997 to 2002, contained in Annex 1.

The first part of the article comments on the developments recorded between 2002 and 2003 in the social balance sheets of a reduced population of firms, the same for both years; the method of constituting the population (section 1.6) and the population's characteristics (section 2) are detailed in Annex 1. The use of a constant population permits analysis of the movement in a range of variables between the years 2002 and 2003, whereas comparison with the complete data relating to the year 2002, covering a much larger population, would introduce a bias which would distort the conclusions. However, the use of a constant population also imposes limits on the interpretation of what is happening. By definition, the firms in this population must have filed social balance sheets of adequate quality covering a twelve-month financial year ending on 31 December for two successive years. That automatically excludes new companies and bankrupt companies from the scope of the

analysis, possibly causing some discrepancies between the changes observed in the reduced population and those recorded in the total population. However, the adoption of this approach is justified in view of the excessive length of time required to obtain the information for all the firms and the safeguards offered by the representativeness of the reduced population.

The data in table III of the social balance sheet concerning the use of measures promoting employment were not analysed. Apart from the fact that the list is not entirely up-to-date, the comparison of the data content with the administrative statistics collected by agencies such as the NEMO and the NSSO suggests that they are not representative of the actual use of those measures. The analysis focuses on the movement in variables such as employment, labour costs and training, observed for all firms in the reduced population. As in other years, the tables in annexes 3 to 9 offer detailed data by branch of activity⁽¹⁾ (based on the breakdown supplied in Annex 2). In the majority of cases, these tables supply retrospective data for the years 1997 to 2002, as well as the movement recorded between 2002 and 2003.

The second part of the article places the analysis of the social balance sheets in a regional perspective. The methodology used to allocate the firms between the regions is specified at the beginning of this second section. Since the population used for the analysis of the 2003 figures is smaller than for the other years, the results were liable to be insufficiently representative at regional level. The year 2003 was therefore disregarded. The year 1997 was also

(1) It must be stressed that the results obtained for hotels and restaurants and for agriculture are probably less representative of real developments in those branches, owing to the high proportion of workers employed by self-employed persons who are not required to submit a social balance sheet.

omitted owing to the smaller number of social balance sheets of adequate quality relating to that year. The analysis presented in the second part of the article therefore puts in perspective the results recorded in the social balance sheets for 1998 to 2002. Annexes 10 to 12 contain a large part of the data used for this regional analysis.

1. The social balance sheet 2003

1.1 Employment

1.1.1 General characteristics of the trend in employment

The year 2003 brought a fairly sharp fall in the number of workers employed in the firms in the reduced population, with the total declining by 10,773 units, a fall of 0.8 p.c. However, the end-of-year change was smaller: -6,374 units, or -0.5 p.c. between 31 December 2002 and 2003, signalling a slackening of the pace of job losses. It should be remembered that these movements reflect only the change in the workforce recorded by firms in the reduced population, which is constructed according to the constant sample principle. They therefore take no account of jobs created in new firms, or of job losses resulting from firms going out of business during the 2002 and 2003 financial years.

This contraction in the volume of employment is due essentially to developments taking place in large firms, where the number of persons employed declined by 7,313 units between December 2002 and December 2003, and in medium-sized firms where the reduction totalled 1,730 units. In contrast, employment in small

firms expanded by 2,674 units, the bulk of the increase being recorded in firms with fewer than 10 FTEs.

The decline in the number of workers employed was particularly substantial in industry, where jobs thus continue to be lost. In contrast to the movement observed for firms as a whole, the rate of contraction in employment there actually accelerated during the year: thus, over 11,000 jobs disappeared in this branch of activity between December 2002 and December 2003, against 9,800 on average during the year. The large-scale switch to part-time working, up by over 13 p.c., although admittedly starting from a low average level, was not enough to curb the decline in the workforce. The cyclical downturn in employment was also particularly noticeable in the financial services and insurance branch, which accounts for over 90 p.c. of the job losses recorded in the financial, real estate and business activities branch, or around 2,500 workers. At the end of the year, the other branches of activity recorded a net increase in employment. The rise came to around 0.2 p.c. in trade, transport and communications (despite a marked fall in transport and communications) and 0.7 p.c. in construction. In agriculture, it reached 1.8 p.c. It was the other services branch that saw the largest increase, at 2.4 p.c. This was due to an increase in employment totalling over 6,000 units in the health and social work branch, while there was a slight decline recorded in social, community and personal services.

The volume of employment expressed in FTEs, rather than the number of workers employed, makes it easier to assess the volume of labour used in the economy, since it takes account of the shorter working hours of part-time workers. The level of employment expressed in FTEs declined by 1 p.c. during 2003, whereas employment expressed in the

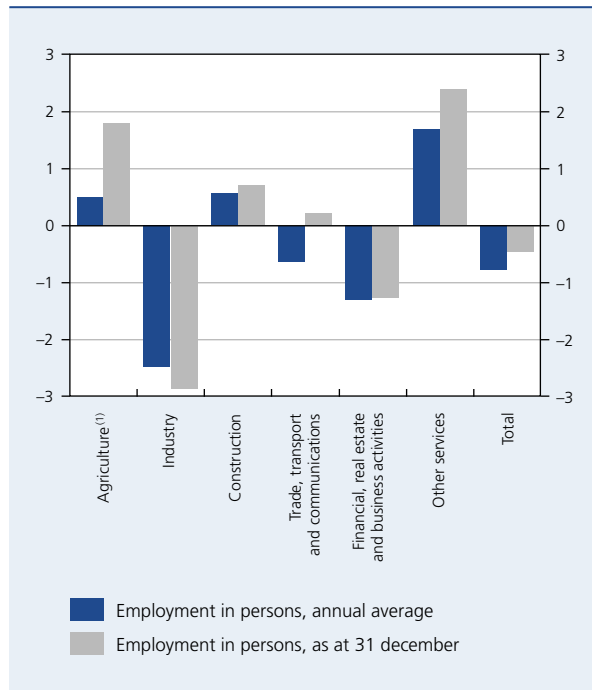
TABLE 1 DEVELOPMENTS IN EMPLOYMENT BETWEEN 2002 AND 2003
(Reduced population)

	In persons			In FTEs	Hours worked
	Full-time	Part-time	Total		
Annual average					
Units	-25,314	14,541	-10,773	-12,318	-
Percentages	-2.3	4.8	-0.8	-1.0	-1.0
As at 31 December					
Units	-25,012	18,638	-6,374	-8,716	-
Percentages	-2.3	6.1	-0.5	-0.7	-

Source : NBB (social balance sheets).

CHART 1 DEVELOPMENTS IN EMPLOYMENT BETWEEN 2002 AND 2003: BREAKDOWN BY BRANCH OF ACTIVITY

(Percentage changes, reduced population)



Source: NBB (social balance sheets).

(1) Data not very representative.

number of persons was down by 0.8 p.c. The volume of hours worked was down by a similar proportion to employment in terms of FTEs. Following a very sharp contraction between 2000 and 2002, the annual average working hours per FTE thus stabilised at slightly below 1,550 hours in 2002 and 2003, whereas the figure was still as high as 1,585 hours in 2000 and around 1,600 in 1997.

Part-time employment continued to expand between 2002 and 2003, with the number of employees working shorter than standard hours increasing by 18,638 units at the end of 2003 compared to the previous year, a rise of 6.1 p.c. At the same time, the number of full-time workers declined by over 25,000 units, or 2.3 p.c.

This expansion in part-time employment was observed for both male and female workers, at rates of 13 and 4 p.c. respectively. In the financial and insurance services branch, the number of men working part-time increased by almost 1,000 persons, representing a rise of around 38 p.c. In industry (2,600 persons) and in construction (420 persons), the rise was close on 25 p.c. or higher. In transport and communications, it was around 20 p.c. (2,300 workers) and in trade it was 10 p.c. (1,000 persons). Only

the agriculture and other services branches recorded a decline, though a very small one, in the number of men working part-time. However, part-time employment is still essentially a female phenomenon, as will become apparent later.

In firms filing full-format accounts, the increase of nearly 7,200 units in the male part-time workforce between 31 December 2002 and 2003 seems to correspond mainly to persons switching from full-time to part-time working. Examination of external staff movements, where only the full-format balance sheets indicate the profile of workers recruited or those whose contract ended during the year, in fact shows that the number of male part-time workers recruited was less than the number leaving these firms: they recorded net departures of male part-time workers totalling around 300 units. Conversely, in the case of female workers, one third of the increase in part-time employment recorded between 31 December 2002 and 2003 is attributable to the recruitment of new part-time workers.

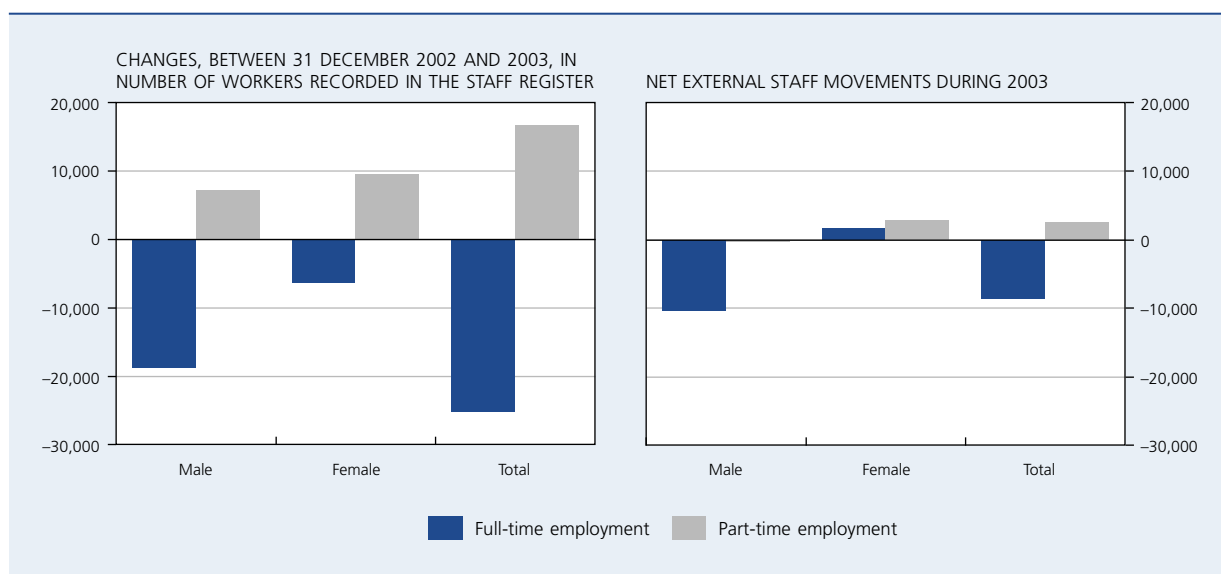
The large number of males switching from full-time to part-time work is due partly to the success of the time-credit scheme, particularly for workers over the age of 50 years. This caused a further rise in the male part-time employment rate of almost 14 p.c. between 2002 and 2003, while the figure had already risen by almost 50 p.c. between 1997 and 2002. During the same period, the female part-time employment rate increased from 41.2 p.c. in 1997 to 46.9 p.c. in 2002; the increase recorded between 2002 and 2003 came to 3.7 p.c. in firms in the reduced population.

Overall, in 2003, 23.8 p.c. of workers employed by firms in the reduced population worked part-time, compared to 22.3 p.c. a year earlier. During the same period, the average contractual working hours of part-timers increased from 60 p.c. of full-time hours to 61.4 p.c. The number of additional jobs created by sharing the volume of work among a larger number of workers by using part-timers therefore increased more slowly than part-time employment: in 2003 this figure represented 9.8 p.c. of employment in the reduced population, against 9.6 p.c. in 2002.

The profile of part-time workers revealed by the social balance sheets is therefore rather different from that of full-time workers. Altogether, women represented over 38 p.c. of workers employed in firms in the reduced population in 2003, but they accounted for almost 80 p.c. of part-time workers and only 26 p.c. of full-time workers. In households where both partners work, it is in fact still the women who perform the essential household duties. The same applies to single parent families, where

CHART 2 DEVELOPMENTS IN EMPLOYMENT DURING 2003 IN FIRMS FILING FULL-FORMAT ACCOUNTS: BREAKDOWN BY SEX AND TYPE OF WORKING ARRANGEMENT

(Persons, reduced population)



Source: NBB (social balance sheets).

the adult is a woman in the majority of cases. Moreover, the employers' aim of achieving greater flexibility in the volume of labour is doubtless also a factor in the

over-representation of women among part-time workers, owing to their more recent entry into the labour market. Also, flexible forms of employment contract, such as

TABLE 2 PART-TIME EMPLOYMENT BETWEEN 1997 AND 2003

(Percentages)

	Part-time employment rates as at 31 December			Average contractual working hours of a part-time job compared to a full-time job ⁽¹⁾	Additional jobs created by use of part-time workers ⁽²⁾
	Male	Female	Total		
Total population					
1997	5.7	41.2	18.5	55.6	8.9
1998	6.3	42.9	19.9	56.0	9.5
1999	6.8	43.6	20.7	56.5	9.9
2000	7.1	43.9	20.7	56.4	9.9
2001	7.4	45.4	21.8	56.9	10.4
2002	8.3	46.9	23.3	57.8	10.7
Reduced population					
2002	7.4	46.6	22.3	60.0	9.6
2003	8.4	48.3	23.8	61.4	9.8
<i>p.m. Percentage change</i>	13.9	3.7	6.6	2.2	2.3

Source: NBB (social balance sheets).

(1) Calculated on the basis of item "100", average number of workers.

(2) Difference, in percents, between the actual number of jobs (sum of full-time and part-time jobs) and the number of jobs which would have been necessary to achieve the same volume of labour using full-time workers only.

TABLE 3 PROFILE OF FULL-TIME AND PART-TIME WORKERS IN 2003

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

	Full-time workers	Part-time workers	Total
By sex			
Male	73.9	21.8	61.5
Female	26.1	78.2	38.5
By employment contract			
Permanent contracts ..	95.7	89.6	94.3
Temporary contracts ⁽¹⁾	4.3	10.4	5.7
By occupational status			
Manual workers	46.7	35.4	44.0
Clerical workers	50.8	63.4	53.8
Management staff	1.7	0.4	1.4
Other	0.8	0.8	0.8

Source: NBB (social balance sheets).

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

fixed-term contracts, replacement contracts or contracts concluded for a specific project concern proportionally more part-time workers than full-time workers: 10 p.c. of part-timers have this type of contract, as opposed to just 4 p.c. of full-time workers. Finally, 63 p.c. of part-time workers are clerical staff and only 35 p.c. manual workers; for full-time workers, the figures are 51 and 47 p.c. respectively.

1.1.2 Developments in employment in firms filing full-format accounts

The changes in employment as at 31 December, as indicated in table 1, actually conceal large-scale staff turnover. Taking firms in the reduced population as a whole, 404,000 new employment contracts were concluded in 2003, whereas around 407,000 contracts were terminated. More than two-thirds of these changes occurred in firms filing full-format accounts: those firms took on 265,000 new people during 2003, whereas around 271,000 workers left them in the same period. The full-format social balance sheets make it possible to analyse staff turnover by sex (as was done in the previous section, to find out about changes in male and female part-time working), by type of contract and also by standard of education. In addition, they provide a breakdown of staff departures according to the reasons for termination of the contract.

As in 2002, net staff departures in firms filing full-format accounts mainly concerned the lowest skilled workers, having a certificate of primary or secondary education, although the net departures were on a smaller scale than in the previous year. These net departures of low-skilled workers were not offset by net recruitment of highly skilled workers, which was also on a smaller scale than in 2002.

Analysis of net staff movements by standard of education since 1999, the year immediately following the start of the last economic cycle which began in the fourth quarter of 1998, reveals an increase in net recruitment up to 2000, followed by a slowdown in 2001 and net departures in 2002. The movement recorded between 2002 and 2003 suggests that the cycle has bottomed out where employment is concerned, and that there could be an increase in employment once again in 2004.

Since 1999, workers with only a certificate of primary education have benefited little from the cyclical upturn, as 2000 was the only year in which net recruitment of very low skilled workers was recorded. While the certificate for completion of secondary education offers a better chance of entry into the labour market, workers with this standard of education were also discarded once the cycle reached its peak. On the other hand, net recruitment of skilled workers who had completed higher education or university degrees was recorded during each year of the period under review, although the scale of that recruitment did vary according to the economic situation.

TABLE 4 STAFF RECRUITMENT AND DEPARTURES IN 2003
(Units, reduced population)

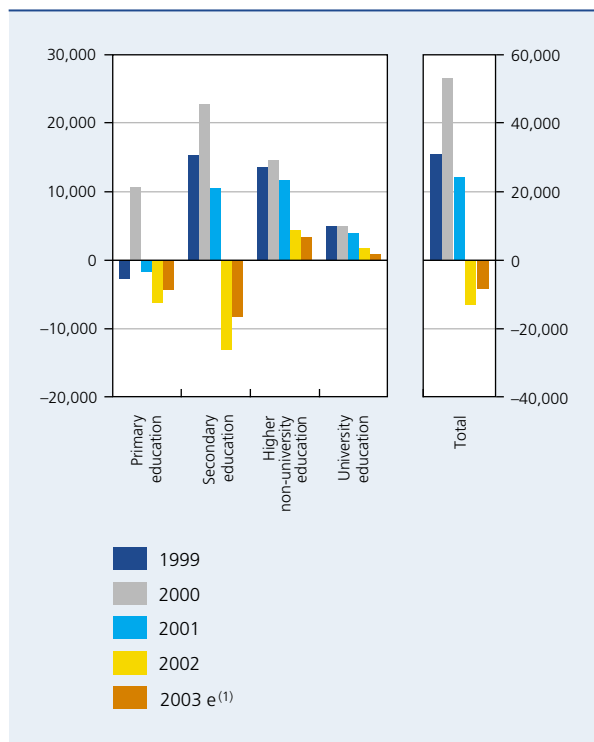
	2002	2003
Recruitment		
Total	378,220	404,233
of which: Full-format accounts	253,867	264,678
Departures		
Total	379,426	406,968
of which: Full-format accounts	263,196	270,687
Net recruitment		
Total	-1,206	-2,735
of which: Full-format accounts	-9,329	-6,009

Source: NBB (social balance sheets).

CHART 3

NET EXTERNAL STAFF MOVEMENTS IN FIRMS FILING FULL-FORMAT ACCOUNTS SINCE THE TURNING POINT IN THE CYCLE IN THE FOURTH QUARTER OF 1998: BREAKDOWN BY STANDARD OF EDUCATION

(Units, total population)



Source : NBB (social balance sheets).

(1) The results for 2003 were calculated by taking the change recorded between 2002 and 2003 for the reduced population and applying it to the value recorded for the total population in 2002.

In 2003, 271,000 ends of contract were recorded in firms in the reduced population filing full-format accounts, representing an increase of 2.3 p.c. against 2002. Of these departures, retirement was given as the reason for terminating the contract in almost 6,000 cases in 2003, an increase of 15 p.c. against the previous year. There was also a noticeable increase in early retirement, up by around 10 p.c. between 2002 and 2003. Together, these two reasons account for 6 p.c. of departures recorded in 2003 against 5.5 p.c. in 2002. Conversely, there was hardly any increase in the number of redundancies, up by 1.6 p.c., as – apart from retiring their staff – firms preferred to adapt the volume of labour by not renewing fixed-term contracts (133,000 contracts terminated, a rise of 9.4 p.c.). There was a marked decline in contracts terminated for other reasons, mainly natural wastage, which represented only 27 p.c. of staff departures, against 30 p.c. in 2002.

1.1.3 Staff structure according to type of employment contract

Although the decline in employment recorded between 31 December 2002 and 2003 affected firms in different ways depending on their size and their branch of activity, it did concern all types of employment contract. The number of contracts concluded explicitly or implicitly for a fixed term declined by almost 3,500 units, namely a fall of 1,312 units (-2 p.c.) in the case of fixed-term contracts, 1,968 units (-12.1 p.c.) for replacement contracts and 191 units (-11.9 p.c.) in the case of contracts concluded for a specific project. During the same period, the number of permanent contracts declined by around 3,000 units, or 0.2 p.c. of the total.

However, these movements are still marginal in view of the relative proportions of these various contracts, so that the staff structure remained more or less unchanged between 2002 and 2003 in firms in the reduced population. Workers on permanent contracts continue to represent the bulk of the workforce overall, or 94.3 p.c., against 94 p.c. a year earlier, despite the slight fall in their number. The proportion of fixed-term contracts dropped from 4.7 to 4.6 p.c., and replacement contracts were down from 1.2 to 1 p.c. Contracts concluded for a specific project are still the exception: in both 2002 and 2003, they represented just 0.1 p.c. of the workforce.

The renewed fall in the percentage of temporary contracts, which are concluded explicitly or implicitly for a fixed term, recorded between 2002 and 2003, is in line with the trend apparent in the total population since 1999, the year in

TABLE 5 STAFF DEPARTURES IN FIRMS FILING FULL-FORMAT ACCOUNTS: BREAKDOWN BY REASON FOR LEAVING (Reduced population)

	Percentages of the total		Units
	2002	2003	2003
Retirement	2.0	2.2	5,947
Early retirement	3.5	3.8	10,174
Redundancy	17.9	17.7	47,888
End of temporary contract ⁽¹⁾	46.3	49.2	133,183
Other reason	30.3	27.2	73,495
Total	100.0	100.0	270,687

Source : NBB (social balance sheets).

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

TABLE 6 WORKERS RECORDED IN THE STAFF REGISTER: BREAKDOWN BY TYPE OF EMPLOYMENT CONTRACT

(Data as at 31 December, reduced population)

	Percentages of the total		Units, changes between 2002 and 2003
	2002	2003	
Permanent contracts . .	94.0	94.3	-2,903
Fixed-term contracts . .	4.7	4.6	-1,312
Replacement contracts	1.2	1.0	-1,968
Contracts concluded for a specific project	0.1	0.1	-191
Total	100.0	100.0	-6,374

Source: NBB (social balance sheets).

which this figure peaked at 7.3 p.c. Since that year, the proportion of temporary contracts has fallen almost continuously: in all, the decline has totalled around 1 percentage point since 1999. All branches of activity recorded a decline, though in varying proportions. Thus, such contracts were down by over 3 percentage points in agriculture⁽¹⁾, 2 points in the other services branch (owing to a sharp fall in the case of health and social work), 1.8 points in financial, real estate and business activities, and 1.4 points in industry. The fall was more moderate in trade, transport and communications (-0.5 point) and in construction (-0.6 point), a branch with a particularly small percentage of temporary contracts.

While the management of fixed-term contracts is an important instrument for adjusting the resources of firms, particularly in a period when economic activity is slowing down or speeding up, the use of temporary agency workers also makes it easy to adjust the volume of labour to suit production requirements. Moreover, an increase in temporary work is one of the first signs of a revival in economic activity, owing to its flexibility of use.

The social balance sheet only collects information on the use of temporary work in the case of firms filing full-format accounts. However, in 2003, the volume of hours worked by temporary workers recorded in the 4,655 firms in the reduced population using temporary work represented over 40 p.c. of the total volume of labour recorded by Federgon, the federation of temporary work agencies. The information obtained from the social balance sheets can therefore be regarded as sufficiently representative for the purposes of the analysis.

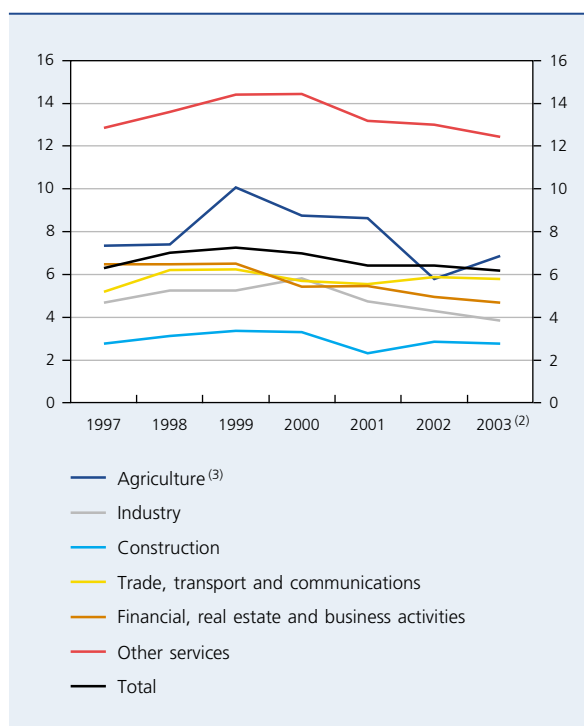
(1) Results not very representative.

Between 2002 and 2003, the number of hours worked by temporary workers in firms filing full-format accounts in the reduced population increased by 1.7 p.c. Taking account of a slight increase in the annual average working hours per temporary FTE (from 1,875 hours to 1,881 hours), the number of temporary workers increased by around 350 FTEs or 1.4 p.c. The proportion of temporary workers in total employment expressed in FTEs in firms in the reduced population thus increased from 2.6 p.c. in 2002 to 2.7 p.c. in 2003. This increase breaks the downward trend recorded since 2000, a year in which temporary workers had represented 3 p.c. of the FTE employment.

The expansion in the volume of temporary work was not uniform in all branches of activity. Financial, real estate and business activities actually recorded a fall of almost 6 p.c. In construction, a sector where the use of temporary workers on sites has only been permitted since 1 January 2002, the decline reached 3.5 p.c., against just 0.4 p.c. in other services. However, these three branches represented together

CHART 4 PROPORTION OF TEMPORARY CONTRACTS⁽¹⁾: BREAKDOWN BY BRANCH OF ACTIVITY

(Percentage of employment as at 31 December, total population)



Source: NBB (social balance sheets).

(1) Fixed-term contracts, replacement contracts or contracts concluded for a specific project.

(2) The results for 2003 were calculated by taking the change recorded between 2002 and 2003 for the reduced population and applying it to the value recorded for the total population in 2002.

(3) Data not very representative.

TABLE 7 TEMPORARY WORK IN FIRMS FILING FULL-FORMAT ACCOUNTS
(Reduced population)

	2002	2003
In percentage of the total		
Number of FTEs	2.6	2.7
Hours worked	3.1	3.2
Costs	2.2	2.3
In units		
Number of FTEs	27,772	28,157
Hours worked (thousands)	52,068	52,954
Hours worked per FTE	1,875	1,881
Costs per hour worked (euro)	21.59	22.15
In percentage of temporary work recorded by Federgon		
Number of FTEs	42.2	42.7
Hours worked	40.3	40.8

Sources : Federgon, NBB (social balance sheets).

less than 20 p.c. of the hours worked by temporary workers in user firms forming part of the reduced population in 2003. The biggest users are still the industrial sector, which in itself accounts for over half of the volume of temporary work, and the trade, transport and communications sector, which represented almost 30 p.c. of the total. In these two branches, the volume of labour performed by temporary workers increased by 2 and 4.6 p.c. respectively.

While the volume of labour increased by 1.7 p.c., the cost of using temporary workers went up by 4.4 p.c. for user firms as a whole. The hourly price of employing these workers therefore increased by 2.6 p.c., coming to 22.15 euro in 2003.

1.2 Developments in labour costs

The labour costs relating to all the workers recorded in the staff registers of firms in the reduced population increased by 1.6 p.c. between 2002 and 2003. Over the same period, employment expressed in FTEs contracted by 1 p.c. and the average number of hours worked per FTE remained unchanged, so that labour costs per FTE and per hour of work increased to a very similar degree, by 2.6 and 2.7 p.c. respectively, a rise similar to that recorded for temporary agency workers.

(1) Results not very representative.

The annual average cost per FTE thus increased from 44,874 euro in 2002 to 46,044 euro in 2003. Over the same period, the average hourly cost increased from 28.98 euro to 29.76 euro. The rise in hourly costs was smaller for full-time workers, at 2.5 p.c., than for part-time employment, for whom the increase was 4.8 p.c. In 2003, the hourly cost of a part-time worker therefore represented 88.2 p.c. of the cost of a full-time worker, against 86.2 p.c. in 2002. However, as already noted in the past, these divergent movements are not due to any unexpected increase in the cost of part-time workers but to a change in their characteristics. The expansion of part-time employment, which now concerns a larger percentage of skilled workers and, via the extension of the time credit scheme, older workers who are better paid than the average worker, is having structural effects, though these are difficult to quantify.

The increase in the hourly costs per FTE was more modest in large firms, at only 2.6 p.c., than in small and medium-sized firms, where it came to 3.1 p.c. Among the branches of activity, the steepest increases were recorded in agriculture (4.9 p.c.)⁽¹⁾, and in the other services branch (3.7 p.c.). In the latter branch, the rise mainly reflects the increase in hourly costs recorded in health and social work, where the net expansion in the volume of labour expressed in hours, namely 1.9 p.c., was accompanied by a sharp rise in labour costs reaching almost 6 p.c. In trade, transport and communications, hourly costs increased by 3.2 p.c. In industry and in the financial, real estate and business activities branch, the increase came to 2.7 and

TABLE 8 LABOUR COSTS RELATING TO WORKERS RECORDED IN THE STAFF REGISTER
(Annual averages, reduced population)

	2002	2003	Percentage changes between 2002 and 2003
Per FTE, in euro	44,874	46,044	2.6
Per hour worked, in euro			
Per full-time worker	29.58	30.31	2.5
Per part-time worker	25.50	26.74	4.8
Total	28.98	29.76	2.7
Hourly cost of a part-time worker in p.c. of a full-time worker	86.2	88.2	-

Source : NBB (social balance sheets).

2.5 p.c. respectively. Construction recorded the smallest increase, at less than 2 p.c.

1.3 Developments in training

Since the 2002 financial year, the social balance sheet has contained two sections on training. In principle, the first – which has been included from the start – deals only with formal training, i.e. training provided on premises reserved for that purpose in the firm or outside. It therefore excludes on-the-job training, mentoring and self-training, for example. The method of recording persons receiving training, and the hours and costs of training, is clearly defined in a methodological note available for firms on the Central Balance Sheet Office website⁽¹⁾. The second section is intended to identify the level of training, guidance and mentoring activities granted in accordance with the Law of 5 September 2001 aimed at improving the employment rate of workers. It is still difficult to assess the quality of the information contained in this second section, which was only applicable for the second year in 2003. Nonetheless, the social balance sheet once again represents a unique source of information on this question.

During 2003, 4,172 firms or 10.3 p.c. of the reduced population completed the items in the section on formal training for workers. This percentage has been rising steadily since the social balance sheet was introduced. Taking the total population, it increased from 6.7 to 7.3 p.c. between 1997 and 2002; this represented around 5,200 firms in 2002.

This increase reflects the fact that firms are paying greater attention to training for their staff, as well as to the transfer of information on their training policy. The biennial central agreement concluded at the end of 1998 had in fact set a quantitative target for workers' vocational training, in order to encourage initiatives. The target figure for the training budget of firms as a whole was set at 1.9 p.c. of the labour costs in 2004. Intermediate targets had been set, namely 1.4 p.c. for 2000 and 1.6 p.c. for 2002. The 1.9 p.c. target was repeated at the time of the Employment Conference in September and October 2003, where it was also agreed that an effort would be made to provide training for an additional 60,000 workers each year between now and 2010, so that, by that date, one in two workers would attend training every year.

To meet these targets, the training policy has to be unaffected by cyclical fluctuations: vocational training has to be encouraged regardless of whether activity is buoyant or slack. Quite obviously, that is not yet happening:

the training policy is still too sensitive to the economic situation. Training budgets are cut when there is a slow-down in activity, because they are probably seen as a cost control instrument which will not come to much harm in the short term, but it subsequently takes a long time for these budgets to be restored to their previous level.

The funds allocated to vocational training in the reduced population declined once again between 2002 and 2003. Overall, the fall came to 3 p.c. Expressed as a percentage of labour costs, training costs dropped from 1.26 p.c. in 2002 to 1.20 p.c. in 2003. Starting from a level of 1.34 p.c. of labour costs in 1998, an increase of just over 0.1 percentage point a year would have been needed to meet the target of 1.9 p.c. set for 2004, but the reduction recorded since 2001 negated the efforts previously made. The percentage represented by training costs in the labour costs of the reduced population in 2003 is comparable to the figure recorded for the total population in 1997. One factor here might be that firms have greater access to training schemes which are subsidised, and therefore less expensive. All the same, the other training indicators also came to an abrupt halt after 2000, and there is now a substantial cumulative shortfall in participation in training.

In the reduced population, 37.6 p.c. of workers had access to training in 2003, representing around 515,000 workers. This number is lower than in 2002, but as employment has also fallen the participation rate has remained virtually unchanged. However, this is not in line with the target pronounced at the Employment Conference.

After declining between 2000 and 2002, the number of hours of training expressed as a percentage of the total hours worked also remained more or less static between 2002 and 2003. On that date, time spent on training represented 0.83 p.c. of the hours worked in firms in the reduced population. The average time spent on training came to around 31 hours per person trained in 2003, at an average cost of 1,336 euro per trainee.

The section on training, guidance and mentoring activities records the number of persons aged over 50 years receiving allowances for halving their working hours and spending the time thus made available on training new recruits in their firm or branch of activity. In 2003, 327 firms in the reduced population, or less than 1 p.c. of the total, completed this section, against 276 a year earlier. The number of trainers recorded increased sharply, rising from 5,125 in 2002 to 6,075 in 2003, as did the number of persons receiving this informal type of training,

(1) http://www.nbb.be/BA/F/pdf/Mesures_d_emploi.pdf

TABLE 9 VOCATIONAL TRAINING

	Training firms (in p.c. of the total number of firms)	Number of trainees (in p.c. of employment as at 31 December)	Hours of training		Training costs	
			(in p.c. of the total hours worked)	(average per trainee, in hours)	(in p.c. of labour costs)	(average per trainee, in euro)
Total population						
1997	6.7	29.6	0.68	34.0	1.22	42.9
1998	7.5	33.3	0.75	32.9	1.34	44.3
1999	7.9	34.9	0.75	31.1	1.30	44.2
2000	7.6	35.2	0.86	35.3	1.41	42.8
2001	7.1	35.7	0.84	33.3	1.35	43.9
2002	7.3	35.1	0.79	31.3	1.26	45.8
Reduced population						
2002	10.0	37.6	0.83	31.2	1.26	43.9
2003	10.3	37.6	0.83	31.2	1.20	42.8
<i>p.m. Percentage changes</i>	2.2	0.1	0.5	0.2	-4.5	-2.5

Source: NBB (social balance sheets).

up from 21,758 to 26,123 workers over the same period, which represented 1.9 p.c. of the total workforce in 2003. Conversely, the volume of hours of training given by these workers aged over 50 years declined slightly so that, on average, each of them devoted only 116 hours of work to these activities in 2003, against 138 in 2002.

2. Regional breakdown of the social balance sheets

This article addresses the analysis of the social balance sheets from a new angle, based on a breakdown of firms filing a social balance sheet according to the region where they are located. The methodology for this breakdown is detailed in section 2.1. The other sections deal in turn with the analysis of the structure of employment, working hours and labour costs, types of employment contracts and, finally, training policy, according to the region where firms are located.

Since the population used for the 2003 analysis is smaller than for previous years, owing to the reduced number of social balance sheets submitted before 9 September 2004, the results for this year were liable to be insufficiently representative at regional level. The year 2003 was therefore disregarded in this analysis. Similarly, the year 1997 was omitted because there were too few social balance sheets of adequate quality for that year. The analysis presented in this part therefore

puts in perspective the results recorded in the social balance sheets for the years 1998 to 2002.

2.1 Methodology used

The method used for the regional breakdown consisted in allocating the whole of the social balance sheet of each firm to the region in which it recorded the greatest number of jobs, on the basis of the data collected by the NSSO in its data file of establishments compiled as at 30 June in the year in question.

For firms whose registered office and place(s) of business are located in the same region – i.e., single-region firms – the allocation to a region poses no particular problems. In 2002 there were 70,615 of these single-region firms, representing 98.5 p.c. of all firms filing a social balance sheet of adequate quality for that year. These are generally fairly small companies: on average, they employ fewer than 20 workers, while firms established in more than one region employ 460 workers on average.

For the multi-region firms, i.e. those located in more than one region, all the items on the social balance sheet were attributed to the region in which the firm records the largest number of jobs. This method was preferred to one based on a proportional allocation formula whereby the items on the social balance sheet of multi-region firms would be divided between the regions where they have

their registered office and places of business. It is easy to calculate such an allocation formula for jobs on the basis of the data collected by the NSSO, or for wages on the basis of the tax statistics, in line with the NAI's method for compiling the regional accounts. On the other hand, it is not possible at present to define a relevant allocation formula for a range of other variables, particularly the gender, working arrangements or type of contract of the workers. Similarly, there is no information available which would allow to breakdown vocational training or the number of temporary workers among the firm's various places of business. However, the behaviour of the firms on these issues may vary considerably from one region to another according to the specific characteristics of each establishment, the training supply and the availability of temporary agency workers.

Altogether, a choice between several regions was made for 1,067 multi-region firms in 2002. Of these, the companies with the majority of their jobs in Flanders totalled 535, and they accounted for 26.2 p.c. of workers employed by firms filing a social balance sheet and located exclusively or mainly in Flanders. In Wallonia and Brussels, the number of multi-region firms totalled 221 and 311 units respectively, representing 16.1 and 42 p.c. of the workers recorded in the social balance sheets of firms attributed to those two regions. In the 2002 financial year, the multi-region firms employed an average of 270 workers in Wallonia, 407 in Brussels and 570 in Flanders.

TABLE 10 REGIONAL BREAKDOWN OF FIRMS FILING A SOCIAL BALANCE SHEET IN 2002 ⁽¹⁾
(Total population)

	Number of firms	Number of workers recorded in the staff register	Labour costs
Brussels			
Units ⁽²⁾	9,305	301,552	15,108
In p.c. of the total	13.0	16.4	20.5
of which:			
Single-region firms	96.7	58.0	53.4
Multi-region firms	3.3	42.0	46.6
Flanders			
Units ⁽²⁾	44,566	1,161,960	45,386
In p.c. of the total	62.2	63.3	61.6
of which:			
Single-region firms	98.8	73.8	70.7
Multi-region firms	1.2	26.2	29.3
Wallonia			
Units ⁽²⁾	17,811	372,560	13,218
In p.c. of the total	24.8	20.3	17.9
of which:			
Single-region firms	98.8	83.9	80.4
Multi-region firms	1.2	16.1	19.6
Belgium			
Units ⁽²⁾	71,682	1,836,072	73,711
In p.c. of the total	100.0	100.0	100.0
of which:			
Single-region firms	98.5	73.2	68.9
Multi-region firms	1.5	26.8	31.1

Source: NBB (social balance sheets).

(1) Results based on a majority breakdown, which consists in allocating the social balance sheet of a firm to the region in which it records the largest number of jobs.

(2) Labour costs: millions of euro.

TABLE 11 REGIONAL REPRESENTATIVENESS ACCORDING TO THE EMPLOYMENT CRITERION IN 2002

(Units, unless otherwise stated)

	Number of employees			Representativeness ⁽¹⁾ (p.c. of the total)	
	In the social balance sheets ⁽²⁾		In the national accounts ⁽⁵⁾		
	Majority breakdown ⁽³⁾	Proportional breakdown ⁽⁴⁾			Difference
	(1)	(2)	(3) = (2) – (1)		(4)
Brussels	301,552	308,988	7,436	420,059	73.6
Flanders	1,161,960	1,093,429	-68,531	1,559,783	70.1
Wallonia	372,560	433,655	61,095	621,024	69.8
Total	1,836,072	1,836,072	0	2,600,866	70.6

Sources: NAI, NBB (social balance sheets).

(1) Based on the proportional breakdown.

(2) Total population.

(3) The majority breakdown consists in allocating a firm's social balance sheet to the region in which the firm records the largest number of jobs.

(4) The proportional breakdown consists in allocating all the items of a firm's social balance sheet between the regions where the firm is established, according to the number of jobs recorded there.

(5) Employment in the private sector: employment recorded 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".

This approach to the regional analysis naturally introduces distortions in the employment breakdown. According to the national accounts, which use a proportional breakdown entailing the allocation of employment recorded in a firm between the regions where it has establishments according to the NSSO data, the Flemish region has 1,093,000 jobs, or 69,000 fewer than according to the majority allocation method used in this article. Conversely, employment in Wallonia recorded in the national accounts is 61,000 units higher than that obtained on the basis of the majority allocation, while for the Brussels region the national accounts record 7,000 additional jobs. These divergences are due largely to the fact that firms active throughout Belgium are attributed to Flanders, which covers 44 p.c. of the territory but comprised 58 p.c. of the Belgian population as at 1 January 2004. Conversely, others are allocated to the Brussels region because their registered office is located there, and that is the central location for many services and therefore workers.

These distortions, due to the uneven distribution of the territory, population and economic activity of the country between the three regions, calls for certain reservations regarding the interpretation of the results. That is why the charts and tables in this section distinguish between multi-region firms and single-region firms for each of the regions. It is therefore still possible to compare the specific regional characteristics of firms operating in only one of the country's three regions without these results being

influenced by those of the large multi-region firms which are often active in all three regions.

Altogether, the 71,682 firms in the total population employed 1,836,072 workers in 2002, representing 71 p.c. of the number of employees in the private sector recorded in the national accounts. At regional level, after adjustment for the distortions resulting from the majority breakdown, the degree of representativeness came to 74 p.c. in Brussels, and to 70 p.c. in Flanders and in Wallonia. The slightly lower figures recorded in the Flemish and Walloon regions are possibly due to the absence of any obligation to submit a social balance sheet in the case of small non-profit organisations employing fewer than 20 FTEs, and self-employed persons with paid staff, who are probably more numerous there.

2.2 Structure of regional employment

The regional breakdown of the social balance sheets reveals certain economic characteristics specific to each of the regions.

In regard to single-region firms, Brussels is notable for a large concentration of activity in the branches "financial, real estate and business activities" and "trade, transport and communications", each of which represents 30 p.c. of total employment. Workers employed in the other services branch represent a quarter of the workforce and

those employed in industrial firms another 10 p.c., while construction is still a marginal sector of activity (3.6 p.c.) and agricultural employment is – not surprisingly – virtually non-existent. In some respects, the breakdown by branch of activity of the Flemish and Wallonian single-region firms is fairly similar: trade, transport and communications represent 25 p.c. of employment there; the “construction” and “financial, real estate and business activities” branches represent 8 to 10 p.c. of the total, and agriculture less than 1 p.c. On the other hand, industrial employment represents 34 p.c. of the total in Flanders, against just 28 p.c. in Wallonia, while the other services branch represents 21 p.c. of Flemish employment and 28 p.c. of Wallonian employment. While the community, social and personal services branch is of equal relative importance in the two regions, the health and social work sector is proportionally more important in Wallonia.

The breakdown of employment by branch of activity in multi-region firms partly reflects the distortions resulting from the regional breakdown method applied to the social balance sheets. Over half of the workers in multi-region firms located mainly in Brussels are active in the financial, real estate and business activities branch, mainly because the headquarters of banks and insurance companies are concentrated in the capital. The fact that the largest firms active in trade and in transport and communications are allocated to Flanders accounts for the high density (53 p.c.) of Flemish multi-region employment in that branch, whereas in Wallonia, less than 30 p.c. of jobs are

recorded in that sector. Conversely, industry accounts for 43 p.c. of multi-region employment in Wallonia, against just 22 p.c. in Flanders. The construction branch there is also relatively more developed, as is the financial, real estate and business activities branch, though the difference is less marked.

It is in single-region firms located in Brussels that the male/female breakdown of employment is the most balanced: women represent around 44 p.c. of employees here, whereas in Flanders and in Wallonia, they account for no more than 40 p.c.; the same applies in multi-region firms as a whole. For them, the Brussels region also differs from the other two regions by having a slightly higher proportion of female workers, namely 39.6 p.c., against 36 and 35.3 p.c. respectively in Flanders and Wallonia. The proportion of female workers in Brussels is partly due to the large number of service activities concentrated there. Moreover, those activities have expanded considerably in recent years, thus tapping the available labour supply which consists mainly of women.

2.3 Working hours and labour costs

In Belgium, the annual working hours per FTE averaged 1,550 hours in 2002. However, if this variable is considered at regional level, marked differences emerge: the average working hours are highest in single-region firms located mainly in Brussels, where they total 1,606 hours.

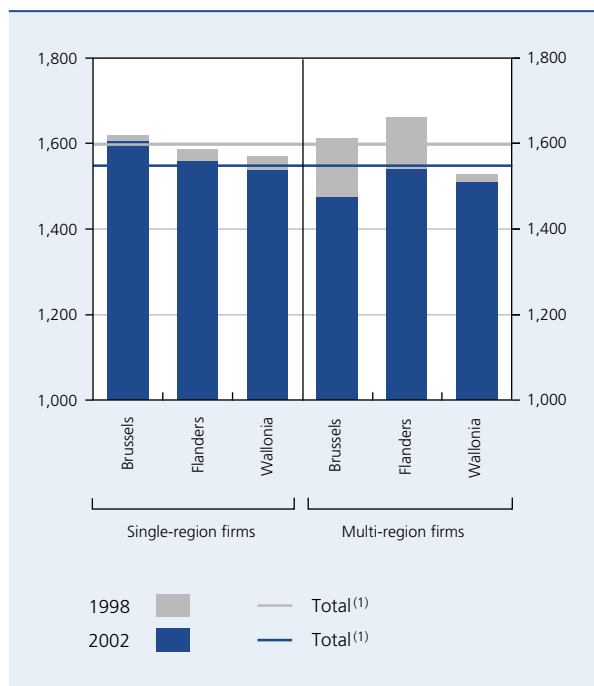
TABLE 12 STRUCTURE OF REGIONAL EMPLOYMENT IN 2002
(Percentages of the total, total population)

	Single-region firms			Multi-region firms			Belgium
	Brussels	Flanders	Wallonia	Brussels	Flanders	Wallonia	
By branch of activity							
Agriculture ⁽¹⁾	0.1	0.7	0.6	0.0	0.0	0.0	0.5
Industry	10.8	33.7	28.0	7.4	22.2	43.3	27.2
Construction	3.6	8.4	10.4	5.0	3.9	8.7	7.3
Trade, transport and communications	30.7	25.2	25.1	29.9	53.3	26.3	30.7
Financial, real estate and business activities	30.0	10.7	7.7	55.4	13.7	16.0	15.8
Other services	24.8	21.3	28.1	2.3	6.9	5.7	18.6
By sex							
Male	56.0	61.5	60.4	60.4	64.0	64.7	61.2
Female	44.0	38.5	39.6	39.6	36.0	35.3	38.8

Source : NBB (social balance sheets).

(1) Data not very representative.

CHART 5 WORKING HOURS PER FTE
(Annual averages, total population)



Source : NBB (social balance sheets).
(1) Single-region and multi-region firms in the three regions.

In Flemish single-region firms, the figure is 1,557 hours, or about twenty hours more, on average, than for their counterparts in Wallonia. Average working hours are generally shorter in multi-region firms, where the annual figure is 1,542 hours in Flanders, 1,511 hours in Wallonia and only 1,475 hours in Brussels.

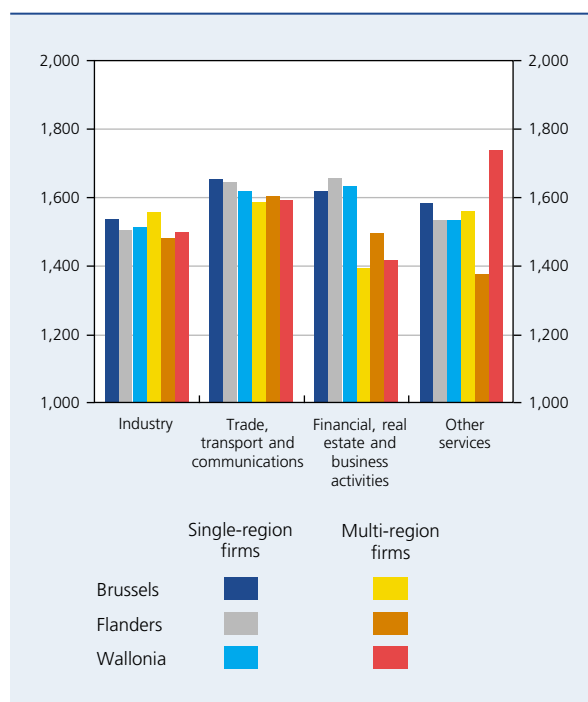
These divergences are due to structural differences in the economic fabric of each region. Thus, the annual average working hours in multi-region firms located mainly in Brussels are longer than those recorded in the other regions for industry and construction, and the same for the trade, transport and communications branch. On the other hand, they are significantly shorter than the figure recorded in Wallonia and longer than the Flanders figure in the other services branch. In particular, the working hours are shortest in the financial, real estate and business activities branch which accounts for over half the personnel employed in Brussels multi-region firms.

In single-region firms, the differences between the three regions are only minor at branch of activity level. The relative importance of each branch therefore explains most of the divergences apparent at overall regional level.

Since 1998, a reduction in annual average working hours has been seen in all categories of firms, but it was considerably greater in multi-region firms located mainly in Brussels and in Flanders, where the decline totalled 8.5 and 7.2 p.c. respectively, whereas the reduction was less than 2 p.c. in Wallonian multi-region firms. Overall, for the country as a whole, the decline came to 3.1 p.c.

The preponderance of financial and insurance services in economic activity in Brussels also influences the average cost of labour. This branch of activities is the one which, on average, records the highest hourly costs in the whole economy, except for the energy and water branch. The costs came to 45 euro per hour worked in 2002, against an average of 28.7 euro taking all branches of activity together. Thus, the hourly costs are highest in Brussels multi-region firms, at almost 40 euro, against approximately 31 euro in multi-region firms located mainly in the other two regions. Among the single-region firms, Brussels is once again the place where hourly costs are highest, at 31.7 euro per hour, compared to 26.9 and 24.6 respectively in Flanders and Wallonia.

CHART 6 WORKING HOURS PER FTE IN 2002 IN THE MAIN BRANCHES OF ACTIVITY
(Annual averages, total population)

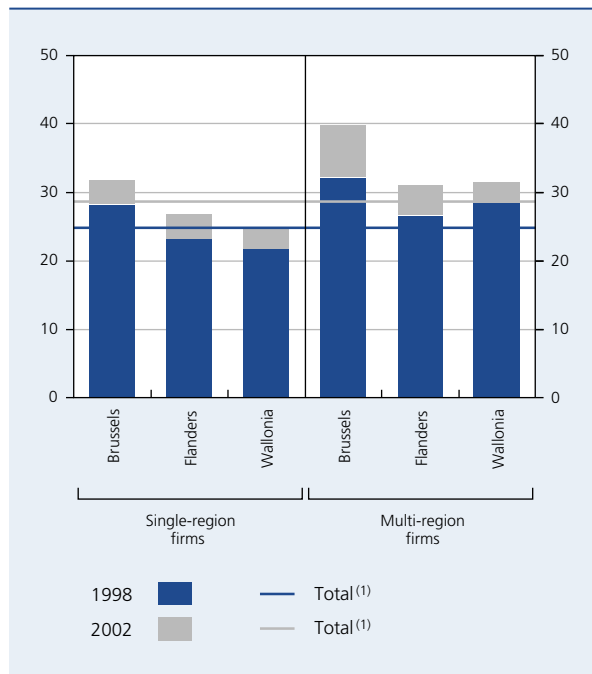


Source : NBB (social balance sheets).

As regards labour costs per hour worked, the regions are ranked in the same order in the various branches of activity in the case of single-region firms, in contrast to the results for working hours. These costs are still lowest in firms based in Wallonia and highest in Brussels. While the differences are fairly minimal between the various regions in industry, they are greater for the branches "trade, transport and communications" and "other services". The difference is greatest in the financial, real estate and business activities branch, where hourly costs in Brussels in fact come to 39 euro, against around 30 in Flanders and only 28 in Wallonia.

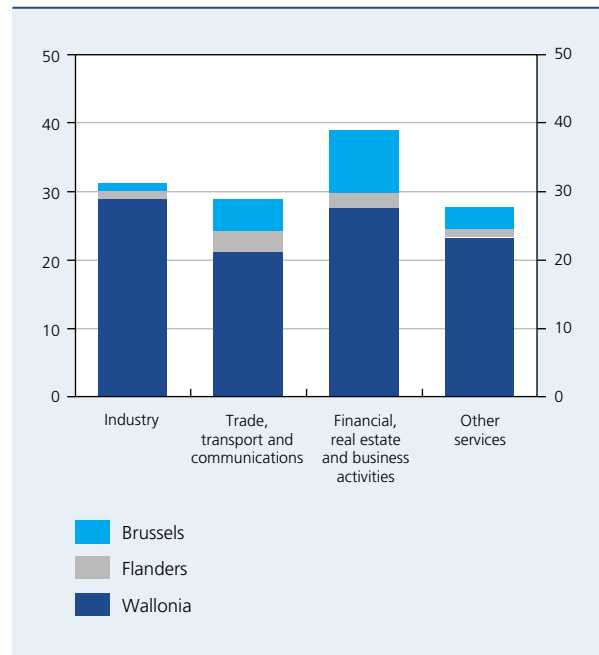
While hourly labour cost levels differ from one region to another, the movements recorded between 1998 and 2002 are relatively uniform. On average, the increase came to just over 15 p.c. In Flanders, this rise was slightly steeper since it came to 16 p.c. for both single-region and multi-region firms. Elsewhere, the rate of increase was more moderate, except in multi-region firms located mainly in Brussels, where hourly labour costs rose by 24 p.c. – though starting from a level which was already higher.

CHART 7 LABOUR COSTS PER HOUR WORKED
(Annual averages, total population)



Source : NBB (social balance sheets).
(1) Single-region and multi-region firms in the three regions.

CHART 8 LABOUR COSTS PER HOUR WORKED IN 2002
IN THE MAIN BRANCHES OF ACTIVITY IN
SINGLE-REGION FIRMS
(Annual averages, total population)



Source : NBB (social balance sheets).

2.4 Type of employment contracts

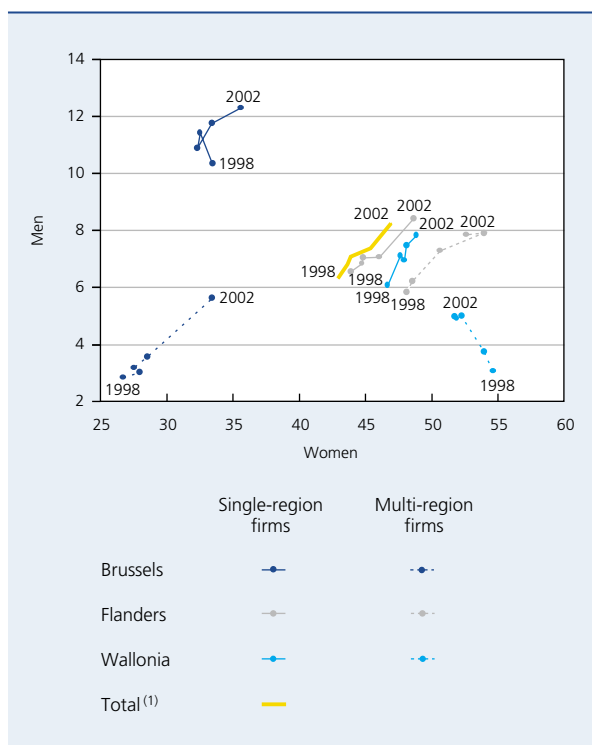
Part-time employment has been gaining in importance for many years now. Traditionally more common among women, it has also become recently more popular with male workers. In this regard, the behaviour of single-region firms based in Flanders and in Wallonia has been fairly similar since 1998, so that the part-time employment rates, both male and female, were the same at around 8 p.c. for men and 48 p.c. for women in 2002. While multi-region firms based mainly in Flanders followed a similar trend than the latter, those located mainly in Wallonia present an atypical picture : starting from what was admittedly a very high level, the female part-time employment rate declined there, dropping from almost 55 p.c. in 1998 to 52 p.c. in 2002. In contrast, male part-time employment rate, which was very uncommon, increased significantly in these firms.

Finally, firms located in Brussels stand out from the others by the relatively low proportion of female part-time employment recorded there. In 2002, around 35 p.c. of female workers in Brussels' single-region firms worked part-time, and fewer still in multi-region firms, whereas the national average was almost 47 p.c. Conversely, male part-time employment represented over 12 p.c. of the

CHART 9

CHANGES IN MALE AND FEMALE PART-TIME EMPLOYMENT RATES BETWEEN 1998 AND 2002

(Percentages of employment as at 31 December, total population)



Source : NBB (social balance sheets).

(1) Single-region and multi-region firms in the three regions.

male workforce in single-region firms in Brussels, whereas the figure was less than 8.5 p.c. in all other categories of firms.

While part-time employment is not noticeably more common in single-region firms located in Wallonia than in those operating in Flanders, the former make greater use than the latter of more flexible employment contracts, namely temporary contracts in the case of workers recorded in the staff register, and temporary agency work contracts for outside staff.

In firms operating exclusively in Wallonia, temporary contracts (i.e. fixed-term contracts, replacement contracts and contracts concluded for a specific project) represented 9.5 p.c. of the workers recorded in the staff register in 2002, whereas the figures were 6.5 and 5.3 p.c. respectively in single-region firms in Brussels and Flanders. Moreover, while this proportion declined there between 1998 and 2002, it increased by one percentage point in Wallonian firms.

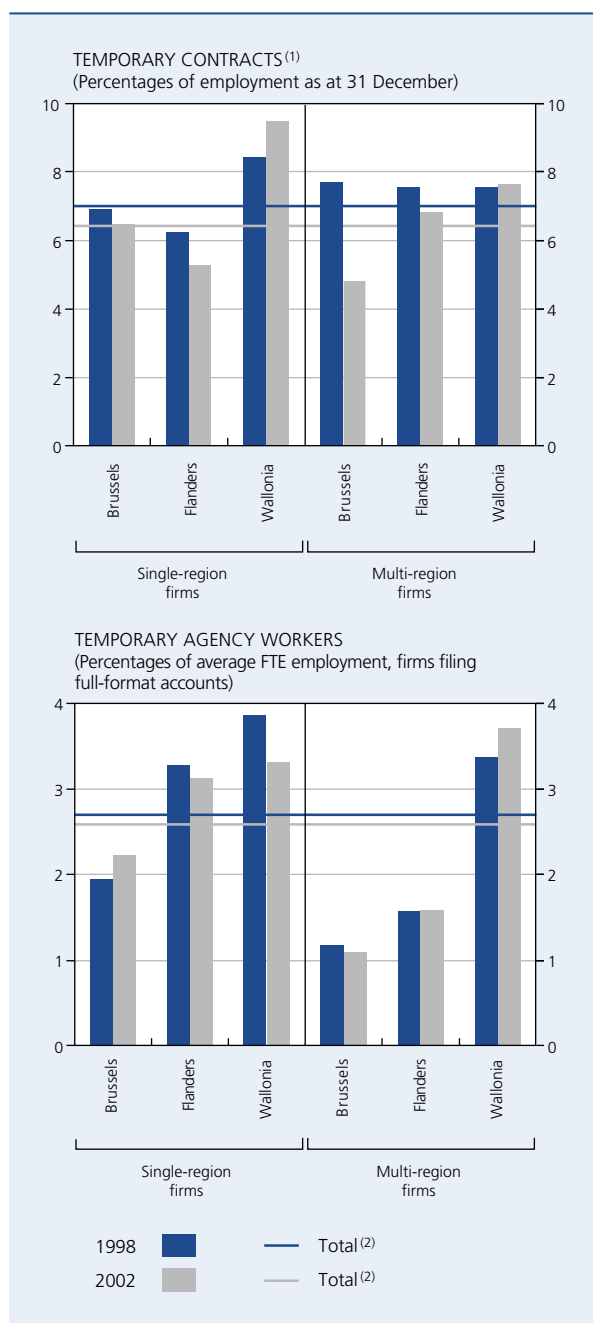
Temporary employment contracts are also more common in multi-region firms based mainly in Wallonia than in the other regions: 7.6 p.c. of workers there are employed under this type of contract, a rate which varied little between 1998 and 2002. In Flemish multi-region firms, a decline of 0.8 percentage point was recorded over that period, whereas in Brussels the proportion of temporary contracts dropped from 7.7 p.c. of the total in 1998 to under 5 p.c. in 2002.

Wallonian firms also make greater use of temporary agency workers. This type of arrangement, initially introduced to cope with a temporary excess workload, is now also widely used as an instrument for selecting new staff, since it transfers to the temporary agency part of the costs of recruitment and enables a firm to avoid taking on workers until they have proved their worth. It should be remembered that only firms subject to the obligation to file full-format accounts are required to provide information on the use of temporary agency workers. In Wallonia, temporary workers represented 3.7 p.c. of employment in terms of FTEs in multi-region firms and 3.3 p.c. in single-region firms in 2002, while the average for Belgium was 2.6 p.c. The level recorded in 2002, although high, is still lower than the figure applicable in 2000, a year in which economic growth was particularly strong. That year, the proportion of part-time workers had exceeded 4 p.c. of employment in terms of FTEs in Wallonia, as well as in the single-region and in the multi-region firms. This intensive use of temporary agency workers in Wallonia must be seen in the context of that region's greater specialisation in industry, particularly in the case of multi-region firms: industry is the branch employing over half of the temporary workers recorded in the social balance sheets as a whole.

Flemish firms make less use of temporary workers, and Brussels firms less still. Many of the multi-region firms located in Brussels in fact belong to the financial sector, which makes little use of temporary work: in all, it represented only just over 1 p.c. of the FTE employment in 2002. In Flemish multi-region firms, this proportion was not much higher, at 1.6 p.c. The reason for this low penetration is the presence of very large firms operating in the transport and communications sector, where the use of temporary agency workers is also uncommon. In single-region firms in these two regions, where economic activity is more diversified, temporary agency workers represent a larger proportion of FTE employment, namely 2.2 p.c. in Brussels and 3.1 p.c. in Flanders.

CHART 10 USE OF FLEXIBLE EMPLOYMENT CONTRACTS

(Total population)



Source : NBB (social balance sheets).

(1) Fixed-term contracts, replacement contracts or contracts concluded for a specific project.

(2) Single-region and multi-region firms in the three regions.

2.5 Training

While the nature of the activity influences the firm's training policy, size is the main factor explaining the differences between companies. There are in fact wide divergences in the level of the training indicators for large

multi-region firms and for single-region firms, which operate on a smaller scale.

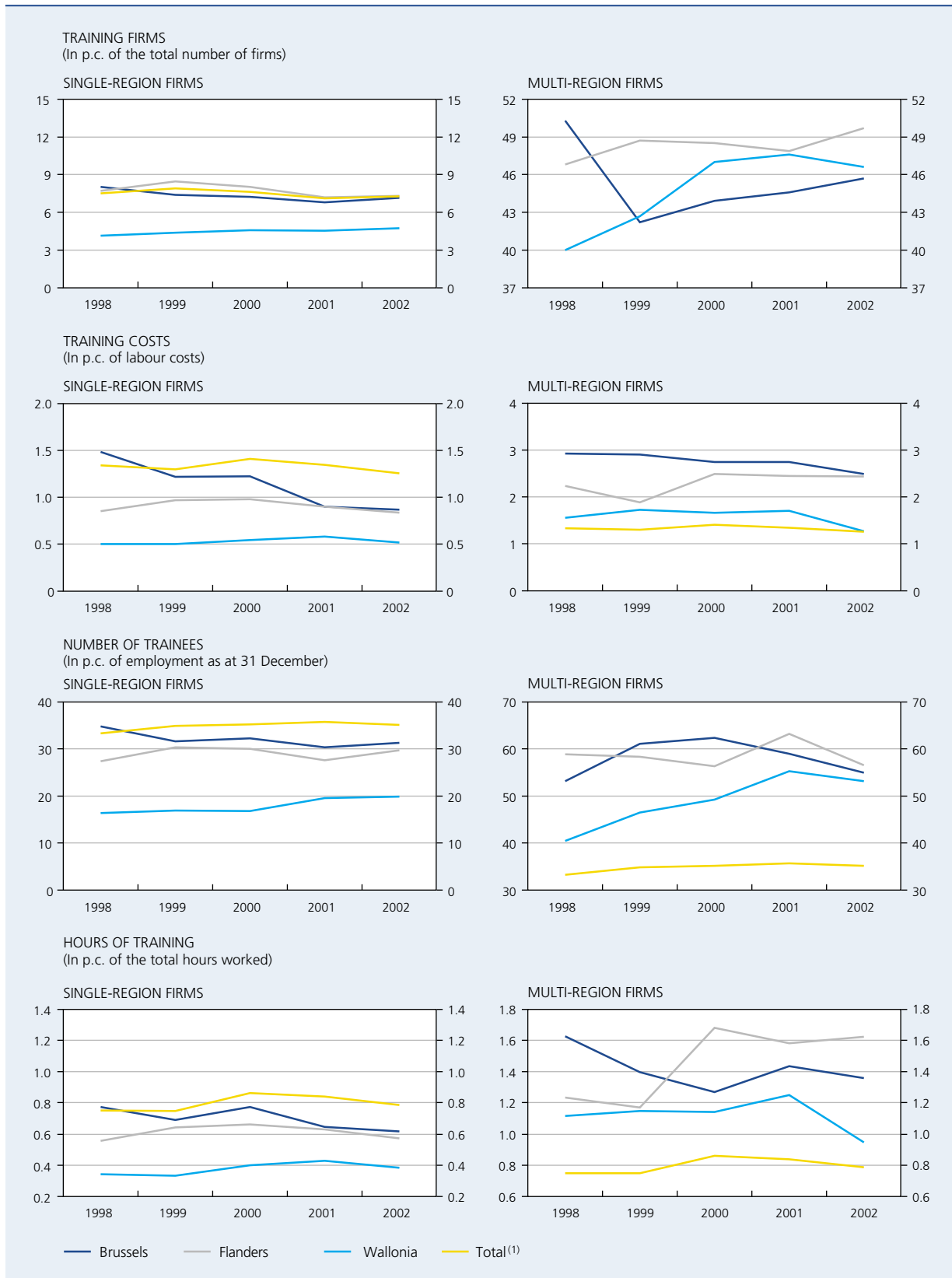
In 2002, 5,200 firms had provided information on their training policy, or 7.3 p.c. of all companies submitting a social balance sheet. In single-region firms, which employ an average of around 19 FTEs in each of the three regions, this figure was close to 7 p.c. in Flanders and Brussels, but less than 5 p.c. in Wallonia. For comparison, around half of multi-region firms, employing an average of 460 FTEs, gave information on their training efforts in their social balance sheet. In 2001, the proportion of multi-region training firms was the same in Flanders and in Wallonia, whereas Wallonian multi-region firms are, on average, only half the size of their Flemish counterparts. Nevertheless, this difference increased considerably in 2002, as the percentage of training firms increased in Flanders, to 49.7 p.c., but declined sharply in Wallonia, to 46.6 p.c. Nonetheless, this proportion in Wallonia remains above 45.7 p.c.

Expressed as a percentage of the workforce as at 31 December, the proportion of workers trained in multi-region firms is also very similar in the various regions. In this respect, Wallonia has achieved remarkable progress since the proportion of workers attending training increased continuously between 1998 and 2001, rising from 40.5 to 55.3 p.c., before dropping to 53.1 p.c. in 2002. In the other regions, progress was patchier. In Brussels, the participation rate increased from 53 p.c. in 1998 to 62 p.c. in 2000, before dropping back to 55 p.c. in 2002. In Flanders, the increase recorded between 2000 and 2001 was totally wiped out in 2002, a year in which 56.5 p.c. of the workforce had access to training.

In Wallonian single-region firms, the 3.5 percentage point rise in the participation rate between 1998 and 2002 was not enough to make up the shortfall in workers' participation in training, even though this rate hardly increased in the other two regions. In 2002 it came to around 30 p.c. in both Flanders and Brussels, whereas the rate was still just below 20 p.c. in Wallonia.

The fact that single-region firms in Wallonia are lagging behind firms in the same category in Flanders and Brussels does not appear to be due to the difference in economic structure, since – whatever the branch of activity – Wallonian firms record training participation rates which are lower, sometimes significantly lower, than those in the other two regions. Such a shortfall is also seen in terms of the relative duration and costs of training.

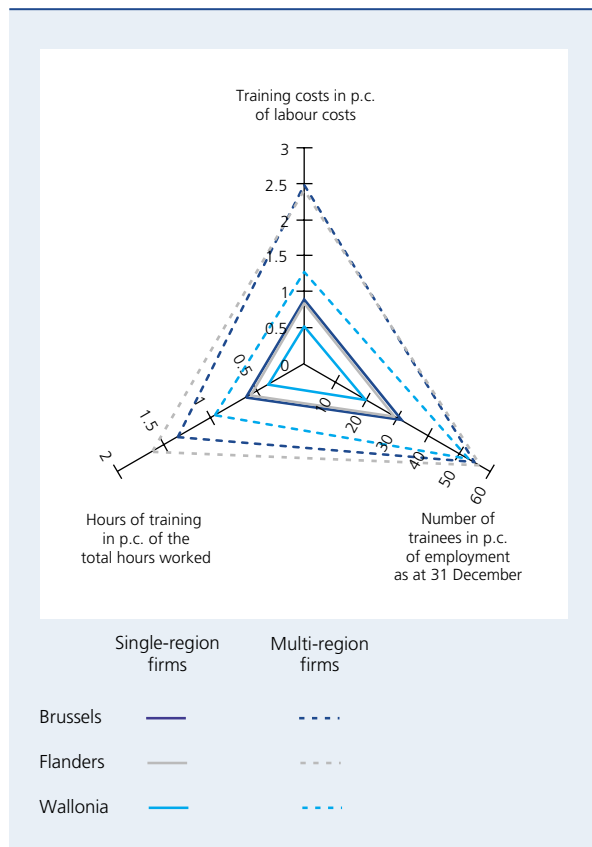
CHART 11 VOCATIONAL TRAINING
(Total population)



Source: NBB (social balance sheets).

(1) Single-region and multi-region firms in the three regions.

CHART 12 VOCATIONAL TRAINING IN 2002: REGIONAL DIFFERENCES
(Percentages, total population)



Source : NBB (social balance sheets).

For these last two indicators, Wallonian multi-region firms also achieve considerably lower scores than Flemish and Brussels companies. In the latter case, the differences are probably due partly to the smaller size of the Wallonian firms, as the gap between firms as regards training efforts expressed in hours and budgets is decidedly greater than the discrepancy in participation rates. The branch of activity also plays a key role for these multi-region firms. Firms in the financial services branch (located mainly in Brussels) and those in the transport and communications branch (attributed to the Flemish region) are major consumers of training, whereas industry (the branch of activity which is proportionally more important in Wallonia) spends less on this item.

Thus, according to the indicator of the duration of training, vocational training accounted for 0.95 p.c. of the total hours worked in Wallonian multi-region firms in 2002, against 1.36 p.c. in the Brussels region and 1.62 p.c. in the Flemish region. The gap between Wallonia and the other regions widened considerably between 2001 and

2002. In single-region firms, this indicator was relatively stable in the three regions. The level seen in Wallonia, namely 0.38 p.c. was around two-thirds of the level recorded in the other two regions, of around 0.60 p.c.

The cost indicator remained practically unchanged in Wallonian single-region firms between 1998 and 2002, as it increased by just 4 p.c., whereas over the same period the duration of training in proportion to the hours worked rose by 12 p.c. and the participation rate went up by 21 p.c. The more modest rise in the cost indicator is possibly due to the development of "training vouchers", introduced in Wallonia in 1998, which subsidise part of the training costs of SMEs. A similar subsidy scheme was not introduced in the Flemish region until 2002, so that its effects are probably not yet very apparent in the social balance sheets relating to that year. Overall, in 2002, the training budget represented 0.52 p.c. of the labour costs of Wallonian single-region firms, whereas the figures were 0.84 and 0.87 p.c. respectively in Flemish and Brussels firms. In the latter, the level attained in 2002 is less than 60 p.c. of the 1998 figure, revealing a steady decline in training efforts expressed in budget terms.

In multi-region firms, which are larger, the budget devoted to training is also proportionally higher than in single-region companies: thus, in Flanders and Brussels, training costs represented around 2.5 p.c. of labour costs, whereas Wallonia lagged well behind with a figure of around 1.3 p.c.

Conclusion

Introduced in 1996, the social balance sheet contains valuable information on firms' policies on employment, labour costs and training.

The first part of the article presented the provisional results obtaining by analysing the social balance sheets for the year 2003. Since the social balance sheets for that year are not all available as yet, the study was based on a reduced population, constructed in accordance with the constant sample principle. In this reduced population, employment decreased by 0.8 p.c. in annual average terms in 2003, but the rate of job losses slowed down slightly towards the end of the year. While full-time employment contracted, the number of part-time employees increased once again. In particular, male part-time employment was up by 13 p.c. Analysis of staff turnover, which is only possible for firms filing full-format accounts, indicates that this increase is due mainly to the conversion of full-time contracts to part-time contracts. Net departures of employees with low or medium skills slowed down between 2002 and

2003. Conversely, net recruitment of skilled staff remained below the previous year's level. Employers preferred to use the more socially acceptable ways of implementing staff reductions, as there was hardly any increase in redundancies between 2002 and 2003, in contrast to retirement (including early retirement) and non-renewal of temporary contracts. There was a decline in the number of temporary contracts overall. The number of permanent contracts also fell, but less steeply. The structure of employment by type of contract, where permanent contracts are decidedly dominant, therefore changed little. On the other hand, the use of temporary agency workers increased, thus confirming signs of an improving situation for firms in the reduced population.

Labour costs increased by 1.6 p.c. between 2002 and 2003. Since employment in FTEs was down by 1 p.c. on average and working hours per FTE remained unchanged, the costs per hour worked increased by 2.7 p.c., the rise being more marked in small and medium-sized enterprises than in those of large size.

The training policy continued to reflect the economic uncertainty confronting employers in 2002. The participation rate to training stagnated, as did the percentage of working hours devoted to the acquisition or maintenance of staff skills. The indicator of the financial investment of firms in favour of training, measured by the training budget expressed as a percentage of labour costs, decreased by 4.5 p.c. between 2002 and 2003 and amounts to 1.2 p.c. in 2003. This further decline negates the efforts made here in the late 1990s so that, overall, between 1998 and 2003, there was no progress towards the 1.9 p.c. target set in the 1998 central agreement.

The second part of the article highlighted the specific characteristics of firms operating in the three regions of the country; the social balance sheets were allocated between these three entities on the basis of the region in which the largest number of jobs is recorded. As regards the share of each region in total employment, this approach introduces distortions: for example, large firms established in the three regions of the country are

attributed to one region rather than another because their head office handles a range of activities centrally. The social balance sheets were therefore divided according to whether the firms operated in a single region or in more than one. A distinction was thus made between Brussels, Flemish and Wallonian single-region firms and multi-region firms operating predominantly in Brussels, Flanders and Wallonia.

This breakdown revealed the specific characteristics of each group of firms and the more or less large-scale influence of their economic activity on the regional results obtained for working hours or training policy, for example. However, the analysis presented is only an initial approach to the regional characteristics of firms via the social balance sheets. It needs to be developed in greater depth, particularly to gain a better understanding of the reasons for the differences recorded between firms in the three regions.

Thus, the average working hours recorded in the six groups of firms reflect the differences in the structure of activity since, within the individual branches of activity, working hours are relatively uniform in the various regions. That is less true as regards labour costs, at least for single-region firms, since hourly costs are systematically lower in Wallonian firms and higher in Brussels firms, even though the average size of the firms is the same.

As regards training policy, the Wallonian single-region firms are still lagging behind those in the other two regions, despite an improvement in the participation rate. In the case of multi-region firms, the poorer results in Wallonia are probably due in part to the smaller average size of Wallonian firms compared to those in the other regions, and to the preponderance of firms in the industrial sector, which traditionally devotes fewer resources to the training policy than a sector such as financial, real estate and business activities, a branch which accounts for 55 p.c. of the employment of Brussels multi-region firms, and the trade, transport and communications branch which represents over half of the workforce of Flemish multi-region firms.

Annex 1

Methodology for composing the populations of firms for the financial years 1997 to 2003 and characteristics of the reduced population used for the 2003 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 a list of 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 all the accounts are available (namely 1997 to 2002) and for the 2003 financial year where only the accounts submitted before 9 September 2004 were taken in consideration.

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

1.1 Duration and closing date of the financial year

In order to ensure the internal consistency of the social balance sheets and the consistency 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 are included in the population in the branches where they pursue their activities.

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 with some of their employees working abroad or not recorded in the staff register (statutory workers in public enterprises, for example) 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

Some firms submit abnormal values for one or more financial year 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 for one year but included for the other years.

The average *labour costs per hour* obtained by taking item 1023 divided by item 1013 should be between 10 and 100 euro. For restaurants and cafés, hairdressers, taxis and sheltered workshops, the lower limit is reduced to 7 euro.

The *annual number* of hours worked per FTE, obtained by taking item 1013 and dividing it by item 1003, must not be lower than 800 (except in building and civil engineering, where the limit is reduced to 600 hours) or higher than 2,200 (except in road haulage where this threshold is raised to 3000 hours).

1.5 Adjustments to the training items

At present, the social balance sheet is the only instrument for measuring the training efforts made by firms each year; those efforts are regarded as essential both by the social partners and by the 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 sheet 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 relative to mentoring introduced since the 2002 financial year.

The application of these strict methodological principles for composing the basic populations inevitably reduces the number of firms included in the analysis compared to the total number 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 sectoral classification of firms used in this article differs from that used by the Central Balance Sheet Office because the activity code in the business register developed by the NSI on the basis of the DBRIS-databank⁽¹⁾ 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 used were reliable and consistent, the populations used for the years 1997 to 2002 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.

1.6 Composition of a constant population for the 2002-2003 analysis

Developments between 2002 and 2003 are measured on the basis of a constant, reduced population. The reason for using a reduced population is the reduced number of firms that had submitted their social balance sheet before 9 September 2004. 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 full 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 which 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 2002 (recently established firms or firms taking on their first employee) or in 2003 (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 2003 lead to some distortion in favour of the large firms.

(1) The business register developed by the NSI for 2002 (containing a set of administrative information concerning the firms active during a particular year) was taken as the reference source. This means that a firm retains the same activity code for the full seven years of the analysis so long as it is included in the register drawn up by the NSI for 2002. If not, the firm keeps the activity code allocated by the Central Balance Sheet Office for the years in which it is included in the population.

For the analysis of the 2003 results, the reduced population consists of the companies which, on 9 September 2004, had filed a social balance sheet for both 2002 and 2003, and which also satisfied the quality criteria applicable to all firms (see 1.1 to 1.5). In addition, 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 those legal changes.

At the end of the selection procedure, the reduced population consisted of 40,630 firms which together employed 1,371,916 workers in the year 2003 (see table 2 in annex 1).

The populations of firms for the financial years 1997 to 2002 have a different status from those for 2003. The tables in annexes 3 to 9 therefore contain data in level for the years 1997 to 2002; for 2003, they show mainly percentage changes which reflect developments observed in the firms in the reduced population between 2002 and 2003. In some cases, however, the level of the results for the reduced population is stated for the years 2002 and 2003, so that attention can be drawn to the possible differences between the results obtained in 2002 for the total population and for the reduced population.

2. Characteristics of the reduced population used to analyse the social balance sheets for the financial year 2003

2.1 Representativeness

In 2002, the employees recorded in the staff register of firms included in the reduced population represented 53.3 p.c. of private sector employment as recorded in the national accounts⁽¹⁾ and 75.3 p.c. of employees in all firms filing a social balance sheet, although the number of firms included in the reduced population represents only 56.7 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 2002, the representativeness is lowest in the branches where self-employed persons with paid staff, who are exempted from submitting a social balance sheet, are numerous as well as in branches dominated by small firms, which generally file their annual accounts later. That applies in agriculture, for instance, and in the hotel and restaurant branches. The low representativeness of the energy and water sector is due to the fact that, as an exceptional case, a very big firm is missing from the reduced population because of a change of legal status in 2003.

2.2 Characteristics of the reduced population in 2003

Of the 40,630 firms in the population used to analyse the situation in 2003, 1,120 firms – mainly belonging to the health and social work branch and to financial and insurance services, together employing around 300,000 workers – filed a separate social balance sheet. Also, the 32,121 firms which submitted accounts in the abbreviated format employed 260,313 workers; this corresponded to an average of 8.1 employees per firm, compared to an average of 130.6 employees in the 8,509 firms filing full format accounts. The firms which submitted accounts in the full format therefore represent 20.9 p.c. of the total number of social balance sheets and 81 p.c. of the total number of workers.

For the purposes of the analysis, the firms were classified by branch of activity and by size, the latter measured by the average number of employees expressed in FTEs.

(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). 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 2002

	Number of employees			Representativeness of the reduced population	
	In 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 the national accounts	In p.c. of the total population
	(1)	(2)	(3)	(4) = (3) : (1)	(5) = (3) : (2)
According to the employment criterion					
Agriculture	28,243	8,451	4,916	17.4	58.2
Industry	631,929	498,823	395,818	62.6	79.4
Mining and quarrying	3,049	2,902	2,578	84.6	88.8
Manufacturing industry	603,125	472,692	384,353	63.7	81.3
Energy and water	25,755	23,228	8,887	34.5	38.3
Construction	187,061	133,727	92,648	49.5	69.3
Trade, transport and communications	804,757	564,008	432,028	53.7	76.6
Trade and repairs	451,718	294,699	215,654	47.7	73.2
Horeca	99,338	48,874	25,073	25.2	51.3
Transport and communications	253,701	220,435	191,300	75.4	86.8
Financial services, real estate and business activities	491,664	290,093	214,114	43.5	73.8
Financial and insurance activities	130,699	119,883	90,372	69.1	75.4
Real estate and business activities	360,965	170,211	123,743	34.3	72.7
Other services	451,878	340,970	243,165	53.8	71.3
Health and social work	353,831	301,765	218,966	61.9	72.6
Other community, social and personal service activities	98,047	39,205	24,199	24.7	61.7
Total	2,595,532	1,836,072	1,382,689	53.3	75.3
According to the criterion concerning the number of firms	n.	71,682	40,630	n.	56.7

Sources: NAI, NBB.

(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 the social balance sheets.

(2) Item 1001 + item 2002.

Manufacturing industry employs 27.3 p.c. of workers in the reduced population. The health and social work branch and trade each account for roughly 16 p.c. of employees. The transport and communications firms employ 14 p.c. of the workers, the real estate and business activities branch 9 p.c., while construction and financial and insurance services account for 6.8 and 6.4 p.c. 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.

The classification of the firms according to the number of employees is based on the average number of workers expressed in FTEs recorded in the staff register in 2002.⁽¹⁾ Small firms with no more than 50 FTEs, i.e. 92 p.c. of the total, accounted for rather more than a quarter of the workers in the reduced population, while medium-sized firms employing 50 to 250 FTEs represent 2,583 companies and almost 290,000 workers, which is 21 p.c. of the total. There were 654 large firms, i.e. those with over 250 FTEs, which employed 720,000 persons in 2003 of whom over 80 p.c. worked in companies with over 500 FTEs.

(1) Item 1003 in the social balance sheet.

TABLE 2 CHARACTERISTICS OF THE REDUCED POPULATION IN 2003

	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	40,630	100.0	1,371,916	100.0
of which :				
Firms filing a separate social balance sheet	1,120	2.8	300,860	21.9
Firms filing a social balance sheet as an annex to the annual accounts	39,510	97.2	1,071,056	78.1
of which :				
Firms filing short-format accounts	32,121	79.1	260,313	19.0
Firms filing full-format accounts	8,509	20.9	1,111,603	81.0
Breakdown by sector				
Agriculture	638	1.6	4,940	0.4
Industry	6,816	16.8	385,976	28.1
Mining and quarrying	71	0.2	2,496	0.2
Manufacturing industry	6,705	16.5	374,526	27.3
Energy and water	40	0.1	8,954	0.7
Construction	6,068	14.9	93,164	6.8
Trade, transport and communications	17,245	42.4	429,256	31.3
Trade and repairs	12,830	31.6	218,675	15.9
Horeca	1,785	4.4	24,984	1.8
Transport and communications	2,630	6.5	185,597	13.5
Financial services, real estate and business activities	7,242	17.8	211,299	15.4
Financial and insurance activities	1,295	3.2	87,428	6.4
Real estate and business activities	5,947	14.6	123,871	9.0
Other services	2,621	6.5	247,281	18.0
Health and social work	1,484	3.7	223,251	16.3
Other community, social and personal service activities ...	1,137	2.8	24,030	1.8
Breakdown by size of firm⁽²⁾				
Up to 10 FTEs	27,431	67.5	118,996	8.7
More than 10 to 50 FTEs	9,962	24.5	243,851	17.8
More than 50 to 100 FTEs	1,557	3.8	119,277	8.7
More than 100 to 250 FTEs	1,026	2.5	169,359	12.3
More than 250 to 500 FTEs	352	0.9	132,321	9.6
More than 500 FTEs	302	0.7	588,112	42.9

Source : NBB (social balance sheets).

(1) Item 1001 + item 1002.

(2) Determined on the basis of the number of FTEs (item 1003) in 2002.

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	C	10-14
Manufacturing industry	D	15-37
Energy and water	E	40-41
Construction	F	45
Trade, transport and communications		
Trade and repairs	G	50-52
Horeca	H	55
Transport and communications	I	60-64
Financial services, real estate, renting and business activities		
Financial and insurance activities	J	65-67
Real estate and business activities ⁽¹⁾	K	70-74
Other services		
Health and social work	N	85
Other community, social and personal service activities	O	90-93

(1) Excluding temporary work agencies (code NACE-BEL 74,502).

Annex 3

DEVELOPMENTS IN EMPLOYMENT BETWEEN 2002 AND 2003 IN FIRMS INCLUDED IN THE REDUCED POPULATION

	In FTEs			In persons						
	Average employment		Employment as at 31 December	Average employment						Employment as at 31 December
	(units)	(p.c.)		Full-time		Part-time		Total		
			(units)	(p.c.)	(units)	(p.c.)	(units)	(p.c.)	(units)	(p.c.)
Agriculture	40	0.9	1.7	67	1.8	-4.2	-3.5	25	0.5	1.8
Industry	-11,427	-3.0	-3.3	-15,131	-4.1	5,288	17.2	-9,842	-2.5	-2.9
Mining and quarrying	-86	-3.4	0.2	-104	-4.2	22	23.5	-82	-3.2	0.4
Manufacturing industry	-11,398	-3.0	-3.4	-15,022	-4.2	5,195	17.2	-9,827	-2.6	-3.0
Energy and water	57	0.7	0.4	-5	-0.1	71	13.5	67	0.8	0.7
Construction	318	0.3	0.6	-168	-0.2	684	20.3	516	0.6	0.7
Trade, transport and communications	-1,013	-0.3	0.0	-5,775	-1.7	3,003	3.0	-2,772	-0.6	0.2
Trade and repairs	1,887	1.0	1.0	-385	-0.3	3,405	5.5	3,021	1.4	1.3
Horeca	84	0.5	0.1	2	0.0	-91	-0.7	-89	-0.4	0.4
Transport and communications	-2,984	-1.6	-1.1	-5,392	-3.2	-312	-1.3	-5,704	-3.0	-1.1
Financial services, real estate and business activities	-3,327	-1.7	-0.9	-5,485	-3.4	2,669	5.2	-2,816	-1.3	-1.3
Financial and insurance activities	-3,416	-4.0	-3.9	-4,880	-6.6	1,937	11.7	-2,944	-3.3	-2.8
Real estate and business activities	90	0.1	1.4	-605	-0.7	733	2.1	128	0.1	-0.2
Other services	3,091	1.6	2.5	1,177	0.9	2,939	2.5	4,116	1.7	2.4
Health and social work	3,314	1.9	3.0	1,495	1.4	2,790	2.5	4,285	2.0	2.8
Other community, social and personal service activities	-223	-1.1	-1.3	-317	-1.8	148	2.3	-169	-0.7	-1.3
Total	-12,318	-1.0	-0.7	-25,314	2.3	14,541	4.8	-10,773	-0.8	-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 2002 and 2003 (reduced population)		
	1997	1998	1999	2000	2001	2002			Per FTE	Per full-time worker	Per part-time worker
						Per FTE	Per full-time worker	Per part-time worker			
Agriculture	1,576	1,553	1,572	1,573	1,538	1,545	1,535	854	0.1	-0.2	1.7
Industry	1,538	1,546	1,537	1,534	1,518	1,506	1,505	967	0.2	0.3	-0.9
Mining and quarrying	1,500	1,490	1,516	1,517	1,479	1,487	1,485	863	0.6	0.5	9.1
Manufacturing industry	1,539	1,549	1,539	1,540	1,523	1,510	1,509	966	0.2	0.3	-1.0
Energy and water	1,497	1,498	1,501	1,417	1,415	1,427	1,430	1,005	-1.1	-1.1	2.5
Construction	1,433	1,430	1,469	1,462	1,439	1,428	1,423	920	0.4	0.4	0.5
Trade, transport and communications	1,724	1,709	1,706	1,674	1,638	1,626	1,625	911	-0.3	0.2	1.7
Trade and repairs	1,661	1,660	1,650	1,634	1,627	1,609	1,610	947	-0.5	-0.1	-1.5
Horeca	1,636	1,634	1,620	1,624	1,581	1,590	1,562	659	-1.9	-1.2	-1.1
Transport and communications	1,824	1,790	1,804	1,727	1,660	1,654	1,649	1,061	0.0	0.6	10.6
Financial services, real estate and business activities	1,618	1,628	1,612	1,601	1,588	1,551	1,552	878	-0.5	0.2	-1.8
Financial and insurance activities	1,556	1,573	1,534	1,529	1,500	1,428	1,440	915	-0.2	0.9	-4.1
Real estate and business activities	1,678	1,676	1,676	1,657	1,653	1,645	1,641	860	-0.9	-0.7	-0.7
Other services	1,579	1,567	1,560	1,558	1,536	1,536	1,526	912	0.1	0.0	0.6
Health and social work	1,576	1,563	1,555	1,553	1,530	1,528	1,515	924	0.1	-0.2	0.6
Other community, social and personal service activities	1,610	1,596	1,599	1,595	1,581	1,592	1,584	765	0.7	0.7	0.9
Total	1,601	1,598	1,594	1,585	1,562	1,549	1,544	912	-0.1	0.2	0.5

Source : NBB (social balance sheets).

Annex 5

BREAKDOWN OF EMPLOYMENT BY TYPE OF CONTRACT AND BY SEX

(Percentages of total workers recorded in the staff register as at 31 December)

	1997	1998	1999	2000	2001	2002	2002	2003
	(total population)						(reduced population)	
By type of contract								
Permanent contract	93.7	93.0	92.7	93.0	93.6	93.6	94.0	94.3
Fixed-term contract	4.9	5.4	5.7	5.5	4.9	5.1	4.7	4.6
Agriculture	5.3	6.3	8.8	7.4	7.5	5.2	4.6	5.9
Industry	4.1	4.7	4.6	5.2	4.2	3.9	3.6	3.2
Mining and quarrying	2.9	3.4	4.5	6.1	5.6	5.8	6.2	6.0
Manufacturing industry	4.1	4.5	4.5	5.1	4.0	3.7	3.6	3.2
Energy and water	–	8.4	8.7	8.0	7.4	6.2	4.3	3.6
Construction	2.6	3.0	3.2	3.1	2.1	2.7	2.1	2.1
Trade, transport and communications	4.2	4.9	5.1	4.6	4.7	5.1	5.0	5.2
Trade and repairs	3.8	4.4	4.7	5.1	5.6	5.6	5.8	6.0
Horeca	6.2	7.2	8.1	9.8	8.9	9.7	8.0	9.5
Transport and communications	4.3	5.0	4.8	2.8	2.5	3.5	3.7	3.5
Financial services, real estate and business activities	4.6	4.5	5.0	4.7	4.1	4.1	3.7	3.7
Financial and insurance activities	4.1	4.3	4.9	4.8	4.4	3.5	3.8	3.0
Real estate and business activities	5.0	4.7	5.0	4.6	3.9	4.5	3.6	4.1
Other services	8.6	9.2	9.9	9.6	8.3	8.7	7.7	7.5
Health and social work	8.9	9.4	10.0	9.6	8.2	8.6	7.5	7.3
Other community, social and personal service activities	6.2	7.2	8.6	9.0	9.0	8.9	9.4	8.6
Replacement contract	1.2	1.4	1.4	1.3	1.3	1.1	1.2	1.0
Contract for a specific project	0.2	0.3	0.2	0.2	0.3	0.2	0.1	0.1
By sex								
Male	63.8	62.9	62.3	63.2	61.9	61.2	61.9	61.5
Female	36.2	37.1	37.7	36.8	38.1	38.8	38.1	38.5

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)

	1997	1998	1999	2000	2001	2002	2002	2003
	(total population)						(reduced population)	
Workers recorded in the staff register	96.8	96.4	96.5	96.3	96.6	96.7	96.6	96.4
Temporary agency workers	2.4	2.7	2.7	3.0	2.7	2.6	2.6	2.7
Agriculture	3.3	2.9	3.3	2.9	3.7	5.4	6.7	6.6
Industry	4.0	4.3	4.2	4.8	4.2	4.1	4.2	4.4
Mining and quarrying	2.8	2.9	2.9	4.1	3.3	3.7	3.9	3.3
Manufacturing industry	4.0	4.5	4.4	5.0	4.4	4.3	4.3	4.5
Energy and water	1.6	0.7	0.8	1.2	0.9	0.9	1.1	1.1
Construction	1.2	1.3	1.5	1.5	1.5	1.2	1.2	1.2
Trade, transport and communications	2.2	2.7	2.7	2.8	2.7	2.7	2.4	2.5
Trade and repairs	2.8	3.4	3.2	3.7	3.5	3.4	3.3	3.4
Horeca	3.0	3.8	4.3	6.1	5.1	4.7	4.1	3.9
Transport and communications	1.5	1.9	2.0	1.8	1.8	1.9	1.7	1.8
Financial services, real estate and business activities	1.3	1.6	1.9	2.0	2.0	1.7	1.7	1.6
Financial and insurance activities	0.5	0.8	1.1	1.2	1.2	0.8	0.8	0.6
Real estate and business activities	2.3	2.5	2.7	2.8	2.7	2.6	2.5	2.5
Other services	0.8	0.7	0.9	1.0	0.8	0.8	0.9	0.9
Health and social work	0.5	0.4	0.4	0.6	0.4	0.4	0.5	0.5
Other community, social and personal service activities	4.8	4.6	5.8	5.4	5.2	4.7	5.9	5.9
Workers seconded to the firm ⁽¹⁾	0.8	0.9	0.7	0.7	0.7	0.8	0.8	0.9

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

LABOUR COSTS PER FTE⁽¹⁾

	Euro, per year (total population)						Percentage changes between 2002 and 2003 (reduced population)
	1997	1998	1999	2000	2001	2002	
Agriculture	24,995	25,284	26,344	26,656	27,040	28,417	2.6
Industry	40,647	43,066	44,183	44,984	46,490	48,724	2.7
Mining and quarrying	37,615	37,942	38,998	39,958	41,812	43,949	3.1
Manufacturing industry	40,511	41,541	42,761	43,839	45,311	47,316	3.0
Energy and water	63,014	79,864	77,816	70,491	74,023	77,462	-0.4
Construction	30,753	31,332	32,960	33,664	34,690	35,828	3.3
Trade, transport and communications	34,481	35,699	36,932	37,546	38,877	40,593	2.7
Trade and repairs	36,059	37,193	37,815	38,304	39,714	41,000	2.6
Horeca	23,452	23,865	24,473	24,766	25,170	26,530	2.9
Transport and communications	34,077	35,569	37,996	38,561	39,940	42,220	3.3
Financial services, real estate and business activities	50,331	51,522	52,538	53,592	55,179	56,156	2.5
Financial and insurance activities	58,327	59,122	61,530	62,535	63,947	64,318	2.1
Real estate and business activities	42,523	44,811	45,290	46,607	48,599	49,923	2.5
Other services	33,187	33,253	33,548	34,083	35,191	37,448	2.8
Health and social work	33,558	33,465	33,669	34,229	35,324	37,413	3.8
Other community, social and personal service activities	30,039	31,529	32,591	33,029	34,209	37,701	3.3
Total	38,279	39,690	40,646	41,384	42,740	44,457	2.6

Source : NBB (social balance sheets).

(1) Item 1023 / item 1003.

Annex 8

LABOUR COSTS PER HOUR WORKED⁽¹⁾

	Euro (total population)						Percentage changes between 2002 and 2003 (reduced population)
	1997	1998	1999	2000	2001	2002	
Agriculture	15.86	16.29	16.76	16.94	17.58	18.40	4.9
Industry	26.43	27.85	28.75	29.32	30.62	32.35	2.7
Mining and quarrying	25.07	25.46	25.73	26.35	28.27	29.56	2.5
Manufacturing industry	26.33	26.83	27.79	28.47	29.75	31.33	2.7
Energy and water	42.09	53.30	51.83	49.76	52.30	54.28	0.7
Construction	21.46	21.91	22.43	23.03	24.10	25.08	1.9
Trade, transport and communications	20.00	20.89	21.64	22.43	23.73	24.96	3.2
Trade and repairs	21.71	22.40	22.92	23.45	24.40	25.48	3.1
Horeca	14.33	14.60	15.10	15.25	15.92	16.69	4.8
Transport and communications	18.68	19.87	21.07	22.33	24.06	25.53	3.2
Financial services, real estate and business activities	31.10	31.65	32.58	33.48	34.75	36.20	2.5
Financial and insurance activities	37.47	37.59	40.11	40.90	42.62	45.05	2.3
Real estate and business activities	25.33	26.73	27.03	28.13	29.40	30.34	3.4
Other services	21.01	21.22	21.51	21.87	22.91	24.39	3.7
Health and social work	21.30	21.41	21.65	22.04	23.09	24.49	3.8
Other community, social and personal service activities	18.66	19.75	20.38	20.71	21.63	23.69	2.6
Total	23.92	24.84	25.49	26.12	27.36	28.71	2.7

Source : NBB (social balance sheets).

(1) Item 1023 / item 1013.

Annex 9

VOCATIONAL TRAINING IN FIRMS INCLUDED IN THE REDUCED POPULATION IN 2003

	Number of trainees			(in p.c. of the number of hours worked)	Hours of training			(in p.c. of labour 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	10.7	7.6	19.8	0.25	32.1	39.8	24.7	0.53	1,329	1,757	911
Industry	43.6	46.2	37.5	1.04	34.9	35.6	31.9	1.41	1,564	1,601	1,396
Mining and quarrying	22.9	22.8	15.7	0.45	29.2	28.2	43.9	0.53	1,070	897	3,644
Manufacturing industry	43.6	46.3	37.5	1.05	35.3	36.0	32.1	1.43	1,575	1,614	1,400
Energy and water	50.1	51.6	42.2	0.70	21.4	21.6	20.7	1.02	1,232	1,249	1,145
Construction	14.0	14.2	11.8	0.25	25.7	25.7	25.0	0.29	782	778	853
Trade, transport and communications	32.5	34.7	27.5	0.84	38.0	41.3	30.6	1.14	1,362	1,555	927
Trade and repairs	24.1	23.7	23.9	0.50	29.3	30.5	27.9	0.59	919	1,048	773
Horeca	7.7	7.1	8.1	0.27	40.7	43.1	38.4	0.20	552	613	495
Transport and communications	45.8	46.0	42.6	1.24	43.3	45.7	33.9	1.78	1,654	1,777	1,172
Financial services, real estate and business activities	39.7	41.4	38.4	0.86	29.8	32.4	26.5	1.59	2,056	2,174	1,905
Financial and insurance activities	55.7	55.9	56.6	1.18	28.0	29.5	26.5	2.32	2,610	2,785	2,422
Real estate and business activities	28.4	31.8	24.6	0.65	32.3	35.7	26.6	0.84	1,288	1,464	1,004
Other services	44.9	34.6	47.8	0.69	18.8	21.4	18.2	0.69	478	599	449
Health and social work	47.7	37.5	49.8	0.73	18.7	21.7	18.1	0.73	473	603	446
Other community, social and personal service activities	19.0	23.1	15.2	0.28	20.4	19.1	22.5	0.33	585	572	609
Total	37.6	37.4	38.1	0.83	31.2	35.5	24.5	1.20	1,336	1,573	963

Source : NBB (social balance sheets).

Annex 10

HOURS WORKED AND LABOUR COSTS, BY REGION ⁽¹⁾

(Total population)

	1998	1999	2000	2001	2002
Annual working hours per FTE (average, units)					
Single-region firms					
Brussels	1,620	1,627	1,619	1,621	1,606
Flanders	1,585	1,581	1,577	1,561	1,557
Wallonia	1,570	1,569	1,562	1,552	1,538
Multi-region firms					
Brussels	1,613	1,613	1,566	1,527	1,475
Flanders	1,662	1,649	1,622	1,566	1,542
Wallonia	1,529	1,544	1,546	1,519	1,511
Total	1,598	1,594	1,585	1,562	1,549
Annual labour costs per FTE (average, euro)					
Single-region firms					
Brussels	45,746	46,075	47,281	48,732	50,982
Flanders	36,720	37,782	38,713	40,181	41,872
Wallonia	34,007	34,843	35,547	36,740	37,869
Multi-region firms					
Brussels	51,758	54,475	56,360	57,660	58,699
Flanders	44,230	45,345	44,293	45,140	47,753
Wallonia	43,377	44,119	44,420	46,928	47,587
Total	39,690	40,646	41,384	42,740	44,457
Labour costs per hour worked (average, euro)					
Single-region firms					
Brussels	28.24	28.31	29.21	30.07	31.74
Flanders	23.17	23.90	24.54	25.75	26.89
Wallonia	21.66	22.21	22.75	23.67	24.62
Multi-region firms					
Brussels	32.10	33.78	35.99	37.77	39.80
Flanders	26.61	27.50	27.30	28.83	30.98
Wallonia	28.36	28.57	28.73	30.90	31.50
Total	24.84	25.49	26.12	27.36	28.71

Source : NBB (social balance sheets).

(1) Results based on a majority regional breakdown, whereby a firm's balance sheet is allocated to the region in which the firm records the largest number of jobs.

Annex 11

TYPE AND STRUCTURE OF EMPLOYMENT CONTRACTS, BY REGION ⁽¹⁾

(Total population)

	1998	1999	2000	2001	2002
Part-time workers (percentage of employment as at 31 December)					
Single-region firms					
Brussels	20.2	20.4	19.9	21.1	22.5
Flanders	20.2	21.0	21.0	21.7	23.9
Wallonia	21.4	22.6	22.1	23.2	24.1
Multi-region firms					
Brussels	11.3	12.0	12.4	13.1	16.7
Flanders	21.1	21.6	21.6	25.0	24.0
Wallonia	19.8	21.5	21.7	21.0	21.5
Total	19.9	20.7	20.7	21.8	23.3
Temporary workers ⁽²⁾ (percentage of employment as at 31 December)					
Single-region firms					
Brussels	6.9	7.3	7.4	6.1	6.5
Flanders	6.2	6.3	6.3	5.4	5.3
Wallonia	8.5	9.3	9.6	9.1	9.5
Multi-region firms					
Brussels	7.7	7.2	6.2	5.6	4.8
Flanders	7.6	8.0	6.0	6.6	6.8
Wallonia	7.5	8.1	8.8	8.0	7.6
Total	7.0	7.3	7.0	6.4	6.4
Temporary agency workers employed in firms filing full-format accounts (percentage of average FTE employment)					
Single-region firms					
Brussels	2.0	2.2	2.3	2.3	2.2
Flanders	3.3	3.2	3.6	3.2	3.1
Wallonia	3.9	3.7	4.2	3.7	3.3
Multi-region firms					
Brussels	1.2	1.3	1.6	1.5	1.1
Flanders	1.6	1.7	1.7	1.6	1.6
Wallonia	3.4	3.2	4.1	3.8	3.7
Total	2.7	2.7	3.0	2.7	2.6

Source: NBB (social balance sheets).

(1) Results based on a majority regional breakdown, whereby a firm's balance sheet is allocated to the region in which the firm records the largest number of jobs.

(2) Fixed-term and replacement contracts, and contract concluded for a specific project.

Annex 12

VOCATIONAL TRAINING IN FIRMS : BREAKDOWN BY REGION ⁽¹⁾

(Total population)

	1998	1999	2000	2001	2002
Number of trainees (in p.c. of employment as at 31 December)					
Single-region firms					
Brussels	34.8	31.6	32.3	30.3	31.3
Flanders	27.3	30.3	30.0	27.6	29.7
Wallonia	16.4	16.9	16.8	19.6	19.9
Multi-region firms					
Brussels	53.2	61.1	62.3	58.9	54.9
Flanders	58.9	58.3	56.4	63.2	56.5
Wallonia	40.5	46.5	49.2	55.3	53.1
Total	33.3	34.9	35.2	35.7	35.1
Hours of training (in p.c. of the number of hours worked)					
Single-region firms					
Brussels	0.77	0.69	0.77	0.65	0.62
Flanders	0.56	0.64	0.66	0.63	0.57
Wallonia	0.34	0.33	0.40	0.43	0.38
Multi-region firms					
Brussels	1.63	1.40	1.27	1.43	1.36
Flanders	1.23	1.17	1.68	1.58	1.62
Wallonia	1.12	1.15	1.14	1.25	0.95
Total	0.75	0.75	0.86	0.84	0.79
Training costs (in p.c. of labour costs)					
Single-region firms					
Brussels	1.49	1.22	1.23	0.90	0.87
Flanders	0.85	0.97	0.98	0.90	0.84
Wallonia	0.50	0.50	0.55	0.58	0.52
Multi-region firms					
Brussels	2.93	2.91	2.76	2.75	2.49
Flanders	2.24	1.89	2.50	2.45	2.43
Wallonia	1.56	1.72	1.67	1.70	1.27
Total	1.34	1.30	1.41	1.35	1.26
Firms reporting training activities (in p.c. of the total number firms)					
Single-region firms					
Brussels	8.0	7.3	7.2	6.8	7.1
Flanders	7.7	8.4	8.0	7.2	7.3
Wallonia	4.1	4.4	4.6	4.5	4.8
Multi-region firms					
Brussels	50.3	42.2	43.9	44.6	45.7
Flanders	46.8	48.7	48.5	47.9	49.7
Wallonia	40.0	42.7	47.0	47.6	46.6
Total	7.5	7.9	7.6	7.1	7.3

Source : NBB (social balance sheets).

(1) Results based on a majority regional breakdown, whereby a firm's balance sheet is allocated to the region in which the firm records the largest number of jobs.