

The social balance sheet 2007

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Introduction

Introduced in 1996, the social balance sheet contains a set of information concerning various aspects of employment in enterprises. That information can be used to analyse the trend in employment, staff costs and working time, the structure of employment at the end of the financial year, staff movements and employee training. In addition, the social balance sheet was intended to provide information on the use which businesses made of various employment promotion measures. However, the constant adjustments to employment policy have rendered that record obsolete and hence unusable, despite the efforts of the legislature to update it. In the new version of the social balance sheet, applicable to financial years ending from 1 December 2008, this table will no longer appear since the NSSO is able to supply the information requested from the multi-purpose declaration that businesses have been required to file since 2003. Another important change concerns the tables relating to training, which have been modified in order to take better account of all corporate

training efforts: formal training, informal training and initial training will be recorded in separate tables. In addition, the report on persons employed at the end of the financial year will from now on include a breakdown by gender and standard of education for both the abbreviated and full-format balance sheets; that information will therefore disappear from the detailed breakdown of staff recruitment and departures, which was available for full-format accounts only.

This article discusses the results of the social balance sheets filed for 2007. It is divided into five main sections. The first section examines the trend in employment between 2006 and 2007. It also sets out the main results of an analysis of employment dynamics and the contribution made by firms' demography to this. The second section analyses staff movements recorded in 2007. The third comments on the structure of employment (particularly working arrangements, type of employment contracts and the use of temporary workers), and the last two focus respectively on staff costs and training.

The results set out in this article are obtained, for each financial year, from uniform populations of firms which have filed a social balance sheet meeting a range of quality criteria⁽¹⁾. Annex 1 contains a brief account of the methodological principles governing the construction of these populations and the regional breakdown of firms belonging to them. The breakdown by branch of activity is based on the sections and divisions of the NACE-Bel nomenclature (2003 version) reproduced in Annex 2. As in previous years, Annexes 2-9 contain a series of detailed indicators per branch of activity. Annexes 10-12 break

(1) It should be noted that the obligation on large and very large NPIs to file standardised accounts, imposed from the 2006 financial year, causes a break in the historical data series. All NPIs employing more than 20 persons have been required to complete a social balance sheet since 1998. In most cases they submitted a single social balance sheet to the National Bank. But although they have long been subject to this obligation, some of these NPIs did not comply. Since 2006, the standard models for the annual accounts of large NPIs (meeting or exceeding more than one of the following criteria: annual average number of workers employed (in full-time equivalents) equal to 5; total annual income other than extraordinary income (excl. VAT) equal to 250,000 euro; balance sheet total equal to 1,000,000 euro), or very large NPIs (if the average annual number of workers employed (in full-time equivalents) exceeds 100 persons or if more than one of the following criteria is exceeded: annual average number of workers employed (in full-time equivalents) equal to 50; total annual income other than extraordinary income (excl. VAT) equal to 6,250,000 euro; balance sheet total equal to 3,125,000 euro) include a social balance sheet, which encourages them to fulfil their legal obligations. In addition the formalisation of the accounting obligations has led to the filing of a single set of accounts for some entities from 2006 or 2007, whereas in previous years they had filed multiple social balance sheets.

down some of those indicators according to the region to which the firms belong. Annex 13 contains the new social balance sheet form applicable to firms filing full-format accounts for years ending from 1 December 2008⁽¹⁾.

Most of the results of this analysis are obtained from a constant reduced population⁽²⁾ of firms, which permits analysis of the movement in a range of variables between the 2006 and 2007 financial years, whereas comparison with the data relating to the complete population for 2006 would introduce a bias which would distort the conclusions. However, the use of a constant population does impose constraints. By definition, the firms which are included in that population must have filed social balance sheets for two successive years. This automatically excludes new businesses and companies which have disappeared (e.g. because they have gone bankrupt or

been taken over), possibly causing some discrepancies between the changes observed in the constant population (referred to as the reduced population in the rest of this article) and those recorded for the total population. However, the adoption of this approach is justified in view of the considerable length of time required to obtain information for all firms, and the safeguards offered by the representativeness of the reduced population.

The reduced population comprises 44,718 firms which, on the basis of the 2006 data, employed 1,312,274 workers, representing respectively 56 p.c. of firms in the total population and 70 p.c. of the workers which they employ.

The breakdown of firms by branch of activity is based on the NACE-Bel codes. Altogether, workers employed in the trade, transport and communication branch represent one-third of the reduced population, and industry 28 p.c. The other branches are less important in relative terms, namely 19 p.c. for the financial, real estate and business services branch, 12 p.c. for other services and 7 p.c. for construction. Agriculture remains decidedly marginal, which is why it does not appear in the tables and charts in this article (except in the annexes).

- (1) The new version of the social balance sheet applicable to firms filing full-format accounts is shown in Annex 13. The document is also available on the National Bank's website (http://www.nbb.be/DOC/BA/SocialBalance/Models/Bilan%20social_C_17032008.pdf), as is the form applicable to firms filing accounts in the abridged format. (http://www.nbb.be/DOC/BA/SocialBalance/Models/Bilan%20social_A_17032008.pdf).
- (2) Firms have seven months from the end of the financial year to file their social balance sheets at the Central Balance Sheet Office. In view of the extra time needed to check the data, the full set of social balance sheets was not available on 8 September 2008, the date on which the 2007 figures were extracted.

TABLE 1 CHARACTERISTICS OF THE TOTAL AND REDUCED POPULATIONS IN 2006
(percentages of the total, unless otherwise stated)

	Total population		Reduced population	
	Number of firms	Number of employees ⁽¹⁾	Number of firms	Number of employees ⁽¹⁾
<i>p.m. Units</i>	79,402	1,863,641	44,718	1,312,274
<i>(in percentage of the corresponding data for the total population)</i>			(56.3)	(70.4)
Breakdown by branch of activity				
Agriculture	1.7	0.5	1.6	0.4
Industry	13.2	24.6	15.3	28.4
Construction	14.7	7.4	15.2	7.3
Trade, transport and communication	42.9	30.9	41.8	32.8
Financial, real estate and business services	20.1	17.1	19.8	18.6
Other services ⁽²⁾	7.3	19.5	6.2	12.5
Breakdown by size of firm⁽³⁾				
Small firms (up to 50 FTEs)	94.6	34.0	93.0	29.0
Medium-sized firms (over 50 to 250 FTEs)	4.4	21.7	5.7	21.8
Large firms (over 250 FTEs)	1.0	44.3	1.3	49.2

Source: NBB (social balance sheets).

(1) Sum of items 1001 (full-time workers) and 1002 (part-time workers).

(2) Health and social work; community, social and personal services.

(3) Determined according to the value of item 1003 (FTEs) in 2006.

The classification of firms by size is based on the average number of workers expressed as full-time equivalents (FTEs)⁽¹⁾. Small firms with no more than 50 FTEs, or 93 p.c. of firms in the reduced population, employed around 29 p.c. of that population's workforce in 2006, well below the figure of 34 p.c. recorded for the total population. Medium-sized firms, employing 50 to 250 FTEs, accounted for 22 p.c. of the workforce in the reduced population, a proportion similar to that for the total population. Large firms, with over 250 FTEs, employed just under half of the workforce in firms in the reduced population, compared to 44 p.c. in the total population. The results obtained from the reduced population are therefore influenced by the over-representation of large firms.

1. General characteristics of employment developments

1.1 In the reduced population of firms between 2006 and 2007

On average, the number of workers employed in the 44,718 firms in the reduced population increased by 29,605 units, representing a rise of 2.3 p.c. between 2006 and 2007. Expressed in FTEs, the growth in the volume of employment was slightly lower at around 2.1 p.c. The employment expansion is due both to the rise in full-time workers and the increase in part-time workers – up by 15,856 and 13,749 units respectively. In relative

terms, it is the number of part-timers that has shown the largest increase at 4.3 p.c., compared to 1.6 p.c. for full-time workers. On the basis of the situation at the end of the year, employment grew by 1.9 p.c. – or 1.8 p.c. in terms of FTEs – indicating a fall in the rate of job creation during the year, consistent with the economic slowdown observed in 2007.

At the end of the year, the firms considered thus employed just over 25,000 more workers than a year earlier. With 14,396 additional persons recorded on the staff register, female workers made a larger contribution to this rise than male workers. In regard to the type of working arrangement, the number of full-time employees increased by 13,353 units, with fairly similar contributions from male and female staff. Conversely, it was mainly women who influenced the increase in the number of part-timers registered at the end of the year, since they accounted for 71 p.c. of the rise in this staff category. However, it is worth noting that the number of men employed part time increased at a slightly higher rate than the number of women, at 4.2 p.c. against 3.4 p.c.

The growth of the average number of persons employed was generated mainly by small and medium-sized enterprises which recorded an increase in their workforce of 13,000 and 10,000 units respectively. Large firms recorded a rise of almost 6,500 workers. While full-time workers accounted for most of the increase in employment in SMEs, the opposite applied in firms with over 250 FTEs, where part-timers accounted for 83 p.c. of the expansion in employment.

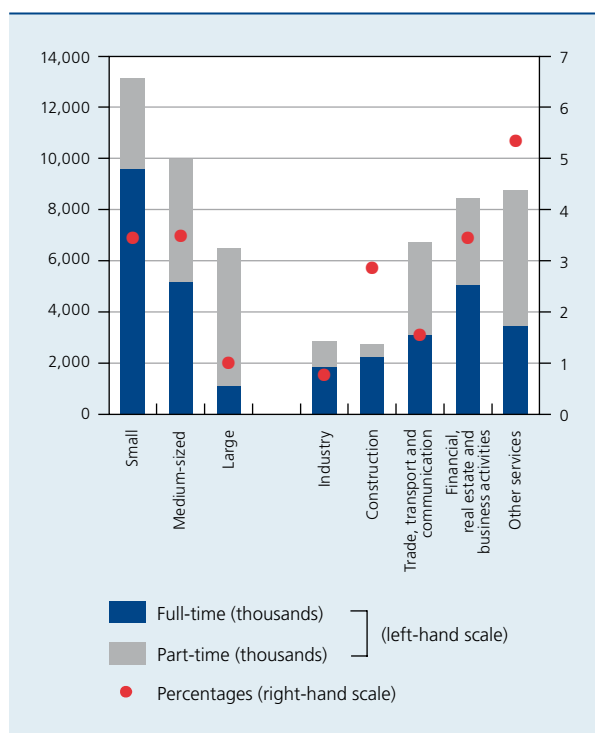
(1) Item 1003 in the social balance sheet.

TABLE 2 EMPLOYMENT DEVELOPMENT BETWEEN 2006 AND 2007
(reduced population)

	Persons employed			FTEs
	Full-time	Part-time	Total	
Annual average				
Units	15,856	13,749	29,605	25,034
Percentages	1.6	4.3	2.3	2.1
As at 31 December				
Units	13,353	11,656	25,009	21,664
of which:				
Men	7,213	3,400	10,613	9,695
Women	6,140	8,256	14,396	11,970
Percentages	1.3	3.6	1.9	1.8

Source: NBB (social balance sheets).

CHART 1 CHANGE IN EMPLOYMENT BETWEEN 2006 AND 2007 : BREAKDOWN BY FIRMS' SIZE AND BRANCH OF ACTIVITY ⁽¹⁾
(annual averages, reduced population)



Source : NBB (social balance sheets).

(1) Agriculture was disregarded owing to its minor relative importance.

Employment expanded in all the main branches of activity, albeit in varying proportions. The strongest increases, between 8,000 and 9,000 additional workers, were recorded in financial, real estate and business activities – the sub-branch covering real estate and business activities accounting for most of the rise – and in the other services branch which includes health and social work. In relative terms, this was the branch recording the biggest increase, at 5.4 p.c. The number of workers also showed a marked rise in firms in the trade, transport and communication branch (6,710 additional workers) particularly in firms active in trade and repairs.

1.2. Employment dynamics and contribution of firms' demography ⁽¹⁾

The annual data taken from the social balance sheets were used to construct a longitudinal database covering all firms active in NACE-BEL branches of activity C to K ⁽²⁾ – i.e. the secondary sector in the broad sense (including energy supply and construction) and market services – which filed a social balance sheet at the National Bank's Central Balance Sheet Office between 1998 and 2006.

This database was used notably to determine how the individual changes in the behaviour of firms affect total employment throughout the business cycle. The study deals with the period 1998-2006 and takes account of the heterogeneity of both firms and workers.

The concepts of job creation and destruction rates are intended to identify individually the firms which have recorded an increase in employment and those recording a decline in their workforce between two consecutive years, to permit separate recording of increases and reductions in the workforce, known as gross job flows. It is therefore possible to measure, year after year, the respective intensity of these movements by relating the gross flows to average employment in the firm. Combining the job creation and job destruction rates gives the net change in employment.

This leaves out of account both firms where employment has remained stable and firms for which no employment data are available for one of the two years in question. Net employment growth therefore represents an approximation of the actual change in employment observed in the population of all firms employing paid staff.

In our analysis population, the job creation rate averaged 8.8 p.c. between 1998 and 2006, while the job destruction rate came to 7.2 p.c. These rates are 4 to 5 times higher than the net employment growth rate observed, which averaged 1.6 p.c. per annum.

The job creation rate is closely linked to the business cycle. The correlation coefficient between this variable and volume GDP growth is 0.74 for the period considered. Conversely, though the correlation between the job destruction rate and economic activity is negative, as expected, it is much weaker since the coefficient is -0.40.

This last finding is borne out by other studies. According to the literature, an adjustment in the workforce via job destruction is generally associated with a flexible employment market, as is the case, for example, in the United States. Thus, the job reallocation rate – i.e. the sum of the job creation and job destruction rates – shows a negative correlation with GDP growth in the United States, which means that firms can easily cut back their employment during a recession. Conversely,

(1) This section reflects the main results of the study by Heuse and Saks (2008) and is based on a different population from the one used in the rest of this article.

(2) I.e. C : Mining and quarrying ; D : Manufacturing ; E : Electricity, gas and water supply ; F : Construction ; G : Wholesale and retail trade, repair of motor vehicles and personal and household goods ; H : Hotels and restaurants ; I : Transport and communication ; J : Financial intermediation and K : Real estate, renting and business activities.

Box – How to calculate job creation and destruction rates

For example, imagine an economy consisting of three firms. During the period of observation, no firms are created and none disappear.

EMPLOYMENT

(persons)

	Workforce at the end of the period		Average workforce in t	Change in employment from $t - 1$ to t
	$t - 1$	t		
Firm 1	286	258	272	-28
Firm 2	80	100	90	20
Firm 3	10	24	17	14
Total employment in the economy	376	382	379	6

There are two different sets of firms in the economy:

- firms recording a positive net change in employment (in this case, firms 2 and 3);
- firms recording a negative net change in employment (in this case, firm 1).

Job creation rate in the economy

This is the sum of the positive changes in employment (namely, the total jobs created): $20 + 14 = 34$
 expressed as a function of total employment in the economy (379 persons)
 i.e. a job creation rate in t : 9.0 p.c.

Job destruction rate in the economy

This is the sum of the negative changes in employment (namely the number of jobs destroyed),
 in absolute terms: 28
 expressed as a function of total employment in the economy (379 persons)
 i.e. a job destruction rate in t : 7.4 p.c.

Net growth of employment in the economy

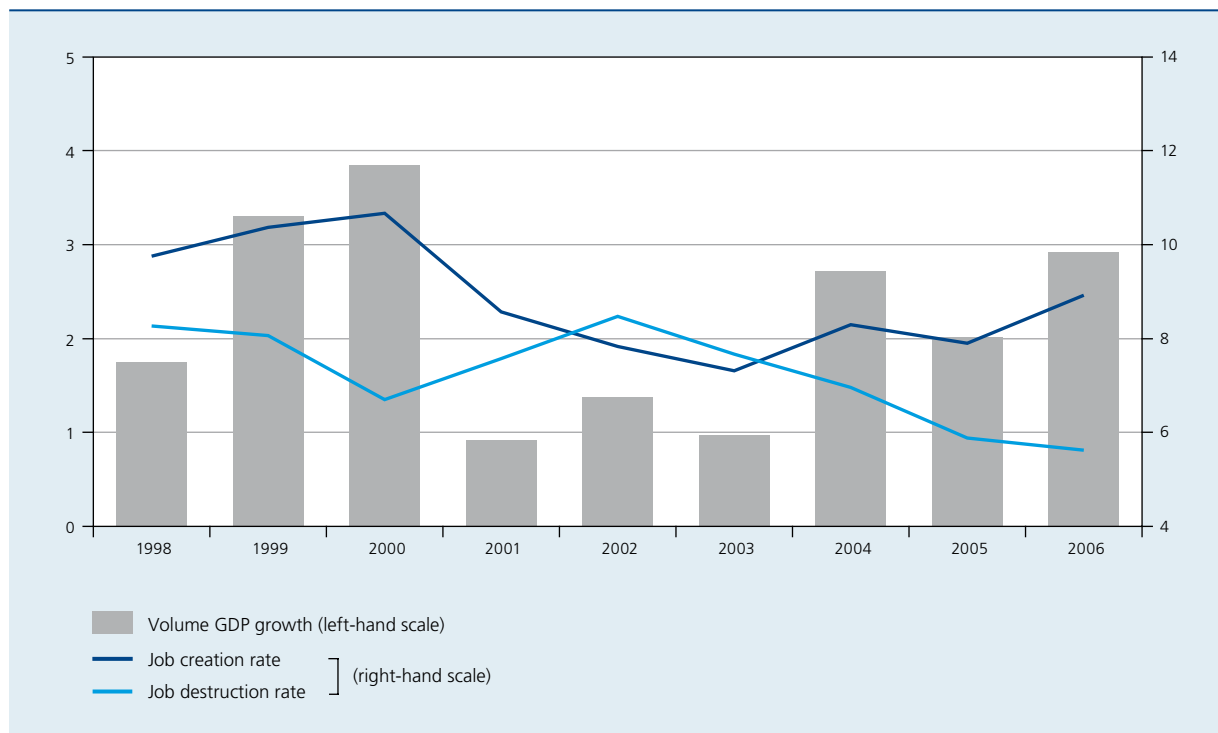
This is the difference between the rate of job creation and the rate of job destruction
 i.e.: $9.0 \text{ p.c.} - 7.4 \text{ p.c.} = 1.6 \text{ p.c.}$

in Continental European countries, where the labour market is more rigid, adjustments generally take place via job creation and generally, the negative correlation between the reallocation rate and economic activity is not confirmed. This is true for Belgium: during the period under review, this correlation coefficient is

positive. In particular, Belgian employment protection legislation and the labour shortages seen for certain occupations and certain branches of activity may limit the scale of redundancies during a slowdown in activity, especially where the slowdown is considered to be temporary or minor.

CHART 2 JOB CREATION AND DESTRUCTION RATES: INFLUENCE OF THE BUSINESS CYCLE

(percentages)



Sources: NAI, NBB.

Over the period 1998-2006, the job creation rate peaked (at 10.7 p.c.) in 2000, when GDP grew by 3.8 p.c., the maximum observed during that period. In that year, the job destruction rate reached a low point of 6.7 p.c. During the ensuing slowdown in activity, the job creation rate declined gradually while, conversely, the job destruction rate increased. In 2002 and 2003, the net employment growth rate thus became negative. In the following three years, a cyclical upswing emerged and reversed the trends. The job creation rate picked up, but without regaining its 2000 level, while the destruction rate fell to its lowest level during the period, namely 5.6 p.c. in 2006.

By using the same indicators based on Davis, Haltiwanger and Schuh (1996), it is also possible to examine the impact which the creation and disappearance of firms has on the movement in aggregate employment. For that purpose, firms are divided into four sub-sets which are exhaustive and mutually exclusive.

The set of firms recording a positive change in employment between $t-1$ and t is divided into two sub-groups: the first comprises incoming firms which for the first time

report paid employment which is not zero in t , and the second comprises established firms where employment increases between $t-1$ and t .

Similarly, the set of firms recording a negative change in employment between $t-1$ and t is divided into two sub-groups: the first comprises firms which disappear between $t-1$ and t , and the second comprises established firms where employment declines between $t-1$ and t .

For the total population examined, 27 p.c. of job creation (or 2.4/8.8) is due to the creation of firms, while the remaining 73 p.c. is attributable to established firms. The disappearance of firms accounts for about 30 p.c. (or 2.2/7.2) of job destruction, while the remaining 70 p.c. corresponds to the contraction of employment in established firms.

Comparable results exist for Austria, Germany and Italy (Stiglbauer et al., 2003), where incoming firms account respectively for 32, 27 and 32 p.c. of total job creation, while outgoing firms contribute to respectively 34, 23 and 33 p.c. of the total jobs destroyed each year.

TABLE 3 JOB FLOWS AND FIRM DYNAMICS
(percentages, annual averages 1998-2006)

	Job creation rate ⁽¹⁾			Job destruction rate ⁽¹⁾		
	Total	Incoming firms	Established firms	Total	Outgoing firms	Established firms
Total NACE-Bel C to K	8.8	2.4	6.4	7.2	2.2	5.1
of which:						
Manufacturing	6.0	1.5	4.4	6.3	1.6	4.7
Services	10.3	2.9	7.4	7.7	2.5	5.2

Source: NBB (social balance sheets).

(1) The various rates are calculated here in relation to the same denominator, namely total employment in the sector considered.

The methodology used to calculate the effect of firms' demography on movements in employment is arbitrary in some respects. To illustrate this point, imagine a mature firm experiencing serious financial problems. In general, the firm will begin by cutting its expenditure and modifying its human resources management policy, before reviewing its recruitment policy and possibly making staff redundant. If the firm eventually goes out of business, at the end of a process which often takes several years, it is only the final change in its employment which is attributed to the firm's disappearance. In that sense, the method underestimates the real impact of disappearing firms on the total job destruction.

2. Staff movements

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

The social balance sheet contains a specific table showing recruitment of workers at the time of their entry in the firm's staff register, and staff departures corresponding to the termination of their employment contract during the year. These staff movements were greater in 2007 than in 2006. Taking all firms in the reduced population, recruitment was 7.8 p.c. higher than in the previous year and departures were up by 10.4 p.c. Altogether, net recruitment came to 21,052 persons in 2007⁽¹⁾, which was lower than the figure of 31,017 recorded a year earlier. This fall in net inflows concerned all sizes of firms, although in varying proportions; in contrast to the situation in small and large firms, the decline was very modest in medium-sized firms.

(1) Staff changes recorded as at 31 December year-on-year (25,009 units in table 2) are not always equal to the balance of staff recruitment and departures, owing to the existence of errors in the social balance sheets filed.

Firms filing full-format accounts are required to supply more detailed information on staff recruitment and departures. The information relates to the characteristics of the newly recruited workers and those whose contract has ended. Apart from the working arrangement – a detail also supplied in abbreviated accounts – it also concerns the type of employment contract, gender, standard of education and, if appropriate, the reason for termination of the contract. Firms required to submit full-format accounts represented 18.3 p.c. of the total number of firms in the reduced population in 2007, but 77.4 p.c. of the average workforce. The level of their staff recruitment and departures, which was higher than a year earlier, implied a net inflow of 14,182 persons in 2007, slightly fewer than in 2006.

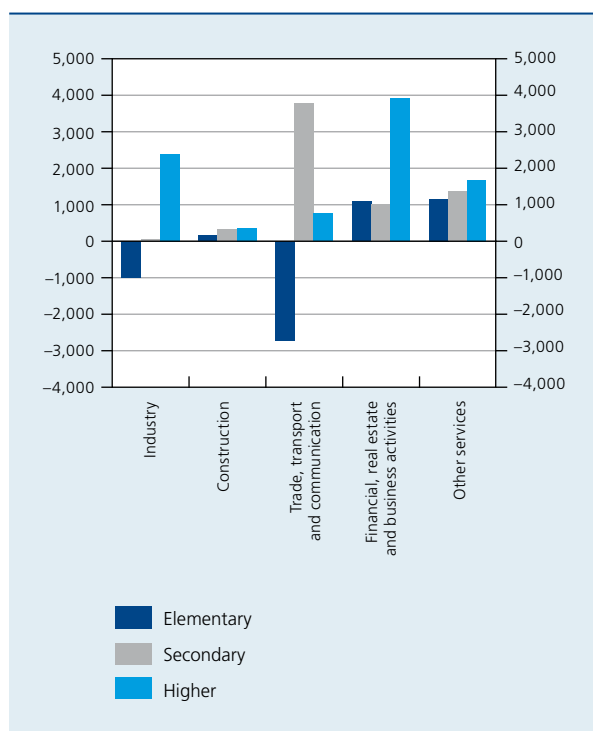
Continuing a trend seen in previous years, in 2007 the net recruitment of women in firms filing full-format accounts (7,885 units) exceeded male net recruitment (6,297 units).

TABLE 4 STAFF RECRUITMENT AND DEPARTURES
(persons, reduced population)

	2006	2007
Recruitment	511,234	550,983
of which: full-format accounts ..	282,622	303,820
Departures	480,217	529,931
of which: full-format accounts ..	267,354	289,638
Net recruitment	31,017	21,052
of which: full-format accounts ..	15,268	14,182

Source: NBB (social balance sheets).

CHART 3 NET STAFF RECRUITMENT IN 2007: BREAKDOWN OF WORKERS BY STANDARD OF EDUCATION AND BRANCH OF ACTIVITY⁽¹⁾
(persons, reduced population, full-format accounts)



Source: NBB (social balance sheets).

(1) Agriculture is disregarded because of its minor relative importance.

The net increase in the workforce recorded in firms filing full-format accounts was due to the combination of net recruitment of workers with higher education qualifications (9,088 units) or certificates of secondary education (6,473 units) and net departures of holders of certificates of elementary education (1,379 units). Although this tallies with what is seen in the latest social balance sheets, the net flow of persons with higher education qualifications was smaller than the year before (down by 2,705 units). Net departures of low-skilled workers were less pronounced (down by 1,318 units). All the main branches of activity recorded net recruitment of highly-skilled staff, in varying proportions. Net departures of low-skilled workers concerned more specifically firms active in industry and those belonging to the trade, transport and communication sector. The efforts which those firms have to make in order to compete are often reflected in staff restructuring, which primarily affects this category of workers. In industrial firms, which are older, these net departures are also attributable to the retirement of staff who are, on average, less skilled. Conversely, in contrast to what happened in 2006, recruitment of medium-skilled staff exceeded departures

in all branches, and more specifically in the trade, transport and communication sector which recorded more net recruitment of persons with secondary level qualifications than highly-skilled workers.

2.2 Expansion of part-time working

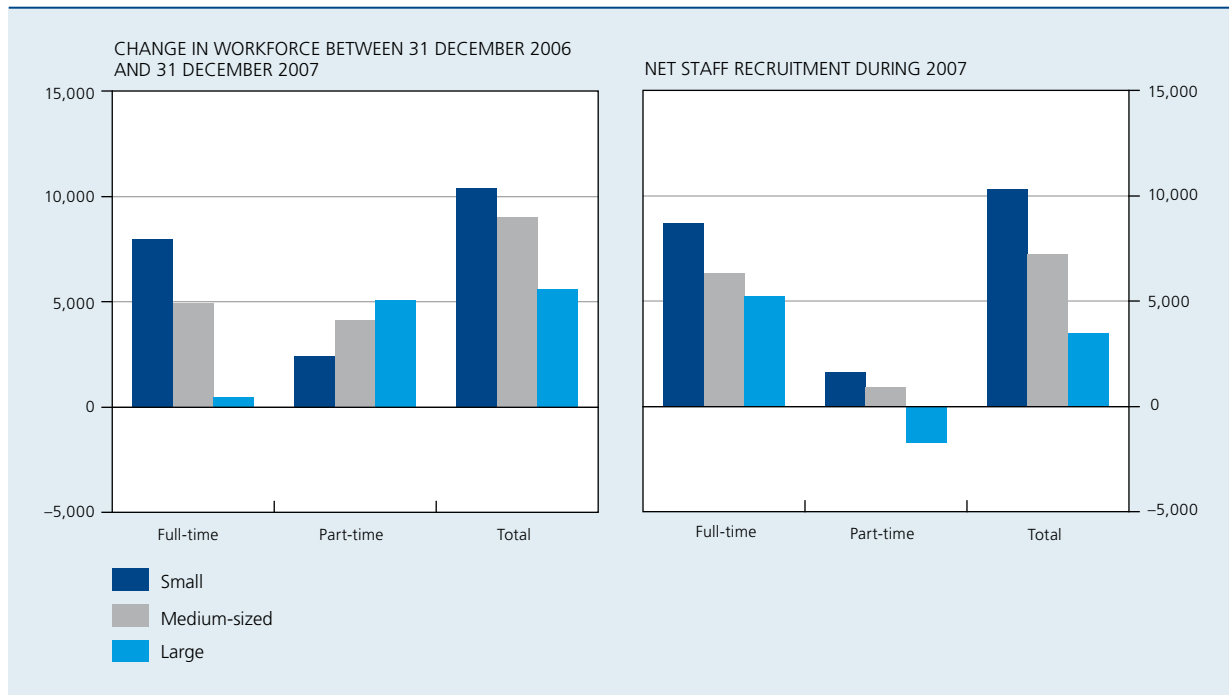
The importance of part-time working in the expansion of employment between one year and the next is evident in the social balance sheets. The choice of this working arrangement satisfies several objectives. It can notably attenuate the effects of restructuring in some firms, keep people in employment longer as they approach retirement, or make it easier for individuals to achieve a better work-life balance.

Various career break schemes encourage individual reductions in working time. The time credit scheme – applicable in the private sector – enables people to temporarily take a total or partial break from their career. During the period of suspension of the employment contract or reduction in hours worked, the worker qualifies for an allowance paid by NEO. According to NEO's annual report, in 2007 224,021 workers received an allowance for adjusting their working time. Of these, half were recorded in the time credit scheme. The most successful type of career break is the one-fifth reduction in working time, as 61 p.c. of workers in the time credit scheme chose that option. The flexibility offered by the time credit was quite popular with men, and in 2007 their share in this scheme came to 37 p.c., the same as in 2006. Workers aged 50 and over represent the major part of the time credit scheme: their share has risen steadily to reach 55.7 p.c. in 2007. That is a considerable increase compared to their 41 p.c. share in 2003.

The changing relative proportions of full-time and part-time workers originate not only from staff recruitment and departures but also from internal changes, e.g. when workers switch from full-time to part-time work. In the social balance sheets, the scale of such changes can only be ascertained by comparing staff numbers between two year-end dates and external staff movements during the year.

The expansion of part-time working was not on the same scale in all firm size classes, and did not always originate from the same source. In large firms, the part-time workforce expanded by 5,105 units between 31 December 2006 and 2007, while the full-time workforce barely increased during that period. This development is due mainly to changes in working arrangements within the firm. In fact, examination of external movements shows

CHART 4 STAFF MOVEMENTS IN 2007 : BREAKDOWN BY WORKING ARRANGEMENTS AND FIRM SIZE
(persons, reduced population)



Source : NBB (social balance sheets).

that this category of firms recorded net departures of part-time workers and substantial net recruitment of full-time workers during the year. In medium-sized firms, switching to part-time work was also a decisive factor: while the number of part-timers increased in roughly the same proportions as full-time workers between 31 December 2006 and 2007, expanding by 4,129 and 4,904 persons respectively, net recruitment of part-time workers was quite modest. In small firms it was mainly full-time workers who contributed to the rise in employment between 2006 and 2007. The part-time workforce expanded by 2,422 persons, with internal changes reinforcing the net recruitment of workers under this type of arrangement.

2.3 Type of employment contracts

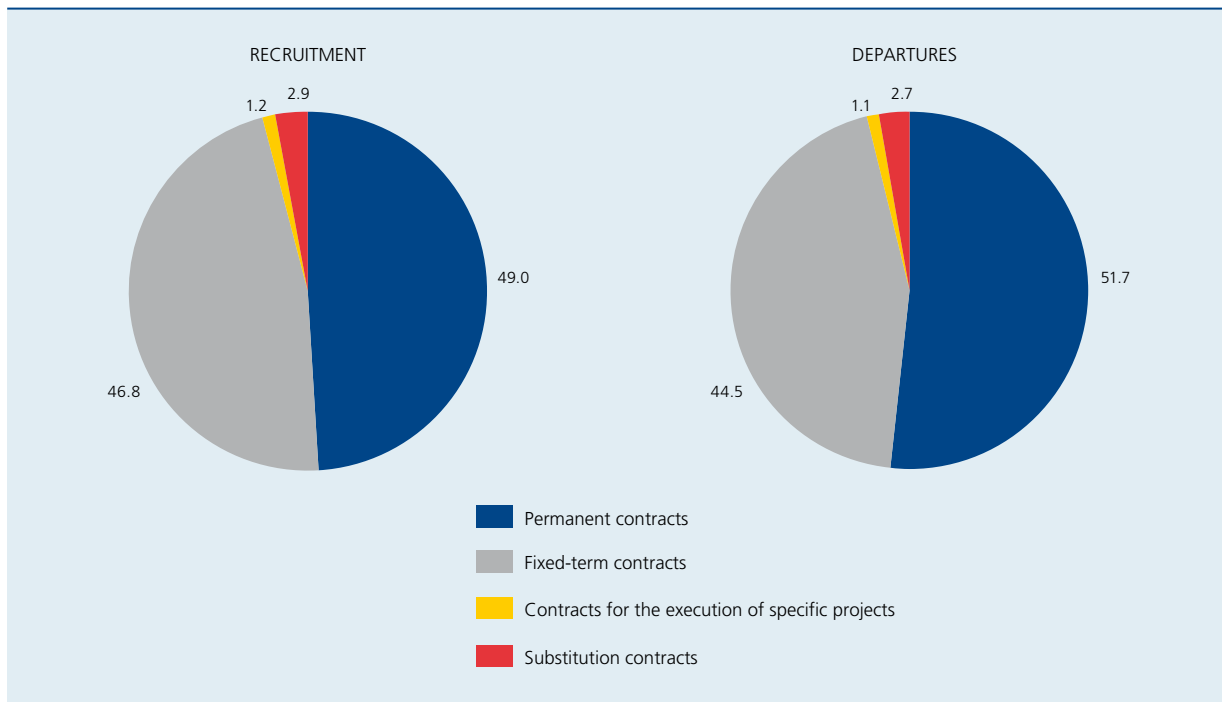
Firms in the reduced population filing full-format accounts stated that 49 p.c. of staff recruitment and 51.7 p.c. of departures recorded in 2007 concerned workers on permanent contracts, while the respective figures were 46.8 and 44.5 p.c. for staff on fixed-term contracts. Contracts for the execution of a specific project and substitution contracts together represented around 4 p.c. of recruitment and departures.

The turnover rate in the case of staff recruited for a fixed term – including those taken on to execute a specific project or for substitution purposes – is high by nature. Despite the supposedly more stable link with the employer, staff employed on permanent contracts do exhibit some mobility as a result of natural wastage or the desire of either party to terminate the contract. The staff turnover rate provides an indication of external mobility: it is calculated by comparing staff departures during the year with the number of staff recorded at the beginning of the year. In 2007, this rate was 15.2 p.c., or 0.6 percentage point higher than the year before. It was small firms – where the rate of staff replacement is traditionally higher – that recorded the biggest increase in staff turnover, up from 24.9 to 27.2 p.c. in 2007, compared to 18.6 and 11.8 p.c. respectively in medium-sized and large firms in 2007. These differences, which are seen every year, may be due notably to greater opportunities for internal mobility in large firms which also tend to have a more structured approach to pay progression. These differences are also reflected at the level of branches of activity, as some of them tend to have a higher concentration of large firms. Thus, in industry (especially energy and water), health and social work (which includes hospitals) and in financial and insurance services, the rate of staff turnover is below average. In the transport and communication

CHART 5

GROSS STAFF RECRUITMENT AND DEPARTURES BROKEN DOWN BY TYPE OF CONTRACT IN 2007

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



Source : NBB (social balance sheets).

sector the turnover rate is around 4 percentage points below the average. Conversely, some branches of activity record particularly high external mobility. That applies, for instance, to real estate and business services, which comprise firms of more varied sizes. The type of activities also determines to some extent the scale of staff turnover. In community, social and personal services, and even more obviously in the hotel and restaurant trade, the respective turnover rates are 28 and 80 p.c. These very high replacement rates are recurrent and may be attributed partly to less favourable pay and working conditions. However, it should be pointed out that in these branches the social balance sheets record only part of the total volume of employment.

2.4 Reasons for leaving

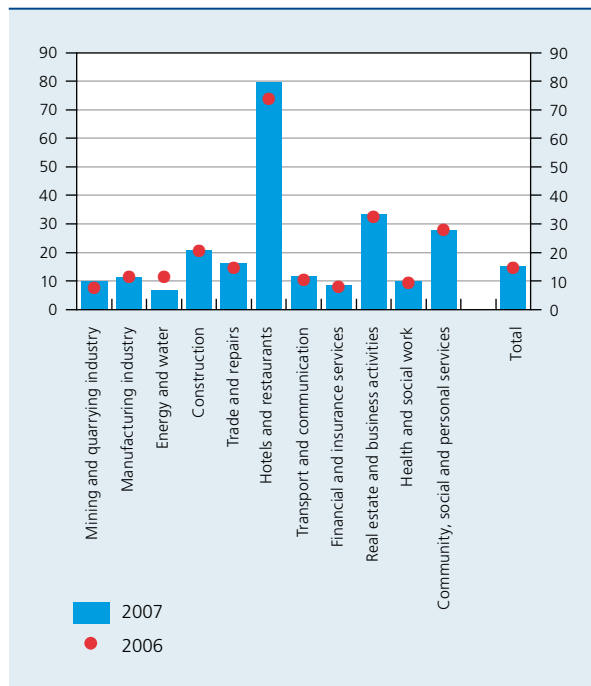
When recording staff departures, firms filing full-format accounts are required to specify the reason for termination of the contract. As in previous years, around half of departures are due to the termination of a temporary contract. In 2007, 31 p.c. of contract terminations were due to voluntary departure, the same proportion as in the previous year, reflecting the relative dynamism of the labour market. In fact, the ratio of voluntary departures

tends to be higher in years of cyclical upswing, as workers have more chance of finding employment elsewhere. Among the other causes, 16 p.c. of departures were due to redundancies. Staff taking early retirement or retirement accounted respectively for 3.1 and 2.3 p.c. of those leaving.

The relative importance of the reasons for terminating contracts vary according to firm size, and even more so, according to the firm's branch of activity. In small firms, termination of temporary contracts accounted for only 31 p.c. of departures. It was workers leaving voluntarily – probably influenced by the more limited opportunities for internal mobility – who accounted for the majority of the staff departures (almost 52 p.c.). Voluntary departures represent a smaller proportion in large firms. Conversely, compared to SMEs, large firms have higher levels of redundancies and staff taking early retirement or retirement. Firms employing over 250 FTEs accounted for around 76 p.c. of staff taking early retirement or retirement in the population considered.

At the level of branches of activity, termination of a temporary contract was the reason for almost 70 p.c. of departures in firms in the other services sector which, as already mentioned, includes the health sector and

CHART 6 RATE OF TURNOVER ⁽¹⁾ FOR WORKERS UNDER PERMANENT CONTRACTS IN 2006 AND IN 2007
(percentages, reduced population, full-format accounts)



Source: NBB (social balance sheets).

(1) Ratio between the number of departures recorded in t and the number of staff at the end of year t minus recruitment and plus departures recorded during the year. Agriculture was disregarded because of its minor relative importance.

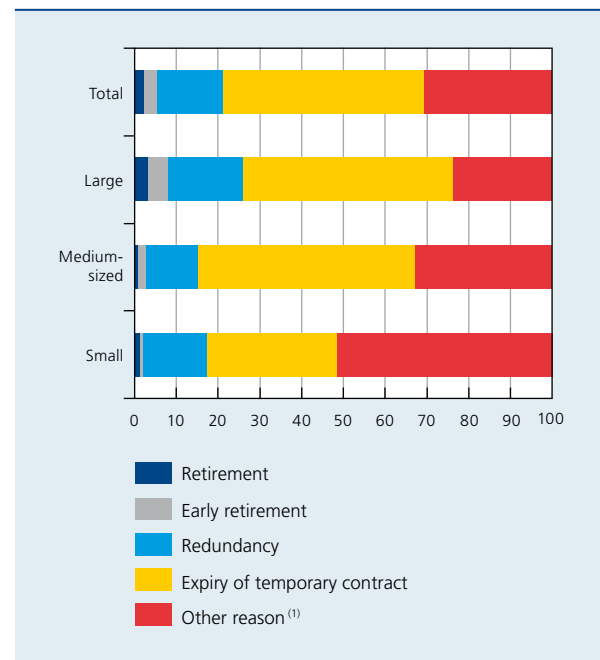
community, social and personal services. This was also a major reason for leaving in the trade, transport and communication sector. In the case of firms in the construction sector, 60 p.c. of departures were due to people leaving voluntarily. In industry, the percentage leaving for this reason was also above average. Financial, real estate and business services also deviated from the average in that just over a quarter of departures were due to redundancy. Finally, regarding other reasons for leaving, it is the industrial sector where early retirement was most widespread, representing 10 p.c. of departures. This branch – which tends to consist of large firms – accounted for 60 p.c. of total early retirement.

3. Structure of employment

3.1 Full-time and part-time work

Part-time work has expanded steadily in firms required to file a social balance sheet. While one in five workers was employed part time in 1998, that proportion had risen to

CHART 7 GROSS STAFF DEPARTURES IN 2007 : BREAKDOWN BY REASON AND FIRM SIZE
(percentages of the total, reduced population, full-format accounts)



Source: NBB (social balance sheets).

(1) Voluntary departures by mutual agreement between the parties, or death in service.

one in four by 2004. It continued to increase significantly thereafter, particularly between 2005 and 2006, probably because a larger number of NPIs – which often have a higher proportion of part-time staff – were included in the total population from 2006, following the obligation imposed on the larger ones to submit standardised accounts to the Central Balance Sheet Office.

In the reduced population there was a further rise in the proportion of part-time workers, up by 1.7 p.c. between 2006 and 2007. An increase was recorded for both men and women. The proportion of women working part time – already very high – increased by a further 0.5 p.c. However, it was men who recorded the biggest increase (2.9 p.c.), though admittedly starting from a much lower level. If these percentages are applied to the figures for the total population in 2006, it seems that almost 52 p.c. of women and 11 p.c. of men were working part time in 2007.

An increase in part-time working was evident in all firm size classes and in all branches of activity between 1998 and 2007. However, part-time working is very unevenly distributed, as is clear from the figures obtained for 2007

TABLE 5 DEVELOPMENTS IN PART-TIME WORKING BETWEEN 1998 AND 2007

(percentages of corresponding employment, data as at 31 December)

	Men	Women	Total
Total population			
1998	6.2	43.0	20.0
1999	6.7	43.7	20.8
2000	7.0	44.0	20.7
2001	7.3	44.8	21.3
2002	8.1	46.5	22.8
2003	9.1	48.0	24.1
2004	9.8	49.0	25.2
2005	10.3	50.4	25.9
2006	10.8	51.6	27.4
Reduced population			
2006	9.7	49.6	24.3
2007	10.0	49.9	24.7
<i>p.m. Percentage changes</i>	2.9	0.5	1.7

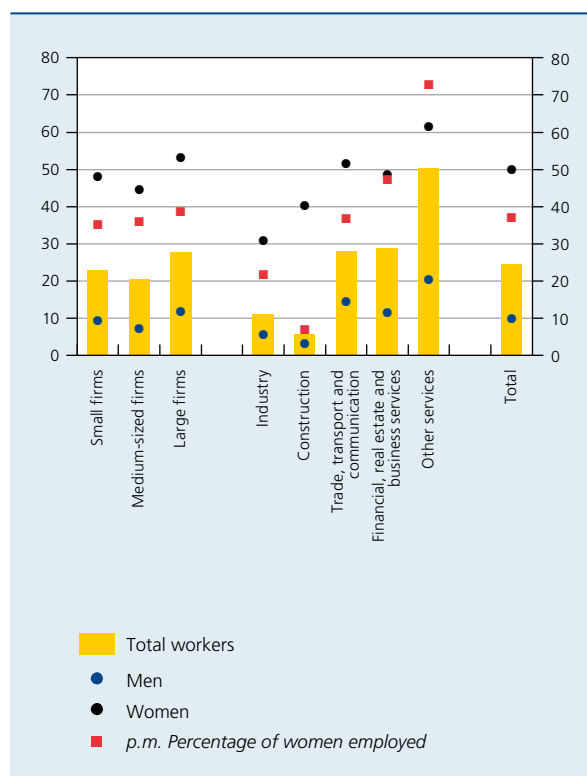
Source: NBB (social balance sheets).

for the reduced population. For example, it is less common in medium-sized firms (20.5 p.c. of workers) than in small (23 p.c.) or large firms (27.7 p.c.). The reasons for greater use of this working arrangement are probably not the same in small companies as in large ones. In the former, it is primarily an instrument for adjusting the volume of employment in line with activity. In large companies, on the other hand, the volume of labour is spread over a larger number of workers, making it easier for the employer to respond to workers wishing to achieve a better work-life balance.

The relative importance of part-time work is closely connected with the percentage of women in the workforce of the various branches of activity. Construction – a sector where women represent less than 7 p.c. of the workers – is where this working arrangement is least common (5.7 p.c.), although the proportion of female part-timers there is considerably higher than in industry (respectively 40.3 and 31 p.c.). Conversely, there are fewer male part-timers in construction than in industry (respectively 3.1 and 5.7 p.c.). In other services, part-time workers account for half of the labour force. In this branch, where almost three-quarters of the workers are women, 61.4 p.c. of the female workforce work reduced hours, as do 20.4 p.c. of the men.

CHART 8 MALE AND FEMALE PART-TIME WORKING IN 2007 ⁽¹⁾

(percentages of the corresponding employment, data as at 31 December, reduced population)



Source: NBB (social balance sheets).

(1) Agriculture was disregarded because of its minor relative importance.

3.2 Type of employment contract

Temporary employment contracts – i.e. fixed-term contracts, substitution contracts or contracts concluded for the execution of a specific project – and contracts employing agency workers are instruments for adjusting the volume of labour according to production requirements. Furthermore, with the prior authorisation – or in some cases notification – of the social inspectorate, the secondment of staff gives the user access to additional workers, usually from an associated company.

The information on agency workers and staff on secondment is available only for firms filing full-format accounts. For firms as a whole, the only available item is the breakdown by employment contract as at 31 December for staff entered in the firm's register, which already offers a good idea of the use of certain instruments permitting flexible employment.

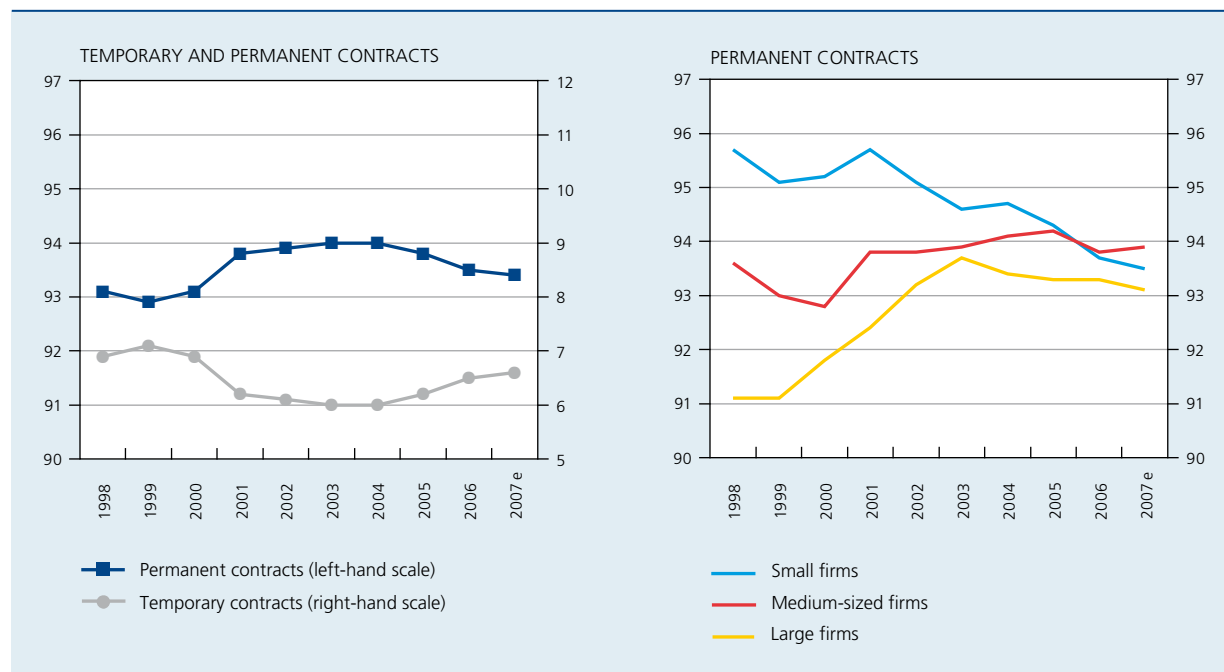
Following a decline recorded between 1999 and 2001, the share of temporary contracts stabilised at around 6 p.c. between 2002 and 2004. Since then, the trend has been upwards: in 2006, these contracts represented 6.5 p.c. of total jobs, a level which is nevertheless lower than that recorded at the beginning of the analysis period. The rise continued at a moderate pace between 2006 and 2007. If the increase recorded in the reduced population is applied to the figure for the total population in 2006, the proportion of temporary contracts comes to 6.6 p.c. of the total in 2007.

On average, the number of permanent workers increased by 1.8 p.c. between 2006 and 2007, whereas over the same period the number of staff recruited on temporary contracts was up by 4.1 p.c. The rise was substantial in the case of contracts concluded for the purpose of a specific project, the number of which increased by over 25 p.c. A large increase was recorded in various branches of activity, particularly trade, health and social work, and real estate and business services. In all, however, staff engaged on this type of contract account for only a marginal fraction of the workers recruited (0.2 p.c.).

Permanent contracts still make up the bulk of total employment, at 93.4 p.c. in 2007. In this regard, attention should be drawn to the strong convergence in the proportion of permanent workers in the three firm size classes. Whereas at the start of the analysis period small firms had a much higher proportion of workers on permanent contracts than they do now, at 95.7 p.c. in 1998 compared to 93.5 p.c. in 2007, the opposite is true for large firms. In these, the relative proportion of permanent workers has increased, rising from 91.1 p.c. in 1998 to a peak of 93.7 p.c. in 2003, before gradually subsiding to 93.1 p.c. In medium-sized firms, the situation has changed little, except at the start of the period when the business environment entailed short-term adjustments to the workforce, boosting the proportion of temporary workers in employment. In 2007, the share of permanent staff came to 93.9 p.c., compared to 93.6 p.c. in 1998.

Workers entered in their employer's staff register on temporary contracts are proportionately a little less numerous in firms filing full-format accounts (5.3 p.c. of the workforce as at 31 December 2007 for the reduced population) than in firms filing abridged accounts (5.8 p.c.).

CHART 9 RELATIVE IMPORTANCE OF TEMPORARY CONTRACTS ⁽¹⁾ AND PERMANENT CONTRACTS BETWEEN 1998 AND 2007 ⁽²⁾
(percentages of the total, data as at 31 December, total population)



Source : NBB (social balance sheets).

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

(2) The results for 2007 were calculated by applying the change recorded between 2006 and 2007 for the reduced population to the value observed for the total population in 2006.

Nonetheless, in the case of full-format accounts additional information is available on the use of agency workers⁽¹⁾ or workers seconded from another company, so that the total active workforce (in FTEs) can be broken down by type of contract, including agency workers and workers on secondment.

This analysis shows that, in firms filing full-format accounts, the use of external workers recruited by another enterprise – staff agency, sister company or any other employer – is widespread. In 2007, a total of 4.1 p.c. of employment expressed in FTEs consisted of agency workers – who therefore make up the largest proportion of temporary workers – and 2.9 p.c. consisted of workers on secondment, while 3.8 p.c. of staff were workers on fixed-term contracts, and the other two categories of temporary contracts remained marginal. Altogether, workers on permanent contracts represented 88.5 p.c. of employment.

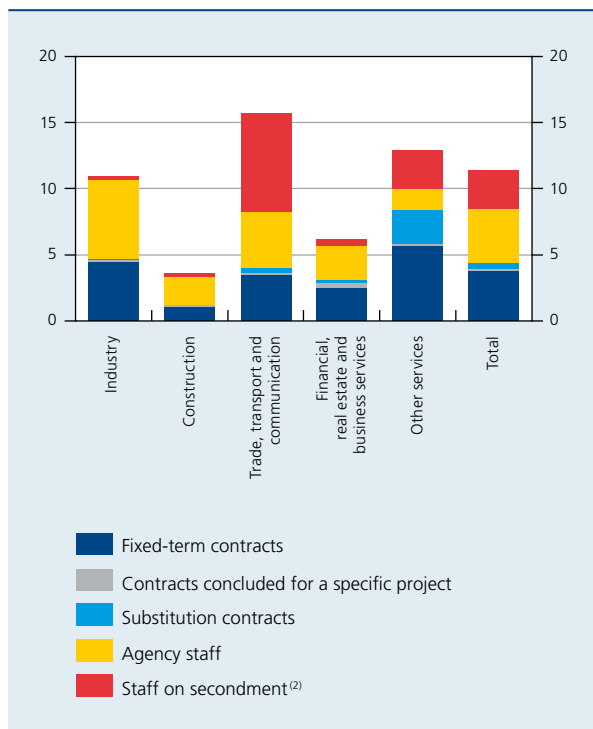
Permanent contracts account for around 90 p.c. of employment in terms of FTEs in both medium-sized and large firms. While the percentage of temporary workers is

almost the same, large firms make proportionately greater use of fixed-term contracts, whereas medium-sized firms make greater use of agency staff. In small firms, workers on secondment represent the bulk of the temporary staff, but for this category of firms the breakdown is heavily biased by the presence of a new structure linked to the BNRC and set up in 2004, which had only two workers on the permanent staff at the end of 2007 but during this period received almost 19,000 FTEs transferred from BNRC Holding.

Relatively few firms use workers on secondment. In 2007, of the 8,185 firms filing full-format accounts, only 387 used this procedure, or under 5 p.c. of the total. Nonetheless, workers on secondment represent no less than a fifth of the workforce expressed in FTEs in the user firms. They are particularly common in transport and communication (particularly at BNRC and in a number of port handling firms which make use of companies supplying dockers) and in the health and social work sector.

The proportion of firms using temporary employment agencies far exceeds the proportion of firms using workers on secondment. Although the use of agency staff is strictly regulated, and is still prohibited in certain cases and for a number of activities⁽²⁾, the regulations applicable are much less strict than those concerning secondment, which is generally prohibited except in certain cases⁽³⁾. In the reduced population, 63 p.c. of firms filing full-format accounts took on agency workers in 2007. The percentage rises the bigger the firm. Thus, 53 p.c. of small firms use such staff, compared to 79 p.c. of medium-sized firms and 90 p.c. of large firms. However, in small firms agency staff account for 7.5 p.c. of the workforce in FTEs compared to 6.9 p.c. in medium-sized firms and only 3.3 p.c. in large firms. In the various sectors, a larger proportion of firms in mining and quarrying, manufacturing and hotels and restaurants take on agency staff: here, user firms represent 92, 85 and 75 p.c. respectively of the total number of companies. The sectors making least use of agency workers are health and social work and financial and insurance services.

CHART 10 PROPORTION OF WORKERS EMPLOYED UNDER A NON-PERMANENT CONTRACT IN 2007⁽¹⁾
(percentages of total employment in FTEs, reduced population, full-format accounts)



Source : NBB (social balance sheets).

(1) Agriculture was disregarded on account of its minor relative importance.

(2) Staff linked to a firm by entry in the staff register and seconded to another firm obliged to file a social balance sheet are counted twice, without it being possible to correct that double counting.

(1) In terms of hours worked, the volume of agency work stated in the social balance sheets for 2007 represented over 40 p.c. of that recorded by Fedegon, the "Federation of Employment Partners". The conclusions which may be drawn from the social balance sheet therefore appear to be representative.

(2) The use of agency workers is prohibited in cases where an employment contract is suspended on account of a lack of work caused by economic factors or inclement weather, or in the case of a strike or lock-out in the firm. In the case of removal firms, furniture storage facilities and related activities, the use of agency staff is still strictly prohibited. In construction, it is permitted only for the purpose of replacing a worker who is unfit for work or if there is a temporary surplus of work.

(3) Apart from their normal activities, employers may make their permanent staff available to other users on an exceptional basis and for a limited period. However, this requires the prior authorisation of the social inspectorate following agreement between the user and the firm's union or, failing that, the workers' organisations represented on the joint committee for the firm. The prior authorisation is not required if two firms are mutually dependent in economic and financial terms and/or if the staff are made available for the purpose of performing specialist work requiring particular professional qualifications.

TABLE 6 AGENCY WORKERS IN FIRMS
FILING FULL-FORMAT ACCOUNTS
(reduced population)

	2006	2007
Percentages of the total		
Number of FTEs	3.9	4.1
Hours worked	4.8	5.0
Staff costs	3.2	3.3
Units		
Number of FTEs	39,490	41,966
Hours worked (thousands)	73,932	78,673
Hours worked per FTE	1,872	1,875
Staff costs per hour worked (euro)	23.2	23.8
<i>p.m. Percentages of agency employment recorded by Federgon</i>		
<i>Hours worked</i>	<i>42.7</i>	<i>42.0</i>

Sources: Federgon, NBB (social balance sheets).

Agency staff employed by firms in the reduced population filing full-format accounts increased by 6.3 p.c. between 2006 and 2007. In the latter year, these firms employed 41,966 FTEs from agencies, equivalent to 4.1 p.c. of employment. The percentage is similar in small and medium-sized firms, at around 5.6 p.c., but is only 3.1 p.c. in large firms. In community, social and personal services, manufacturing industry, and hotels and restaurants, the share of agency workers exceeds 6 p.c. Conversely, in health and social work, energy and water, and financial and insurance services it is still around or below 1 p.c.

The volume of hours worked by agency staff increased by 6.4 p.c. and in 2007 represented 5 p.c. of the total volume of labour. The average annual working time per agency worker remained more or less steady, rising from 1,872 hours in 2006 to 1,875 hours in 2007. The average hourly cost of an agency worker was up from 23.2 to 23.8 euro, a rise of 2.7 p.c., comparable to the average increase for staff recorded in the register of firms filing full-format accounts, namely 2.8 p.c. In total, costs relating to the employment of agency workers accounted for 3.3 p.c. of staff costs in 2007.

4. Staff costs

The staff costs recorded in the social balance sheets comprise only payments by employers to staff entered in the register. They differ from the labour cost concept used in the national accounts in that they do not include the payments made to pensioners – who are no longer recorded in the staff register – or certain costs associated with any restructuring, which may be recorded on the balance sheet of firms as exceptional expenses. Furthermore, the picture indicated by the social balance sheets relates to a reduced population of firms, constant for 2006 and 2007, with the omissions of workers and firms which this methodology implies. Consequently, the movement in costs stated in the social balance sheets is not directly comparable to that calculated on the basis of the national accounts.

The costs incurred by firms in the reduced population in respect of workers recorded on their register increased by 5.1 p.c. between 2006 and 2007. Over the same period, the number of workers expressed as FTEs rose by 2.1 p.c. This increased the average annual labour cost by 3 p.c., from 50,196 to 51,679 euro.

TABLE 7 STAFF COSTS RELATING TO WORKERS RECORDED IN THE STAFF REGISTER
(euro, unless otherwise stated; annual averages; reduced population)

	2006	2007	Percentages change between 2006 and 2007
Per FTE	50,196	51,679	3.0
Per hour worked	32.9	33.8	2.8
Full-time workers	33.5	34.5	2.9
Part-time workers	29.7	30.4	2.2

Source: NBB (social balance sheets).

The volume of labour expressed in hours increased at a slightly higher rate than in the case of employment expressed in FTEs, namely by 2.3 p.c., so that costs per hour worked increased by slightly less (2.8 p.c.) than costs per FTE, reaching an average of 33.8 euro in 2007. The rise was slightly sharper for full-time workers, whose wages increased from 33.5 to 34.5 euro per hour worked – up by 2.9 p.c. In contrast, the hourly wages of part-time workers increased by a much more modest 2.2 p.c. to reach 30.4 euro in 2007.

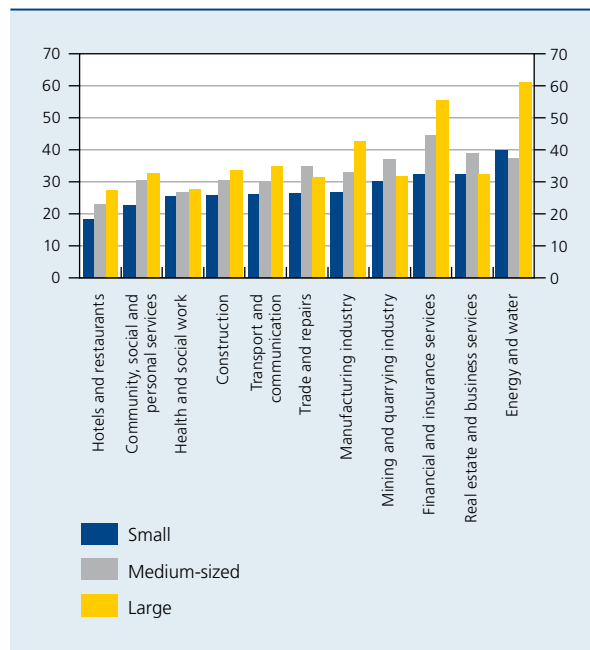
The trend in hourly labour costs is often more volatile for part-timers than for full-time workers, as the expansion of part-time working is leading to changes in the structure of the part-time workforce (notably in terms of the workers' gender, qualifications and seniority, as well as the working arrangement chosen and the branch of activity where they are employed), which have some influence on the level and growth of the wage bill attributed to these workers. It is also worth noting that the breakdown of the volume of labour and costs between full-time and part-time workers is often complicated at firm level, and that the resulting errors have a greater impact in the case of part-time work than full-time work, the volume of which is much larger.

The rise in average costs per hour worked remained fairly uniform – at or around 3 p.c. – in the various firm size classes. The scale of the increase was the same in small and medium-sized firms, both for full-time workers (2.9 p.c.) and for part-timers (3.8 p.c.). In contrast, in large firms the rise was much more marked for full-time workers (3.4 p.c.), while it was decidedly smaller for part-timers (1.2 p.c.).

Hourly cost increases varied between the branches of activity. The rise was very modest in the energy and water sector (0.1 p.c.) and in financial and insurance services (1.6 p.c.). It was also well below the average in hotels and restaurants (2.2 p.c.). Conversely, hourly costs increased by significantly more than the average in the health and social work sector (3.9 p.c.) and in mining and quarrying and manufacturing (3.9 and 3.7 p.c. respectively), as well as in community, social and personal services (3.5 p.c.). In the other branches, the increase was between 2.4 and 2.7 p.c.

While the movement in staff costs per hour worked varies between firms brought together by branch of activity, the hourly cost levels also differ, both according to branch and firm size. As a general rule, hourly costs increase the larger the firm, but that is not systematically the case, as is evident from the 2007 findings in the reduced population. In trade, mining and quarrying, and real estate and business services, hourly costs in medium-sized firms

CHART 11 STAFF COSTS PER HOUR WORKED IN 2007: BREAKDOWN BY SIZE AND BRANCH OF ACTIVITY OF THE FIRMS⁽¹⁾
(euro, reduced population)



Source: NBB (social balance sheets).

(1) Agriculture was disregarded on account of its minor relative importance.

exceeded those in large companies, and in the energy and water sector they were lower than the costs recorded in small firms.

In 2007, hourly costs averaged 26.8 euro in small firms, 32.8 euro in medium-sized companies and 38.9 euro in large firms, but for the same size class the hourly cost in some firms was up to twice as high as in others, depending on the branch of activity. The hotel and restaurant trade recorded the lowest wages for all size classes: the cost of one hour's work averaged 18 euro in small enterprises, 23 euro in medium-sized ones and 27 euro in large ones. In the energy and water sector, on the other hand, hourly wages came to almost 40 euro in small companies and over 60 euro in large ones. In the case of medium-sized firms, hourly labour costs were highest in financial and insurance services, at around 44 euro.

5. Training

The social balance sheet makes it possible to measure the training efforts of firms on an annual basis. For 2007, it comprised two tables, one concerning formal training and the other dealing with training, guidance and mentoring activities resulting from the law of 5 September

2001 promoting the employment rate of workers. These last activities are relatively uncommon, unlike formal training activities: in 2006, 416 enterprises, out of the 79,402 firms in the total population, stated that they had conducted such activities, and in the reduced population the figure was only just over 300 in 2007, or 0.7 p.c. of the total. This low proportion suggests that the results thus obtained are not validly usable. Moreover, since this information no longer appears in the new version of the social balance sheet applicable for years ending on or after 1 December 2008, it was decided not to devote a specific section to the subject in this analysis.

5.1 Formal training recorded in the social balance sheets

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

At the level of the total population, just over 5,000 firms completed the social balance sheet table relating to formal training between 2002 and 2005. In 2006, the number of trainer companies increased to 5,549 units. Entry into force of the obligation on large NPIs to file standardised annual accounts from that year onwards was doubtless a factor here. Thus, in 2006, in the community, social and personal services branch and in the health and social work sector, where NPIs are very numerous, the number of enterprises organising formal training increased by 45 and 145 respectively compared to the average figures recorded between 1998 and 2005, representing a rise of 39 and 24 p.c. respectively.

While the rise between 2005 and 2006 in the total population probably reflects a break in the series, that is not the case in the reduced population – which covers the same enterprises for the two consecutive years – where a significant increase of almost 5 p.c. in the number of enterprises organising training was recorded between 2006 and 2007. In 2007, 4,102 enterprises had organised formal training, or 9.2 p.c. of companies in the reduced population.

It should be noted that the training programmes of some firms may vary considerably from one year to another according to their investment projects and the available budgets. Moreover, not all firms arrange training systematically in every year. Thus, even within the reduced population, 3,159 enterprises completed the tables relating to formal training for both 2006 and 2007, while 754 firms supplied this information for 2006 only, and 943 (almost a quarter of the total) for 2007 only. These characteristics must be taken into account in assessing the results recorded in relation to the training targets set.

In 1998, under the central agreement for 1999-2000, the social partners had quantified the amount to be spent on training in the next six years: in 2004, training costs were to represent 1.9 p.c. of labour costs incurred by all firms in the private sector. Intermediate targets had been set for the years 2000 (1.4 p.c.) and 2002 (1.6 p.c.). In 2003, at the employment conference, a target for participation in training was added: by 2010, one in two workers must have access to training each year. At the end of 2005, under the Generation Pact, the government asked the social partners to ensure that these commitments were fulfilled. In particular, it asked them to define new growth paths. In this connection there is provision for assessing the training efforts at sectoral level, and a penalty system has been set up in the form of a specific contribution from sectors making insufficient effort. The pact also stipulated that the target of 1.9 p.c. of the wage bill to be spent on training was now to be achieved by 2006, or two years later than the social partners originally planned.

On the basis of the results obtained for our analysis population (which does not include all firms: in particular, those with less than one FTE are excluded, as are those whose financial year ends on a date other than 31 December), the figures fell far short of the targets. In 2006, the number of workers with access to training came to only 35.2 p.c. of the total workforce, and training costs represented less than 1.2 p.c. of the wage bill. This weak performance highlights the substantial effort still required on this matter.

Between 2006 and 2007, there was nonetheless an encouraging rise in training indicators in the reduced population⁽¹⁾. Thus, the number of workers trained increased by 2.5 p.c., outpacing the increase in employment, which expanded by 2.3 p.c. on average. As a result, the training participation rate increased, though admittedly by a modest amount (only 0.2 p.c.), bringing it to 39.4 p.c. in 2007.

(1) Note that in the case of the training indicators obtained for the reduced population, both the levels and the movements are subject to an upward bias owing to the over-representation of large firms, which are traditionally more systematic in reporting their investment in training.

The rise in the numbers taking part in training remained moderate compared to the increase in budgets and training hours, up by 9.3 and 9.7 p.c. respectively. For comparison, total staff costs increased by only 5.1 p.c. and hours worked by 2.3 p.c. The share of training costs in total staff costs therefore increased sharply, from 1.37 to 1.42 p.c. for this same reduced population, representing a 4 p.c. rise. The number of hours of training expressed as a percentage of the total hours worked was up by 7.3 p.c. in firms in the reduced population between 2006 and 2007. In 2007, these firms thus devoted 0.93 p.c. of working time to training, compared to 0.87 p.c. a year earlier.

Since the hours of training and the costs increased at similar rates of around 9 p.c., the average cost of an hour's training remained unchanged overall, in the region of 52 euro. Conversely, the number of hours of training per participant increased by 7.1 p.c., with each trained worker receiving 32.6 hours of training, or two hours more than in 2006. The situation still varies between men and women. For women, access to training was still almost 10 p.c. below the figure for men in 2007, while the average number of hours of training for female workers was more than 25 p.c. less than for men. There was a gap of comparable size in regard to the cost of an hour's training.

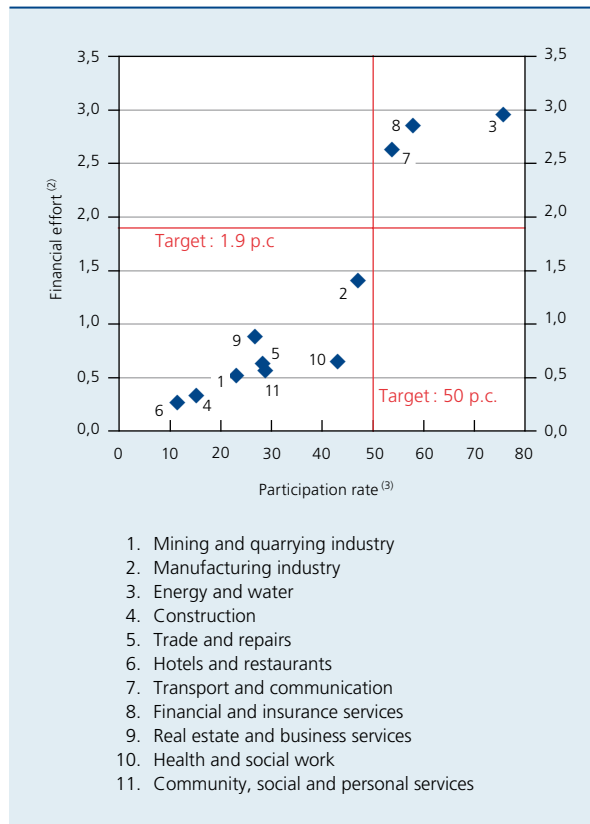
As a general rule, investment in training and workers' access to training increases the bigger the firm. But the training policy also depends very largely on the specific requirements of the various sectors. Thus, some of them long ago set up training schemes accessible to a large proportion of their staff. In the energy and water sector, three-quarters of workers had access to training in 2007. The rate of access to training was also well in excess of the 50 p.c. target in financial and insurance services, and in transport and communication, while it was close to that figure in manufacturing (47 p.c.). Conversely, workers in the hotel and restaurant trade and the construction industry are the worst off, since barely 11 and 15 p.c. of them respectively were offered training. In regard to the financial effort, the ranking of the sectors and their position in relation to the targets is almost the same. The top performers devote more than 2.5 p.c. of the wage bill to training, while the sectors which spend the least spend less than 0.5 p.c. The health and social work sector is different from the others: while the participation rate there (43 p.c.) is well above the average (39 p.c.), the amounts allocated to training are quite low in proportion: training costs represent only 0.65 p.c. of the wage bill, compared to the average of 1.42 p.c.

TABLE 8 FORMAL TRAINING IN FIRMS

	Training firms (as p.c. of total firms)	Training participants (as p.c. of average employment)	Training costs		Hours of training	
			(as p.c. of staff costs)	(average per hour, in euro)	(as p.c. of hours worked)	(average per participant, in hours)
Total population						
1998	7.5	33.0	1.34	44.5	0.75	33.1
1999	7.8	34.6	1.30	44.4	0.75	31.2
2000	7.6	35.1	1.42	43.0	0.86	35.3
2001	7.0	35.0	1.36	44.3	0.84	34.0
2002	7.2	34.6	1.27	46.4	0.79	31.8
2003	7.1	34.7	1.20	45.4	0.77	31.0
2004	6.8	35.7	1.13	46.6	0.73	28.4
2005	6.7	36.0	1.13	47.9	0.73	28.0
2006	6.9	35.2	1.17	49.3	0.75	29.0
Reduced population						
2006	8.8	39.3	1.37	52.0	0.87	30.5
2007	9.2	39.4	1.42	51.8	0.93	32.6
<i>p.m. Percentage changes</i>	4.8	0.2	4.0	-0.4	7.3	7.1

Source: NBB (social balance sheets).

CHART 12 POSITION OF BRANCHES OF ACTIVITY IN 2007, IN RELATION TO TRAINING TARGETS ⁽¹⁾
(percentages, reduced population)



Source: NBB (social balance sheets).

(1) Agriculture was disregarded owing to its minor relative importance.

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

(3) Numbers participating in training, as a percentage of average employment.

5.2 Tables relating to training in the new version of the social balance sheet

A new form relating to the social balance sheet applies to all financial years commencing from 1 December 2008. As regards the training efforts of employers, the information requested is much more detailed and the scope is broader. Given the importance of this information in the future for the assessment of the training efforts of firms, at both macroeconomic and sectoral or individual level, it is essential to clarify the content. That is why a methodological note, available on the website of the National Bank of Belgium, was produced jointly by the Central Balance Sheet Office, the Central Economic Council and the National Labour Council ⁽¹⁾.

(1) Cf. Explanatory notes, only available in French or Dutch, on the information on training activities included in the social balance sheets at: http://www.nbb.be/DOC/BA/SocialBalance/Notice_Formations_FR_4%20avril%202008.pdf.

The training schemes covered are divided into further vocational training and basic vocational training.

Further vocational training schemes comprise training attended by one or more staff members, planned in advance and designed to augment the workers' knowledge or improve their skills. This training is funded partly or entirely by the firm (including indirectly, e.g. via contributions to training funds). This training category is subdivided into formal and informal training.

Further formal vocational training means courses and apprenticeships designed by trainers. This type of training is characterised by a high degree of organisation by the trainer or the training institution. It takes place in premises clearly separate from the place of work. These training programmes are intended for a group of trainees and may lead to a certificate of attendance.

Less formal or informal vocational training means learning activities other than those mentioned above. This kind of training is typically organised to a large degree (in terms of time, place and content) by the individual trainees or groups of trainees themselves. The content is determined according to their individual needs. There is a direct link between the training and the job or the place of work, but the training may also involve attendance at conferences or trade fairs for learning purposes.

The social balance sheet devotes one table to each of these two types of further training. In both cases, employers are required to state the number of workers concerned, the hours of training completed and the net cost borne by the firm, giving separate figures for men and women. However, the table relating to formal vocational training contains more details on costs, since employers have to give specific details on the calculation of the net cost for the firm, namely the gross costs directly connected with the training (comprising the costs inherent in the training – enrolment fees and, if appropriate, travel and accommodation costs, cost of supplies, remuneration of training staff and organisers, miscellaneous operating costs – and the wages of the workers), contributions and payments to collective funds intended for financing the training, less any subsidies and other financial benefits received.

The last table is devoted to initial training given to persons employed under systems which alternate training and work experience. To qualify as initial training, it must fulfil the following criteria: the purpose of the training is to acquire a diploma or an officially registered certificate; the person's main activity must be training, but the course must consist at least in part of practical experience in the firm; the period of training must be at least six months.

In regard to initial training, the employer must state separate figures for men and women indicating the total number of apprentices or trainees in question, the hours worked in the firm (excluding time spent in the training institution) and the net cost to the firm.

Conclusions

As an annual average, employment grew by 2.3 p.c. in 2007, driven by the favourable developments in the full-time and part-time workforce. The rise in the average number of workers was widespread in all firm size classes and all branches of activity, but it exceeded the average in SMEs and in certain branches of the tertiary sector.

The expansion of part-time working is attributable only partly to the recruitment of staff working reduced hours. In medium-sized and large firms, the growth of the part-time workforce corresponds mainly to changes in the working arrangements of existing staff. In small firms, on the other hand, these internal changes reinforced the net inflow of part-time workers. However, in this category of firms, it was full-time staff who accounted for most of the rise in employment in 2007.

Construction of a longitudinal database using the annual data taken from the social balance sheets over the period 1998 to 2006 made it possible to study the dynamics of paid employment in the private sector in relation to the business cycle. The rate of job creation thus appears to be closely linked to the pattern of business activity, while the correlation between the rate of job destruction and economic activity, although negative as expected, is weaker. The influence of firms' demography on the dynamics of paid employment was also demonstrated. In 27 p.c. of cases, job creation is attributable to new firms, while the disappearance of firms accounts for around 30 p.c. of job destruction; this corresponds to the orders of magnitude seen in other European countries.

The external staff movements recorded in firms in the reduced population were greater than in the previous year, but in total the net inflow of workers in 2007 – around 21,000 units – was 10,000 units below the 2006 level. It came to around 14,000 units in firms filing full-format accounts, which are required to supply more details on these staff movements. In these companies, net recruitment was higher for women than for men, continuing a trend apparent for several years. Regarding the workers' standard of education, the net increase in the workforce was due to a combination of net recruitment of workers with higher education

diplomas or certificates of secondary education and net departures of holders of certificates of elementary education.

Analysis of the reasons for leaving indicates variations according to the firm's size and branch of activity. In medium-sized and large firms, most staff departures are due to expiry of temporary contracts, while in small firms voluntary departure is the main cause. Also, redundancies and retirement, including early retirement, are relatively more common in firms with over 250 FTEs. At the level of branches of activity, the relative shares of the various reasons for leaving sometimes deviate widely from the average. Thus, the expiry of temporary contracts accounted for almost 70 p.c. of departures in firms in the other services branch. In construction, 60 p.c. of departures were due to workers leaving voluntarily. Financial, real estate and business services also exhibited significant deviations from the average, since just over a quarter of departures were due to redundancy. Finally, early retirement was most widespread in industry, accounting for 10 p.c. of departures.

In the case of firms filing full-format accounts, the turnover rate of staff on permanent contracts came to 15.2 p.c. in 2007, 0.6 percentage point higher than a year earlier. In particular, small firms – which traditionally have a higher rate of worker replacement – recorded increased external mobility. In the branches which tend to contain large firms, such as manufacturing, health and social work, and financial and insurance services, the rate of staff turnover was below the average. In contrast, some branches of activity recorded particularly high levels of external mobility. This was true, for instance, in real estate and business services, a sector containing firms which vary more in size.

Part-time working continued to expand steadily among the staff of firms required to file a social balance sheet, rising from 20 p.c. in 1998 to over 27 p.c. in 2006. In the reduced population, there was a further increase (1.7 p.c.) in the rate of part-time working in 2007. Already very widespread among the female working population, since over half of women work reduced hours, female part-time working showed a further slight increase between 2006 and 2007 (0.5 p.c.). For men the increase was larger (2.7 p.c.), although admittedly starting from a much lower level.

This working arrangement is increasingly common whatever the branch or firm size. Nonetheless, it is unevenly distributed: it is more common in small and large entities than in medium-sized firms, and in branches of activity where women are the most strongly represented, such

as other services (which includes in particular health and social work).

The proportion of temporary contracts continued to rise in 2007, reaching 6.6 p.c. of the total, compared to 6 p.c. three years earlier. However, permanent contracts still represent the major part of employment, i.e. between 93 and 94 p.c. of the total depending on the firm's size class. This convergence contrasts with the much more heterogeneous situation seen at the beginning of the analysis period, when the proportion of permanent workers in small firms was almost 5 percentage points higher than in large companies.

Agency work expanded again in 2007 in firms filing full-format accounts – the only ones for which this information is available – to represent a total of 4.1 p.c. of the FTE workforce; this constitutes the largest proportion of the temporary labour force, ahead of workers on fixed-term contracts (3.8 p.c.) and workers on secondment (2.9 p.c.). The instruments used to adjust the labour force vary between branches: in industry, it is agency staff that are used most frequently, while in trade, transport and communication greater use is made of workers on secondment and while the other services branch makes more use of workers on fixed-term contracts.

The wage bill increased by 5.1 p.c. between 2006 and 2007 in firms in the reduced population. At the same time, the volume of labour grew by 2.3 p.c., so that the increase in hourly costs averaged 2.8 p.c. The increase was larger in the case of full-time workers (2.9 p.c.) than part-time workers (2.2 p.c.). The movement in these costs and the cost levels vary considerably according to the firm's size class and branch of activity. Hourly costs generally increase with size. They are lowest in the hotel and restaurant trade and highest in the energy and water sector, and in financial and insurance services.

In regard to training, the performance observed in 2006 for the total population still falls well short of the targets: training costs represented only 1.17 p.c. of the wage bill, whereas the Generation Pact had stipulated a target of 1.9 p.c., and the rate of worker participation in training was only 35.2 p.c., compared to the target of 50 p.c. set for 2010. Some improvement was nevertheless recorded between 2006 and 2007 in the reduced population: the indicator relating to the amount spent on training was up by 4 p.c. If this percentage were applied to the 2006 figure for the total population, the training budget would have represented 1.22 p.c. of staff costs in 2007. The rate of worker participation in training also increased very slightly, by 0.2 p.c., to reach 35.3 p.c. in 2007 according to the same calculation method.

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Annex 1

Methodological annex

1. Methodological principles governing the composition of the populations of firms

The methodological principles governing the composition of the populations of firms to be used in the analysis are described in detail in Annex 1 to the article "The social balance sheet 2005", which appeared in the December 2006 Economic Review and is available on the website of the National Bank of Belgium (www.nbb.be).

It should be remembered that only the social balance sheets of firms which meet certain criteria relating to homogeneity, consistency and quality are taken into account. In particular, the financial year must comprise 12 months and must end on 31 December; the firms must be in the private sector⁽¹⁾, they must have at least one FTE employee, and their economic activity must be clearly identified⁽²⁾; the data reported in the social balance sheet must tally exactly with the data in the annual accounts⁽³⁾; firms submitting abnormal values for hourly staff costs or hours worked per FTE are eliminated, as are any anomalies found in regard to training and the use of agency workers.

The use of these methodological principles is justified by the desire for reliable, consistent data. However, it does mean that the number of social balance sheets used for the analysis in this article is significantly smaller, for each year, than the total number of social balance sheets filed at the Central Balance Sheet Office.

In addition, the analysis of the results of the social balance sheets filed for 2007 is conducted on a constant reduced population⁽⁴⁾, which further limits the coverage of the analysis population in relation to the balance sheets filed at the Central Balance Sheet Office. The results presented in this article therefore reflect the changes recorded in a population which remained stable between 2006 and 2007, and may differ from the changes which, following final closure, will be observed on the basis of the total population⁽⁵⁾ of firms filing a social balance sheet.

Following the selection process, the total population for 2006 comprised 79,402 firms and 1,863,641 employees. For the same year, the constant reduced population comprised 44,718 companies which together employed 1,312,274 workers, corresponding to 70.4 p.c. of the persons employed in all the firms submitting a social balance sheet for that year, although the number of firms included in the reduced population represents only 56 p.c. of the total population of firms. Workers employed in firms in the reduced population represent 50 p.c. of the private sector employment recorded in the national accounts⁽⁶⁾.

(1) Private sector employment is defined as employment recorded in the total economy (S1), less employment in the public sector (S13) and in the household sector (S14). This concept also excludes firms in NACE-Bel branches 75 "public administration and defence; compulsory social security", 80 "education" and 95 "Activities of households as employers of domestic staff", as well as temporary employment agencies (NACE-Bel 74-502).

(2) Firms whose activity or address is unknown are excluded from the population.

(3) This amounts to excluding firms in which some of the employees work abroad or are not entered in the staff register (statutory staff).

(4) Firms have seven months from the date of the end of the financial year to file their social balance sheets at the Central Balance Sheet Office. In view of the additional time needed to check the data, the full set of social balance sheets relating to 2007 was not available on 8 September 2008 when the data were extracted.

(5) Firms which did not file a social balance sheet for one of the two years are in fact excluded from the reduced population. Moreover, since the Central Balance Sheet Office gives priority to processing the annual accounts of large firms, the results based on the reduced population for 2007 lead to some distortion in favour of large firms.

(6) The concept of private employment used here corresponds to employment recorded in the total economy (S1), less employment in the public sector (S13) and in the household sector (S14). This concept also excludes firms in NACE-Bel branches 75 "public administration and defence; compulsory social security", 80 "education" and 95 "Activities of households as employers of domestic staff", which are not taken into account in full in the social balance sheets.

TABLE 1 REPRESENTATIVENESS OF THE REDUCED POPULATION IN 2006

	Number of workers			Representativeness of the reduced population	
	In the national accounts ⁽¹⁾	In the social balance sheets		In p.c. of private sector employment ⁽¹⁾	In p.c. of the total population
		Total population ⁽²⁾	Reduced population ⁽²⁾		
	(1)	(2)	(3)	(4) = (3) / (1)	(5) = (3) / (2)
According to the employment criterion	2,620,678	1,863,641	1,312,274	50.1	70.4
Agriculture	17,021	9,809	5,389	31.7	54.9
Industry	586,991	459,084	372,553	63.5	81.2
Mining and quarrying industry	3,087	2,999	2,566	83.1	85.6
Manufacturing industry	558,735	433,901	352,354	63.1	81.2
Energy and water	25,169	22,184	17,633	70.1	79.5
Construction	186,126	137,667	95,551	51.3	69.4
Trade, transport and communication	784,035	575,348	430,823	54.9	74.9
Trade and repairs	462,223	312,718	231,026	50.0	73.9
Hotels and restaurants	88,398	55,443	25,948	29.4	46.8
Transport and communication	233,414	207,187	173,849	74.5	83.9
Financial services, real estate and business services	547,231	317,753	244,237	44.6	76.9
Financial and insurance services	127,445	111,890	98,086	77.0	87.7
Real estate and business services ⁽³⁾	419,786	205,863	146,151	34.8	71.0
Other services	499,274	363,981	163,720	32.8	45.0
Health and social work	398,379	318,659	134,484	33.8	42.2
Community, social and personal services	100,895	45,322	29,236	29.0	64.5
According to the criterion concerning the number of firms	n.	79,402	44,718	n.	56.3

Sources: NAI, NBB (social balance sheets).

(1) The concept of employment used here corresponds to paid employment in the private sector, or employment in the total economy (S1) less employment in the public sector (S13) and the household sector (S14). Moreover, this concept excludes employees in NACE-BEL branches 75 (Public administration and defence; compulsory social security), 80 (Education) and 95 (Private households with employed persons), which are not taken into account in full in the social balance sheets.

(2) Sum of items 1001 (full-time workers) and 1002 (part-time workers).

(3) Excluding temporary recruitment agencies in the case of the social balance sheets.

Representativeness according to the employment criterion varies from one branch of activity to another. Expressed as a percentage of the workers employed in firms in the total population relating to 2006, it is lowest in the branches dominated by small firms, whose annual accounts are filed and/or processed later. This applies, in particular to hotels and restaurants and to agriculture. Representativeness is also low in the health and social work branch, where changes in the filing practices of some NPIs disrupted the recording of information contained in the social balance sheets in 2007, causing the authors to disregard the enterprises concerned⁽¹⁾.

Furthermore, some firms are not represented in the analysis population. Examples include NPIs employing fewer than 20 persons, which are not required to submit a social balance sheet, and temporary employment agencies which were omitted for the sake of the consistency and quality of the analysis populations. Similarly, paid staff working for employers not incorporated as a company are excluded since only companies are required to file a social balance sheet. Consequently, representativeness expressed as a percentage of the employment recorded in the national accounts is particularly low in the branches containing a large proportion of such enterprises or workers, notably the community, social and personal services branch, the real estate and business services branch, hotels and restaurants, and agriculture.

(1) Following the obligation to file standardised accounts, applicable to large and very large NPIs since 2006, some institutions which previously filed separate social balance sheets have filed a single social balance sheet since 2006 or 2007.

2. Methodology governing the regional breakdown of the social balance sheets

In contrast to last year, the analysis of the social balance sheets was not conducted from a regional angle in this article. Nevertheless, Annexes 10 to 12 contain a series of regional indicators identical with those published in the December 2007 Economic Review.

The regional breakdown of firms applies only to the total populations obtained on the basis of the methodological principles described in section 1 of this annex, for the years 1998 to 2006. The methodology governing the regional breakdown is similar to that used in 2004⁽¹⁾.

Single-region firms are those whose registered office and place(s) of business are located in a single region. In 2006, these single-region firms numbered 78,241, or almost 99 p.c. of the total firms filing a social balance sheet which met the quality criteria for that year. These companies are generally fairly small: on average, they employ 18 workers.

TABLE 2 REGIONAL BREAKDOWN OF FIRMS FILING A SOCIAL BALANCE SHEET IN 2006
(total population)

	Number of firms		Number of workers	
	Units	Percentages of the total	Total, units	Percentages of the total
Single-region firms	78,241	98.5	1,373,355	73.7
Brussels	9,226	11.6	152,149	8.2
Flanders	48,202	60.7	872,829	46.8
Wallonia	20,813	26.2	348,377	18.7
Multi-region firms	1,161	1.5	490,286	26.3
Total	79,402	100.0	1,863,641	100.0

Source: NBB (social balance sheets).

The remaining 1,161 "multi-region" firms are established in more than one region. On average, they employ 422 persons.

For firms established in more than one region, there are two ways of producing the regional breakdown. The first consists in attributing the whole of the amounts entered in the social balance sheet items of these firms to the region in which the firm records the largest number of jobs. In this "majority" approach, each firm is attached to a single region each year, but that region may differ from one year to the next according to the changes in employment at its places of business. This majority allocation method introduces distortions in the employment breakdown because some of the firms active throughout Belgium are attributed to Flanders, which covers 44 p.c. of the country but contained almost 58 p.c. of its residents as at 1 January 2007, while others are allocated to the Brussels region owing to the location of their registered office, where many services and hence workers are concentrated.

The proportional allocation approach consists in allocating all the social balance sheet items of multi-region firms among the regions where they have their registered office and their places of business. Such a formula can be calculated for employment or wages on the basis of the data per establishment collected by the NOSS, as is done by the NAI for compiling the regional accounts. Conversely, it is not possible to define an allocation formula appropriate to all the variables in the social balance sheet. That applies, for example, to further training and to agency work. On these subjects, corporate behaviour may vary according to the activity, organisation and location of the various places of business, and possibly the training or the agency work available.

(1) See the article "The social balance sheet 2003", published in the Economic Review in the fourth quarter of 2004.

Neither the majority breakdown (which attributes all the social balance sheet items of each firm to the region in which it employs the largest number of workers) nor the proportional allocation (which breaks down the social balance sheet items between the various regions where the enterprise is active according to the employment recorded there) was considered satisfactory. The group of multi-region firms was therefore not divided among the regions.

It must be pointed out that the breakdown by branch of activity differs considerably between multi-region and single-region firms (cf. table 3). Within each of these groups there are divergences in specialisation between firms based in Brussels and those based in Flanders or Wallonia. This heterogeneity is part of the reason for the differences in results recorded for the regional indicators in Annexes 10 to 12.

TABLE 3 REGIONAL STRUCTURE OF EMPLOYMENT IN 2006
(percentages of the total, total population)

	Single-region firms				Multi-region firms	Total
	Brussels	Flanders	Wallonia	Total		
Agriculture	0.1	0.8	0.7	0.7	0.0	0.5
Industry	11.5	28.4	26.4	26.0	20.7	24.6
Construction	5.0	9.4	11.5	9.4	1.6	7.4
Trade, transport and communication	29.9	27.7	23.8	26.9	41.9	30.9
Financial, real estate and business services	34.1	11.1	9.2	13.2	27.8	17.1
Other services	19.4	22.6	28.3	23.7	8.0	19.5

Source : NBB (social balance sheets)

Annex 2

Classification of firms by branch of activity

The classification of the firms by branch of activity is based on the activity code given in the directory of firms prepared by the National Bank for the compilation of the national accounts, and containing a range of administrative data on firms active during any year. The 2006 directory was chosen as the reference to determine the sector and branch of activity to which firms should be allocated for the whole period from 1998 to 2007. It is based on the 2003 NACE-BEL nomenclature. Firms not listed in the 2006 directory retain the activity code attributed in the 2005 directory, or failing that, the code allocated to them by the Central Balance Sheet Office.

The descriptions in the body of the text are based on a breakdown into six or twelve branches, according to requirements. These two breakdowns appear systematically in annexes 3 to 9.

CLASSIFICATION USED FOR THE ANALYSIS OF THE SOCIAL BALANCE SHEETS AND LIST OF SECTIONS AND DIVISIONS IN THE NACE-BEL NOMENCLATURE OF ACTIVITIES

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

(1) Excluding temporary employment agencies (code NACE-Bel 74.502).

Annex 3

CHANGE IN THE NUMBER OF WORKERS RECORDED BETWEEN 2006 AND 2007 IN FIRMS IN THE REDUCED POPULATION

	Full-time equivalents			Number of persons						
	Average employment		Employment at year end	Average employment						Employment at year end
	(units)	(p.c.)		Full-time		Part-time		Total		
			(units)	(p.c.)	(units)	(p.c.)	(units)	(p.c.)	(p.c.)	
Agriculture	120	2.5	-0.2	124	3.0	-12	-0.9	112	2.1	-0.4
Industry	2,347	0.7	0.5	1,838	0.6	1,014	2.5	2,853	0.8	0.5
Mining and quarrying	-8	-0.3	-1.2	-8	-0.3	-2	-1.4	-10	-0.4	-1.4
Manufacturing	2,465	0.7	0.5	2,069	0.7	866	2.2	2,935	0.8	0.5
Energy and water	-109	-0.6	1.2	-223	-1.4	150	10.7	-73	-0.4	1.3
Construction	2,570	2.7	1.9	2,255	2.5	473	9.4	2,728	2.9	2.0
Trade, transport and communication	5,518	1.4	0.7	3,105	1.0	3,605	3.0	6,710	1.6	0.8
Trade and repairs	4,533	2.2	1.1	3,435	2.2	1,239	1.7	4,674	2.0	1.0
Hotels and restaurants	-59	-0.3	-4.6	-165	-1.3	353	2.6	188	0.7	-3.0
Transport and communication	1,044	0.6	0.7	-165	-0.1	2,013	5.9	1,848	1.1	1.2
Financial, real estate and business services	7,591	3.5	4.0	5,050	2.9	3,389	4.8	8,440	3.5	3.9
Financial and insurance services	540	0.6	-0.1	28	0.0	181	0.7	210	0.2	-0.2
Real estate and business services ⁽¹⁾	7,051	5.5	6.8	5,022	4.9	3,208	7.3	8,230	5.6	6.6
Other services	6,889	5.2	5.0	3,484	4.2	5,279	6.5	8,763	5.4	5.1
Health and social work	6,454	6.1	5.9	3,179	5.3	5,111	6.9	8,290	6.2	6.1
Community, social and personal services	434	1.7	1.5	304	1.4	168	2.2	473	1.6	0.4
Total	25,034	2.1	1.8	15,856	1.6	13,749	4.3	29,605	2.3	1.9

Source: NBB (social balance sheets).

(1) Excluding temporary employment agencies.

Annex 4

HOURS WORKED BY WORKERS RECORDED IN THE STAFF REGISTER

	Units, per year (total population)									Percentage change between 2006 and 2007 (reduced population)		
	2000	2001	2002	2003	2004	2005	2006			Per full-time equivalent	Per full-time worker	Per part-time worker
	Per full-time equivalent						Per full-time equivalent	Per full-time worker	Per part-time worker			
Agriculture	1,573	1,537	1,545	1,533	1,556	1,525	1,548	1,546	755	1.0	0.8	2.2
Industry	1,534	1,518	1,506	1,508	1,533	1,517	1,520	1,523	998	0.3	0.2	-0.1
Mining and quarrying	1,517	1,479	1,487	1,497	1,490	1,463	1,479	1,476	1,004	1.1	1.6	-6.9
Manufacturing	1,540	1,523	1,510	1,512	1,540	1,521	1,525	1,528	995	0.1	0.1	-0.2
Energy and water	1,416	1,415	1,426	1,425	1,410	1,445	1,435	1,432	1,073	3.1	3.1	2.1
Construction	1,460	1,438	1,427	1,433	1,464	1,442	1,442	1,437	944	0.3	0.4	-1.0
Trade, transport and communication	1,677	1,640	1,627	1,616	1,605	1,578	1,576	1,580	878	0.0	-0.3	1.6
Trade and repairs	1,634	1,628	1,610	1,600	1,608	1,597	1,589	1,594	945	-0.1	0.0	0.5
Hotels and restaurants	1,624	1,580	1,590	1,567	1,562	1,561	1,564	1,544	671	0.3	-0.2	0.3
Transport and communication	1,740	1,666	1,656	1,648	1,608	1,554	1,560	1,568	886	0.0	-0.7	4.0
Financial, real estate and business services	1,601	1,588	1,552	1,541	1,551	1,536	1,541	1,561	878	0.5	0.6	1.2
Financial and insurance services	1,529	1,500	1,428	1,426	1,436	1,422	1,417	1,459	843	1.3	1.4	3.5
Real estate and business services ⁽¹⁾	1,657	1,654	1,646	1,625	1,630	1,609	1,612	1,620	895	-0.2	-0.1	-0.2
Other services	1,555	1,514	1,513	1,520	1,531	1,510	1,496	1,482	875	0.2	0.1	0.7
Health and social work	1,549	1,503	1,502	1,508	1,523	1,496	1,482	1,462	879	0.1	-0.1	0.6
Community, social and personal services	1,595	1,583	1,581	1,594	1,583	1,592	1,585	1,577	823	0.8	0.9	1.0
Total	1,584	1,559	1,545	1,543	1,552	1,532	1,530	1,533	889	0.2	0.1	1.0

Source: NBB (social balance sheets).

(1) Excluding temporary employment agencies.

Annex 5

BREAKDOWN OF THE NUMBER OF WORKERS REGISTERED BY EMPLOYMENT CONTRACT AND BY GENDER

(percentages of the total workers recorded in the staff register at the end of the year)

	2000	2001	2002	2003	2004	2005	2006	2006	2007
	(total population)							(reduced population)	
By type of contract									
Permanent contract	93.1	93.8	93.9	94.0	94.0	93.8	93.5	94.7	94.6
Fixed-term contract	5.4	4.8	4.8	4.9	5.0	5.2	5.4	4.5	4.6
Agriculture	7.4	7.5	5.2	6.1	6.2	6.4	6.3	5.4	6.9
Industry	5.2	4.2	3.8	3.5	3.8	3.9	4.4	4.3	4.6
Mining and quarrying	6.1	5.6	5.8	6.0	6.1	6.3	8.2	8.1	7.4
Manufacturing	5.1	4.0	3.7	3.4	3.7	3.7	4.2	4.2	4.6
Energy and water	8.0	7.4	6.2	6.3	6.0	6.3	6.6	6.9	6.1
Construction	3.1	2.1	2.7	2.7	2.7	2.9	3.2	2.6	2.6
Trade, transport and communication	4.6	4.7	5.2	5.6	5.5	6.0	5.9	5.0	5.1
Trade and repairs	5.1	5.6	5.6	6.0	5.7	6.1	5.8	5.5	5.7
Hotels and restaurants	9.9	8.9	9.7	11.4	12.6	15.0	15.4	11.1	12.5
Transport and communication	2.8	2.5	3.7	3.7	3.2	3.3	3.3	3.3	3.2
Financial, real estate and business services ...	4.7	4.2	4.1	4.2	4.0	4.4	4.3	2.9	2.8
Financial and insurance services	4.8	4.4	3.5	2.9	3.0	2.9	2.9	2.6	2.2
Real estate and business services ⁽¹⁾	4.7	4.0	4.6	5.1	4.7	5.2	5.0	3.2	3.2
Other services	8.5	7.9	7.4	7.2	7.7	7.6	7.7	7.1	6.8
Health and social work	8.5	7.8	7.2	7.0	7.7	7.5	7.6	6.9	6.9
Community, social and personal services ...	8.8	8.8	8.8	8.6	7.9	8.4	8.3	8.0	5.9
Substitution contract	1.3	1.2	1.1	0.9	0.9	0.8	0.9	0.7	0.7
Contract for a specific project	0.2	0.3	0.2	0.2	0.2	0.2	0.2	0.1	0.2
By gender									
Men	63.0	62.7	61.9	61.6	60.9	61.1	59.3	63.4	63.0
Women	37.0	37.3	38.1	38.4	39.1	38.9	40.7	36.6	37.0

Source: NBB (social balance sheets).

(1) Excluding temporary employment agencies.

Annex 6

BREAKDOWN OF EMPLOYMENT ACCORDING TO THE STATUS OF WORKERS IN FIRMS FILING FULL-FORMAT ACCOUNTS

(percentages of average FTE employment)

	2000	2001	2002	2003	2004	2005	2006	2006	2007
	(total population)							(reduced population)	
Workers on the staff register	96.3	96.5	96.5	96.4	95.7	95.6	93.7	93.1	93.0
Agency workers	3.0	2.8	2.7	2.8	3.1	3.3	3.7	3.9	4.1
Agriculture	2.9	3.6	5.4	5.4	6.7	4.5	7.3	5.1	4.6
Industry	4.8	4.2	4.1	4.3	5.0	5.0	5.8	5.8	6.0
Mining and quarrying	4.1	3.3	3.7	3.1	2.3	2.6	2.8	2.8	3.2
Manufacturing	5.0	4.4	4.3	4.5	5.2	5.2	6.1	6.1	6.3
Energy and water	0.8	0.9	0.8	1.0	1.0	1.0	1.3	0.9	1.0
Construction	1.4	1.3	1.1	1.1	1.2	1.6	2.0	2.0	2.2
Trade, transport and communication	2.8	2.8	2.7	2.9	3.4	3.7	4.2	4.0	4.2
Trade and repairs	3.6	3.5	3.3	3.5	3.9	4.0	4.5	4.4	4.6
Hotels and restaurants	6.1	5.0	4.6	4.0	4.0	4.3	6.0	4.9	6.1
Transport and communication	1.9	1.9	2.0	2.3	2.9	3.4	3.8	3.5	3.7
Financial, real estate and business services	2.1	2.0	1.8	1.7	2.0	2.1	2.6	2.5	2.6
Financial and insurance services	1.2	1.2	0.8	0.7	0.6	0.7	0.8	0.7	0.8
Real estate and business services ⁽¹⁾	3.0	2.8	2.7	2.7	3.2	3.2	3.8	4.0	4.0
Other services	0.9	0.9	0.9	0.9	1.0	1.0	1.0	1.5	1.6
Health and social work	0.4	0.4	0.4	0.4	0.6	0.5	0.5	0.6	0.7
Community, social and personal services	5.3	5.1	5.1	5.1	5.2	5.3	5.8	6.4	6.6
Persons seconded to the firm⁽²⁾	0.7	0.7	0.8	0.9	1.1	1.1	2.6	2.9	2.9

Source: NBB (social balance sheets).

(1) Excluding temporary employment agencies.

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

Annex 7

STAFF COSTS PER FTE ⁽¹⁾

	Euro, per year (total population)							Percentage change between 2006 and 2007 (reduced population)
	2000	2001	2002	2003	2004	2005	2006	
Agriculture	26,660	27,007	28,417	28,750	29,772	29,826	29,908	3.3
Industry	44,969	46,455	48,694	49,694	51,594	52,677	54,528	3.7
Mining and quarrying	39,958	41,812	43,941	45,628	46,147	46,671	47,957	5.1
Manufacturing	43,823	45,273	47,285	48,627	50,289	51,354	53,204	3.8
Energy and water	70,529	74,075	77,528	74,852	77,809	79,108	80,831	3.1
Construction	33,534	34,532	35,638	36,609	37,763	37,934	39,077	2.9
Trade, transport and communication	37,472	38,807	40,486	41,212	42,370	43,543	44,882	2.6
Trade and repairs	38,346	39,797	41,080	41,509	42,398	43,448	44,815	2.6
Hotels and restaurants	24,750	25,141	26,517	27,508	28,230	28,676	29,532	2.5
Transport and communication	38,420	39,753	42,003	43,215	44,939	46,488	47,957	2.6
Financial, real estate and business services	53,581	55,196	56,179	56,904	57,516	58,091	58,945	2.2
Financial and insurance services	62,437	63,910	64,292	65,667	67,278	68,908	70,838	2.9
Real estate and business services ⁽²⁾	46,675	48,654	49,972	50,562	50,742	51,151	52,125	2.2
Other services	33,892	33,924	35,905	37,491	39,097	39,726	40,323	3.9
Health and social work	33,996	33,848	35,731	37,381	39,169	39,694	40,122	4.0
Community, social and personal services	33,176	34,388	37,020	38,193	38,625	39,912	41,614	4.3
Total	41,382	42,729	44,411	45,265	46,496	47,503	48,522	3.0

Source: NBB (social balance sheets).

(1) Item 1023 / item 1003.

(2) Excluding temporary employment agencies.

Annex 8

STAFF COSTS PER HOUR WORKED ⁽¹⁾

	Euro (total population)							Percentage change between 2006 and 2007 (reduced population)
	2000	2001	2002	2003	2004	2005	2006	
Agriculture	16.95	17.57	18.40	18.75	19.13	19.56	19.32	2.3
Industry	29.31	30.61	32.34	32.96	33.66	34.73	35.87	3.5
Mining and quarrying	26.35	28.27	29.56	30.48	30.96	31.90	32.43	3.9
Manufacturing	28.46	29.73	31.32	32.17	32.67	33.77	34.89	3.7
Energy and water	49.80	52.35	54.35	52.52	55.17	54.75	56.34	0.1
Construction	22.97	24.01	24.97	25.55	25.79	26.31	27.10	2.5
Trade, transport and communication	22.34	23.66	24.89	25.50	26.40	27.59	28.48	2.7
Trade and repairs	23.47	24.45	25.52	25.95	26.36	27.20	28.21	2.7
Hotels and restaurants	15.24	15.91	16.68	17.55	18.08	18.37	18.88	2.2
Transport and communication	22.09	23.86	25.37	26.23	27.95	29.91	30.74	2.6
Financial, real estate and business services	33.47	34.75	36.20	36.92	37.09	37.82	38.26	1.6
Financial and insurance services	40.84	42.59	45.03	46.06	46.84	48.45	49.99	1.6
Real estate and business services ⁽²⁾	28.17	29.41	30.35	31.11	31.12	31.80	32.34	2.4
Other services	21.79	22.40	23.73	24.67	25.53	26.31	26.96	3.8
Health and social work	21.94	22.52	23.78	24.79	25.71	26.54	27.08	3.9
Community, social and personal services	20.80	21.72	23.42	23.97	24.40	25.06	26.26	3.5
Total	26.12	27.40	28.75	29.34	29.95	31.01	31.71	2.8

Source: NBB (social balance sheets).

(1) Item 1023 / item 1013.

(2) Excluding temporary employment agencies.

Annex 9

FORMAL TRAINING IN 2007 IN FIRMS IN THE REDUCED POPULATION

	Training participants			(as p.c. of hours worked)	Hours of training			(as p.c. of staff costs)	Training costs		
	(as p.c. of employment)				(average per participant, in hours)				(average per participant, in euro)		
	Total	Men	Women		Total	Men	Women		Total	Men	Women
Agriculture	4.9	4.1	8.5	0.06	16.2	16.4	15.9	0.06	378	457	269
Industry	48.3	49.6	44.5	1.15	34.9	36.2	29.5	1.52	1,743	1,801	1,513
Mining and quarrying	23.1	23.4	22.2	0.75	47.5	48.0	41.0	0.52	1,147	1,067	2,144
Manufacturing	47.1	48.6	42.9	1.09	34.1	35.6	28.3	1.41	1,621	1,680	1,380
Energy and water	75.7	73.9	75.1	2.32	43.4	43.9	42.0	2.96	3,313	3,438	2,906
Construction	15.2	15.4	11.5	0.25	23.8	23.7	24.7	0.33	899	888	1,107
Trade, transport and communication	37.5	41.5	31.2	0.92	34.1	38.4	24.1	1.50	1,683	1,880	1,235
Trade and repairs	28.3	30.3	26.0	0.43	21.4	23.2	19.0	0.63	917	1,036	754
Hotels and restaurants	11.5	12.9	10.8	0.16	16.1	17.0	15.0	0.27	519	563	463
Transport and communication	53.8	54.7	51.0	1.63	43.6	46.8	31.8	2.63	2,261	2,349	1,943
Financial, real estate and business services	38.9	42.4	34.3	1.06	37.2	38.2	35.9	1.82	2,577	2,570	2,586
Financial and insurance services	57.9	61.5	54.5	1.57	35.3	34.8	35.9	2.85	3,315	3,364	3,258
Real estate and business services ⁽¹⁾	26.8	31.4	20.5	0.76	39.9	42.0	36.1	0.88	1,562	1,675	1,355
Other services	40.6	34.6	42.6	0.65	19.1	20.4	18.6	0.64	505	635	465
Health and social work	43.1	33.8	45.1	0.70	18.7	19.5	18.5	0.65	466	513	456
Community, social and personal services	28.8	36.1	20.8	0.44	21.7	22.1	20.9	0.57	785	853	641
Total	39.4	41.0	36.7	0.93	32.6	36.0	26.2	1.42	1,691	1,861	1,367

Source: NBB (social balance sheets).

(1) Excluding temporary employment agencies.

Annex 10

TYPE AND STRUCTURE OF EMPLOYMENT CONTRACTS, BY REGION

(total population)

	2000	2001	2002	2003	2004	2005	2006
Part-time employment							
(percentages of employment as at 31 December)							
Single-region firms	21.2	21.2	22.7	23.6	24.8	25.1	26.6
Brussels	20.0	20.7	22.4	22.3	23.9	24.9	23.9
Flanders	21.0	20.7	22.3	23.4	24.9	25.2	27.0
Wallonia	22.4	22.8	23.7	24.5	24.7	24.9	26.5
Multi-region firms	19.5	21.7	23.0	25.4	26.3	28.2	29.7
Total	20.7	21.3	22.8	24.1	25.2	25.9	27.4
Temporary work⁽¹⁾							
(percentages of employment as at 31 December)							
Single-region firms	7.0	6.1	6.0	6.0	6.2	6.3	6.8
Brussels	7.6	6.1	6.4	7.3	7.5	7.2	6.9
Flanders	5.9	5.1	4.6	4.6	4.8	5.1	5.6
Wallonia	9.7	8.8	9.4	9.1	9.0	9.0	9.7
Multi-region firms	6.4	6.6	6.4	5.9	5.7	5.7	5.7
Total	6.9	6.2	6.1	6.0	6.0	6.2	6.5
Agency work in firms							
filing full-format accounts							
(percentages of average FTE employment)							
Single-region firms	3.5	3.3	3.2	3.2	3.6	3.8	4.5
Brussels	2.3	2.3	2.4	2.3	2.5	2.6	2.6
Flanders	3.6	3.3	3.3	3.4	3.9	4.1	4.8
Wallonia	4.2	3.8	3.5	3.4	3.6	3.8	4.4
Multi-region firms	2.0	1.9	1.7	2.0	2.2	2.2	2.4
Total	3.0	2.8	2.7	2.8	3.1	3.3	3.7

Source: NBB (social balance sheets).

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

Annex 11

HOURS WORKED AND LABOUR COSTS, BY REGION

(total population)

	2000	2001	2002	2003	2004	2005	2006
Hours worked per FTE (units, per year)							
Single-region firms	1,580	1,564	1,554	1,549	1,566	1,549	1,547
Brussels	1,621	1,622	1,604	1,586	1,598	1,578	1,578
Flanders	1,577	1,558	1,551	1,550	1,573	1,554	1,553
Wallonia	1,565	1,550	1,536	1,528	1,532	1,523	1,519
Multi-region firms	1,597	1,547	1,522	1,528	1,513	1,485	1,483
Total	1,584	1,559	1,545	1,543	1,552	1,532	1,530
Staff costs per FTE (euro, per year)							
Single-region firms	39,088	40,337	41,848	42,616	44,021	44,999	45,781
Brussels	47,372	48,871	51,196	50,857	52,548	53,460	53,681
Flanders	38,689	40,051	41,562	42,641	43,946	45,016	45,891
Wallonia	35,518	36,597	37,673	38,603	40,121	41,083	42,101
Multi-region firms	47,529	48,714	50,757	51,790	53,560	54,432	56,044
Total	41,382	42,729	44,411	45,265	46,496	47,503	48,522
Staff costs per hour worked (euro)							
Single-region firms	24.75	25.79	26.93	27.52	28.11	29.05	29.59
Brussels	29.22	30.13	31.91	32.07	32.89	33.88	34.02
Flanders	24.54	25.71	26.80	27.52	27.93	28.97	29.55
Wallonia	22.70	23.60	24.53	25.26	26.19	26.97	27.71
Multi-region firms	29.76	31.48	33.34	33.89	35.39	36.66	37.78
Total	26.12	27.40	28.75	29.34	29.95	31.01	31.71

Source: NBB (social balance sheets).

Annex 12

FORMAL TRAINING IN FIRMS, BROKEN DOWN BY REGION

(total population)

	2000	2001	2002	2003	2004	2005	2006
Training participants (percentages of average employment)							
Single-region firms	27.2	24.7	26.2	25.8	26.8	27.1	26.6
Brussels	30.3	28.5	29.5	27.4	28.1	26.7	26.4
Flanders	30.3	26.2	28.1	27.9	28.8	29.1	28.2
Wallonia	16.8	18.6	19.5	19.6	20.9	22.1	22.8
Multi-region firms	56.7	61.1	55.6	56.8	61.7	60.7	59.4
Total	35.1	35.0	34.6	34.7	35.7	36.0	35.2
Hours of training (percentages of hours worked)							
Single-region firms	0.61	0.58	0.52	0.56	0.53	0.54	0.53
Brussels	0.72	0.61	0.59	0.60	0.49	0.53	0.56
Flanders	0.67	0.63	0.56	0.62	0.59	0.57	0.55
Wallonia	0.39	0.42	0.38	0.38	0.39	0.45	0.44
Multi-region firms	1.52	1.51	1.46	1.31	1.32	1.30	1.41
Total	0.86	0.84	0.79	0.77	0.73	0.73	0.75
Training costs (percentages of staff costs)							
Single-region firms	0.93	0.83	0.76	0.76	0.73	0.72	0.69
Brussels	1.18	0.87	0.85	0.74	0.63	0.70	0.69
Flanders	0.99	0.90	0.82	0.86	0.82	0.77	0.72
Wallonia	0.54	0.58	0.52	0.49	0.56	0.61	0.61
Multi-region firms	2.49	2.47	2.31	2.09	2.07	2.08	2.26
Total	1.42	1.36	1.27	1.20	1.13	1.13	1.17
Training firms (percentages of total firms)							
Single-region firms	7.0	6.4	6.6	6.4	6.3	6.2	6.3
Brussels	7.2	6.7	7.1	6.7	6.9	6.7	7.0
Flanders	8.0	7.1	7.2	7.2	7.0	6.8	6.9
Wallonia	4.6	4.5	4.7	4.5	4.5	4.4	4.7
Multi-region firms	46.8	46.3	47.6	43.4	44.1	44.8	42.9
Total	7.6	7.0	7.2	7.1	6.8	6.7	6.9

Source: NBB (social balance sheets).

Annex 13

SOCIAL BALANCE SHEET

Numbers of joint committees applicable to the firm:

STATEMENT OF PERSONS EMPLOYED

WORKERS RECORDED IN THE STAFF REGISTER

This year and last year

Codes	1. Full-time <i>(this year)</i>	2. Part-time <i>(this year)</i>	3. Total (T) or total in full-time equivalents (FTEs) <i>(this year)</i>	3P. Total (T) or total in full-time equivalents (FTEs) <i>(last year)</i>
Average number of workers	100	.....	.....(FTEs)	.....(FTEs)
Actual number of hours worked	101	.....	..... (T)	..... (T)
Staff costs	102	.....	..... (T)	..... (T)
Value of benefits additional to wages	103	XXXXXXXXXXXXXXXX	..... (T)	..... (T)

On the balance sheet date

Number of workers recorded in the staff register

By type of employment contract

Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
105	.....	.....	.....
Permanent contract	110	.....	.....
Fixed-term contract	111	.....	.....
Contract for a specific project	112	.....	.....
Substitution contract	113	.....	.....

By gender and standard of education

Men:	120	.....	.....
elementary	1200	.....	.....
secondary	1201	.....	.....
higher non university	1202	.....	.....
university	1203	.....	.....
Women:	121	.....	.....
elementary	1210	.....	.....
secondary	1211	.....	.....
higher non university	1212	.....	.....
university	1213	.....	.....

By occupational category

Managerial and supervisory staff	130	.....	.....
Clerical workers.....	134	.....	.....
Manual workers.....	132	.....	.....
Other	133	.....	.....

AGENCY STAFF AND PERSONS SECONDED TO THE FIRM

During the year

Codes	1. Agency staff	2. Persons seconded to the firm
Average number of persons employed	150	.....
Actual number of hours worked	151	.....
Costs to the firm	152	.....

TABLE OF STAFF MOVEMENTS DURING THE YEAR

RECRUITMENT

Number of workers entered in the staff register during the year

By type of employment contract

- Permanent contract
- Fixed-term contract
- Contract for a specific project
- Substitution contract

Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
205
210
211
212
213

DEPARTURES

Number of workers whose contract expiry date was recorded in the staff register during the year

By type of employment contract

- Permanent contract
- Fixed-term contract
- Contract for a specific project
- Substitution contract

By reason for contract termination

- Retirement
- Early retirement
- Redundancy
- Other reason
- Of which: number of persons continuing to work for the firm at least half time as self-employed workers

Codes	1. Full-time	2. Part-time	3. Total in full-time equivalents
305
310
311
312
313
340
341
342
343
350

