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## PRESS RELEASE

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### **The social balance sheet 2006**

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Each year, in the fourth quarter's issue of the Economic Review, the National Bank examines the provisional results of the social balance sheets of enterprises set up in Belgium.

Employment of enterprises increased by 1.3 p.c. on average between 2005 and 2006. It expanded in small and medium-sized enterprises - while remaining stable in large companies -, and grew in all branches of activity except in industry. There was a marked increase (3.8 p.c.) in the number of part-time workers, while full-time staff numbers grew by only 0.5 p.c. Part of this rise - especially in medium-sized and large enterprises - may be due to the development of the time credit scheme, increasingly used to reconcile work and family life, but also to facilitate the transition between working life and retirement. Hence, the part-time employment rate increased again, especially for the male workforce.

Staff movements were larger in 2006 than in 2005, but net recruitment fell to only half of the previous year's level. Employment growth among companies filing full-format accounts is largely a result of the rise in the number of workers with higher education qualifications, while the low-skilled staff base has declined. Reasons for leaving vary from one branch to the other: in 2006, fixed-term contract expiry was the main reason for people leaving their jobs in the tertiary sector. In industry and construction, voluntary departures account for the bulk of it. The rate of turnover for workers on permanent contracts is quite significant, with 14.3 p.c. of them leaving their employer in 2006. A strong increase in the staff turnover rate was observed in some industrial branches of activity.

Despite sustained growth in economic activity, the share of temporary contracts remained stable: workers with permanent contracts still make up the lion's share of total employment. In 2006, 61 p.c. of the companies that filed full-format accounts included agency workers in their staff, with industry making the largest use of them. This is why this kind of workforce is more widely used in firms operating exclusively in Flanders or in Wallonia, where industrial activity is proportionally more widespread.

Hourly labour costs rose by an average of 3.1 p.c. between 2005 and 2006, to 33.1 euro. They vary significantly between enterprises according to their branch of activity and their size, and they are noticeably higher in enterprises operating in several regions, than in single-region firms. In the latter, hourly labour costs are lower in Wallonia than in the two other regions. They are especially high in Brussels, where the structure of activity, more concentrated in the services sector, exerts upward pressures on the hourly costs.

Under the terms of the solidarity pact between the generations, 1.9 p.c. of staff costs should have been devoted to training in 2006 and, by 2010, one in every two workers must be able to benefit from some training every year. The financial effort indicator was estimated at 1.2 p.c. in 2006. There was a further but small increase in the rate of employee participation in training: only 36.4 p.c. of workers had access to training in 2006. In Wallonia, the percentage of single-region training firms is lower and the indicators calculated solely for training firms remain systematically weaker than in Brussels and in Flanders.

Finally, the results of the Continuing Vocational Training Survey (CVTS) for 2005 were compared with those of the social balance sheets. The proportion of training firms is far higher in CVTS, probably because of the intensive follow-up provided to firms involved in the survey. However, the worker participation rate and the time spent on training as a percentage of working hours are similar in both statistics. The results for the financial effort indicator are on the other hand different, respectively 1.6 p.c. in CVTS and 1.3 p.c. in the social balance sheets in 2005, while they were quite similar in 1999, when the previous survey was carried out.