

2009-12-07

PRESS RELEASE

The 2008 social balance sheet

(Article published in the December 2009 Economic Review)

Each year, the National Bank analyses the provisional results of the social balance sheets filed by enterprises established in Belgium. These findings are provisional in the sense that they are based on a reduced sample population of 43,387 firms, accounting for 53 p.c. of the total number of enterprises and 73 p.c. of the workers they employ.

In the firms surveyed, there was an average annual increase in employment of 1.7 p.c. in 2008. End-of-year results (+0.8 p.c.) point to a significant slowdown in growth during the course of the year, reflecting the economic downturn which began at the end of 2007. The slowdown has been evident in the majority of branches of activity and has affected industry and financial and insurance services especially. Full-time staff numbers remained stable, but the number of part-time workers continued to rise. The expansion of this part-time working arrangement is not only attributable to the recruitment of workers on shorter hours; there is also evidence of a lot of shifting between full-time and part-time working arrangements, especially in large firms that have implemented restructuring plans.

Part-time working is not only unequally distributed across firms, but also among workers: women are more concerned by this type of work arrangement than men, clerical workers more than manual workers and managers, and temporary workers more so than those on a permanent contract. On the other hand, the rate of part-time working does not vary much between educational levels, except for university graduates, among whom the proportion of part-time workers is twice as small as for holders of other qualifications.

As a result of the economic downturn, the share of temporary work has fallen. In firms filing a full-format social balance sheet, a reduction in the use of temporary agency workers has also been noted. Yet no real change in reasons for staff leaving has been observed: roughly half of all staff departures can be explained by the expiry of a temporary contract, while 29 p.c. are attributable to voluntary departures and 14 p.c. involve redundancies. Normal and early retirement each accounted for 3 p.c. of total departures, in line with the figures observed in 2007.

For the first time ever, thanks to the introduction of a new version of the social balance sheet, it has been possible to have a breakdown of staff numbers by educational level. Overall, 18 p.c. of staff numbers have at most a certificate of elementary education, 54 p.c. have at least completed their secondary education, 20 p.c. have higher education qualifications and 8 p.c. hold a university degree. Women generally tend to have a higher level of training than men. The same observation applies to full-time workers compared to those on part-time. Very wide differences in workers' educational requirements from one branch of activity to another are also noted.

The overall wage bill in the firms covered by the reduced population grew by 5.3 p.c. in 2008. At the same time, the volume of labour expanded by 1.6 p.c., so that costs per hour worked increased by 3.7 p.c. on average. This article includes an assessment, by branch of activity, of how closely the indicative wage norm set for the period 2006-2008 has been followed. This survey was carried out on the basis of a population of firms that had filed a social balance sheet for the three consecutive years. Over this period, the increase in hourly staff costs was particularly strong in the branches of transport and communication, financial and insurance services, community, social and personal services as well as health and social work. On average, costs rose by 6.8 p.c., while the indicative wage norm had been set at 5 p.c. for this period.

Since the year 2008, the social balance sheet has recorded both formal and informal vocational training activities and initial training. Almost 19 p.c. of the 50,156 firms that filed a social balance sheet for the financial year ending 31 December 2008 have reported their training efforts in the *ad hoc* tables, a percentage that is well up on the previous years.

Participation rates come to 37 p.c. for formal training, 21 p.c. for informal training and 1 p.c. in the case of initial training. Overall, firms devoted 1.34 p.c. of the volume of labour to training initiatives in 2008. Formal vocational training took up the lion's share, with almost 60 p.c. of the total, while informal training accounted for 27 p.c. of training hours and initial training for 12 p.c. Budgets for training accounted for a total of 1.7 p.c. of staff costs, including 1.2 p.c. for formal training alone, which is still well below the target for the private sector that had been set under the central agreement at 1.9 p.c. for 2006.

Small firms devote an average overall budget equivalent to 0.41 p.c. of their staff costs to training. Adding the informal training and initial training categories enables them to virtually double their performance as opposed to a situation where only formal training is taken into consideration. In medium-sized enterprises, the total effort amounts to 1.1 p.c. of staff costs, including 0.69 p.c. for formal training. In large enterprises, expenditure on formal training alone accounts for 1.88 p.c. of staff costs, out of an overall training effort taking up 2.5 p.c. of these expenses. The branches which tend to have a lot of large firms (energy and water, transport and communication) devote proportionally more resources to training activities. In agriculture, hotels and catering and the construction industry, formal training efforts are limited, but reporting informal training and initial training as well enables them to boost their performance considerably.

Major differences in training policy can be observed between firms, whether it is a question of volume of labour devoted to training activities, size of the budget, or type of training selected. An analysis of individual data shows that the probability for an enterprise to provide formal or informal training depends above all on its size, with the branch of activity ranking second. Whether it is linked to a non-resident firm and the composition of the workforce (notably whether it employs qualified personnel) also play a significant role.