2010-12-06

PRESS RELEASE

The 2009 social balance sheet

(Article published in the December 2010 Economic Review)

Every year, the National Bank analyses the results of the social balance sheets of companies established in Belgium. These results are provisional in that they are based on a reduced population amounting, for the year 2009, to 42,099 firms, which make up 51% of the total number of enterprises and 73% of the workers they employ.

The effects of the economic downturn that started in 2008 can be interpreted from changes in employment and in the volume of labour between 2008 and 2009. From one year's end to the next, staff numbers fell by 1.2%, which is more than double the annual average decline (-0.5%). Part-time employment expanded at the expense of full-time jobs, a trend that is not so much the result of widespread recruitment of workers on shorter hours, but a sign of staff switching from full-time working arrangements towards shorter hours, which indicates that firms have been making use of the flexibility instruments on offer to reduce the volume of labour. While there were more departures of part-time workers than new recruitments in 2009, part-time staff numbers actually rose between 31 December 2008 and 31 December 2009 owing to in-house job changes.

Job losses affected men to a greater extent than women, due to a sectoral effect. For the same reasons, blue-collar workers were hit harder than employees or management staff. Lastly, in relative terms, workers employed under temporary contracts saw their numbers fall more sharply than those with a permanent contract. For the first time since 2005, the share of temporary workers in total employment fell, coming down to 5.4%.

Large enterprises had to face bigger staff cuts than SMEs. Among the different branches of activity, it was in industry (-5.2%) and in financial and insurance services (-4.3%) that job losses were the heaviest. Net job creations were nevertheless observed in some branches, mainly in the health and social work sector, which covers activities that are widely subsidised by the public authorities.

While those workers affected by temporary lay-offs for economic reasons and by the crisis measures remain on their employer's staff register, the volume of hours worked is directly influenced by these actions. This volume shrank by 3.2% on average in 2009. Taking account of employment trends, the annual duration of work per person employed dropped by 2.7%, which, on an annual basis, corresponds to a variation of 37 hours on average. A decline was observed in all branches of activity, but it has been particularly pronounced in industry.

The information available on firms that filed a full-format social balance sheet indicates that the volume of labour has also been adjusted by making less use of agency workers, whose numbers shrank by almost 30% and accounted for only 2.8% of total employment expressed in FTE in 2009, compared with 3.9% the year before.

Both recruitment and departures of staff declined between 2008 and 2009. Overall, net departures were recorded in 2009, attributable to firms filing a full-format balance sheet. Net departures of part-time workers were well below those registered for full-timers, since the number of new workers taken on a full-time basis had fallen considerably.

The total number of departures from firms filing a full-format balance sheet dropped between 2008 and 2009, mainly due to the fall in the number of voluntary departures. The number of redundancies in these firms actually rose by nearly 9%, with the bulk of this increase being recorded in industry. During the period under review, no acceleration of early retirement from the labour market was observed, as might have been feared from earlier episodes of economic crises.

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The economic conditions have put a brake on external mobility of staff working under permanent contracts, as reflected by the drop in the job turnover rate, which worked out at 13.3% in 2009, against 14.7% a year earlier. This can largely be explained by the fact that there were fewer opportunities to change jobs and by a phenomenon of labour hoarding of the existing workforce.

Hourly labour costs rose by 3.8% between 2008 and 2009 to reach an average of €35.9 compared with €34.6 before. Considering the sharp drop in the number of hours worked, this upward trend led to an increase in staff costs of just 0.5%.

The number of firms providing training rose slightly between 2008 and 2009, by which time their proportion in the reduced population was almost 21%. Despite this increase in numbers, budgets devoted to continuing training were revised downwards in 2009, by 4% in the case of formal training and by 9% for informal training. Costs related to initial training (which comes under systems that alternate the training with work within the firm and which remains marginal) showed the only increase, rising by 11%. In all, firms devoted 1.63% of their staff costs to training their workers, compared with 1.72% a year earlier, a reduction which reflects the pro-cyclical nature of this expenditure. The number of hours spent on training also declined, although in a similar proportion to the drop in hours worked, so working time actually given over to training contracted only very slightly. The training participation rate of workers increased, except in the case of informal training.

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