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# PRESS RELEASE

**The social balance sheet 2013**
(Article for the December 2014 Economic Review)

The article on the social balance sheet is arranged in two parts which can be read independently. The first part uses the data from the 2012 social balance sheets to provide an original analysis of the individual behaviour of firms and how that behaviour varies according to the firms' size. The second part is in line with the articles published in previous years and describes the main developments in a constant population of firms between 2012 and 2013.

The transposition into national law of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings - intended to reduce the burden of statistical obligations on small firms - could alter the nature of the information submitted by those companies when filing their annual accounts: the social balance sheet may no longer form an integral part of those accounts, yet it contains a coherent set of data some of which are not available elsewhere and which reveal specific corporate characteristics which vary considerably according to the firms' size. Thus, small and very small firms are active mainly in the "trade and transport" branch, in construction and in industry. They have a decidedly regional focus, whereas medium-sized and especially large firms operate nationwide to a proportionately greater extent.

Analysis of the profile of workers recruited in the various groups of firms shows that the workforce is more homogenous in very small entities. There is less gender diversity in such firms, and the number of graduate staff is comparatively smaller. The firms also display greater uniformity of working arrangements and contracts of employment: a higher proportion of very small companies employ only full-time staff or part-timers, or only take on permanent staff.

Examination of employment conditions reveals that the average working time is longer in small and very small firms, and that the variations in individual practice are greater than in larger companies. Conversely, hourly labour costs are higher the larger the firm, and the range of observations is wider for them than for smaller entities. An in-depth study at the level of the branches of activity in which small and very small firms specialise indicates that staff costs per hour worked are lower on average in trade and transport than in construction or in industry, but that the wage differentials are also greater. All other things being equal, hourly labour costs are also lower in firms established in Wallonia than in those based in Flanders.

The analysis further shows that although the proportion of training firms is lower in small entities, the training indicators are not systematically lower in their case, as the average participation rates in (very) small firms are similar to or higher than those in larger firms, be it a question of formal, informal or initial training. That is also true for the annual duration of training per participant. On the other hand, expenditure per hour of training is higher on average in large firms.

The second part of this article discusses the movement in a series of variables in a stable population of firms between 2012 and 2013. In these companies, the workforce contracted by 0.2% between the end of 2012 and the end of 2013. The decline affected all three regions of the country. The expansion of the workforce in SMEs was not enough to offset the job losses in large firms. The workforce declined in almost all branches, with notably sharp falls in industry and in construction, where manual workers were particularly affected; nonetheless, the workforce expanded in "health and social work" and "business services". Full-time job losses outweighed the growth of part-time employment. The number of permanent workers diminished whereas the temporary workforce expanded.

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In firms that file full-format accounts, the volume of the labour force measured in FTEs remained stable in 2013 compared to 2012, but its components exhibited differing movements: registered staff and staff on secondment personnel were up by 0.2 and 2.3% respectively, whereas there was a 4.4% decline in agency workers. The fall was particularly marked in industry (where half of the lost FTEs were concentrated), as well as in the "business services" branch, in construction and in the "trade and transport" branch. Those same companies saw an increase in the number of workers leaving during the year, slightly outweighing the number of incomers, which declined. The expiry of temporary contracts accounted for 62.3 % of departures in 2013, and redundancies represented 11.4 %; these two reasons for leaving were more common in 2013 than in 2012. Conversely, the proportion of spontaneous resignations was down from 26.2 to 21.6% of the total.

In the population analysed, the number of training firms increased. The proportion of workers receiving formal training (43.9 % of workers in 2013) increased, but rates of participation in informal and initial training (24.9 and 1.2% respectively) declined. The volume of hours devoted to training represented 1.63 % of hours worked in 2013, against 1.66 % in 2012. Expenditure on training came to 1.78 % of staff costs, compared to 1.82 % a year earlier. The budgets allocated to formal and informal training increased, but were outpaced by the rise in staff costs; expenses on basic training declined.

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