The social balance sheet 2004

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Introduction

Introduced in the 1996 financial year, the social balance sheet contains a consistent set of data on various aspects of employment in firms. On the basis of this information, this article in turn analyses the following areas: trends in employment, staff movements, the type of employment contracts, the duration and cost of labour, and training. The data in Table III of the social balance sheet concerning the use of measures promoting employment was not analysed. Apart from the fact that the list is not entirely up-to-date, a comparison of the data with the administrative statistics collected by agencies such as the NEMO and the NSSO suggests that it is not representative of the actual use of those measures.

The analysis presents the provisional results of the 2004 social balance sheet, obtained following early closure of the period for receipt of annual accounts. Where appropriate, these provisional results are compared with the final results obtained for the years 1998 to 2003. The data relating to this period concerns the total population of enterprises, which, as at 31 December, had completed a financial year of a standard twelve-month duration and whose social balance sheets met the criteria concerning homogeneity, quality and consistency defined in the methodology for constituting populations of firms, contained in Annex 1. This means that the results appearing in this article differ from the overall data published by the Central Balance Sheet Office. The latter in fact uses all annual accounts ending within a calendar year, whatever the closing date and length of year.

In 2005, the preparatory work of establishing the constant reduced population for 2003 and 2004 (according to the methods described in section 1.6 of Annex 1), which serves as a basis for the analysis of the 2004 social balance sheet, began with the provisional closure of accounts on 30 August, although last year this latter took place on 9 September. The reduced population of companies selected for analysis in the 2004 social balance sheet is therefore slightly smaller than that used in the previous year: 38,530 companies for the 2004 reduced population as opposed to 40,630 for the previous year. This population (whose characteristics are described in section 2 of Annex 1) is consequently slightly less representative: the workers employed in the companies included in this population represent 50.9 p.c. of the private employment recorded in the national accounts, as opposed to 53.3 p.c. the previous year.

Most of the tables and charts that appear in this article give the results obtained from this reduced population of companies. The use of a constant population permits analysis of a range of variables between the years 2003 and 2004, whereas comparison with the complete data relating to the year 2003, covering a much larger population, would introduce a bias that would distort the conclusions. However, the use of a constant population also imposes limits on the interpretation of trends. In fact, by definition, the firms in this population must have filed social balance sheets of adequate quality covering a twelve-month financial year ending on 31 December for two successive years. This automatically excludes new companies and bankrupt companies from the scope of the analysis, possibly causing some discrepancies between the changes observed in the reduced population and those recorded in the total population. However, the adoption of this approach is justified in view of the excessive length of time required to obtain information for all the firms and the safeguards offered by the representativeness of the reduced population.

Where long time series appear in tables and charts, they always relate (unless otherwise stated) to results obtained for the total population, calculated for the years 1998 to 2003. Trends noted between 2003 and 2004 are then used to extend these historic time series: these are indicated by the note "2004e". As in other years, the tables in Annexes 3 to 9 provide detailed data by branch of activity. In the majority of cases, these tables supply retrospective data for the years 1998 to 2003, as well as the developments recorded between 2003 and 2004.

Last year, the emphasis was placed on a regional analysis of the social balance sheets. This was carried out on the basis of statistics from establishments dating from June 2002, updated by the NSSO. In 2003, the introduction of the multifunctional declaration led to a delay in producing the NSSO statistics, such that data by establishment for 2003 was still not available as of the end of September 2005. It was thus considered preferable not to conduct a regional analysis of the social balance sheets on the basis of out-of-date information, and to delay publication of such statistics until a later date. This article does not therefore include, either in the descriptive section or in the annexes, a section relating to regional results. The analysis focuses on trends recorded in companies broken down by size and by branch of activity. The breakdown by size distinguishes between small companies with fewer than 50 FTEs, medium-sized companies employing between 50 and 250 FTEs, and large companies employing more than 250 FTEs. The breakdown by branch of activity is carried out on the basis of the NACE-BEL nomenclature of activities given in Annex 2. When interpreting results by branch of activity, care is required when considering the agriculture, Horeca, and community, social and personal services branches: this is because the staff employed in the reduced population of companies in fact accounted for less than 25 p.c. of the salaried employment recorded in the national accounts.

1. Developments in employment

1.1 General characteristics of developments in employment

As already stated, the reduced population comprised 38,530 firms which, in 2004, employed an average of 1,331,229 people, being 4,124 more workers than in the year 2003. This 0.3 p.c. increase was due purely to an increase of 16,480 units in the number of part-time workers, representing a rise of 5.9 p.c. compared to 2003. At the same time, the number of full-time employees declined by 12,356 units, or 1.2 p.c.

Although the total average number of workers employed was up between 2003 and 2004, the volume of labour measured in FTEs fell slightly, by 0.1 p.c., due to the sharp increase in part-time work.

The increase in the workforce between 31 December 2003 and 31 December 2004, whether expressed in staff numbers or in FTEs, was more favourable. In terms of staff numbers, it amounted to 0.5 p.c. compared to 0.3 p.c. in yearly average, and in FTEs to 0.3 and –0.1 p.c. respectively, resulting in a relative improvement in the employment situation of companies within the reduced population over the year. Information from the national accounts confirms such a recovery during 2004: growth in the number of employees in the private sector recorded between the final quarter of 2003 and the final

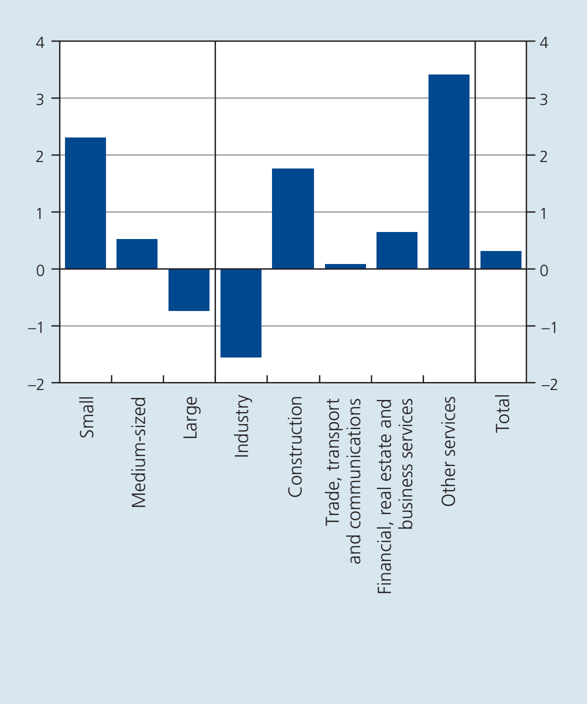
TABLE 1 DEVELOPMENTS IN EMPLOYMENT BETWEEN 2003 AND 2004
(Reduced population)

	Persons employed			FTEs
	Full-time	Part-time	Total	
Annual average				
Units	–12,356	16,480	4,124	–759
Percentages	–1.2	5.9	0.3	–0.1
As at 31 December				
Units	–8,848	14,838	5,990	3,399
Percentages	–0.9	5.2	0.5	0.3

Source: NBB (social balance sheets).

CHART 1 DEVELOPMENTS IN EMPLOYMENT BETWEEN 2003 AND 2004: BREAKDOWN OF ENTERPRISES BY SIZE AND BRANCH OF ACTIVITY

(Percentage change, reduced population)



Source: NBB (social balance sheets).

quarter of 2004 in fact amounted to 1.2 p.c. compared to an average of 0.7 p.c. throughout the year.

Small firms were largely responsible for the growth in employment. Here, the number of workers rose by 2.3 p.c., or 7,789 units. Almost 60 p.c. of this increase related to full-time workers. In medium-sized and large firms, however, the number of full-time workers fell. In the former, this fall was offset by an increase in the number of part-time workers to the extent that an overall rise of 1,520 workers (or 0.5 p.c.) was recorded. In large companies, the expansion in part-time work (by 10,064 units) failed to offset the decline in full-time workers (–15,249 units) and numbers fell overall by 0.7 p.c., or 5,184 units.

Over the period 1998-2003, as the pattern of staff recruitments and departures shows, small firms were invariably responsible for net job creations. These ranged from 23,000 to 28,000 units per annum over the years 1998 to 2000. Net staff recruitments then fell, although remaining broadly positive. In – medium-sized firms, net job creations peaked at almost 23,000 units during the year 2000. In 2001, following a slowdown in growth of activity, they represented only half this number. In 2002 and 2003, employment stagnated, with the year 2004 marking a return to growth. Between 1998 and 2001, net job creations in large companies remained appreciably lower than those observed in companies with fewer than 50 FTEs. The year 2000 was an exception, some 30,000 jobs having been created in firms with more than 250 FTEs, as a result of the favourable economic conditions prevailing at the time. Since 2002, net job losses have been recorded in these firms.

These job losses are due largely to movements recorded within industry. From 2001 to 2003, large-scale net departures were recorded in this branch of activity (relating to more than 14,000 workers in 2003). Further staff cuts were made between 2003 and 2004 in the reduced population: staff numbers in this branch fell by an annual average of 1.6 p.c., affecting more than 6,000 workers.

Recent trends in employment are more favourable in the financial, real estate and business services branch, where net job losses were also recorded in 2002 and 2003. Employment expanded on average by 0.7 p.c. between 2003 and 2004 within firms in the reduced population. This growth was due exclusively to increased employment within real estate and business services, which added almost 3,400 jobs, whilst financial sector firms recorded almost 2,000 jobs losses.

In other services, which includes the health and social work branches, as well as the smaller community, social and personal services branch, the expansion of employment observed since 1998 continued between 2003 and 2004. On average almost 7,000 additional jobs were created within firms in the reduced population over this period, of which almost 90 p.c. were in the health and social work sector.

In the construction and trade, transport and communications branches, net staff recruitments, whilst fewer in number, were also observed over the period 1998 to 2003, with the year 2002 being an exception for both branches. Whilst employment again increased by 1.8 p.c. (or 1,531 additional workers) in construction firms within the reduced population between 2003 and 2004, it virtually stagnated in trade, transport and communications (+0.1 p.c. or 381 workers), undoubtedly due to the implementation of restructuring plans in a number of former public enterprises, with the consequence of staff cuts.

1.2 Developments in part-time employment

For some years now, growth in employment has been sustained by increases in part-time work. From a static point of view, the sharing of working time in fact enables the volume of labour necessary for production to be divided amongst a larger number of people. From a dynamic point of view, part-time work enables the development of new activities. In some firms, and this applies particularly to the largest amongst them, the changeover to part-time work by part of the workforce also enables the effects of restructuring to be mitigated or the end of a professional career to be facilitated. Part-time work also responds to the aspirations of some workers who wish to better reconcile the performance of a professional activity with the demands of family life. It is estimated that the number of additional jobs resulting from the use of part-time work represented 11 p.c. of staff numbers in the total population in 2003. According to results from the reduced population, this proportion increased significantly between 2003 and 2004.

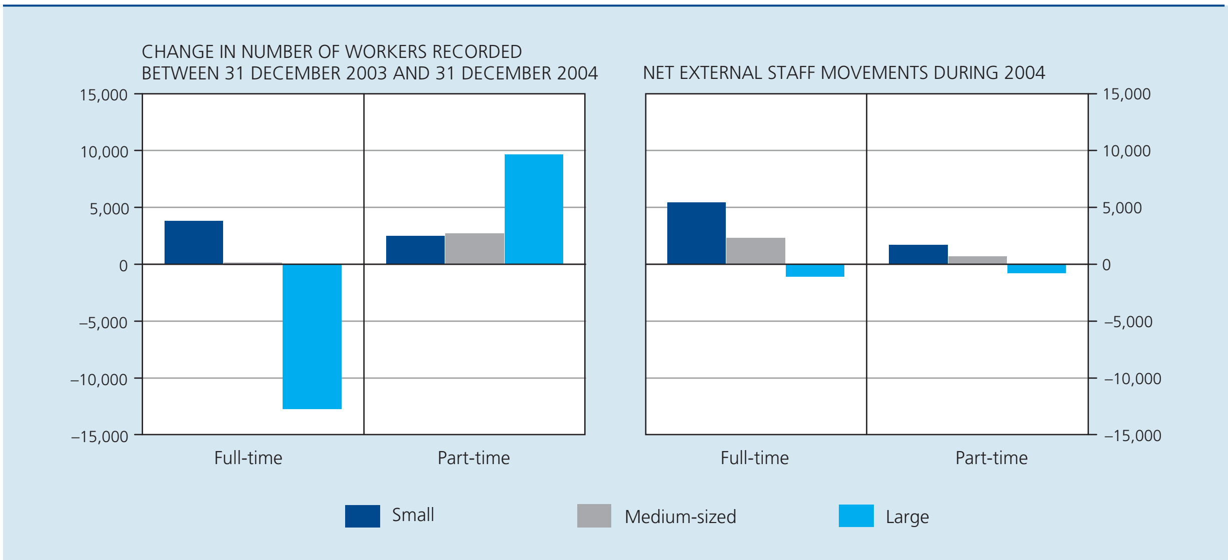
When increases in part-time work are the result of hiring part-time staff, this takes place through external channels. These movements are hence recorded in the staff recruitment and departures tables for the year. When the increase in part-time work is the result of a change in working arrangements, it takes place through internal channels. These movements are measured according to the differences observed between developments recorded in the staff register as at 31 December of the year under review and as at 31 December of the previous year and external staff movements.

In small firms, the expansion of part-time work takes place primarily through external channels. In fact, it is conceivable that, in small work units, the rate of growth in activity may be too great for the additional work load to be managed by the existing staff but insufficient to justify the hiring of an extra full-time worker. This would explain the observed net hiring of part-time workers (approximately 1,700 persons) by these firms, in addition to the net creation of full-time jobs (some 5,400 additional workers).

In large firms, however, external staff movements show net departures in both part-time and full-time workers, totalling around 1,000 units in both cases. The staff register paints a very different picture, however: between 31 December 2003 and 31 December 2004, the number of part-time workers increased by almost 10,000 units. This increase is therefore due solely to a change in the working arrangements of full-time workers, whose numbers in fact fell by a little less than 13,000 units over the year.

CHART 2 STAFF MOVEMENTS DURING 2004: BREAKDOWN OF WORKERS BY TYPE OF WORKING ARRANGEMENT AND COMPANY SIZE

(Persons, reduced population)



Source : NBB (social balance sheets).

TABLE 2 PART-TIME EMPLOYMENT BETWEEN 1998 AND 2004

(Percentages)

	Part-time employment rates (as at 31 December)			Additional jobs created by use of part-time workers (1)
	Men	Women	Total	
Total population				
1998	6.3	42.9	19.9	9.5
1999	6.8	43.6	20.7	9.9
2000	7.1	43.9	20.7	9.9
2001	7.4	45.4	21.8	10.4
2002	8.3	46.9	23.3	10.7
2003	9.2	48.4	24.5	11.0
Reduced population				
2003	7.7	45.5	21.4	8.8
2004	8.4	46.7	22.4	9.2
p.m. Percentage change	*8.8*	*2.6*	*4.8*	*4.6*

Source : NBB (social balance sheets).
(1) Difference, in per cent, between the actual number of jobs (sum of full-time and part-time jobs) and the number of jobs that would have been necessary to achieve the same volume of labour using full-time workers only.

Given their magnitude, these changes in working arrangements have a considerable influence on the development of part-time work. Between 2003 and 2004 alone, the part-time employment rate increased by 4.8 p.c. within the reduced population, from 21.4 to 22.4 p.c. of total staff number.

By applying this trend at the level observed in the total population in 2003, it emerges that more than one worker in every four was on a part-time work contract in 2004. This area does, however, remain predominantly the domain of women, half of whom work under such an arrangement. The increase observed in female part-time employment rate between 2003 and 2004 (2.6 p.c.) is nonetheless less significant than that of male part-time employment rate (8.8 p.c.). If the same method of calculation is used, one man out of every ten was working part-time in 2004, as opposed to only a little over 6 p.c. in 1998. This increase stems partly from the desire of some men to achieve a better balance between work and private life. It is also the result, in many cases, of a change in working arrangements as retirement approaches, either through the time-credit scheme or company-specific systems.

The rate of part-time work is highest among the smallest and largest firms. The reasons for this are undoubtedly very different. As previously explained, in small companies, the volume of activity is a determining factor in deciding whether to hire a full-time or a part-time worker. In large firms, however, the distribution of the volume of work is potentially more flexible as it is managed by a larger number of workers. Whilst in small companies the rate of female part-time employment hardly changed during 2003 and 2004, in medium-sized and large firms it increased appreciably. On the other hand, male part-time employment rate grew mainly in large firms, some of them using shorter working hours at the end of employees' careers to avoid redundancies.

It is primarily in the industry, transport and communications and financial services branches that these practices are applied : the rate of male part-time employment rose by around 5 p.c. between 2003 and 2004, as was also the case in real estate and business services. In the other branches, the rate of male part-time employment increased only slightly or even declined.

The rate of female part-time employment increased particularly in the transport and communications and financial services branches, as well as in industry, a branch in which female workers are not common (scarcely one fifth of employees are women) and where female part-time employment is even less prevalent (fewer than 30 p.c. of female workers, which is the lowest rate of all branches).

2. Staff movements

2.1 Total staff recruitments and departures

Net changes in staff numbers recorded between 31 December 2003 and 31 December 2004 in firms within the reduced population are not sufficient to enable the extent of gross recruitments and departures of staff throughout the year to be evaluated, nor their nature to be assessed. This emerges from the following table of staff recruitments and departures.

In 2004, over 390,000 persons were hired by firms within the constant reduced population, slightly more than the 376,000 hired in the previous year. Moreover, some 382,000 workers left the staff register of these companies, 2 p.c. more than in 2003. Given that the rate of increase in departures remained less than that of recruitments, net staff recruitments (the difference between total recruitments and total departures) was up. It totalled 8,156 units in 2004, against only 1,864 in the previous year.

TABLE 3 STAFF RECRUITMENTS AND DEPARTURES
(Units, reduced population)

	2003	2004
Recruitments		
Total	376,494	390,203
of which : full-format accounts	253,386	259,935
Departures		
Total	374,630	382,047
of which : full-format accounts	258,115	256,000
Net recruitment		
Total	1,864	8,156
of which : full-format accounts	–4,729	3,935

Source : NBB (social balance sheets).

2.2 Breakdown of net recruitments by standard of education

For companies filing full-format accounts, the staff recruitments and departures table also provides a detailed breakdown by type of employment contract, by gender and by standard of education of these movements as well as, for departures only, a breakdown by reason for leaving. The resulting information cannot be generalised to cover all firms as it does not relate to those filing short-format accounts. However, the relatively lesser importance of these latter companies in terms of staff (they represent 77.5 p.c. of all firms but only 17.8 p.c. of total staff numbers) enables it to be used as an indicator.

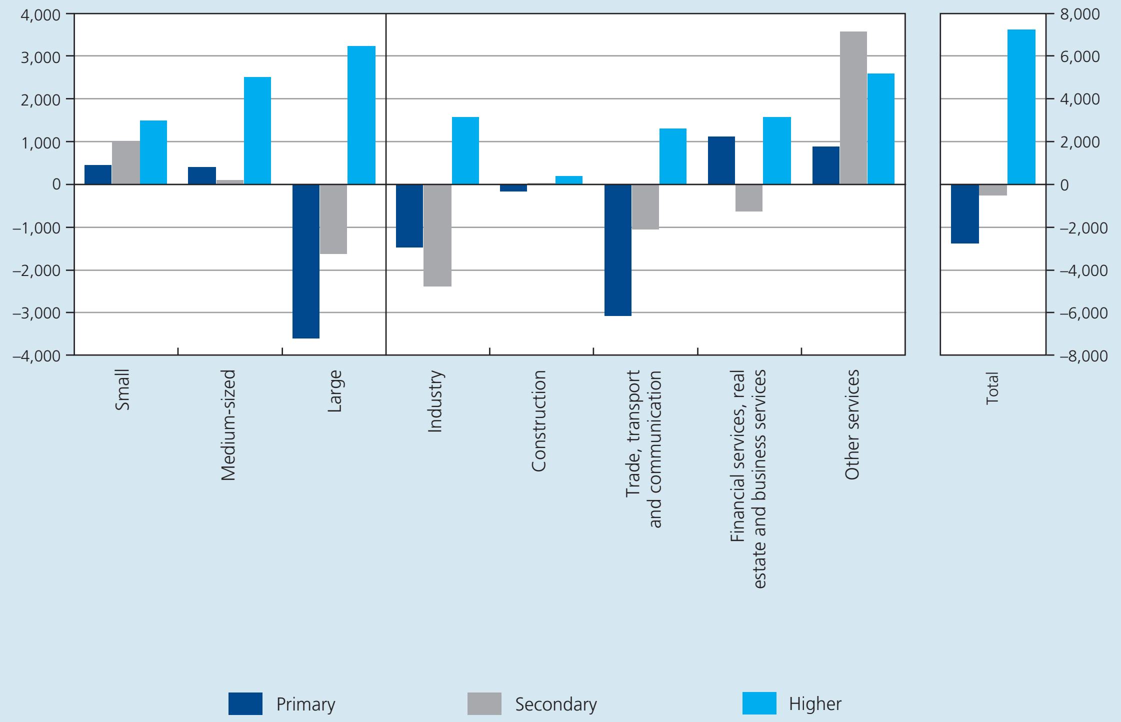
In companies filing full-format accounts, staff recruitment numbers amounting to 259,935 units were recorded in 2004 whereas, over the same period, 256,000 workers left the staff register of these companies. Overall, 3,935 net staff recruitments were therefore recorded. This corresponds to a combination of net recruitments of workers who had completed a university degree (+2,217 units) or higher non-university education (+5,011 units) and net departures of workers holding only certificates for completion of basic (–2,769 units) or secondary education (–524 units).

Net recruitments of workers holding a higher education certificate were recorded in all firms. There were few in the construction firms, representing in all fewer than 200 workers. The proportion of highly qualified workers in this branch continues to be much lower compared to that generally observed in other branches of activity, the production techniques still requiring a large proportion of less skilled workers. The proportion of highly qualified workers is greatest in the service sector. These activities have developed more recently, relying on a more highly qualified workforce that is better able to adapt to the technological changes required by a modern economy. In contrast, firms in industry are still often characterised by heavy production processes and a plentiful and less skilled workforce. The competitive pressures to which these firms are exposed consequently often result in staff restructuring, affecting first and foremost those with low or average qualifications.

Workers holding no more than a certificate of primary education, in fact, continue to be discarded by industrial firms and by companies active in the trade, transport and communications branch. This was already the case in previous years, with the exception of 2000, a year in which the labour market was buoyant, including for the less skilled. This situation is largely the result of many low-skilled workers taking retirement, and their departures not being offset by the hiring of staff with an equivalent standard of education. This trend is resulting in an increase in the average standard of education of the workforce in the branches in question. In contrast, net recruitments of low-skilled workers have been observed in the financial services, real estate and business activities

CHART 3 NET EXTERNAL STAFF MOVEMENTS IN FIRMS FILING FULL-FORMAT ACCOUNTS IN 2004 : BREAKDOWN OF WORKERS BY STANDARD OF EDUCATION

(Persons, reduced population)



Source : NBB (social balance sheets).

branch and in that of other services. Firms active in the real estate and business services branch, health and social work plus, to a lesser extent, in that of community, social and personal services, in fact remain job creators for low-skilled workers. In contrast, the financial and insurance activities branch continues to reduce the numbers of its low-skilled staff.

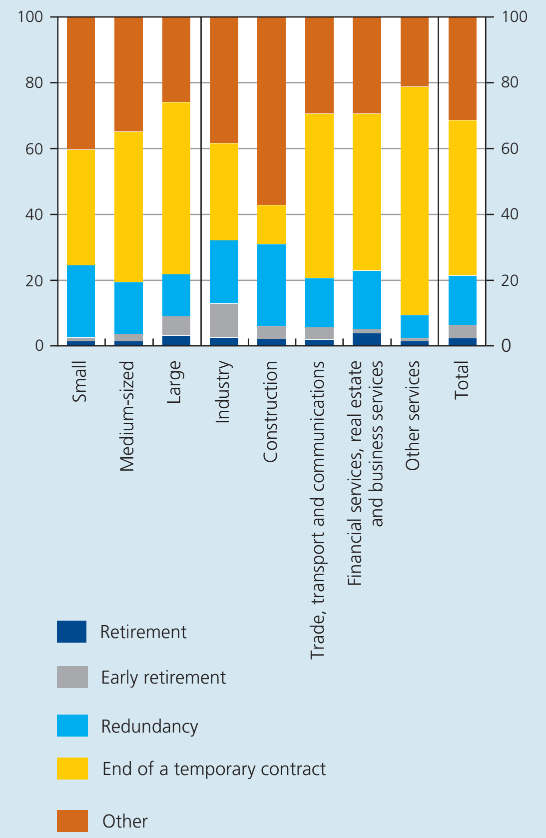
Workers holding at best a certificate for completion of secondary education fare scarcely any better than the low-skilled. Job losses at this level of qualification were recorded in the main branches of activity, with the exception of construction, where their numbers increased only very slightly, and other services, again thanks to the buoyancy of the health and social work branch, where almost 3,000 jobs were created for those with average qualifications. The emergence of new needs in terms of assistance for dependent persons, be it children, the elderly or disabled, has in fact enabled a range of jobs to be developed that are based more on social and relational skills than on good professional qualifications.

2.3 Breakdown for gross departures by reason

In firms within the reduced population that filed full-format accounts, gross staff departures fell slightly between 2003 and 2004, from 258,115 to 256,000 units. A decline was observed as regards most reasons for leaving. The fall was particularly marked for retirement (whether early or not), which affected a little over 16,000 persons, or 6,4 p.c. of the total number of departures, as opposed to 17,700 in 2003, or 6,9 p.c. of the total. Some 38,000 workers were made redundant in 2004, 2 p.c. less than a year earlier, and around 120,000 temporary contracts came to an end in 2004, as opposed to approximately 124,000 in 2003. In contrast, departures for other reasons, essentially voluntary change in occupation, rose between 2003 and 2004 : almost 80,000 workers left their jobs in 2004, representing more than 30 p.c. of total departures, compared to 78,000 in 2003. This trend demonstrates the increased mobility of workers within a more favourable labour market.

CHART 4 STAFF DEPARTURES IN FIRMS FILING FULL-FORMAT ACCOUNTS IN 2004 : BREAKDOWN BY REASON

(Percentage of total, reduced population)



Source : NBB (social balance sheets).

An analysis of the reasons for departure in 2004 shows that the main reasons for leaving the staff register are very different depending on the size and the activity of the firm.

In small firms, voluntary change in occupation is proportionally more significant. In 2004, they represented 40 p.c. of the total volume of departures, compared to only 26 p.c. in large firms. The same goes for redundancies, which constituted 22 p.c. of departures in small firms and 13 p.c. in large ones. Redundancies are clearly more difficult to avoid in small companies than in large ones when faced with a decline in the volume of work. In fact, it can be seen that the greater the company size, the lower the level of redundancies, and the same goes for voluntary change in occupation. The job security offered by large firms is undoubtedly a weighty argument when deciding whether or not to change jobs. On the other hand, the proportion of workers taking retirement or early retirement is greater in large companies, such leaving options frequently being used in the context of restructuring, a process that is proportionally more significant in large companies. The latter were, moreover, responsible for almost 78 p.c. of departures through early retirement recorded in 2004 by companies filing full-format accounts and 71 p.c. of departures through retirement.

This phenomenon also emerges from a breakdown by branch. Early retirement is most widespread in industry, where large firms are more numerous, and in branches dominated by former public enterprises. Firms in the industry branch, and the trade, transport and communications branch in fact account for 55 and 29 p.c. respectively of all early retirements observed in 2004 within companies filing full-format accounts.

The construction branch also frequently uses such retirement options. This can no doubt be explained by the more strenuous nature of the work, which has a greater effect on older workers. This branch is also characterised by a relatively high level of redundancies and by a significant proportion of voluntary change in occupation, which represent more than half of all staff departures.

In the service sector, the expiry of temporary contracts is the main reason for workers leaving the staff register. This represents almost half of all departures in the trade, transport and communications branch and in the financial, real estate and business services branch, and nearly 70 p.c. in other services.

3. Type of employment contracts

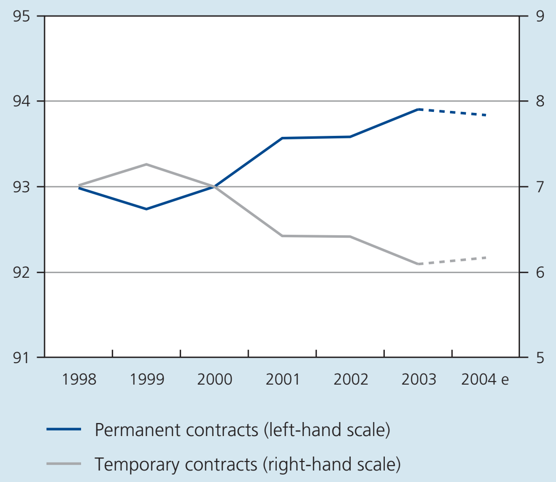
Temporary employment contracts, as well as the use of temporary agency workers, represent an important instrument with which to adjust the volume of labour to the imperatives of production. In a period of economic slowdown, less use is made of these two types of contract, whilst an increase in temporary agency work is often one of the first signs of a recovery or an upturn in activity.

3.1 Permanent contracts and temporary contracts

The number of workers recorded in the staff register with a temporary work contract (i.e. a fixed-term contract, a replacement contract or a contract concluded for a specific project) increased markedly between 1998 and 2000, as a result of the cyclical upturn. Subsequently, however, it declined. Whilst in 1999, the proportion of the workers with a temporary contract represented 7.3 p.c. of all workers, it was down to just 6.1 p.c. in 2003. Although

CHART 5 DEVELOPMENT IN THE PROPORTION OF TEMPORARY (1) AND PERMANENT CONTRACTS

(Percentage of total, total population (2))



Source : NBB (social balance sheets)

(1) Temporary contracts : fixed-term contracts, replacement contracts or contracts concluded for a specific project.

(2) The results for 2004 were calculated by applying the change recorded between 2003 and 2004 for the reduced population to the value observed for the total population in 2003.

a slight increase was observed between 2003 and 2004 in the reduced population, it would be premature to talk of a trend reversal. This should rather be seen in terms of a stabilisation, even if the sharp increase in temporary agency work observed over the same period might indicate that the number of temporary contracts could rise again in the next few quarters.

While a slight recovery in the share of temporary contracts between 2003 and 2004 was observed in all categories of company size, the fall in this share in previous years affected primarily the large firms. In this category of company, the share of temporary contracts continued to fall between 1998 and 2003, from 9.2 to 6.5 p.c., a drop of 2.6 percentage points, while the decline amounted to only 0.3 percentage point in medium-sized companies, and small firms actually recorded an increase of 1.1 percentage point to 5.4 p.c. in 2003, but, admittedly, from a markedly lower level.

It was in the branch of the other services that the drop in the share of temporary contracts was greatest between 1998 and 2003 : starting from a high level, this share was down from 13.6 to 11.5 p.c. of the total over this period, a fall of 2.1 percentage points. The decline was particularly sharp in the health and social work branch, where this share declined from 14.1 p.c. to 11.7 p.c., a level still higher than that observed in the other branches, with the exception of Horeca. The labour shortages in hospitals may well have prompted employers to offer more permanent contracts in order to attract new staff. In contrast, the significant fall in industry and in financial, real estate and business activities tends to reflect the restructuring of the workforce, which also takes the form of a non-renewal of fixed-term contracts.

Even if their relative importance declined very slightly between 2003 and 2004, permanent contracts continue to represent the vast bulk of work contracts. If the change observed in the reduced population between 2003 and 2004 is applied to the 2003 level, in 2004 93.8 p.c. of workers were in fact employed on this type of contract. This share is slightly higher in small companies, which use such contracts to ensure the loyalty of their workforce, while large companies employ a greater proportion of workers on fixed-term or replacement contracts.

The developments in the composition of the workforce by type of employment contract seem relatively limited when the situations as at 31 December 2003 and 31 December 2004 are examined. In total, 5,990 additional jobs were created between these two dates, of which 4,726 were permanent contracts and 1,264 temporary contracts. Gross movements are, however, far more significant and, amongst these, the proportion of temporary jobs was clearly higher. Thus recruitments totalled 390,203 units in 2004, of which 259,935 were accounted for by companies filing full-format accounts. In the latter companies, 52 p.c. of new workers, or 135,000 persons, were employed on a temporary contract, a similar percentage to that observed a year earlier.

3.2 Temporary work

Whilst the proportion of temporary contracts rose only slightly between 2003 and 2004, the use of temporary agency workers increased markedly. Together with the faster rate of growth in employment over the year, this increase resulted in an improved labour market situation in 2004.

The number of temporary agency workers being used by firms in the reduced population filing full-format accounts rose sharply between 2003 and 2004. Expressed in FTEs, it was up from 27,957 units to 32,330 units, an increase of 15.6 p.c. The proportion of temporary workers in the total workforce, expressed in FTEs, consequently rose, from 2.7 p.c. in 2003 to 3.1 p.c. in 2004, an increase that confirms the reversal in the downward trend previously observed between 2002 and 2003 in the total population.

TABLE 4 TEMPORARY AGENCY WORK IN COMPANIES FILING FULL-FORMAT ACCOUNTS

(Reduced population)

	2003	2004
As a percentage of the total		
Number of FTEs	2.7	3.1
Hours worked	3.2	3.7
Staff costs	2.3	2.6
In units		
Number of FTEs	27,957	32,330
Hours worked (thousands)	52,745	60,814
Hours worked per FTE	1,887	1,881
Staff costs per hour worked (in euro)	22.3	23.2
As a percentage of temporary work recorded by Federgon		
Hours worked	40.8	41.3

Source: NBB (social balance sheets).

Information on temporary agency work included in the social balance sheets comes exclusively from companies filing full-format accounts. However, the volume of temporary agency work recorded in the social balance sheets, calculated in hours worked, represents more than 40 p.c. of the volume of labour recorded by Federgon [1] for 2004. Moreover, the rate of growth in this volume of labour is of the same order of magnitude according to both sources, i.e. around 15 p.c. The conclusions that can be drawn from the social balance sheets therefore appear to be representative.

Although only 45 p.c. of small firms filing full-format accounts indicate that they use the services of temporary agency workers (as opposed to 74 p.c. of medium-sized and 86 p.c. of large firms), such staff represented 4.9 p.c. of employment in these companies in 2004 (compared to 4.5 p.c. for medium-sized firms and only 2.1 p.c. for large firms). The observed increase in temporary agency work between 2003 and 2004 was, moreover, greater in small firms: the number of workers employed on this basis rose by almost 24 p.c. (amounting to 1,119 FTEs or a quarter of all additional temporary agency workers used) whilst in the other two categories of company, the increase remained less than 15 p.c.

The rise was significant in all branches of activity, with the exception of the construction branch (where the use of temporary agency workers was not authorised until 2002) and the branch of other services, with the rates of penetration of temporary work amounting to only about 1 p.c. It is in industry that temporary agency work is most widespread: 80 p.c. of firms use temporary workers and, in these companies, one worker in every twenty is a temporary agency worker.

The volume of hours worked by temporary agency workers increased in similar proportions to the number of FTEs, i.e. by 15.3 p.c. In 2004, these hours represented 3.7 p.c. of the total volume of labour for companies filing full-format accounts. Given that the number of FTEs rose slightly faster than the volume of hours worked, the average annual working hours per temporary agency worker fell slightly, from 1,887 hours in 2003 to 1,881 hours in 2004.

The costs related to using temporary agency workers increased slightly faster than the volume of labour, at a rate of 19.7 p.c. The average cost per hour of temporary agency work, which rose from 22.3 to 23.2 euro, was up by 3.8 p.c., which is appreciably more than the average increase of 2.0 p.c. observed for workers recorded in the staff register of companies filing full-format accounts.

3.3 Choice between flexible contracts

Despite a contraction in the proportion of temporary contracts observed since 2000, this instrument of flexibility is still more widespread than the use of temporary agency workers in enterprises filing full-format accounts: in 2004, 5.5 p.c. of workers recorded in the staff register of these enterprises were employed on the basis of temporary employment contracts, while temporary agency workers represented only 3.1 p.c. of their FTEs.

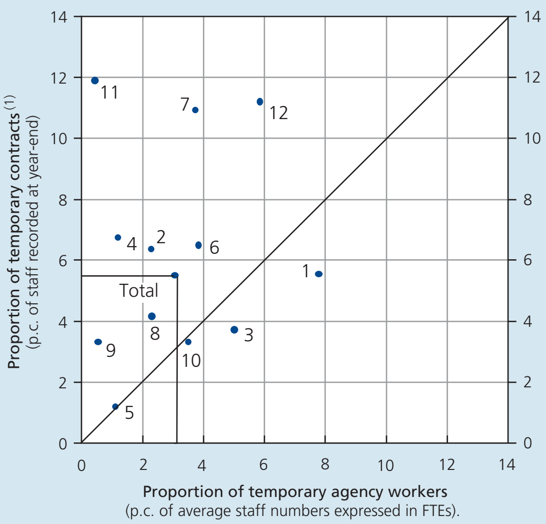
They are, of course, two quite different forms of contract. In the former, the worker is directly linked to the employer whilst, in the latter, the search and selection procedure is delegated to a third party, with the employer thus paying for both the temporary agency worker employed in his enterprise and the services provided by the agency.

The use of temporary agency workers is less than that of temporary contracts in most branches of activity. Agriculture and the manufacturing industry are exceptions to this rule.

(1) Federation of temporary employment agencies

CHART 6 USE OF FLEXIBLE CONTRACTS IN FIRMS FILING FULL-FORMAT ACCOUNTS IN 2004 : BREAKDOWN OF ENTERPRISES BY BRANCH OF ACTIVITY

(Percentage, reduced population)



1 Agriculture
2 Mining and quarrying
3 Manufacturing industry
4 Energy and water
5 Construction
6 Trade and repairs
7 Horeca
8 Transport and communications
9 Financial and insurance activities
10 Real estate and business services
11 Health and social work
12 Community, social and personal service activities

Source : NBB (social balance sheets).
(1) Temporary contracts : fixed-term contracts, replacement contracts or contracts concluded for a specific project.

In the field of construction, these two flexible instruments are resorted to in equal measure although their use remains very limited. The use of temporary agency workers has been permitted in the construction branch since 2002. This relaxation has, however, taken place against a background of a depressed economy, and the take-up of temporary agency work in this branch of activity has been slow. However for 2004, Federgon's annual report notes significant growth in temporary agency work in this branch, which is not recorded in the social balance sheets. It is nonetheless possible that this growth has been observed above all in enterprises filing short-format accounts and who consequently do not provide information on their use of temporary agency workers. These firms account for a very large proportion of the total in this branch of activity : they represent 91 p.c. of all balance sheets filed for 2004, and 46 p.c. of employment in this branch.

The health and social work branch of activity represents another extreme : despite a sharp decline since 1998, the proportion of temporary employment contracts represents around 12 p.c. of the total, whilst temporary agency work affects only 0.4 p.c. of workers employed.

4. Working hours

Since 1st January 2003, the statutory working week has been 38 hours. In the years leading up to this date, numerous adjustments took place through the joint committees, with the aim of satisfying this obligation.

Between 1998 and 2003, the average working hours of a full-time worker thus fell by 3 p.c. The increase in working hours observed between 2003 and 2004 consequently constitutes a break with the previous trend. The annual hours worked by part-time workers has shown a higher degree of fluctuation. The increase observed in 2003 nonetheless continued into 2004.

The average annual hours worked by a full-time worker fell markedly from 1,593 hours to 1,544 hours between 1998 and 2002, to stabilise the following year. Between 2003 and 2004, however, average working hours increased by

TABLE 5 AVERAGE HOURS WORKED BY FULL AND PART-TIME WORKERS

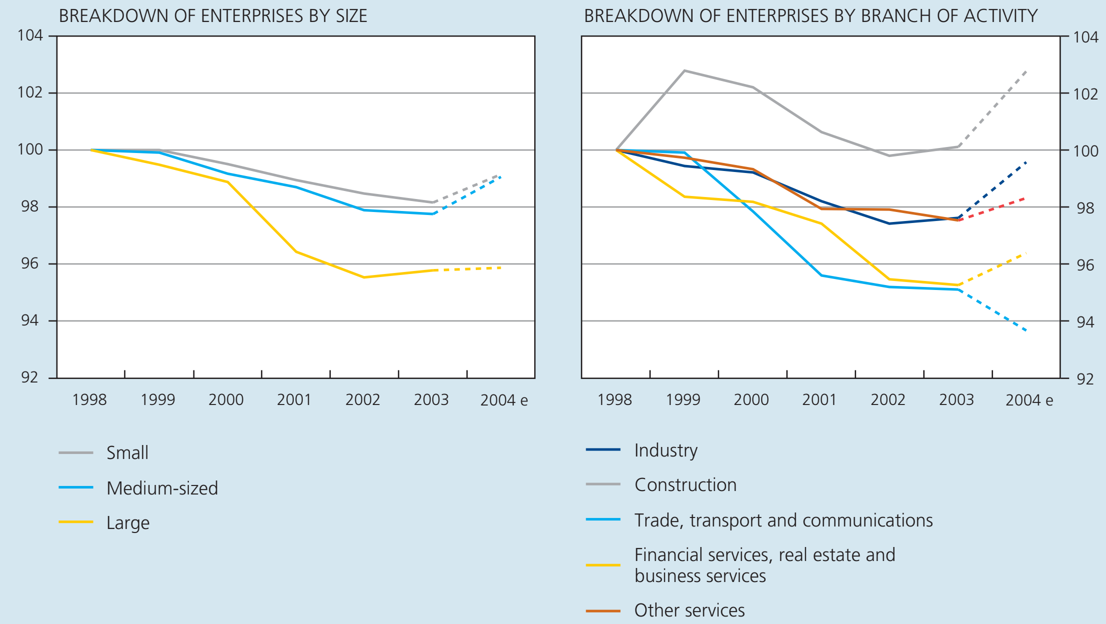
(Hours, per year)

	Full-time workers	Part-time workers
Total population		
1998	1,593	917
1999	1,589	922
2000	1,579	915
2001	1,556	911
2002	1,544	912
2003	1,544	918
Reduced population		
2003	1,543	946
2004	1,553	957
p.m. Percentage change	*0.6*	*1.2*

Source : NBB (social balance sheets).

CHART 7 AVERAGE HOURS WORKED BY FULL-TIME WORKERS

(Indices 1998 = 100, total population [1])



Source : NBB (social balance sheets).

(1) The results for 2004 were calculated by applying the change recorded between 2003 and 2004 for the reduced population to the value observed for the total population in 2003.

0.6 p.c., the number of hours worked by these employees having declined less sharply than the number of staff, by –0.5 and –1.2 p.c. respectively.

Between 1998 and 2003, the average hours worked by part-time employees initially rose slightly, to fall again in 2001 and 2002 to below the 1998 level, recording a figure of 917 hours worked per annum. This level was again marginally exceeded in 2003, when part-time workers worked an average of 918 hours. The rate of increase in these workers' average working hours between 2002 and 2003, at 0.7 p.c., accelerated during 2003 and 2004 to reach 1.2 p.c.

This extension in the average working hours of part-time workers is taking place in parallel with a significant and increasing use of time-credit schemes. According to NEMO's 2004 annual report, the number of payments made in the context of this formula for working arrangements increased by more than 34 p.c. between 2003 and 2004. Reducing working hours by one-fifth was particularly common : on average, in 2004, 39,000 persons or half of those entitled to time-credit benefited from this, as opposed to 27,000 the previous year.

Given the extension of the average working hours of part-time workers between 1998 and 2004, and the fall in the number of hours worked by full-time workers, the average hours worked by part-time workers currently represent 59.8 p.c. of the hours worked by full-time workers. In 1998, this share amounted to 57.6 p.c.

The drop in working hours of full-time workers was more significant in large enterprises. While the trend was fairly consistent until 2000, the gap widened during 2001. Between 2000 and 2001, annual working hours in large enterprises declined from 1,573 to 1,534, down by 2.5 p.c. On the other hand, in the other two groups of enterprises the drop was limited to around 0.5 p.c. Between 2003 and 2004, the changes taking shape in enterprises in the reduced population once again showed very divergent trends : while working hours increased by 1 and 1.3 p.c. respectively in small and medium-sized enterprises, they remained virtually unchanged in the large ones. In total, between 1998 and 2004, working hours were down by 4.1 p.c. in the latter, whilst the decline was limited to around 1 p.c. in the other two categories of enterprises.

This difference can in part be explained by the fact that, in some large enterprises, restructuring includes changing their working arrangements as employees approach the end of their career. It is thus sometimes possible for older workers to benefit from a fairly long period of leave before retirement. They are still recorded in the staff register, however, and their salary continues to be paid, even though they are not providing any labour. This was the case in trade, transport and communications in 2004. Average working hours fell by 1.5 p.c. although they increased noticeably in all other branches of activity. This phenomenon largely explains the levelling-off in the number of hours worked in large enterprises between 2003 and 2004.

If the trend between 2003 and 2004 is excluded, it can be seen that it is therefore in trade, transport and communications that the fall in average working hours of full-time workers, of the order of 4.9 p.c., was most pronounced. At 4.7 p.c., it was of a very similar size in financial services, real estate and business services. In industry, and in other services, the drop was limited to 2.5 p.c. In construction, however, average working hours were almost identical in 1998 and 2003, the steady decline observed since 2000 compensating for the increase recorded between 1998 and 1999.

The latter branch of activity was characterised by a very significant increase in working hours between 2003 and 2004; they grew by 2.6 p.c. as opposed to 2 p.c. in industry and around 1 p.c. in services (with the notable exception of trade, transport and communications, where they fell). Construction, like other branches of activity, has perhaps resorted to the authorisation of additional working hours without time off in lieu. The law stipulates a limit to any such extension to the statutory working week: it must not exceed 65 hours per calendar year, as long as this is provided for by the collective agreement and it is not possible to undertake compensatory recruitment. The annual increases in working hours observed between 2003 and 2004 of 38 hours in construction and 30 hours in industry, where there are numerous job vacancies for lack of duly qualified applicants, can partly be explained by the application of this rule.

5. Labour costs

The total amount allocated by enterprises to paying the workers recorded in their staff register increased by 2.5 p.c. between 2003 and 2004. It should be recalled that this budget does not include payments made by enterprises to their retired staff – who no longer appear in the staff register – nor certain costs related to possible restructurings – which can be recorded on the enterprise's balance sheet under exceptional costs. In addition, the trend noted in the social balance sheets relates to a reduced and constant population of companies subject to the filing of a social balance sheet, with the exclusion of workers and enterprises implicated by this methodology. It emerges that the change in costs noted in the social balance sheets differs from that recorded – for the private sector – in the national accounts, which totalled 2.9 p.c. between 2003 and 2004.

While staff costs increased by 2.5 p.c. in the social balance sheets, the number of workers – expressed in FTEs – at the same time fell by 0.1 p.c. Consequently, the cost per FTE increased by 2.6 p.c., rising from 47,153 euro in 2003 to 48,355 euro in 2004.

As the volume of hours worked increased by 0.5 p.c. while the number of FTEs contracted, the rise in cost per hour worked was less than that of the cost per FTE. In all, this amounted to 1.9 p.c. in the reduced population of enterprises, the increase being slightly higher among full-time workers (2.1 p.c.) than for part-time workers (1.8 p.c.).

The relative trend in labour costs in Belgium and neighbouring countries is an important indicator of the cost competitiveness of enterprises. Since the entry into force, in 1996, of the law on promoting employment and safeguarding competitiveness, the margin for increases in hourly labour costs, or wage norm, has been established within the context of central agreements negotiated every two years, with reference to the average changes

TABLE 6 LABOUR COSTS RELATING TO WORKERS RECORDED IN THE STAFF REGISTER
(Annual averages, reduced population)

	2003	2004	Percentage change between 2003 and 2004
Per FTE, in euro	47,153	48,355	2.6
Per hour worked, in euro			
Per full-time worker	31.09	31.74	2.1
Per part-time worker	27.50	28.00	1.8
Total	30.59	31.18	1.9
Hourly cost of a part-time worker in p.c. of a full-time worker	88.5	88.2	–

Source: NBB (social balance sheets).

expected in this same variable in Germany, France and the Netherlands. For the 2003-2004 period, the December 2002 agreement thus set an indicative norm of 5.4 p.c. for increases in hourly labour costs.

Although it is not possible to conduct a precise macroeconomic analysis, based on the social balance sheets, of the extent to which this norm is being respected, they do permit an ex-ante evaluation of the increase in hourly costs compared to this wage norm at the level of individual enterprises or groups of enterprises. To this end, a reduced population of enterprises, constant for the 2002-2004 period, was formed. It includes 33,875 firms employing, in 2004, 1,233,869 workers.

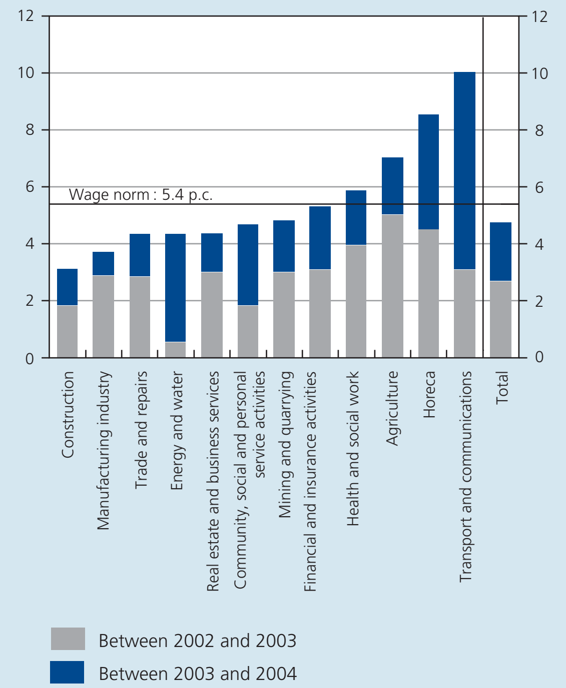
A quarter of the enterprises in this population, some of the smallest since they employed an average of 23 workers, recorded a fall in hourly costs between 2002 and 2004. This trend may be explained by different factors such as, for example, the replacement of older workers – whose average salary is higher due to the pay-scale increases they have benefited from throughout their career – with younger workers whose salaries are lower, or the use of measures to reduce social security contributions, pushing labour costs down. Twelve per cent of the enterprises recorded an increase below indexation which, for these two years, was 2.9 p.c. Thirteen per cent of enterprises recorded an increase that was between indexation and the forecast wage norm. The remaining enterprises, or half of the total, consequently recorded an increase exceeding the norm. It should be noted that such changes can sometimes be explained by exceptional events, such as restructurings, mass redundancies, or payments into pension or insurance funds.

In all, the average increase in hourly labour costs amounted to 4.7 p.c. between 2002 and 2004 in the enterprises in this ad hoc population, i.e. 0.7 percentage point below the wage norm. Although, at the level of all enterprises, the increase in labour costs remained moderate, significant differences can be observed between the different branches of activity.

In health and social work, the norm was slightly exceeded, the increase amounting to 5.9 p.c. The agriculture and Horeca branches, where the increase was 7.1 and 8.5 p.c. respectively, were also exceptions to the rule but it should be noted that the enterprises subject to the filing of social balance sheets are far from representative of the total employment and total wage bill in these branches. Moreover, it is also in these branches of activity that the average hourly costs were lowest. Finally, in transport and communications, the hourly costs increased by 10 p.c. Staff reductions in enterprises such

CHART 8 CHANGE IN HOURLY LABOUR COSTS BETWEEN 2002 AND 2004 : BREAKDOWN OF ENTERPRISES BY BRANCH OF ACTIVITY

(Percentage change, reduced population 2002-2004)



Source : NBB (social balance sheets).

as the Post Office, SNCB and Belgacom, which probably led to supplementary payments – sometimes without any work being carried out in return – may have played an important role in this regard, primarily in 2004, the increase recorded during the first year of application of the agreement having remained roughly equal to the average.

Apart from these exceptions, all branches of activity recorded increases below the wage norm. Over the two years, the increase in hourly costs was lowest in construction, i.e. 3.1 p.c., then in the manufacturing industry, where it amounted to 3.7 p.c. The other branches recorded increases of between 4.3 and 4.8 p.c., with the exception of financial and insurance services, where an increase above the average but slightly lower than the norm was observed.

The differences in the biennial rate of increase can again be highlighted. In energy and water, for example, the bulk of the rise took place during the second year of application of the norm, and the same was the case, albeit to a lesser extent, in community, social and personal service activities. In the manufacturing industry, however, as in real estate and business services, the increases were more focused on 2003.

6. Training

Like other instruments, the social balance sheets enables enterprises' training efforts to be measured. Its indisputable advantages remain its annual nature, its exhaustiveness (the field of application of the social balance sheet being extensive) and the fact that the information comes straight from the enterprises. Two other instruments will soon provide additional useful information. Since 2005, labour force surveys have included a question on the participation in one or more training courses over the last twelve months (and no longer over the last four weeks only), as well as on the financial participation (or not) of the employer in the training courses followed. In addition, a new Continuous Vocational Training Survey (CVTS) relating to 2005 will be conducted in all EU Member States in 2006. In the future, this survey will be conducted every five years in the EU Member States.

6.1 Formal training

For many years already, the social partners, together with the different Belgian and European authorities, have made commitments to increase training efforts for workers, and more particularly those identified as risk groups (women, the low skilled, older workers, immigrants, the disabled). However, the results have obviously failed to come up to expectations in Belgium.

Less than one enterprise in ten reports a participation of employees to continuous vocational training courses. The proportion of formal training enterprises, which increased in 1999, declined in the years that followed. In 2003, this proportion was no more than 7.1 p.c., or 5,300 enterprises out of a total of some 74,000 enterprises. This decline reflects the change in all the indicators since the start of the decade. Moreover, on the basis of data from the reduced population, the proportion of training enterprises did not change from 2003 to 2004.

During this last period, the total budget devoted to workers' training fell by 2.9 p.c., whilst staff costs rose by 2.5 p.c. The indicator of the cost of training, which gives the training budget as a proportion of total staff costs, consequently dropped by 5.3 p.c. This trend, applied to the result observed in 2003, would put this indicator at 1.12 p.c. for 2004, i.e. below the target of 1.90 p.c. set for the end of the year 2004 by the social partners when the central agreement was concluded in 1998 and reiterated on conclusion of subsequent agreements and at the 2003 Employment Conference.

The number of hours devoted to training as a proportion of total hours worked were slightly higher in 2003 as compared to 1998, at 0.77 and 0.75 p.c. respectively, even though, again, the level achieved in 2003 was

TABLE 7 FORMAL TRAINING IN ENTERPRISES

	Training enterprises (in p.c. of all enterprises)	Cost of training		Length of training		Workers attending training (in p.c. of average employment)
		(in p.c. of staff costs)	(average per hour, in euro)	(in p.c. of total hours worked)	(average per beneficiary, in hours)	
Total population						
1998	7.5	1.34	44.3	0.75	32.9	33.3
1999	7.9	1.30	44.2	0.75	31.1	34.9
2000	7.6	1.41	42.8	0.86	35.3	35.2
2001	7.1	1.35	43.9	0.84	33.3	35.7
2002	7.3	1.26	45.8	0.79	31.3	35.1
2003	7.1	1.19	45.0	0.77	30.6	35.2
Reduced population						
2003	10.5	1.32	46.9	0.86	31.9	38.3
2004	10.5	1.25	47.7	0.82	29.4	39.5
p.m. Percentage change	*0.0*	*–5.3*	*1.7*	*–5.1*	*–7.8*	*3.2*

Source: NBB (social balance sheets).

appreciably lower than that observed in 2000. Between 2003 and 2004, the total number of hours devoted to training fell by 4.5 p.c. in enterprises in the reduced population, while the total volume of hours worked was up. Consequently, the proportion of training hours in the volume of labour fell by more than 5 p.c. The number of training hours per participant was also down, by almost 8 p.c. over the course of this latter period, whilst between 2000 and 2003 the average hours of training had already dropped by 13 p.c. from more than 35 hours in 2000 to only 30.6 in 2003.

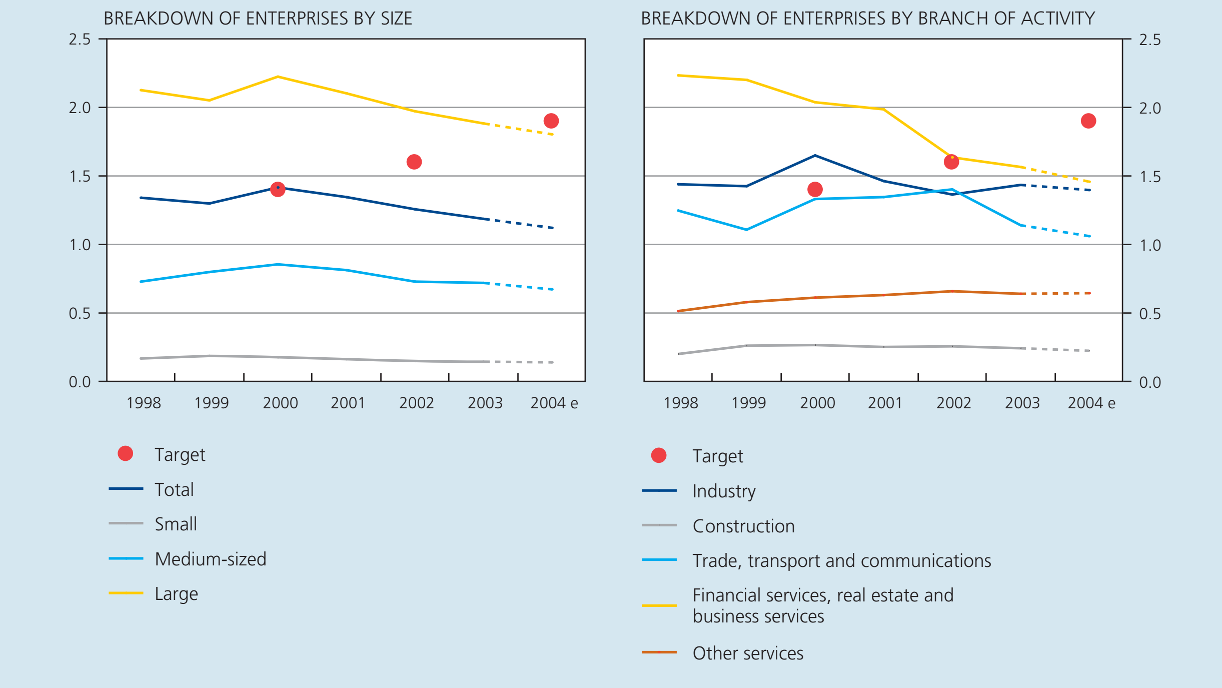
However, between 2003 and 2004, because the overall training budget declined less sharply than the number of training hours recorded, the average cost per hour of training rose by 1.7 p.c. Since 2000, the hourly cost of training is up markedly, from 42.8 to 45 euro in 2003. This contrasting trend might be the result of employers being more selective and choosing shorter, on average more expensive training courses that are, however, more likely to generate future productivity gains.

Despite the decline in both budget and volume of training hours, the number of participants continued to increase. In 2004, some 526,000 workers benefited from one or more training courses in enterprises within the reduced population, or 3.5 p.c. more than in 2003. Whilst, over the same period, employment grew by an average of 0.3 p.c. in these enterprises, the participation rate increased by 3.2 p.c. This significant rise contrasts with the trend observed between 2000 and 2003, a period during which the participation rate varied little. This is encouraging, as it demonstrates an effort at democratisation, despite the restrictions imposed on training budgets and volume of training.

Although successive central agreements provided for continuing increases in the indicator of the cost of training, this has fallen continuously since 2000. Even though this relates to a macroeconomic objective, it is interesting to identify the categories of enterprise that contribute most to the training effort, all the more so as the Intergenerational Solidarity Pact submitted to the social partners by the government in October 2005 proposes renewing the target of 1.90 p.c. for training investment for the end of 2006, with a sector-level assessment of

CHART 9 SITUATION IN RELATION TO THE TRAINING COSTS TARGET

(Training costs expressed as a percentage of staff costs, total population [1])



Source : NBB (social balance sheets).

(1) The results for 2004 were calculated by applying the change recorded between 2003 and 2004 for the reduced population to the value observed for the total population in 2003.

performance, planning of efforts to be provided, and the imposition of specific contributions in cases of absence of a sectoral training policy. In the context of this exercise, the changes observed between 2003 and 2004 in the reduced population were used to extend the historic time series for the years 1998 to 2003.

Large enterprises invest proportionately more in the training of their workers. This is also the group in which budget reductions have been the most significant. The decline in the cost indicator, which was down from 2.22 p.c. in 2000 to 1.80 p.c. in 2004, amounted to 0.42 percentage point in the case of large enterprises. At the same time, this decline was 0.18 percentage point in medium-sized enterprises which, in 2004, devoted 0.67 p.c. of their labour costs to training. Small enterprises invest very little in formal training, around 0.14 p.c. of labour costs in 2004, but the decline in the indicator was limited to 0.03 percentage point. The erosion of the cost indicator in small and medium-sized enterprises since 2002 is undoubtedly limited by proportionately greater recourse to subsidised training (particularly through the sectoral funds) and by the introduction of training vouchers. In fact, the latter enable small enterprises, based on different systems in the Wallonia and Flanders regions, to reduce their training costs.

As can be seen from the breakdown by size, the fall in the cost indicator has been most marked in those branches of activity in which training efforts were most significant. Between 1998 and 2000, while an increase in the indicator was observed in all other branches, the training budget expressed as a percentage of staff costs was declining in financial, real estate and business services, from a record level of 2.24 p.c. in 1998 to 2.04 p.c. in 2000. The training effort has since continued to decline. In 2004, it accounted for just 1.46 p.c. of staff costs. In this branch of activity, the changeover to the year 2000 and the introduction of the euro, first in scriptural, then fiduciary form, undoubtedly partly explains the high levels recorded at the start of the period. The fall has been all the more striking since.

In industry, training efforts peaked at 1.65 p.c. of staff costs in 2000. They then gradually declined to regain, in 2003 and 2004, their original starting level of around 1.40 p.c. This was despite the steady increase observed in the energy and water branch which, admittedly, is relatively unimportant. In trade, transport and communications, the 2004 level of 1.06 p.c. was slightly lower than that recorded at the start of the period, i.e. 1.25 p.c., even though from 2000 to 2002 it was on a par with or greater than 1.35 p.c. This, too, is perhaps linked to the preparation of staff for the introduction of the euro.

In the other branches, the efforts have remained fairly steady but at relatively low levels. It is likely that in construction the indicator does not reflect all the enterprises' training efforts. These are in fact required to pay contributions into a sectoral fund that organises training courses in which workers in the sector can participate "free of charge". The contributions paid to these sectoral funds by enterprises are not systematically accounted for as training costs in their social balance sheets.

6.2 Mentoring

The component related to activities of training, guidance and mentoring, which has existed since 2002, records the number of persons aged 50 or over who receive allowances for halving their working hours and spending the time thus made available on training new workers in their enterprise or branch of activity.

Not many enterprises communicate this information, either because there are only a few that use this system or because, being a recent measure, it is incorrectly accounted for. In 2002, 327 enterprises, or scarcely 0.5 p.c. of the total, provided this information. In 2003, 388 did so. In the reduced population, only 301 enterprises filled in the table on mentoring for 2004.

In 2002, 5,997 trainers were recorded in the social balance sheets, the number of workers trained totalling 26,001 units. The number of trainers rose to 7,658 in 2003, with around 31,000 workers trained (or 1.7 p.c. of the total workforce). According to information from the reduced population, the number of mentors, like the number of beneficiaries of training, fell between 2003 and 2004, by almost 3 p.c. for the former and 4.4 p.c. for the latter. As for the number of hours of training provided, this was down from 735,000 to 730,000 units. Finally, the number of hours devoted per year and per mentor to these activities increased on average from 105 to 107 units.

6.3 Less formal and informal training

In the social balance sheets, Table IV relating to the training of workers throughout the year only notes the enterprises' formal training efforts, that is continuous vocational training courses provided on premises reserved for this purpose, either in the enterprise or outside. However, formal training only represents the most visible part of the training efforts funded by employers. Training in the workplace, on-the-job or by job rotation, and also participation in conferences or seminars and self-learning, when funded by the employer, are all ways of improving workers' skills without using formal trainers.

These different forms of training, known as less formal or informal, also generate costs for the employer because the working hours devoted to this training are, in the short term, lost in terms of production. These costs, which can be high in some enterprises and which, in small units, undoubtedly constitute the bulk of employers' training efforts, are not currently recorded in the social balance sheets.

Following an agreement with the social partners, and in order to more correctly measure the overall extent of companies' training efforts, it was decided to include an extra table on less formal and informal training in the social balance sheets. It was agreed to ask for an assessment of the number of participants and length of such training (by gender for these two variables), along with an estimate of the costs incurred by the enterprise. The entry into force of this new section of the social balance sheet will take place once the royal decrees implementing this have been issued.

This addition to the social balance sheet forms part of a wider evaluation of enterprises' training policies, a task that was entrusted jointly to the National Labour Council and the Central Economic Council during the Employment Conference in October 2003. In response to this task, a recommendation to introduce a "scoreboard" for training indicators was submitted in June 2004. It had been observed that it was impossible to provide a single indicator summarising the enterprises' training efforts and so it was decided to use a number of indicators from different sources to evaluate them, primarily the social balance sheet and labour force surveys. To satisfy these evaluation needs, a series of additions were planned to the existing questionnaires. An updated version of the indicators listed in this scoreboard is included in the technical report of the Central Economic Council, published in November 2005.

7. Conclusion

This article has set out the provisional results obtained from the social balance sheets for 2004 filed at the Central Balance Sheet Office before 30 August 2005. Since not all the social balance sheets were available at this date, the study is based on a reduced population, compiled in accordance with the principle of a constant sample.

In this reduced population, comprising 38,530 enterprises, employment rose on average by 0.3 p.c. per year between 2003 and 2004. The increase of 0.5 p.c. recorded between 31 December 2003 and 31 December 2004 was slightly higher, which results from an improvement in the labour market over the course of the year. This is confirmed by the sharp increase in temporary agency work, which rose by more than 15 p.c. in 2004. The increase in the volume of staff movements and the break with the downward trend noted in the share of temporary contracts also testifies to the return of a more favourable employment climate.

This trend is based largely on the buoyant conditions enjoyed by small enterprises, which, as in the past, were responsible for net job creations. In medium-sized enterprises, net recruitments remained more limited whilst in large enterprises job losses were recorded. These declines in staff numbers were particularly severe in industry. In contrast, the other services branch of activity, particularly health and social work, has for a number of years been an important creator of jobs, including low skilled ones.

Part-time work has again increased noticeably. Between 2003 and 2004, the part-time employment rate was up by 4.8 p.c. The increase, at 8.8 p.c., was particularly marked for men. This trend is partly the result of a greater use of time-credit schemes, which are increasingly being used to better reconcile professional and family life and also to facilitate the transition to retirement at the end of a working career, particularly in large enterprises. In fact, a significant number of transfers from a full-time to a part-time working arrangement can be seen in the latter, with such transitions being appreciably fewer in smaller enterprises.

The total volume of labour provided increased by 0.5 p.c. between 2003 and 2004. At the same time, the average hours worked per year by a full-time worker increased by 0.6 p.c. Breaking with the downward trend observed since 1998, an increase was recorded in most enterprises, whatever their size or activity. Large firms in the trade, transport and communications branch were the exception to the rule. Amongst some of these, workers approaching retirement were in particular able to benefit from exceptional holiday entitlements, to the extent that average working hours were affected. A further increase in the working hours of part-time workers was also noted. This may be partly the result of a marked preference for a one-fifth reduction in working time on the part of workers opting for time-credit.

The total wage bill increased at a rate of 2.5 p.c. between 2003 and 2004 in companies within the reduced population. Given the slight increase in the volume of labour, hourly costs increased by an average of 1.9 p.c., this rise being slightly more pronounced amongst full-time workers. The indicative wage norm for 2003-2004, which authorised an average 5.4 p.c. increase in hourly labour costs in the private sector between 2002 and 2004, was – according to the results of an analysis based on a constant reduced population over this period – adhered to in the majority of branches of activity, even though an increase exceeding the norm was recorded in half the enterprises. This increase was particularly striking in transport and communications, where the calculation of hourly costs was probably distorted by the exceptional holiday entitlements granted to staff approaching retirement in 2004.

Finally, despite the concerns expressed by the European and Belgian authorities, the indicators of formal training declined again in 2004, with the exception of the rate of participation, which increased by some 3 p.c. Expressed as a percentage of staff costs, the training budget – which was less than 1.2 p.c. in 2003 for the total population – was down by more than 5 p.c. in 2004 in enterprises within the reduced population, thus moving yet further from the 1.9 p.c. target set in the central agreement. A fall on the same scale was noted for the indicator of length of training, expressed as a percentage of the volume of labour. However formal training, in premises set aside for this purpose, forms only the most visible aspect of training activities. The social balance sheet will soon include a table aimed at assessing the efforts made in the area of informal training (particularly workplace training) and this should enable an improved measurement of overall training investments to be made.

Annex 1

Methodology for composing the populations of firms for the financial years 1998 to 2004 and characteristics of the reduced population used for the 2004 analysis

The populations of firms used to calculate the results set out in the tables and charts of this article consist of companies whose social balance sheets have passed a list of tests concerning homogeneity, consistency and quality. The methodological principles which determine whether or not the firms are included in the population are the same for the years for which all the accounts are available (namely 1998 to 2003) and for the 2004 financial year where only the accounts submitted before 30 August 2005 were taken into consideration.

1. Methodology for the composition of the populations of firms used for analysis

1.1 Duration and closing date of the financial year

In order to ensure the internal consistency of the social balance sheets and the consistency of the period covered by the analysis, firms were only considered if they ended a 12-month financial year on 31 December.

1.2 Exclusion of some categories of firms or activities

The analysis takes no account of firms which – according to the national accounts – belong to the public sector and which mainly come under the branches L "General government" (mainly health insurance funds in the social balance sheet) and M "Education", in order to keep as close as possible to the private sector concept in which firms behave in a more uniform way. In contrast, public enterprises are included in the reference population in the branches where they pursue their activities.

Private sector firms in the NACE-Bel division 80 "Education", and firms which do not pursue any visible activity or whose activities are not clearly defined, and the extraterritorial organisations belonging to the private sector are also disregarded. Temporary employment agencies are also omitted in view of the specific character of this sector and the difficulty of identifying anomalies in their social balance sheets.

Finally, firms employing less than one FTE were left out of the analysis owing to the numerous errors in their social balance sheets.

1.3 Consistency between annual accounts and social balance sheets

To allow comparison between the annual accounts and the social balance sheet of firms obliged to file both these documents, the analysis only takes firms into account if those documents relate to the same population of employees, which means that firms where some of their employees work abroad or are not recorded in the staff register (statutory workers in public enterprises, for example) are excluded. In practice, this means that the items recording the workers employed, namely 1003 in the social balance sheet and 9087 in the annual accounts, have to tally. However, a small difference, less than 0.5 FTE, is tolerated.

1.4 Critical thresholds for some ratios

A large number of firms submit abnormal values for one financial year or another in respect of labour costs per hour or number of hours worked per FTE. Critical values have therefore been set for those ratios. In some cases the thresholds have been made flexible to take account of situations specific to certain branches of activity. Firms which, for any given year, submit results with ratios outside those critical values are removed from the population for that year. On the basis of that criterion, a firm can therefore be excluded for one year but included for other years.

The *average staff costs* per hour obtained by taking item 1023 divided by item 1013 should be between 10 and 100 euro. For restaurants and cafés, hairdressers, taxis and sheltered workshops, the lower limit is reduced to 7 euro.

The annual number of hours worked per FTE, obtained by taking item 1013 and dividing it by item 1003, must not be lower than 800 (except in building and civil engineering, where the limit is reduced to 600 hours) or higher than 2,200 (except in road haulage where this threshold is raised to 3,000 hours).

1.5 Adjustments to the training items

The social balance sheet is a key instrument for measuring the training efforts made by firms; those efforts are regarded as essential both by the social partners and by the Belgian and European authorities.

However, year after year, substantial and sometimes actually recurrent anomalies are found in the items relating to training (number of workers trained, hours of training and training costs). To eliminate those errors and still keep the social balance sheets as a whole for the firms for which the anomalies are found, the items relating to training are recorded as zero for those firms while the rest of the social balance sheet is kept intact. Two ratios are used to detect anomalies: the number of hours of training per trainee must not exceed 15 p.c. of the annual number of hours worked per FTE, while the average hourly training costs must not be more than five times higher than the average labour costs per hour. Conversely, no adjustments are made at all to the new items relating to mentoring introduced since the 2003 financial year.

The application of these strict methodological principles for composing the basic populations inevitably reduces the number of firms included in the analysis compared to the total number of firms filing a social balance sheet for each of the years in question, as recorded in the aggregate data published by the Central Balance Sheet Office.

In addition, the classification of firms by branch of activity used in this article differs from that used by the Central Balance Sheet Office because the activity code in the business register developed by the NSI on the basis of the DBRIS databank [1] was systematically preferred to the code allocated by the Central Balance Sheet Office. However, the resulting reclassifications only concerned a few firms.

Despite the exclusion of a number of firms, necessary in order to ensure that the historical data were reliable and consistent, the populations used for the years 1998 to 2003 are still amply representative of the total, as regards both the number of firms and the number of workers. The results obtained for those years may be regarded as representative for the entire employed population. However, there is a possibility that the aggregate data may be distorted by one-off events or by legal changes in some major companies. Those anomalies have not been corrected.

(1) The business register developed by the NSI (containing a set of administrative information concerning the firms active during a particular year) was taken as the reference source for determining the branch of activity of firms. The 2002 register was used for the years 1998 to 2002, while the 2003 register was used for 2003 and 2004. The firms which do not appear in the DBRIS registers keep the activity code allocated by the Central Balance Sheet Office.

1.6 Composition of a constant reduced population for the 2003-2004 analysis

Developments between 2003 and 2004 are measured on the basis of a constant, reduced population. The reason for using a reduced population is the smaller number of firms that had submitted their social balance sheet before 30 August 2005. The use of a constant population is also necessary to measure the changes in certain variables. Comparison of the results obtained on the basis of a reduced population with those based on a total population could introduce a bias and distort the conclusions of the analysis. Consequently, the results presented in this article reflect the developments observed in a stable population and may differ from the picture that emerges after the final closure for the full population. The method adopted implies the loss of the information concerning firms which have not submitted a social balance sheet, either in 2003 (recently established firms or firms taking on their first employee) or in 2004 (social balance sheet filed or processed too late, bankruptcy, merger, takeover, de-merger). Since the Central Balance Sheet Office gives priority to processing the annual accounts of large firms, the results based on the reduced population for 2004 lead to some distortion in favour of the large firms.

For the analysis of the 2004 results, the reduced population consists of the companies which, on 30 August 2005, had filed a social balance sheet for both 2003 and 2004, and which also satisfied the quality criteria applicable to all firms (see 1.1 to 1.5). In addition, any firms affected by legal changes (merger, takeover, de-merger) were disregarded if they displayed inconsistencies in the staff movements recorded, or if abnormal changes were detected in regard to average labour costs per hour or average annual working hours, indicating incorrect recording of the implications of these legal changes.

At the end of the selection procedure, the reduced population consisted of 38,530 firms which together employed 1,331,229 workers in the year 2004 (see table 2 in annex 1). Some of these firms displayed unjustified developments with regard to training and temporary work. Since the errors which were found could not be corrected in time by contacting the firms, and since these firms represented a considerable share of their branch of activity, all of the items relating to training and/or temporary work were recorded as zero, so as not to distort the developments observed in these branches.

The populations of firms for the financial years 1998 to 2003 have a different status from those for 2004. The tables in annexes 3 to 9 therefore contain data in level for the years 1998 to 2003; for 2004, they show mainly percentage changes which reflect developments observed in the firms in the reduced population between 2003 and 2004. In some cases, however, the level of the results for the reduced population is stated for the years 2003 and 2004, so that attention can be drawn to the possible differences between the results obtained in 2003 for the total population and for the reduced population.

2 Characteristics of the reduced population used to analyse the social balance sheets for the financial year 2004

2.1 Representativeness [1]

In 2003, the employees recorded in the staff register of firms included in the reduced population represented 50.9 p.c. of private sector employment as recorded in the national accounts [2] and 73 p.c. of employees in all firms filing a social balance sheet for the year under review, although the number of firms included in the reduced population represents only 51.9 p.c. of the total population of firms.

(1) The representativeness of the reduced population is calculated both with regard to the national accounts and the total population of firms filing a social balance sheet. It therefore relates to the 2003 financial year, the last year for which all social balance sheets are available.

(2) The concept of paid employment in the private sector used here corresponds to employment in the total economy (S1) less employment in the public sector (S13). That concept also omits workers employed in the branches L «General government», M «Education» and P «Domestic services», who are not taken into account in full in the social balance sheets.

Representativeness according to the employment criterion varies from one branch of activity to another. Expressed as a percentage of the total number of workers employed in the firms of the total population for 2003, the representativeness is lowest in the branches dominated by small firms, whose annual accounts are filed and/or processed later. That applies in agriculture, for instance, and in the hotel and restaurant branches. It is also in these branches that the number of unincorporated self-employed persons (who are consequently exempted from submitting a social balance sheet, even if they employ paid staff) is greatest. Therefore, the representativeness of these branches, compared to national accounts, is very limited.

TABLE 1 REPRESENTATIVENESS OF THE REDUCED POPULATION IN 2003

	Number of employees			Representativeness of the reduced population	
	In the national accounts [1]	In the social balance sheet of firms in the total population [2]	In the social balance sheet of firms in the reduced population [2]	In p.c. of paid employment in the private sector	In p.c. of the total population
	(1)	(2)	(3)	(4) = (3) / (1)	(5) = (3) / (2)
According to the employment criterion					
Agriculture	25,621	8,659	4,401	17.2	50.8
Industry	623,581	478,578	402,921	64.6	84.2
Mining and quarrying	3,178	2,903	2,518	79.2	86.7
Manufacturing industry	594,704	456,238	381,395	64.1	83.6
Energy and water	25,699	19,437	19,009	74.0	97.8
Construction	189,054	133,179	87,019	46.0	65.3
Trade, transport and communications	796,161	572,572	411,973	51.7	72.0
Trade and repairs	461,648	299,483	193,947	42.0	64.8
Horeca	98,383	50,667	23,429	23.8	46.2
Transport and communications	236,130	222,421	194,597	82.4	87.5
Financial services, real estate and business activities	504,189	290,518	217,182	43.1	74.8
Financial and insurance activities	130,030	116,974	104,119	80.1	89.0
Real estate and business services	374,159	173,545	113,063	30.2	65.1
Other services	470,367	334,551	203,609	43.3	60.9
Health and social work	372,833	297,495	180,727	48.5	60.7
Other community, social and personal service activities	97,534	37,056	22,881	23.5	61.7
Total	**2,608,973**	**1,818,058**	**1,327,105**	**50.9**	**73.0**
According to the criterion concerning the number of firms	**n.**	**74,195**	**38,530**	**n.**	**51.9**

Sources: NAI, NBB (social balance sheets).

(1) The concept of paid employment in the private sector used here corresponds to employment in the total economy (S1) less employment in the public sector (S13). Moreover, this concept excludes employees in the branches L "General government", M "Education" and P "Domestic services", who are not taken into account in full in the social balance sheets.

(2) Item 1001 + item 1002.

2.2 Characteristics of the reduced population in 2004

Of the 38,530 firms in the population used to analyse the situation in 2004, 998 firms, mainly belonging to the health and social work branch and to financial and insurance services, together employing around 272,000 workers, filed a separate social balance sheet. Also, the 29,859 firms which submitted accounts in the abbreviated format employed 236,539 workers; this corresponded to an average of 7.9employees per firm, compared to an average of 126.2 employees in the 8,671 firms filing full format accounts. The firms which submitted accounts in the full format therefore represent 22.5 p.c. of the total number of social balance sheets and 82.2 p.c. of the total number of workers.

For the purposes of the analysis, the firms filing a social balance sheet were classified by branch of activity and by size.

Manufacturing industry employs 28.2 p.c. of workers in the reduced population. The branches of trade, transport and communications and health and social work each account for 14 to 15 p.c. of employees. The branches of real estate and business services, financial and insurance services and construction employ 8.7, 7.7 and 6.7 p.c. of workers respectively. The other branches are of rather minor importance; they each represent under 2 p.c. of the workers taken into account in this study.

The classification of the firms by size is based on the average number of workers expressed in FTEs recorded in the staff register in 2003. Small firms with no more than 50 FTEs, i.e. 92 p.c. of the total, accounted for a little more than a quarter of the workforce in the reduced population in 2004, or an average of 9.8 workers per firm, while medium-sized firms employing 50 to 250 FTEs represent 2,533 firms and some 288,000 workers, which is 22 p.c. of the total. There were 618 large firms, i.e. those with over 250 FTEs, which employed just under 700,000 persons in 2004, which represents an average of 1,127.5 workers per firm and more than half of the total number of workers employed in the firms considered.

TABLE 2 CHARACTERISTICS OF THE REDUCED POPULATION IN 2004

	Number of firms		Number of employees (1)	
	Units	In p.c. of the total	Units	In p.c. of the total
Firms filing a social balance sheet having met the selection criteria	**38,530**	**100.0**	**1,331,229**	**100.0**
of which:				
Firms filing a separate social balance sheet	998	2.6	272,373	20.5
Firms filing a social balance sheet as an annex to the annual accounts	37,532	97.4	1,058,856	79.5
of which:				
Firms filing short-format accounts	29,859	77.5	236,539	17.8
Firms filing full-format accounts	8,671	22.5	1,094,690	82.2
Breakdown of firms by branch of activity				
Agriculture	569	1.5	4,522	0.3
Industry	6,389	16.6	396,642	29.8
Mining and quarrying	61	0.2	2,558	0.2
Manufacturing industry	6,291	16.3	375,509	28.2
Energy and water	37	0.1	18,576	1.4
Construction	5,657	14.7	88,550	6.7
Trade, transport and communications	16,260	42.2	412,354	31.0
Trade and repairs	12,034	31.2	196,676	14.8
Horeca	1,690	4.4	24,030	1.8
Transport and communications	2,536	6.6	191,648	14.4
Financial services, real estate and business activities	7,277	18.9	218,595	16.4
Financial and insurance activities	1,372	3.6	102,147	7.7
Real estate and business services	5,905	15.3	116,449	8.7
Other services	2,378	6.2	210,566	15.8
Health and social work	1,340	3.5	186,784	14.0
Other community, social and personal service activities	1,038	2.7	23,782	1.8
Breakdown of firms by size (2)				
Small firms (no more than 50 FTEs)	35,379	91.8	346,163	26.0
Medium-sized firms (more than 50 to 250 FTEs)	2,533	6.6	288,273	21.7
Large firms (more than 250 FTEs)	618	1.6	696,792	52.3

Source: NBB (social balance sheets).
(1) Item 1001 + item 1002.
(2) Determined on the basis of the number of FTEs (item 1003) in 2003.

Annex 2

LIST OF SECTIONS AND DIVISIONS FROM THE NACE-BEL NOMENCLATURE OF ACTIVITIES USED FOR THE ANALYSIS

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

(1) Excluding temporary work agencies (code NACE-BEL 74.502).

Annex 3

DEVELOPMENTS IN EMPLOYMENT BETWEEN 2003 AND 2004 IN FIRMS INCLUDED IN THE REDUCED POPULATION

	In full-time equivalents			In persons						
	Average employment		Employment at the end of the exercise	Average employment						Employment at the end of the exercise
				Full-time		Part-time		Total		
	(units)	(p.c.)	(p.c.)	(units)	(p.c.)	(units)	(p.c.)	(units)	(p.c.)	(p.c.)
Agriculture	81	2.0	0.9	67	2.0	54	5.0	121	2.7	0.0
Industry	–6,332	–1.6	–0.9	–8,021	–2.2	1,742	4.7	–6,279	–1.6	–0.9
Mining and quarrying	35	1.4	–2.4	29	1.2	12	10.6	40	1.6	–2.2
Manufacturing industry	–5,929	–1.6	–0.8	–7,569	–2.2	1,683	4.7	–5,887	–1.5	–0.8
Energy and water	–438	–2.3	–3.4	–480	–2.7	48	4.5	–433	–2.3	–3.1
Construction	1,399	1.6	0.9	1,197	1.4	334	9.0	1,531	1.8	1.0
Trade, transport and communications	–310	–0.1	–0.4	–3,859	–1.2	4,240	4.7	381	0.1	–0.4
Trade and repairs	2,532	1.4	1.3	1,165	0.8	1,564	3.1	2,729	1.4	1.1
Horeca	481	2.8	2.2	96	0.8	504	4.2	601	2.6	0.9
Transport and communications	–3,323	–1.8	–2.3	–5,120	–3.1	2,172	7.7	–2,949	–1.5	–2.1
Financial services, real estate and business services	–563	–0.3	0.7	–3,107	–1.8	4,520	9.4	1,413	0.7	1.3
Financial and insurance activities	–2,923	–3.0	–2.1	–3,985	–4.9	2,013	9.1	–1,972	–1.9	–1.2
Real estate and business services	2,360	2.3	3.4	877	1.0	2,508	9.7	3,385	3.0	3.6
Other services	4,966	3.0	3.7	1,367	1.3	5,590	5.7	6,957	3.4	3.6
Health and social work	4,111	2.9	3.6	719	0.8	5,337	5.8	6,056	3.4	3.5
Other community, social and personal service activities	855	4.3	4.6	648	3.9	253	4.1	901	3.9	4.0
Total	**–759**	**–0.1**	**0.3**	**–12,356**	**–1.2**	**16,480**	**5.9**	**4,124**	**0.3**	**0.5**

Source : NBB (social balance sheets).

Annex 4

HOURS WORKED BY WORKERS RECORDED IN THE STAFF REGISTER

	Units, per year (total population)								*Percentage changes between 2003 and 2004 (reduced population)*		
	1998	1999	2000	2001	2002	2003					
	Per full-time equivalent					Per full-time equivalent	Per full-time worker	Per part-time worker	*Per full-time equivalent*	*Per full-time worker*	*Per part-time worker*
Agriculture	1,553	1,572	1,573	1,538	1,545	1,533	1,526	788	*1.0*	*1.0*	*–1.2*
Industry	1,546	1,537	1,534	1,518	1,506	1,508	1,508	979	*1.9*	*2.0*	*3.3*
Mining and quarrying	1,490	1,516	1,517	1,479	1,487	1,497	1,495	915	*–0.6*	*–0.5*	*–6.2*
Manufacturing industry	1,549	1,539	1,540	1,523	1,510	1,512	1,512	977	*2.0*	*2.1*	*3.4*
Energy and water	1,498	1,501	1,417	1,415	1,427	1,426	1,425	1,081	*0.8*	*0.9*	*0.6*
Construction	1,430	1,469	1,462	1,439	1,428	1,432	1,428	926	*2.6*	*2.6*	*0.7*
Trade, transport and communications	1,709	1,706	1,674	1,638	1,626	1,618	1,624	908	*–1.2*	*–1.5*	*2.3*
Trade and repairs	1,660	1,650	1,634	1,627	1,609	1,600	1,606	944	*0.5*	*0.6*	*1.3*
Horeca	1,634	1,620	1,624	1,581	1,590	1,567	1,544	686	*–0.8*	*–0.5*	*1.1*
Transport and communications	1,790	1,804	1,727	1,660	1,654	1,649	1,653	1,014	*–2.8*	*–3.3*	*4.0*
Financial services, real estate and business services	1,628	1,612	1,601	1,588	1,551	1,541	1,549	871	*0.9*	*1.2*	*–0.9*
Financial and insurance activities	1,573	1,534	1,529	1,500	1,428	1,426	1,450	889	*1.0*	*1.4*	*–2.1*
Real estate and business services	1,676	1,676	1,657	1,653	1,645	1,624	1,622	861	*0.6*	*0.7*	*0.1*
Other services	1,567	1,560	1,558	1,536	1,536	1,537	1,520	934	*0.6*	*0.8*	*0.5*
Health and social work	1,563	1,555	1,553	1,530	1,528	1,530	1,509	944	*0.6*	*0.9*	*0.5*
Other community, social and personal service activities	1,596	1,599	1,595	1,581	1,592	1,593	1,583	790	*0.0*	*0.2*	*0.7*
Total	**1,598**	**1,594**	**1,585**	**1,562**	**1,549**	**1,546**	**1,544**	**918**	***0.6***	***0.6***	***1.2***

Source: NBB (social balance sheets).

Annex 5

BREAKDOWN OF EMPLOYMENT BY TYPE OF CONTRACT AND BY GENDER

(Percentages of total workers recorded in the staff register at the end of the exercise)

	1998	1999	2000	2001	2002	2003	*2003*	*2004*
	(total population)						*(reduced population)*	
By type of contract								
Permanent contract	93.0	92.7	93.0	93.6	93.6	93.9	*94.7*	*94.6*
Fixed-term	5.4	5.7	5.5	4.9	5.1	5.0	*4.2*	*4.3*
Agriculture	6.3	8.8	7.4	7.5	5.2	6.1	*5.3*	*5.8*
Industry	4.7	4.6	5.2	4.2	3.9	3.6	*3.5*	*3.8*
Mining and quarrying	3.4	4.5	6.1	5.6	5.8	6.0	*5.8*	*6.5*
Manufacturing industry	4.5	4.5	5.1	4.0	3.7	3.4	*3.3*	*3.6*
Energy and water	8.4	8.7	8.0	7.4	6.2	6.3	*6.4*	*6.3*
Construction	3.0	3.2	3.1	2.1	2.7	2.7	*2.2*	*2.2*
Trade, transport and communications	4.9	5.1	4.6	4.7	5.1	5.5	*4.6*	*4.4*
Trade and repairs	4.4	4.7	5.1	5.6	5.6	6.0	*5.0*	*4.8*
Horeca	7.2	8.1	9.8	8.9	9.7	11.4	*9.7*	*10.1*
Transport and communications	5.0	4.8	2.8	2.5	3.5	3.6	*3.5*	*3.1*
Financial services, real estate and business services	4.5	5.0	4.7	4.1	4.1	4.2	*2.9*	*3.2*
Financial and insurance activities	4.3	4.9	4.8	4.4	3.5	2.9	*2.9*	*3.0*
Real estate and business services	4.7	5.0	4.6	3.9	4.5	5.0	*3.0*	*3.3*
Other services	9.2	9.9	9.6	8.3	8.7	7.6	*7.2*	*7.5*
Health and social work	9.4	10.0	9.6	8.2	8.6	7.5	*7.0*	*7.4*
Other community, social and personal service activities	7.2	8.6	9.0	9.0	8.9	8.7	*8.9*	*8.3*
Replacement contract	1.4	1.4	1.3	1.3	1.1	1.0	*0.9*	*0.9*
Contract for a specific project	0.3	0.2	0.2	0.3	0.2	0.2	*0.1*	*0.1*
By gender								
Male	62.9	62.3	63.2	61.9	61.2	60.9	*63.8*	*36.2*
Female	37.1	37.7	36.8	38.1	38.8	39.1	*63.3*	*36.7*

Source: NBB (social balance sheets).

Annex 6

BREAKDOWN OF EMPLOYMENT BY STATUS OF WORKERS IN FIRMS FILING FULL-FORMAT ACCOUNTS

(Percentages of average FTE employment)

	1998	1999	2000	2001	2002	2003	*2003*	*2004*
	(total population)						*(reduced population)*	
Workers recorded in the staff register	96.4	96.5	96.3	96.6	96.7	96.5	*96.5*	*96.1*
Temporary agency workers	2.7	2.7	3.0	2.7	2.6	2.7	*2.7*	*3.1*
Agriculture	2.9	3.3	2.9	3.7	5.4	5.4	*6.8*	*7.8*
Industry	4.3	4.2	4.8	4.2	4.1	4.3	*4.1*	*4.8*
Mining and quarrying	2.9	2.9	4.1	3.3	3.7	3.1	*2.9*	*2.3*
Manufacturing industry	4.5	4.4	5.0	4.4	4.3	4.5	*4.3*	*5.0*
Energy and water	0.7	0.8	1.2	0.9	0.9	1.1	*1.0*	*1.2*
Construction	1.3	1.5	1.5	1.5	1.2	1.2	*1.1*	*1.1*
Trade, transport and communications	2.7	2.7	2.8	2.7	2.7	2.8	*2.6*	*3.0*
Trade and repairs	3.4	3.2	3.7	3.5	3.4	3.5	*3.5*	*3.9*
Horeca	3.8	4.3	6.1	5.1	4.7	4.0	*3.5*	*3.8*
Transport and communications	1.9	2.0	1.8	1.8	1.9	2.1	*1.9*	*2.3*
Financial services, real estate and business services	1.6	1.9	2.0	2.0	1.7	1.7	*1.6*	*2.0*
Financial and insurance activities	0.8	1.1	1.2	1.2	0.8	0.7	*0.5*	*0.6*
Real estate and business services	2.5	2.7	2.8	2.7	2.6	2.6	*2.8*	*3.5*
Other services	0.7	0.9	1.0	0.8	0.8	0.9	*0.9*	*1.0*
Health and social work	0.4	0.4	0.6	0.4	0.4	0.5	*0.4*	*0.4*
Other community, social and personal service activities	4.6	5.8	5.4	5.2	4.7	5.5	*5.4*	*5.9*
Workers seconded to the firm [1]	0.9	0.7	0.7	0.7	0.8	0.8	*0.9*	*0.8*

Source: NBB (social balance sheets).

(1) 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 changes between 2003 and 2004 (reduced population)
	1998	1999	2000	2001	2002	2003	
Agriculture	25,284	26,344	26,656	27,040	28,417	28,745	*3.2*
Industry	43,066	44,183	44,984	46,490	48,724	49,685	*2.9*
Mining and quarrying	37,942	38,998	39,958	41,812	43,949	45,628	*1.2*
Manufacturing industry	41,541	42,761	43,839	45,311	47,316	48,623	*2.9*
Energy and water	79,864	77,816	70,491	74,023	77,462	74,704	*4.1*
Construction	31,332	32,960	33,664	34,690	35,828	36,685	*3.9*
Trade, transport and communications	35,699	36,932	37,546	38,877	40,593	41,399	*2.7*
Trade and repairs	37,193	37,815	38,304	39,714	41,000	41,500	*2.0*
Horeca	23,865	24,473	24,766	25,170	26,530	27,519	*2.0*
Transport and communications	35,569	37,996	38,561	39,940	42,220	43,508	*3.6*
Financial services, real estate and business services	51,522	52,538	53,592	55,179	56,156	56,925	*2.1*
Financial and insurance activities	59,122	61,530	62,535	63,947	64,318	65,683	*3.1*
Real estate and business services	44,811	45,290	46,607	48,599	49,923	50,588	*1.7*
Other services	33,253	33,548	34,083	35,191	37,448	38,693	*2.6*
Health and social work	33,465	33,669	34,229	35,324	37,413	38,765	*2.6*
Other community, social and personal service activities	31,529	32,591	33,029	34,209	37,701	38,142	*2.5*
Total	**39,690**	**40,646**	**41,384**	**42,740**	**44,457**	**45,324**	***2.6***

Source: NBB (social balance sheets).
(1) Item 1023 / item 1003.

Annex 8

STAFF COSTS PER HOUR WORKED [1]

	Euro (total population)						*Percentage changes between 2003 and 2004 (reduced population)*
	1998	1999	2000	2001	2002	2003	
Agriculture	16.29	16.76	16.94	17.58	18.40	18.75	*2.2*
Industry	27.85	28.75	29.32	30.62	32.35	32.95	*1.0*
Mining and quarrying	25.46	25.73	26.35	28.27	29.56	30.48	*1.8*
Manufacturing industry	26.83	27.79	28.47	29.75	31.33	32.16	*0.8*
Energy and water	53.30	51.83	49.76	52.30	54.28	52.40	*3.2*
Construction	21.91	22.43	23.03	24.10	25.08	25.61	*1.2*
Trade, transport and communications	20.89	21.64	22.43	23.73	24.96	25.59	*4.0*
Trade and repairs	22.40	22.92	23.45	24.40	25.48	25.94	*1.5*
Horeca	14.60	15.10	15.25	15.92	16.69	17.56	*2.8*
Transport and communications	19.87	21.07	22.33	24.06	25.53	26.38	*6.6*
Financial services, real estate and business services	31.65	32.58	33.48	34.75	36.20	36.94	*1.2*
Financial and insurance activities	37.59	40.11	40.90	42.62	45.05	46.07	*2.1*
Real estate and business services	26.73	27.03	28.13	29.40	30.34	31.15	*1.2*
Other services	21.22	21.51	21.87	22.91	24.39	25.17	*2.0*
Health and social work	21.41	21.65	22.04	23.09	24.49	25.34	*1.9*
Other community, social and personal service activities	19.75	20.38	20.71	21.63	23.69	23.95	*2.6*
Total	**24.84**	**25.49**	**26.12**	**27.36**	**28.71**	**29.31**	***1.9***

Source: NBB (social balance sheets).
(1) Item 1023 / item 1013.

Annex 9

VOCATIONAL TRAINING IN FIRMS INCLUDED IN THE REDUCED POPULATION IN 2004

	Number of trainees			Hours of training				Training costs			
	(in p.c. of employment)			(in p.c. of the number of hours worked)	(average per trainee, units)			(in p.c. of labour costs)	(average per trainee, in euro)		
	Total	Male	Female		Total	Male	Female		Total	Male	Female
Agriculture	8.8	6.2	17.2	0.17	27.5	33.1	22.6	0.48	1,503	1,926	1,132
Industry	45.9	47.9	40.8	1.04	33.5	34.6	28.9	1.48	1,654	1,720	1,365
Mining and quarrying	26.2	26.8	22.0	0.51	28.4	27.9	35.6	0.66	1,186	1,137	1,886
Manufacturing industry	45.2	47.2	40.0	1.02	33.7	34.7	29.4	1.43	1,578	1,636	1,323
Energy and water	63.2	65.2	58.4	1.40	31.2	33.6	21.1	2.29	2,782	2,972	1,958
Construction	12.9	13.0	11.3	0.21	23.4	23.6	21.5	0.24	719	715	792
Trade, transport and communications	38.0	41.6	31.9	0.80	30.7	31.9	27.5	1.26	1,339	1,445	1,073
Trade and repairs	25.6	25.4	25.7	0.53	30.0	31.8	27.7	0.64	999	1,151	805
Horeca [1]	9.0	10.5	7.5	0.12	15.2	15.4	15.0	0.17	413	418	406
Transport and communications [1]	42.2	46.2	31.0	1.02	36.6	36.4	37.4	1.68	1,713	1,708	1,738
Financial services, real estate and business services	45.6	45.6	45.4	0.92	28.2	29.8	26.3	1.64	1,959	2,024	1,877
Financial and insurance activities	61.1	61.0	61.4	1.23	26.6	27.5	25.7	2.37	2,467	2,558	2,367
Real estate and business services	32.0	33.6	29.4	0.67	30.9	33.0	27.6	0.76	1,109	1,270	850
Other services	47.3	35.6	50.7	0.70	18.0	19.9	17.6	0.67	442	540	419
Health and social work	50.4	37.6	53.2	0.76	18.0	20.5	17.5	0.71	433	527	415
Other community, social and personal service activities	22.5	29.4	14.9	0.29	18.2	17.7	19.4	0.37	598	592	609
Total	**39.5**	**39.4**	**40.2**	**0.82**	**29.4**	**32.7**	**24.0**	**1.25**	**1,403**	**1,616**	**1,044**

Source: NBB (social balance sheets).
(1) The training indicators are affected by the absence in these branches of one or more dominant firms whose errors could not be corrected in time.