

Working time and forms of employment in Belgium

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Introduction

The link between economic activity and demand for the production factor labour is closer and more direct if it is expressed in terms of working time rather than in terms of the number of persons in work, because the number of hours worked per person is a great deal more flexible than the number of workers. An increase in demand can be met faster by getting the existing staff to work more hours than by recruiting additional personnel (and vice versa in the case of a decline in activity).

Apart from the influence of the business cycle, structural changes in the organisation of labour inevitably affect developments in working time per person: economic and social changes lead to the emergence of new forms of employment, while the importance of existing forms increases or declines.

Thus, the typical full-time employee on a permanent contract, working from Monday to Friday, 9 to 5, has become less common, and is increasingly giving way to alternative forms of employment. In a good many cases, the growing use of those alternatives accords with the wishes of the employers and workers concerned, but it may also give rise to tension, since the working hours desired by employees and employers respectively are not necessarily ideal for both parties. Alternative forms of employment are also more common among risk groups such as women, older persons, the young and the low-skilled, creating the danger of a dual labour market.

Section 1 of this article gives a few definitions relating to working time and forms of employment, and outlines the legal framework governing these matters. Section 2 deals with the current situation and the trend in working time; section 3 then discusses the alternative forms of employment. The article ends with a number of conclusions.

The analysis often focuses on the comparison between Belgium and the EU average. In view of the large variations in terms of the labour market situation between Belgium and the 10 new Member States⁽¹⁾, the EU-15 – i.e. the 15 Member States prior to the 2004 enlargement – were used as the reference.

1. Definitions and legal framework

1.1 Working time

The EU directive of 23 November 1993 concerning the organisation of working time⁽²⁾ defines working time as “any period during which the worker is working, at the employer’s disposal and carrying out his activity or duties, in accordance with national law and/or practice”. In practice, however, various concepts are commonly used, depending on the elements included or ignored in the calculation of working time.

(1) On 1 May 2004, Cyprus, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovenia, Slovakia and the Czech Republic joined the European Union.

(2) Council Directive 93/104/CE of 23 November 1993 concerning certain aspects of the organisation of working time. Official Journal no. L307 of 13/12/1993, p. 0018-0024.

TABLE 1 WEEKLY WORKING TIME OF EMPLOYEES IN BELGIUM IN 2004
(Hours)

	per FTE	per person
Legal or maximum working time	38.0 (with exceptions)	–
Collectively agreed working time		
FPS Employment, Labour and Social Dialogue ⁽¹⁾	37.6	–
Labour force survey ⁽²⁾	37.1	–
Usual working time ⁽³⁾	39.1	35.3
Actual working time ⁽³⁾	38.0	34.4

Sources: EC, FPS Economy, FPS ELSD.

(1) Agreed working time under the various joint committees, weighted according to their share of salaried employment.

(2) Labour force survey (FPS Economy).

(3) Labour force survey (EC).

First, there is the *legal or maximum working time*. In the EU directive, this averages 48 hours a week over a reference period of 4 months maximum. The Member States have implemented this directive in varying ways. In Belgium, the maximum weekly working time is a great deal less: since 1 January 2003 it has been set at 38 hours. As a rule, the standard reference period is three months. The other EU-15 Member States with the exception of Denmark and Germany have also laid down the maximum working time by law; in all these countries the maximum is between 40 and 48 hours per week.

In practice, setting the maximum working time by law offers many possibilities. In Belgium, where the social dialogue has long played a crucial role, the weekly *collectively agreed working time*, which concerns the normal weekly working time for a full-time employee, is determined per sector or per enterprise by a collective labour agreement. According to the available data, obtained from the FPS Employment, Labour and Social Dialogue or from the labour force survey, the average collectively agreed working time in Belgium in 2004 was just over 37 hours per week.

The concept of collectively agreed working time does not necessarily correspond to the actual hours worked. In the first place, it concerns the normal working time of a full-time employee, whereas part-time work is becoming increasingly common. Also, it disregards overtime or absences on account of sickness or holidays. If these elements are included in the calculation of working time, we arrive at the concepts of usual working time and actual working time. The *usual working time* concerns the hours which should

normally be worked during a standard week, and differs from the collectively agreed working time according to the frequency of part-time working and normal overtime. Next, the *actual working time* differs from the usual working time as a result of abnormal overtime on the one hand and absences on account of sickness, holidays or training on the other hand. The results of the labour force survey can again be used by way of illustration. In 2004, a Belgian employee usually worked an average of just over 35 hours a week, while the actual working time was about 1 hour less.

1.2 Alternative forms of employment

Apart from regulating weekly working time, the Belgian government has also laid down rules on the use of alternative forms of employment (Gevers and Peeters, 2005).

In the case of *part-time working*, the working time calculated on a weekly basis or as an average during a reference period is less than that of a full-time employee in a comparable situation. However, each period of duty must last at least three hours, and the weekly working time of a part-timer must not be less than one-third that of a full-time worker in the same category.

The *career break / time credit*⁽¹⁾ system enables employees to stop work temporarily or to reduce their working hours while retaining most of their employees' rights. During the career break period, the employee receives an allowance

(1) The career break scheme was introduced in 1985. On 1 January 2002, it was replaced in the private sector by the time credit. The scheme was retained in the public sector.

from the government. In addition, there is the system of leave for specific purposes, namely parental leave, palliative care leave and leave on grounds of medical assistance for a family member who is seriously ill.

The *forms of temporary employment* include both fixed-term contracts and contracts for specific projects, as well as substitution contracts, temporary work and working for temporary work agencies. They are all regulated by law. Their common feature is that they are used by employers to meet a specific need (replacement of a worker who is temporarily absent, execution of a clearly defined project, catering for a temporary increase in the work load); the contracts are therefore of short duration and there is a limit to the number of successive contracts permitted. The maximum term varies from one case to another, but as a rule it cannot exceed 30 months – though some exceptions are possible; a maximum of 4 successive temporary contracts can be concluded. Successive agency contracts must not exceed a cumulative total period of 11 months. The Belgian regulations are stricter here than those of other OECD countries in regard to the type of work for which agency workers may be used, and the cumulative maximum duration of successive temporary and agency contracts (OECD, 2004).

Working on Sundays and public holidays and night work (work done between 8 p.m. and 6 a.m.) are prohibited by law in Belgium. However, numerous exceptions are possible provided that there is a compensatory rest period during a specified period following the work. The Belgian regulations on this are among the most stringent in all the EU-15 Member States. The time range defined as “night” is also very long, so that the night work classification applies sooner in Belgium than in other countries.

In the case of *shift work*, employees take over from one another at the same work station in accordance with a specified roster. Under this system it is possible to increase the maximum working time without recourse to overtime. These deviations are permitted only if the time worked does not exceed an average of 38 hours per week over a three-month period.

The *rules on overtime working* are very strict. Under no circumstances may working time exceed 11 hours per day or 50 hours per week. Overtime must attract additional payment; the supplement is 50 p.c. for overtime during the week and 100 p.c. on Sundays and public holidays. This extra payment can be converted to compensatory rest time by arrangement under a collective agreement.

The system of *variable working hours* is not regulated by law, but it is permitted. This system offers the advantage that the beginning and end of the working day can be determined flexibly, without there being any overtime attracting additional payment or the need to grant a compensatory rest period.

2. Working time

2.1 Average working time

2.1.1 Average working time per person in work and per employee

In order to compare working times in Belgium with those in the other EU-15 countries, this article uses the data obtained from the labour force survey, harmonised at European level and containing a great deal of detailed information on both usual and actual working times. This article presents only the usual working times, as the actual working times may be distorted by exceptional events during the reference week, preventing any reliable comparison and analysis.

According to the labour force survey, the usual average working time per person in work in Belgium in 2004 was 37 hours per week; that was slightly below the EU-15 average of 37.4 hours. Greece had by far the longest weekly working time, with the average person working around 43 hours per week. The Netherlands had by far the shortest working time, with barely 31 hours.

Since 1983, there has been a significant decline in weekly working time in Belgium. In that year, people still worked on average just over 40 hours a week; over a period of 20 years or so, the weekly working time has therefore declined by more than 3 hours. Neighbouring countries, and particularly the Netherlands, also recorded a marked decline. The average weekly working time in the EU-15, for which data are only available from 1995, dropped from 38.4 hours in 1995 to 37.4 hours in 2004. In Belgium, the decline over that same period was slightly less at 0.7 hours.

In Belgium, as in the majority of the other countries for which data are available since 1983, the major part of the reduction in working time occurred in the first half of the period considered. Portugal and Ireland, and to a lesser extent Luxembourg, Germany and the Netherlands, are the only countries where working time has continued to fall significantly in the past 10 years.

Box 1 – The various working time sources in Belgium

Data on working time in Belgium are available from various national and international sources. However, there are often variations in what is actually being measured, so that mutual comparisons are difficult. Moreover, no single data source is exhaustive, so that they all supply partial information and it is not possible to choose just one source in order to obtain a complete picture of working time in Belgium.

THE VARIOUS SOURCES INDICATING WORKING TIME PER PERSON IN BELGIUM

	Concept		Coverage			<i>p.m. in 2004</i>	
National accounts (NAI)	volume of labour	year	employees	economy	level	<i>1,512 hrs a year (2002)</i>	
Technical report (CCE)	actual	year	employees	private sector	level	<i>1,591 hrs a year</i>	
FPS ELSD	collectively agreed (per FTE)	year	clerks workers	private sector	index (1997 = 100)	99.5 99.5	
Social balance sheets (NBB)	actual	financial year	employees	private sector	level	<i>1,420 hrs a year</i>	
Prodcom survey (FPS Economy)	actual	month	employees	industry construction	index (2000 = 100)	90.8 94.5	
Labour force survey (EC)	usual	week	persons in work	economy	level	<i>37.0 hrs a week</i>	
			employees				<i>35.3 hrs a week</i>
			actual	persons in work			<i>36.5 hrs a week</i>
			employees			<i>34.4 hrs a week</i>	
Structure of earnings survey (EC)	paid hours	month	employees	industry, services	level	<i>179 hrs a month (2002)</i>	
Employment Outlook (OECD)	actual	year	persons in work	economy	level	<i>1,522 hrs a year</i>	
			employees				<i>1,441 hrs a year</i>

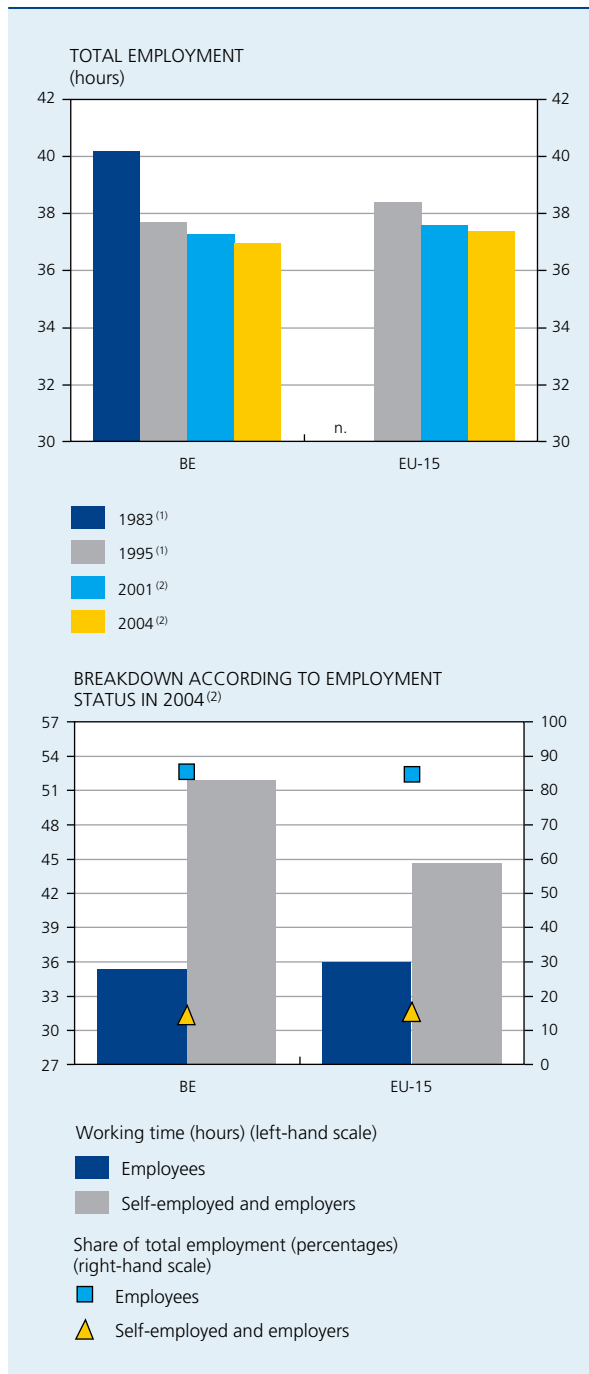
The majority of the sources are surveys (labour force survey, structure of earnings survey, Prodcom) or are based on surveys (e.g. the CCE and the OECD). That does not apply to the national accounts, the collectively agreed working time of the FPS Employment, Labour and Social Dialogue, and the social balance sheets.

As in the other EU-15 Member States, the average number of hours worked in Belgium is significantly higher for self-employed workers than for employees. While Belgian employees worked an average of around 35 hours per week in 2004, the average weekly working time for the self-employed came to almost 52 hours. That figure was also 7 hours above the EU-15 average.

The rest of this article will focus on employees, as the discussion about working time – important in the debate on the economy's competitiveness – primarily concerns them.

The average Belgian employee worked 35.3 hours per week in 2004, which is slightly below the EU-15 average of 36 hours per week. Greece, with around 40 hours, and the Netherlands, with just under 30 hours, were respectively first and last in the EU-15 ranking.

CHART 1 USUAL WEEKLY WORKING TIME IN BELGIUM AND IN THE EU-15



Source: EC.

(1) Second quarter data.

(2) Second quarter data in the EU-15.

2.1.2 Breakdown according to various criteria

The average working time per employee and the differences recorded between the EU-15 Member States depend on a number of characteristics of the population of employees, particularly the breakdown between full-time and part-time workers, and the breakdown by sex, branch of activity and age.

In Belgium, an average full-time employee worked roughly 39 hours per week in 2004, while the average part-timer worked 23 hours per week. The average part-time worker therefore had a 60 p.c. job. *Full-time* and *part-time* jobs respectively represented 76.5 p.c. and 23.5 p.c. of total salaried employment.

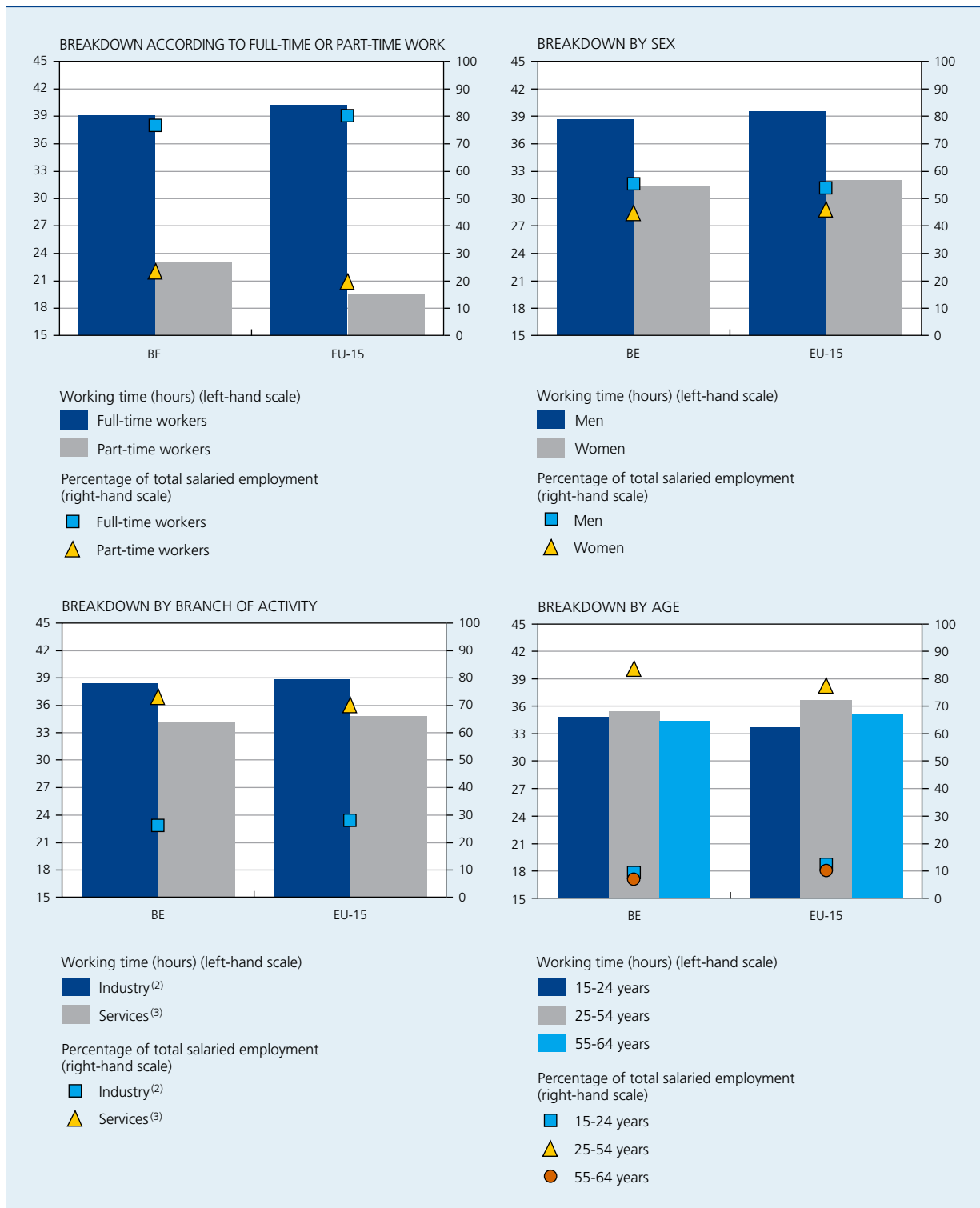
On average, a full-time employee in the EU-15 worked around 40 hours per week in 2004, and a part-timer worked roughly 19.6 hours. Taking an average, a part-time job thus represented rather less than half of a full-time job. In the EU-15, part-time jobs in that year accounted for roughly one-fifth of the total number of employees, slightly less than in Belgium.

The average working time for full-time and part-time employees respectively falls within a fairly narrow range for all EU-15 Member States: for full-time workers it ranged from roughly 39 hours in the Netherlands to almost 43 hours in the United Kingdom. In 2004, part-timers worked around 18 hours in Germany and 23 hours in France and Belgium. In terms of working time, full-time workers in Belgium are thus at the bottom of the European league, while part-timers in Belgium work, on average, the longest hours of all Member States.

In the Netherlands, where the total average working time was by far the lowest, the working time of full-time and part-time employees was comparable to that in the other EU-15 countries. The very low average working time is therefore largely due to the exceptionally high proportion of part-time work: around 46 p.c. of jobs were part-time positions, more than twice the average percentage for the EU-15. The high average working time in Greece is also attributable partly to the proportion of part-time work which, at barely 4 p.c., was much lower than in the other Member States.

A second interesting breakdown concerns the sex of the employees. In all the EU-15 countries, the average working time was significantly longer for men than for women in 2004, owing to the higher proportion of women working part-time. Taking the EU-15 average, men worked 39.5 hours per week compared with 32 hours for women, or around 80 p.c. of the average man's working time.

CHART 2 USUAL WEEKLY WORKING TIME PER EMPLOYEE IN BELGIUM AND IN THE EU-15 IN 2004⁽¹⁾: BREAKDOWN ACCORDING TO VARIOUS CRITERIA



Source: EC.
 (1) Second quarter data for the EU-15.
 (2) NACE Nomenclature, C to F.
 (3) NACE Nomenclature, G to Q.

In Belgium, men worked an average of 38.6 hours per week and women 31.3 hours. The difference between the sexes in terms of working time was most marked in the Netherlands and the United Kingdom, at almost 11 hours per week. In contrast, the average difference in working time was only around 3 hours in Greece, Portugal and Finland.

On average in the EU-15, men accounted for 54 p.c. of salaried employment and women 46 p.c.; in Belgium, that proportion was almost similar at 55-45 p.c. In the United Kingdom and in the northern Member States of Sweden, Finland and Denmark, women made up roughly half the employees; in the southern Member States of Spain and Greece, however, the proportion of women was barely 40 p.c.

A breakdown by *branch of activity* reveals that the average working time is longer in industry than in services. In the EU-15, the average working time in industry in 2004 came to around 39 hours per week, while in services it was 35 hours. Once again, this finding is connected with the other explanatory variables, as salaried employment in the more traditional industrial branches has a relatively smaller proportion of women and part-time work.

Working time in Belgium was very close to the EU-15 average with just over 38 and 34 hours respectively in industry and services. At 26 p.c., the share of industry in total salaried employment in Belgium was slightly below the EU-15 average (28 p.c.), whereas in services the figure for Belgium (73 p.c.) was 3 percentage points above the average.

The last available breakdown concerns the *age* of the employees. On average, the smallest relative differences are found here.

In Belgium, in 2004, the average weekly working time of young employees (aged 15-24) was in the region of 35 hours, or almost one hour less than the figure for those aged 25-54. In a number of countries, including the northern Member States and the Netherlands, that difference is much greater, perhaps because those countries have a relatively larger number of students who are also employed, albeit part-time, reducing the average number of hours worked by employees in that age group.

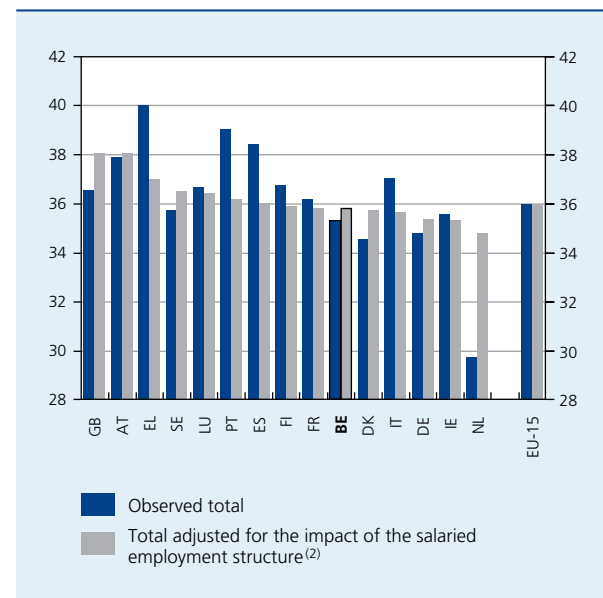
In the majority of the EU-15 Member States, the difference between the 25-54 and 55-64 age groups in terms of hours worked is relatively small. Thus, in Belgium the oldest employees worked on average 1 hour per week less than the 25-54 age group in 2004; the average difference for the EU-15 was one and a half hours.

However, the comparison here is once again slightly distorted because in some countries, such as Belgium, the number of older persons in work is relatively small. In the northern Member States, the percentage of persons aged 55-64 years in total salaried employment is more than double the Belgian figure.

2.1.3 Adjustment for differences in the salaried employment structure

As a general rule, the average working time in the EU-15 countries shows marked variations depending on whether the employees concerned work full-time or part-time, and according to the workers' sex, branch of activity and – to a lesser extent – their age. The initial differences found between the countries in terms of average working time therefore depend on the salaried employment structure. A relatively high (low) working time may be due to a relatively large (small) proportion of full-time work, men and/or industrial branches in salaried employment. However, the interdependence of the breakdowns used (e.g. part-time work, which often concerns women in the service branches) makes it difficult to investigate purely

CHART 3 USUAL WEEKLY WORKING TIME PER EMPLOYEE IN BELGIUM AND IN THE OTHER EU-15 COUNTRIES IN 2004⁽¹⁾: ADJUSTMENT FOR DIFFERENCES IN THE SALARIED EMPLOYMENT STRUCTURE



Sources: EC, NBB calculations.

(1) Second quarter data for Germany and the EU-15.

(2) The impact of the salaried employment structure was calculated as the difference between, on the one hand, the data on the number of hours worked broken down according to part-time and full-time work, sex, branch of activity and age, weighted by the corresponding composition of salaried employment in the EU-15 and, on the other hand, the same data for the number of hours worked weighted by the salaried employment structure of the country in question. The adjusted total was then obtained by adding together the observed total and the impact thus calculated.

on the basis of such one-dimensional breakdowns the extent to which this influences the average working time recorded.

In order to arrive at a conclusion, the various characteristics used (full-time or part-time work, sex, branch of activity and age) were combined to give 36 categories of employees.

Per country, an adjusted total average working time was calculated by taking the national detailed working time figures for the 36 different categories and weighting them with their respective shares in the total employee population of the EU-15.

As expected, the composition of the employee population explains a substantial part of the differences recorded in the average working time: for the equivalent salaried employment structure (namely that of the EU-15 average), the differences between the Member States are significantly smaller. While the average working time initially recorded for employees in 2004 ranged between almost 30 hours in the Netherlands and roughly 40 hours in Greece, the average working time following the adjustment varied only between about 35 hours in the Netherlands and 38 hours in the United Kingdom and Austria.

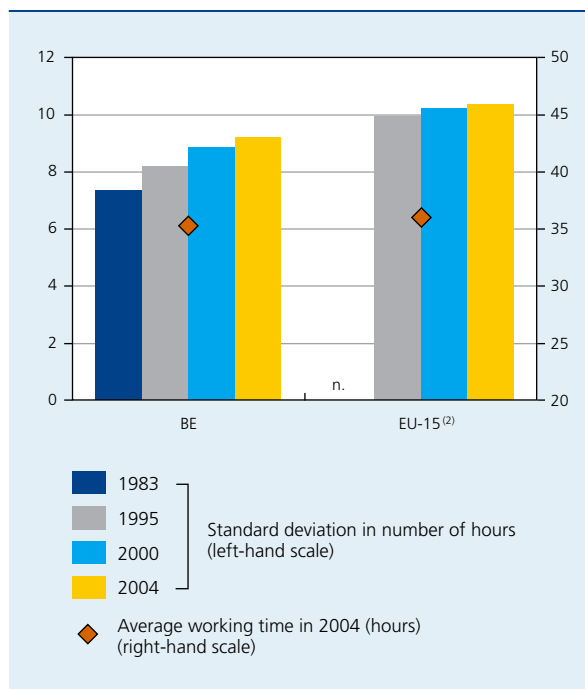
For Belgium, the adjustment was only half an hour per week, which indicates that the salaried employment structure there is relatively close to the EU-15 average. Following that adjustment, the average working time in Belgium is practically the same as the EU-15 average.

The main countries where the adjustment did have a major impact were the Netherlands, where the average increased, and Greece, Portugal and Spain where it was reduced. That therefore confirms that the highest (Greece) and lowest (Netherlands) average working times recorded in the EU-15 can be largely attributed to differences in the salaried employment structure.

2.2 Working time dispersion

Apart from the average working time, the breakdown of working time between employees is also an interesting data item. Calculation of the standard deviation provides an indication: a small (large) standard deviation indicates that the individual working times differ relatively little (significantly) from the average.

CHART 4 STANDARD DEVIATION OF THE USUAL WEEKLY WORKING TIME OF EMPLOYEES⁽¹⁾ IN BELGIUM AND IN THE EU-15



Sources: EC, NBB calculations.

(1) Second quarter data.

(2) Average of the countries, weighted by their share in total number of employees.

The standard deviation of the usual weekly working time of employees in the EU-15 has increased over the years, a sign of growing diversity in working hours. It went up from 9.9 hours in 1995 to 10.3 hours in 2004; in Belgium, it increased by 1 hour over that same period. An increase or stabilisation was observed in almost all the Member States except Portugal and the United Kingdom, where the level was already very high in 1995. In the case of the countries for which data covering a longer period are available, the rise in relation to the year 1983 is even more marked. Thus, the standard deviation has increased by almost 2 hours in Belgium over the past 20 years.

Significant differences are found between the standard deviations of the Member States. In 2004, the United Kingdom and the Netherlands had the highest standard deviations at 13 and 12 hours respectively. Belgium was in the intermediate group with a figure of 9.2 hours. In Portugal, the standard deviation was about 7 hours.

The breakdown of working time between employees is due to the way the work is organised. The level of the standard deviation in the various countries thus provides an indication of the degree of diversity in individual

working hours. The general increase in the standard deviation seen in recent decades may in turn be attributed to the growing use of alternative forms of employment and new types of contract; this will be discussed in the next section.

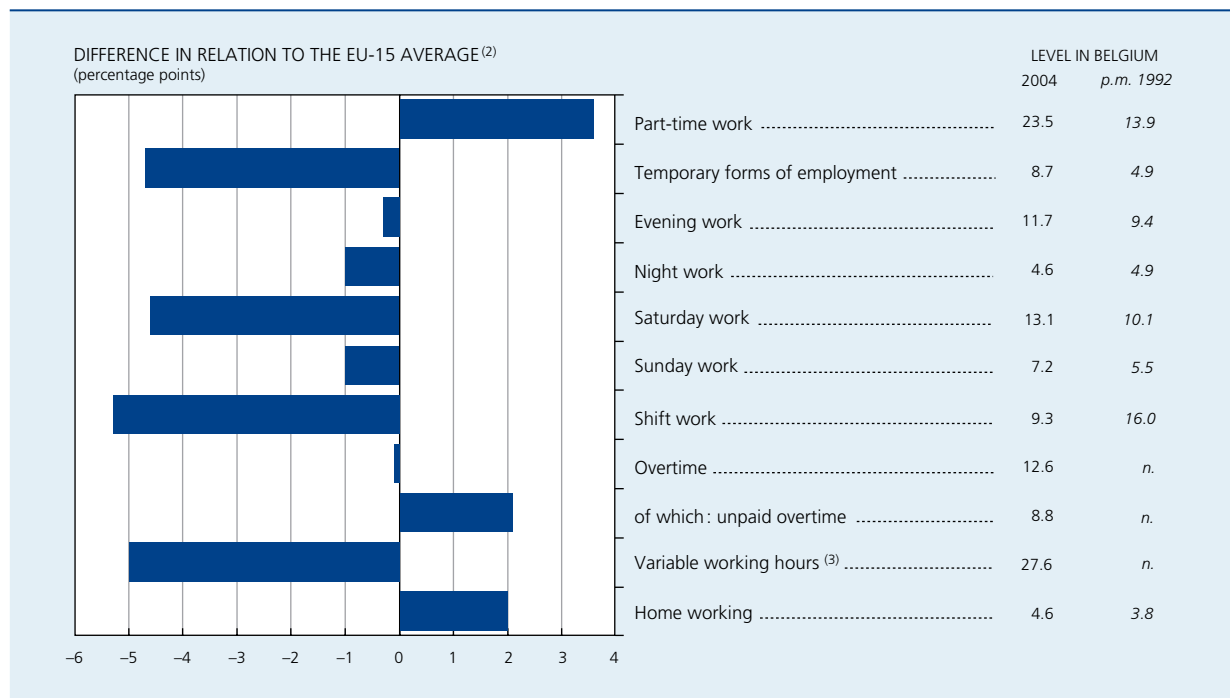
3. Use of alternative forms of employment

Until a few decades ago, the typical employee was a man working fixed full-time hours in the daytime from Monday to Friday under a permanent contract of employment. Since then, a number of social and economic developments have reduced the dominance of this stereotype. Not only are women increasingly participating in the labour market, there have also been fundamental changes in the way that work is organised. The usual form of employment did not fulfil the growing need for flexibility, expressed at the level of both supply and demand on the labour market.

Where the supply is concerned, the alternative forms of employment make it easier to reconcile work with family life, attracting on to the labour market people who would not otherwise have been considered or who would not have been interested in a job. On the demand side, greater flexibility enables employers to respond better to changes in the work process and in customers' requirements. It also facilitates improvements in the organisation of the production process, promoting economic growth.

However, these forms of employment may give rise to tensions. First, the working times which may be of interest to the employer, such as night work and shift work, are not necessarily conducive to the well-being of the employees. The converse is also true: the forms of employment which best enable workers to combine a job with their private life (e.g. part-time work and career breaks) may make it difficult to organise the work in the best possible way within the enterprise. It is also evident that alternative forms of employment are more common among risk groups, such as women, older workers, the young and

CHART 5 ALTERNATIVE FORMS OF EMPLOYMENT IN BELGIUM AND IN THE EU-15 IN 2004⁽¹⁾
(Percentages of the employee population)



Source: EC.

(1) A positive/negative sign indicates that the form of employment is more/less common in Belgium than in the EU-15. In the case of evening work, night work, Saturday and Sunday work, shift work and home working, the employees concerned usually work those schedules.

(2) Second quarter data for the EU-15.

(3) Total variable hours, hours fixed independently and arrangements in which the starting and finishing times for the day's work are fixed individually.

the low-skilled, which indicates the potential risk of a dual labour market. When these people find work, they often take less secure jobs or jobs entailing difficult working conditions.

The number of Belgian employees working alternative schedules seems to be below the EU-15 average. That applies particularly to shift work, variable hours, temporary forms of employment and Saturday work. In each of these cases, the share of Belgian employees was around 5 percentage points below the European average. In the case of night work and Sunday work, the difference was only 1 percentage point.

It is only part-time work and – to a lesser extent – unpaid overtime and home working that are relatively more common in Belgium.

3.1 Part-time work

In 2004, 20 p.c. of employees in the EU-15 held a part-time job. In Belgium, the percentage was a little higher since almost one in four employees worked part-time. That proportion has risen sharply in recent years: in 1992, the figure was only around 14 p.c. in Belgium.

The number of part-time jobs has increased in all the EU-15 Member States. In Austria, the Netherlands, Luxembourg, Belgium and Italy, the majority of the jobs

created between 1996 and 2004 were part-time. Taking the EU-15 average, the contribution of part-time work to the rise in salaried employment came to 47 p.c. during that period.

Part-time workers are still predominantly women: in 2004, more than 1 in 3 female employees worked part-time, on average in the EU-15, while only 6.5 p.c. of men did so. In Belgium, these percentages were slightly higher, at around 44 and 7 p.c. respectively. The same was true in the Netherlands, where the overall percentage of part-time work, at 46 p.c., was double the average rate in the EU-15: more than one-fifth of men and no less than three-quarters of women there worked part-time.

Part-time work is not distributed uniformly over the age groups. On average in the EU-15, it is more common at the beginning and end of working life. In Belgium, on the other hand, the percentage of part-time work increases with age, as it is less common to combine studying with a (part-time) job there. In 2004, almost 30 p.c. of Belgian employees aged between 55 and 64 years worked part-time. Cutting down on working time towards the end of one's career in order to continue working longer therefore seems to meet an existing need.

In Belgium, as on average in the EU-15, the low-skilled are more likely to work part-time than the highly skilled. The percentage of part-time work in Belgium is above the EU-15 average for all levels of education.

Box 2 – Career break and time credit

In 2004, a total of 176,000 people, or 5 p.c. of employees, were taking a career break or receiving a time credit. This system mainly concerns the female population: 8 p.c. of female employees were taking a career break or receiving a time credit in that year, against just 2 p.c. of men.

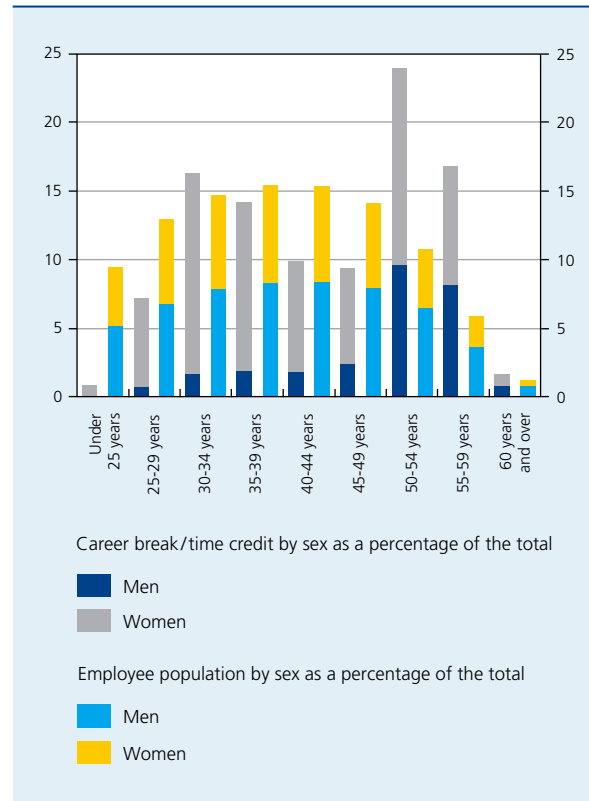
Use of the career break or time credit scheme remained more or less steady during the first half of the 1990s, but has expanded sharply since 1996, especially among women. The increase has been confined almost exclusively to part-time arrangements.

In 2004, about half of the part-time career breaks led to a one-fifth reduction in working time: in 46 p.c. of cases, working time was halved (NEMO, 2004).

Leave taken for specific purposes represented 16 p.c. of the total in 2004, mainly in the form of parental leave, while palliative care and medical assistance for sick family members were less common. It was mainly women (84 p.c.) who used these schemes.



**CAREER BREAK AND TIME CREDIT IN 2004:
BREAKDOWN BY AGE AND SEX**



Sources: EC, NEMO.

Career breaks and time credit are particularly popular among the over 50s: in 2004 their proportion in the total number of persons taking a career break or receiving a time credit was twice as high as their share of the total employee population. The reason lies in the favourable rules devised to keep them working longer, and encouraging them to take a part-time career break at the end of their working life: workers aged 50 and over who have worked for at least twenty years can cut their working time by half or one-fifth until they reach retirement age (Devisscher and Van Pelt, 2005). In addition, the lump sums which they receive are higher than those paid to other employees taking a career break (NEMO, 2004). This scheme has been a success: over 90 p.c. of the over 50s who take a career break do so part-time.

The under 30 age group is clearly under-represented among persons taking a career break or receiving a time credit. In the 30-39 age group the use of these schemes is more or less proportional to their share in the employee population. This is the age group where the career break is used mainly to enable people to combine their job with their family life.

If age and sex are taken into account, it is evident that men mainly choose to take a career break at the end of their working life. Among women, career breaks are spread more evenly among all the age groups and women are over-represented in all categories – except for the under 25 age group – in relation to their share in the employee population.

3.2 Temporary forms of employment

In 2004, around 13 p.c. of employees in the EU-15 were employed under a temporary contract. Temporary forms of employment were by far the most widespread in Spain, where about one-third of contracts were temporary. The proportion was over 15 p.c. in Portugal, Finland and Sweden. With just under 9 p.c., Belgium's rate is the fourth lowest. In Luxembourg and Ireland, the proportion of temporary contracts was under 5 p.c.

Temporary forms of employment are distributed more evenly between men and women than part-time employment arrangements: taking the EU-15 average, 14 p.c. of women were employed under a temporary contract, against 13 p.c. of men. However, these contracts are more common for women than for men in the majority of countries: in Belgium the proportions were around 12 p.c. and 6 p.c. respectively.

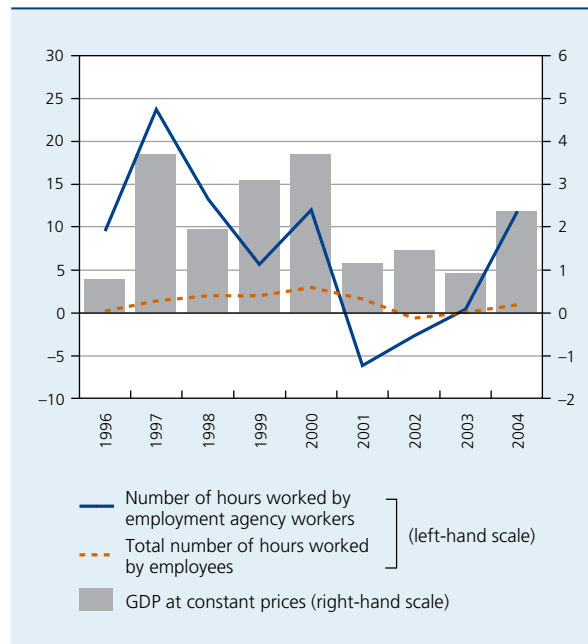
Box 3 – Working for temporary work agencies

Working for temporary work agencies is the classic example of a highly flexible form of temporary employment. The data on the number of hours of agency work performed in Belgium are supplied by Federgon, the umbrella organisation for the main temporary employment agencies.

The number of hours worked by employment agency workers is connected to the business cycle, as is the total number of hours worked within the economy. However, agency work responds much more sharply to cyclical fluctuations than total salaried employment: as in the case of temporary employment in general, the hours worked by agency workers increase much more steeply during a boom and show a much faster decline when economic activity subsides.

WORKING FOR TEMPORARY WORK AGENCIES

(Percentage annual change)



Sources: Federgon, NAI, NBB.

Although permanent contracts are still the most common, temporary forms of employment expanded much faster in the period 1997-2004. The rate of growth averaged 7 p.c. per annum in Belgium, while the number of jobs under permanent contracts increased by an average of 1 p.c. The expansion of temporary forms of employment exhibits a pro-cyclical pattern, indicating that, at least to some extent, they are used to cope with fluctuations in demand. At the time of an economic boom – as occurred in 1997-2000 and in 2004 –, temporary work expanded strongly in Belgium, in line with the EU-15 average. Conversely, it contracted during the period of slack activity in 2001-2003. Throughout these periods, employment under permanent contracts continued to expand in the EU-15, even when the economy was not doing so well, but the growth rate was significantly lower than that of temporary forms of employment during boom periods. The same pattern was evident in Belgium, except during the period of slack activity from 2001-2003, when permanent contracts stagnated.

Overall, temporary forms of employment have made a smaller contribution than part-time work to the expansion of total salaried employment. During the period 1996-2004, 1 in 3 of the jobs created concerned a temporary contract, both in Belgium and on average in the EU-15.

Young people are more often employed on a temporary basis: in 2004, around one-third of Belgian workers in the 15-24 age group were employed under such a contract. Young people presenting themselves on the labour market are often taken on under a temporary “probationary contract”, or they themselves choose not to commit themselves permanently to a particular job. That percentage was around 8 percentage points below the EU-15 average. The reason is that, as already mentioned, it is less common in Belgium for students to take a job – generally temporary work – while studying. The proportion of temporary forms of employment declines sharply with age: 7 and 3 p.c. of Belgians respectively in the 25-54 and 55-64 age groups were employed under a temporary contract: in the EU-15, the average proportions for the two age groups were about 3 percentage points higher.

There is also a negative correlation between temporary work and standard of education. It is mainly the low-skilled who take temporary jobs: this phenomenon is much more marked in the EU-15, on average, than in Belgium.

Temporary jobs are mainly of short duration, which is logical in view of the very strict employment regulations in this area. In Belgium, in 2004, 13 p.c. of persons questioned had nonetheless been employed for more than two years on a temporary basis. Although temporary work is conducive to flexibility on the labour market and may lead to a permanent job, the potential disadvantages should certainly not be ignored. In that regard, the European Commission points out that prolonged temporary employee status entails the risks of lower remuneration, less job security and fewer opportunities for on-the-job training (EC, 2003).

3.3 Non-standard work schedules

The labour force survey provides information on five types of non-standard work schedules: shift work, evening work, night work, Sunday work and Saturday work. The data concern people who generally work these non-standard hours.

In 2004, evening work concerned around 12 p.c. of Belgian employees. Night work was less common, concerning just under 5 p.c. of employees. Around 13 and 7 p.c. respectively of employees usually work on Saturdays and/or Sundays. Shift work concerned 9 p.c. of employees in Belgium. As mentioned above, these percentages are lower than the corresponding rates for the EU-15 as a whole.

The various forms of non-standard work schedule follow a pattern which is clearly linked to that of the branch of activity where they are most common. Thus, the proportion of evening, Saturday and Sunday work has continued to rise since 1992. These are the non-standard schedules which are most common in the service sector – which is still expanding. Conversely, the proportion of night work has remained steady, and that of shift work has actually declined. These two work schedules are most widely used in manufacturing industry, a branch of activity where employment is in structural decline.

The data supplied by an ad hoc module attached to the labour force survey for the second quarter of 2004 reveal that the majority of persons working non-standard hours consider that such hours are compatible with their personal life. That was true for about 70 p.c. of employees, on average, in the EU-15. In Belgium, that figure was 10 percentage points higher.

3.4 Overtime

As a general rule, there are strict regulations on overtime working in the EU. Overtime is also an expensive solution for firms, as they have to pay a higher rate for it, or offer a compensatory rest period.

An ad hoc module on overtime was attached to the labour force survey for the second quarter of 2004. The results need to be interpreted with the utmost caution as they are undoubtedly influenced to a great extent by the way in which the survey participants interpreted the question relating to overtime. Although, where paid overtime was concerned, the participants bore in mind the regulations on overtime and the corresponding statutory compensation, their interpretation probably varied greatly in the case of unpaid overtime. For example, the question did not specify whether or not the overtime had to be worked at the place of employment.

In 2004, around 13 p.c. of employees in the EU-15 worked overtime. The differences between the Member States were considerable. In particular, the United Kingdom, the Netherlands and Austria stood out: in those countries, 20 p.c. or more of employees worked overtime. Belgium belonged to the intermediate group with a figure of almost 13 p.c. Conversely, in Denmark, Spain, France and Greece, fewer than 5 p.c. of employees worked overtime. More commonly men are working overtime: taking the average for the EU-15, 15 p.c. of male employees worked overtime, against 10 p.c. of females.

Barely half of the employees who worked overtime in the EU-15 were paid for it. In Belgium, Germany and the Netherlands, this proportion was even lower: under one-third of the employees concerned were paid for their overtime work. The numbers working unpaid overtime were hence relatively higher in Belgium than the EU-15 average.

On average, the EU-15 employees working overtime worked an additional 8 hours per week, of which 3.6 hours were paid and 4.4 hours unpaid. Here, too, there are significant differences between the Member States. The highest number of overtime hours was worked in Greece (total of 15 hours per week, of which 11 hours were paid). In Belgium, too, the amount of overtime worked was considerable, at 10 hours per week, 3 hours being paid and 7 unpaid. Spain comes last in this respect, with 4 hours per week.

3.5 Variable working hours

The ad hoc module mentioned above also contained a question about the employees' working hours. In the EU-15, 1 in 5 employees, on average, worked flexible hours. This means that, within certain limits, they can extend or shorten their contractual working day without any overtime being involved. The extra hours can be saved up and used for taking leave. In addition, 7 p.c. of workers decided the starting and finishing times for their day's work by arrangement with their employer, and 5 p.c. of employees determined their working hours independently. The majority, namely 67 p.c. of workers, were employed on the basis of fixed working hours.

Major differences are apparent between Member States. In the southern countries, i.e. Spain, Greece and Portugal, fixed working hours are still more common than the average. In Ireland and the Netherlands, too, fixed hours applied to over three-quarters of workers. Belgium came just behind with 72 p.c. of employees working fixed hours. Flexible working hours such as flexible hours or working hours defined on an individual basis – whether or not by arrangement with the employer – are much more common in the Scandinavian countries and in Germany: in those countries, only half of workers or even fewer were employed on the basis of fixed hours.

3.6 Home working

In 2004, almost 5 p.c. of Belgian employees regularly worked at home, and 6 p.c. stated that they did so occasionally. Thus, home working was slightly more common in Belgium than on average in the EU-15. Since 1992, the percentage of employees working at home has increased slightly in Belgium.

Conclusions

This article discussed the changes which have taken place in working times and alternative forms of employment over the past two decades. The trends observed in Belgium were placed in an international context. It also examined whether the Belgian regulations on this matter are stricter than those of the other EU-15 countries.

The regulations in Belgium are stricter than the EU-15 average as regards the maximum permitted working time and night work. Compared to the OECD countries, they are stricter in regard to the type of work for which temporary agency employees can be used and in regard to the cumulative maximum duration of successive temporary

contracts. If flexibility is expressed in terms of the greater or lesser frequency of alternative forms of employment, Belgium displays greater flexibility than the EU-15 average in the case of part-time work, unpaid overtime and home working. All other flexible forms of employment (particularly shift work, variable working hours, temporary forms of employment and Saturday work) are less common.

According to the labour force survey, the usual working time averaged 37 hours for all persons in work in Belgium in 2004, which was just below the EU-15 average. In 1983, the average weekly working time was still just over 40 hours in Belgium.

The average working time is significantly longer for self-employed persons than for employees. If only the latter group is taken into account, for whom working time plays a key role in the debate on competitiveness, Belgian employees worked on average around 35 hours per week, which was slightly below the EU-15 average.

Generally speaking, the average working time is considerably longer for men and in industry. A breakdown by age reveals smaller differences. This means that the average recorded working time for the various countries is influenced by the salaried employment structure. Following adjustment for this factor, the differences are much smaller and the working time in Belgium is about the same as the EU-15 average.

The reduction in average working time and the widening dispersion of working time observed over the years reflect, in particular, the growing use of part-time working and other alternative forms of employment.

These are more common among risk groups such as women, older workers, the young and the low-skilled. In many cases they satisfy a genuine preference on the part of the persons concerned. Thus, a good many women want to achieve a better balance between their job and their family life, so that they opt for part-time work or a career break. Among older workers, these forms of employment satisfy the desire to scale down their activities at the end of their career. Temporary contracts enable the young, in particular, to acquire useful work experience; like part-time work schedules, they offer the young the opportunity to hold a job while studying. On the other hand, it is necessary to be aware that the expanding use of alternative forms of employment entails a risk of further segmentation of the labour market.

As regards demand on the labour market, alternative forms of employment give employers a number of instruments conducive to a flexible production process. For instance, temporary contracts (including working for temporary work agencies) and overtime make it possible to absorb fluctuations in demand. As regards non-standard work schedules, there has been an increase in Belgium in forms which are commonplace in the service sector (evening work, Saturday work and Sunday work). Night work remains steady whereas shift work has declined. This last development is connected with the structural decline in employment in industry.

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