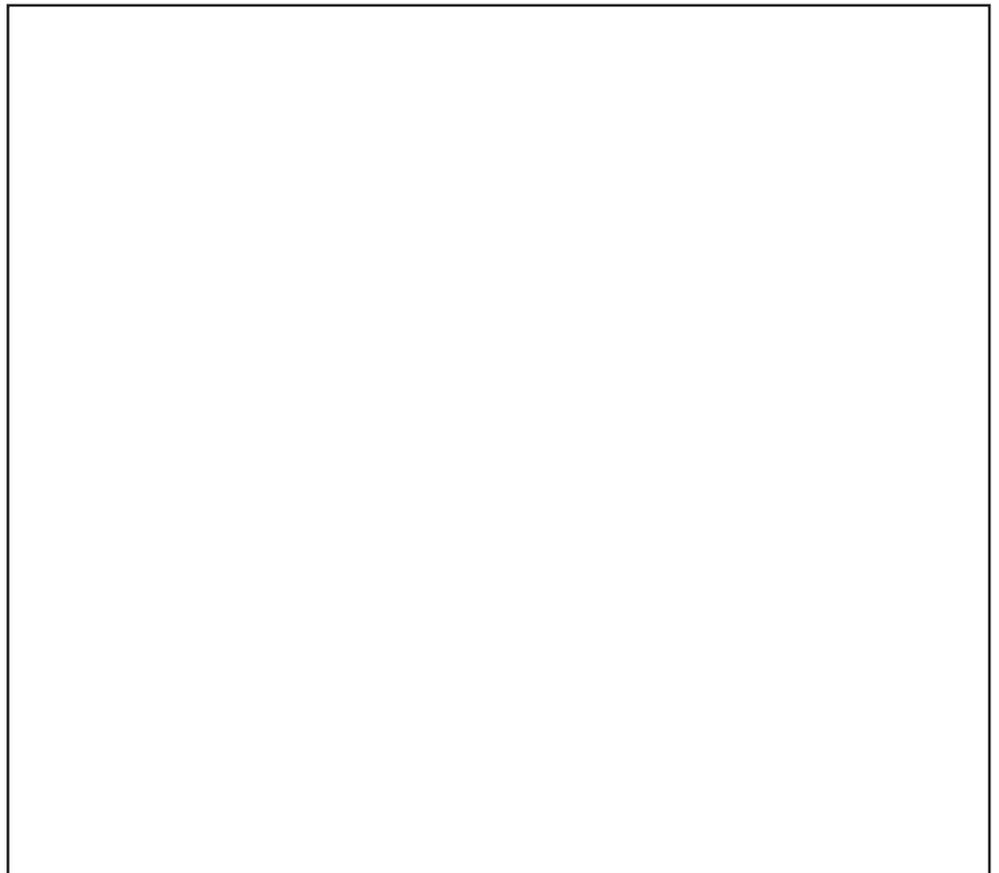




Eurofound

Employment and industrial relations in the agricultural and rural contractor (ARC) sector



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Executive summary

Introduction

Agricultural and rural contractors (ARCs) play a vital role in the European agricultural sector. Rapid changes in recent decades and the process of professionalisation and mechanisation in agriculture have resulted in a wide range of new production methods and an increased relevance of service providers. Consequently, ARCs have developed as a new profession, specialising in consulting and mechanised work.

Contractors provide services to farmers, forest owners, local authorities (including harvesting, soil work, fertilising, landscaping, etc.) and the construction sector (such as transport and dredging). The objective of this research report is to analyse the ARC sector in four European Member States – France, Denmark, Germany and Poland – to gain a better understanding of the sector and its socioeconomic importance as well as its differences from the overall agricultural sector. The study looks specifically into industrial relations in the ARC sector and analyses the employment situation, with health and safety and training issues being of particular interest.

Policy context

Over the last five or six decades, European agriculture has witnessed a significant decline in the number of agricultural holdings. While the number of smaller farms has decreased, average farm size has risen, both physically and economically. These trends are indicators of the structural changes observed in agriculture in developed countries.

One of the main features of structural change in agriculture is the growth in productivity, fuelled by technological progress and associated with greater economic efficiency. An important factor influencing the change is a paradigm shift in national agricultural policies towards promoting industrialised agriculture. The ARC sector's increasing relevance is to a great extent the result of these ongoing structural changes. The increasingly specialised activities in agriculture and demands for higher productivity require the involvement of ARCs, providing high-technology equipment and specialised know-how to their clients.

Key findings

The sectoral employers' body, the European Organisation of Agricultural and Rural Contractors (CEETTAR), represents more than 80,000 companies, with more than 400,000 employees in 13 European Member States. While ARCs in most of the 'old' Member States of the EU15, mainly in the northern and north-western parts of the EU, have become indispensable partners for agricultural production, they are less common in the majority of the new Member States.

In Denmark, France and Germany, for example, a huge proportion of farmers employ ARCs for carrying out cultivation services. In France, more than 65% of farms specialising in field crops and 75% of farms oriented to cattle farming make use of agricultural contractors, while in Germany, agricultural contractors harvest and stock nearly 90% of the corn. In Poland, ARCs are also active, but the sector has not received much attention yet, so no distinct boundary can be drawn between the ARC sector and agriculture as a whole. In contrast to most parts of France, Denmark and Germany, Polish agriculture is still fragmented and divided into a large number of small agricultural holdings. In many cases, ARCs are also actively farming on their own behalf.

Though it can be difficult to precisely separate the ARC sector or the activities of contractors from agriculture as a whole, there are various qualitative differences. Firstly, due to technical progress, the qualification requirements in both agriculture and the ARC sector are increasing, although in agriculture there is a simultaneous demand for people to carry out less-skilled activities requiring fewer qualifications.

In the ARC sector there is a considerable investment of approximately €6 billion a year in equipment, which is nearly a quarter of the production value of European agricultural machinery. Due to the high technical standards of the machinery, the demand for less-qualified people is not significant.

Seasonal work is also an important factor in both agriculture and the ARC sector. In agriculture it is predominantly characterised by simple tasks involving manual labour that require little previous knowledge, and is mainly carried out by foreign workers from central European countries. In contrast, seasonal work in the ARC sector is generally carried out by local people.

A difference in the age profile of employees is also evident. In comparison to agriculture, the ARC sector – at least in Denmark, France and Germany – is a rather young sector, with most employees between 20 and 35 years old.

Regarding health and safety matters, contractor employees generally face similar occupational risks as employees in the agricultural sector. These include falls, collisions with objects, physical stress caused by noise, and wounds from objects. However, there are certain risks specific to the ARC sector, such as the operation and transport of large agricultural machines.

The report shows that specific instruments or joint initiatives by social partners targeting accident prevention in the ARC sector are scarce, with safety issues normally covered by statutory obligations. Education and training appear to be addressed by national industrial relations players.

As the ARC sector has only emerged in recent decades, social dialogue at national and European levels cannot build on tradition, as in other areas of industry in Europe. Nevertheless, on the European level, the ARC sector is characterised by quite an active social dialogue between the European ARC organisation CEETTAR and the European Federation of Food, Agriculture and Tourism Trade Unions (EFFAT).

At national level, there is normally no structure for representation and social dialogue specific to the ARC sector, except in Germany. The sector is predominantly covered by social partner organisations in the agricultural industry, and collective agreements often overlap. The countries selected for this study illustrate that the ARC sector in western and northern Europe is more developed and more visible than in the new Member States, which generally do not have such strong industrial relations traditions.

Policy pointers

The study shows that the ARC sector has special requirements for health and safety as well as for the education and training of employees because of the high degree of mechanisation and the use of high-tech equipment.

As far as future social dialogue at European level is concerned, it will be important to continue joint initiatives to strengthen existing national social dialogue structures and to foster the transfer of best practice examples and solutions across national boundaries. The emphasis needs to be on the analysis of different national specifics and problems.

The application of existing European health and safety regulations is considered to be one of the most important measures for the sector in Europe. Furthermore, a vocational training policy jointly fostered by the European social partners seems to be one of the essential instruments for developing a sustainable ARC sector in Europe. Here, the German skilled agricultural services vocational training programme (*Fachkraft Agrarservice*) proves to be a good approach.

With the increasing socioeconomic relevance of the sector and the potential of contractors as ‘drivers of innovation’ or ‘vehicles of investment’, it is essential to strengthen ARC-sector-related social dialogue at the European level through policy initiatives.

Introduction

Agricultural and rural contractors, also known as agricultural service providers, or by the acronym ARCs,¹ play a vital role in the European agricultural sector. Rapid changes over recent decades and a general process of professionalisation in agriculture have resulted in a wide range of new production methods and increased relevance of service providers for the overall agricultural sector. As a result, ARCs have developed as a new profession, specialising in consulting and mechanised work and providing services to private or public clients including farmers, forest owners and local authorities. Even though strongly linked to rural areas and the agricultural sector, ARCs are also entrepreneurs offering services to the construction sector such as drainage and transport.

Historically, most ARCs emerged from the diversification of agricultural methods. Starting as combine harvester companies in the 1920s, ARC activities have grown significantly since then as a consequence of the overall mechanisation of agriculture. Farmers sought to optimise their investment in agricultural machinery by becoming service partners for neighbouring farms. Overall, the number of employees in this agro-industrial line of business has been relatively stable in recent years, in contrast to traditional agriculture, where employment continues to decline throughout Europe.

Considering the growing importance of ARC activities in many EU Member States, the European social partners CEETTAR (Confédération Européenne des Entrepreneurs de Travaux Techniques Agricoles et Ruraux) and EFFAT (European Federation of Food, Agricultural and Tourism Trade Unions) asked the European Foundation for the Improvement of Living and Working Conditions (Eurofound) to conduct research on agricultural and rural contractors, and thus to improve the sector's footprint at European level and assist in developing and expanding social dialogue within the sector in all relevant EU countries.

Eurofound commissioned an international research team led by Wilke, Maack & Partner (Germany/Hamburg) working in cooperation with Orseu (France/Lille) and BPI Polska (Poland/Warsaw) to carry out the project.

Research objectives and methodology

The objective of the research and this study is to analyse the ARC sector in four European Member States: France, Germany, Denmark and Poland. The aim is to gain a better understanding of the sector and its socioeconomic importance, as well as to discover where it differs with regard to the overall agricultural sector. Furthermore, the purpose of the study is to describe the employment situation in the sector and its role in creating employment in rural areas. Finally, the study looks into industrial relations in the ARC sector, investigating to what extent collective agreements exist in the sector, and to what extent the social partners are engaged in issues involving quality of work. In this area, health and safety and training issues are of particular interest.

The country selection followed basic criteria for ensuring a comprehensive picture of the ARC sector in Europe:

- the national agricultural sector should have a significant share of ARCs;
- as far as possible, availability and access to national statistics and social partners should exist;
- the country mix should reflect different traditions and industrial relations and social dialogue frameworks.

¹ Also often known by the French acronym *ETARF*, standing for *entrepreneurs de travaux agricoles, ruraux et forestiers*.

France and Germany were selected as the countries that have the EU's largest agricultural sectors and the largest ARC sectors. Both countries are of comparable size, but they have different social dialogue and labour relations traditions.

Denmark has been included in the analysis as a comparatively smaller EU country with a strong social dialogue tradition. Furthermore, issues around quality of work have been addressed recently by both the government and social partners. Here, the concept of 'sustainable workplaces' has been developed mainly by the trade union movement, merging social and environmental aspects into a single concept. The issue of 'better work' has been also addressed by the Danish Working Environment Authority with a view to improving the psychological work environment in Danish companies.

Finally, Poland was chosen as a country representing the New EU Member States (NMS) from central and eastern Europe. Most of these NMS are facing strong pressure to restructure and modernise their agriculture sectors. This pressure is caused not just by overall globalisation effects, but also by specifications of the EU's Common Agriculture Policy (CAP) governing, for example, the use of machinery, hygiene or production processes. In comparison to most of the old Member States, the agricultural sector in most NMS is characterised by relatively small farms and low productivity – a difficult environment for establishing any ARC sector. The result is that in most NMS there is neither any significant ARC sector nor a representative contractor network. In this respect Poland is an exception – along with Slovakia, it is the only CEETTAR member in the NMS group. This means that Poland provides a good opportunity for analysing the specific problems of the ARC sector within the NMS. Normally, and especially in these countries, efficient sectoral social dialogue structures would play an important role in the process of integrating the ARC sector into an overall European dimension. In this respect, social dialogue could help enhance the quality of work in the NMS ARC sectors. Unfortunately, this has not been the case up to now. Consequently, it seems worthwhile analysing the structure of the ARC sector in these countries and the potential for sector-related social dialogue there.

The research intends to take account of the different features of each of the countries considered. Due to the imperative of data comparability, the study tried as far as possible to cover the same research topics in all the countries. From an overall perspective, the objective of the study combines the following set of aims and research tasks:

1. Description and delimitation of the ARC sector

- How can the characteristic features of the ARC sector be mapped and described?
- What are the specific features of the ARC sector compared to the rest of the agricultural sector?

2. Industrial relations developments and structures within the ARC sector

- Who are the main industrial relations actors at national and sectoral level?
- How high is the degree of representation of employer associations and trade unions (such as the number of affiliated companies, organisational density or union membership)?
- To what extent do collective agreements exist and who do they cover?
- What are the specific features of the ARC sector compared to the rest of the agricultural sector?

3. Quantitative aspects of employment in the ARC sector

- What are the basic figures in the ARC sector for numbers of employees, numbers and size of companies, types of employment, and so forth?
- What legal forms of companies and employment exist in the sector? Where are the differences?

4. Qualitative aspects of employment in the ARC sector

- What are the main characteristics of the ARC sector’s approach to occupational health and safety (including, for example, accidents at work, work-related health problems, risks, prevention services, health and safety training)? To what extent does this situation differ from the overall agricultural sector?
- What are the main characteristics of the ARC sector’s qualifications, training and skill development tools?

Methodology

To achieve the above-mentioned research objectives and tasks, a multiple research methodology was necessary, entailing the use of different tools. Research in the selected countries was based on two pillars: desk research and descriptive statistical analysis combined with face-to-face interviews with key national players and experts from the ARC sector and selected company representatives.

Desk research and statistical analysis

The desk research comprised a review of existing literature on aspects of agriculture in general and on ARCs in particular, with a focus on the above-mentioned research objectives. This was supplemented by an analysis of existing national statistical data and available databases.

In the statistical classification system of economic activities, NACE, the ARC sector is considered as a subsector of agriculture. However, the statistical analysis that was intended to describe or ‘map’ the ARC sector and delineate it from the overall agriculture sector ran up against several kinds of difficulties and constraints, for both statistical and practical reasons.

The study had to take into account the fact that the ARC sector and agriculture are – statistically and practically – closely connected, with ARCs in many cases carrying out the same activities as farmers or forest owners. In some cases, farmers also work as contractors and vice-versa. It also has to be taken into consideration that the NACE classification of a company is based only on its main activity. So if a company has other activities alongside this – for example a farmer doing some contractual work – this would not feature in its NACE classification.

Most ARC activities come under NACE classes 01.6 and 02.4, the European Community’s statistical classification of business activities.

Table 1: *Relevant NACE classes in the ARC sector*

NACE classes (rev.2)	Description
01.6	Support activities to agriculture and post-harvest crop activities on a fee or contract basis
01.61	Support activities for crop production
01.62	Support activities for animal production
01.63	Post-harvest crop activities
01.64	Seed processing for propagation
02.4	Support services to forestry
02.40	Support services to forestry

However, a second constraint is that this overview is not exhaustive because ARCs often offer services that are not directly related to the agricultural sector. In particular, many ARCs also work for the construction sector or for public authorities, where they are responsible for the upkeep of public parks, waterways or streets, where their tasks include cutting trees, keeping roadside ditches clear or composting leaves and other forms of greenery. This broad set of activities cannot be fully accounted for by available public statistics. The problem is compounded by the so-called 'shadow economy', which, by definition, does not figure in official statistics.

Finally, a third constraint lies in the differences that exist in official statistics. This is due to the fact that the core activities carried out by contractors differ from one country to the next. The NACE classification is not used Europe-wide in a consistent manner and therefore the ARC sector cannot be precisely mapped statistically. For instance, Poland's national statistics agency was not able to provide relevant data on the target sector concerning the number of ARCs and employment. Other national agencies were not capable of providing data with an adequate level of accuracy, or they provided only incomplete data or data which was found to be unusable for the objectives of the study after careful consideration.

Since it was already assumed that there would be difficulties gathering relevant information on the ARC sector, the investigation combined three main data sources in each country analysis:

- official statistics from national statistical agencies and surveys, especially those dealing specifically with agriculture and rural services;
- secondary national and international statistics as well as administrative data, such as membership figures provided by respective employer organisations and trade unions, on the basis of available statistical figures on the potential membership of the organisation;
- personal estimates made by representatives of the respective organisations and trade unions.

All in all, the information and documents obtained were of a nature and quality that varied widely from country to country. Besides different levels of data accuracy, various types of data sources had to be used such as social security data or surveys of contractors. In most cases, these various national sources are based on different data collection methods and not on uniform samples.

Interviews

One of the main objectives of the study was to analyse industrial relations structures within the ARC sector in the selected countries – for instance, the bodies involved or the collective agreements reached – and the qualitative (and quantitative) aspects of employment, such as types of employment, quality of work, health and safety, qualifications and training. Therefore the main social partners at national and sectoral level, usually the representatives from respective trade unions and employer associations, were identified and contacted to request face-to-face interviews. The same was done for other relevant experts and company representatives from the ARC sector in the country samples.

Table 2 provides an overview of the interviews conducted between March and June 2011. A total of 21 interviews were conducted.

Table 2: Overview of interviews

Country	Organisation
Denmark	DM&E, Danske Maskinstationer og Entreprenører (Employers' Association of Agricultural and Rural Contractors)
	GLS-A, Gartneri-, Land- og Skovbrugets Arbejdsgivere (Employers' Association for Agriculture, Forestry and Horticulture)
	3F, Fagligt Fælles Forbund (United Federation of Danish Workers – trade union)
	A Danish company (with 10 permanent employees and an additional 16–18 seasonal workers per year)
France	FNEDT, Fédération Nationale des Entrepreneurs des Territoires (a national organisation for contractors in agricultural, forestry and rural labour)
	FGA-CFDT, Fédération Générale Agroalimentaire CFDT (trade union)
	FGTA-FO, Force Ouvrière (trade union)
	Two French companies: one with five permanent employees and an additional two to three seasonal workers per year; the second with eight permanent employees and an additional three to five seasonal workers per year
Germany	BLU, Bundesverband Lohnunternehmen (National Employers' Association of Agricultural and Rural Contractors)
	IG BAU, Industriegewerkschaft Bauen-Agrar-Umwelt (Trade Union for Building, Forestry, Agriculture and the Environment)
	DBV, Deutscher Bauernverband (German Farmers' Association)
	A German company (with 70 permanent employees and an additional 70–100 seasonal workers per year)
Poland	PZPUR, Polski Związek Pracodawców-Uługodawców Rolnych (Polish Association of Agricultural and Rural Contractors)
	Sekretariat Rolnictwa NSZZ Solidarność (Agricultural Workers' Secretariat of NSZZ Solidarność)
	ZZPR, Związek Zawodowy Pracowników Rolnictwa (Trade Union of Agricultural Workers)
	Ministry of Agriculture
	Two Polish companies: one with 90 permanent employees, 9–10 responsible for providing services; the second with 4 permanent employees and an additional 6–8 seasonal workers per year
European level	CEETTAR, Confédération Européenne des Entrepreneurs de Travaux Techniques Agricoles et Ruraux (European Organisation of Agricultural and Rural Contractors)

Semi-structured interview guidelines were used. Before the interviews were conducted, the guidelines were discussed with Eurofound and the European-level stakeholders (CEETTAR and EFFAT). The information gathered from interviewees complements the statistical analysis and the desk research, and serves as a link between the research tasks and the country analyses.

The interviews addressed the following issues in particular:

- general information on the sector (or the company), economic development and main characteristics;
- social dialogue and the main industrial relations actors (for example, the relevance of collective agreements);
- employment and quality of work (such as health and safety, skills, training) including problems and barriers.

Structure of the report

Following this introduction, Chapter 1 will summarise the main characteristics and structural changes in agriculture, with a view to describing the ‘framework’ and developments relevant to ARCs in Europe. Chapter 2 describes the main characteristics of ARCs, including a definition of their relevant tasks and activities as well as the sector’s structure and its economic and organisational profile in each of the selected four countries. Chapter 3 examines employment in the sector, including numbers employed, the extent of employment versus self-employment, and the sector’s age and gender profile. Chapter 4 focuses on the main findings regarding industrial relations and social dialogue in the ARC sector. Chapter 5 analyses health and safety in both the agricultural sector as a whole and the ARC sector specifically, as well as reviewing initiatives to prevent accidental injury. Chapter 6 looks at the training of workers in the sector and their educational qualifications. Chapter 7 presents a summary and the main conclusions of the study.

Framework for ARCs: agriculture and forestry in the EU 1

To be able to evaluate the structure and the business development of the ARC sector, it is important to analyse the sector within the context of trends and changes in the overall agriculture sector, including forestry.

Characteristics and relevance

The majority of the EU's territory is devoted to agriculture and forestry. At EU27 level, agriculture is the main terrain cover, accounting for 47% of overall land use, whereas forestry occupies 31% of the territory (Vasilescu, 2008). With regard to the economic potential of rural areas, the combined agricultural, forestry and food sector is the third largest employer in the EU.

In 2008, 12.5 million people worked mainly in agriculture and forestry in the 27 EU countries, meaning the primary sector represented 5.5% of the EU27's total employment, ranging from 1% in the United Kingdom, 2% in Germany and 3% each in France and Denmark to over 14% in Poland and up to 30% in Romania (European Commission, 2010).

Agriculture is undergoing fundamental changes requiring European farmers to respond to new conditions and to grasp new opportunities. Farmers are facing the challenge of supplying food in a more and more open market. They are expected to produce at competitive price levels while at the same time responding to people's expectations with regard to high levels of food safety, product quality, animal welfare and environmentally friendly agricultural practices. Therefore, the operation of an economically sustainable overall agricultural sector in Europe is particularly dependent on facilitating and developing farmers' abilities to react to new market situations and adapt to new economic and technological opportunities (European Commission, 2009).

Complexity and multiplicity

Agricultural practice in Europe is complex and there is no single type of agriculture. Rather, it is structured in different segments (based on Vasilescu, 2008 and Olsen, 2010). The sector is divided across segments such as breeding, dairy, grain farming, horticulture, fruit growing and wine growing, and highly differentiated between EU Member States and their regions. The structure of agriculture varies not only from country to country, but also from region to region, east and west, the north and the Mediterranean, mountain and plain, small and very large farms. It also varies due to national and regional specificities shaped by agricultural history, natural and climatic conditions and the institutional framework for land use, labour and capital markets.

Against this background, three different types of agriculture can be defined (based on CEETTAR, 2001 and Vasilescu, 2008).

- Industrialised agriculture, with comparatively high profit margins, highly mechanised, producing standardised, mass consumption products, working both for the internal market and the world market (the grain or forestry sectors, among others). The development of industrialised agriculture is decisively driven by the domination of agro-foodstuff multinationals and large-volume distribution corporations. This type of agricultural undertaking is found above all in north-western Europe (including Germany), in the form of large grain or meat producers using industrial production methods.
- Traditional family-based agriculture, using occasional labour and with farmers sometimes working part-time as farmer, part-time as wage earner. Such undertakings primarily produce for the internal market.
- Sustainable, organic agricultural undertakings, producing local products mainly for the local market, organised individually or jointly, such as cooperatives and producer associations.

The boundaries between these three types of agriculture are not clearly delimited. There are small, highly intensive agricultural undertakings, for example in Belgium, France and the Netherlands. At the same time major extensive agriculture can be found in central and eastern European countries, for example in Hungary or in the former GDR.

Structural change

Over the last five or six decades, European agriculture has witnessed a significant decline in the number of agricultural holdings. At the same time, an upward trend in the average utilised agricultural area (UAA) per holding can be seen. The number of smaller farms, dominated by family-based and relatively independent holdings, has decreased, leading to an overall rise in average farm size, both physically and economically. These trends are all indicators of the structural change observed in agriculture in developed countries, even though the speed and the intensity of this process vary within the EU27 (IG BAU, 2010). According to Buchenrieder et al (2007), in Slovenia, for example, structural change is rather slow, while agricultural structures in the Czech Republic went through immense changes in the early years of transition.

One of the main features of structural change is the growth in productivity, fuelled by technological progress (such as mechanisation and developments in crop and animal genetics) and associated with greater economic efficiency. The growth in productivity has also been generated by the development of quality services provided to companies outside the farming sector by agricultural and rural contractors. One important factor behind structural change is globalisation, resulting in greater competition and higher economic pressure, accompanied by new societal or changing consumer demands and a paradigm shift in national agricultural policies towards promoting industrialised agriculture (Vasilescu, 2008).

Decreasing number of agricultural holdings

According to data contained in Eurostat's recent (2010a) farm structure survey (FSS), there are a total of 7.31 million agricultural holdings of at least 1 European Size Unit (ESU) in the EU27.² The latest data are for 2007; see Table 3.

The figures show that 76% of holdings with over 1 ESU were in six countries (Italy 19%, Poland 15%, Spain 13%, Romania 12%, Greece 10% and France 7%).

This total is a drop from 2003 figures, where the number of holdings with at least 1 ESU in the EU27 was 7.93 million. Thus, an overall downward tendency in the number of holdings can be observed over recent years. For the EU27 overall, the number dropped by 1.4% between 2003 and 2005, while the decline was even more pronounced at 6.5% from 2005 until 2007.

² Eurostat (2010) defines a holding as a techno-economic unit under single management engaged in agricultural production. The FSS covers all agricultural holdings with a UAA of at least 1 hectare (ha) and those holdings with a UAA of less than 1 ha if their market production exceeds certain thresholds or if a defined portion of their production is for sale. In several countries (e.g., Poland, Romania) the large number of small units has an enormous impact on statistical results, especially those based on the number of holdings (e.g., averages). In order to increase comparability, the FSS analysis focuses on agricultural holdings of at least 1 ESU. For each activity on a holding or farm, a standard gross margin (SGM) is estimated, based on the plot size (or the number of workers) and a regional coefficient. The total of all margins for all activities of a given farm is referred to as the economic size of that farm, which is expressed in ESUs, 1 ESU being equal to €1,200 of the SGM.

Table 3: Number of agricultural holdings ≥ 1 ESU by country and growth rate, 2003, 2005 and 2007

Country	Holdings ≥ 1 ESU (000s)			Growth (%)		
	2003	2005	2007	2003–2005	2005–2007	2003–2007
EU27	7,932.4	7,822.7	7,310.8	-1.4	-6.5	-7.8
AT	140.6	137.0	130.9	-2.6	-4.5	-6.9
BE	52.7	49.6	46.1	-5.8	-7.0	-12.4
BG	157.3	118.1	117.8	-25.0	-0.2	-25.1
CY	28.4	29.9	28.1	5.3	-6.0	-1.1
CZ	26.0	26.8	25.9	3.1	-3.1	-0.1
DE	390.2	371.1	348.5	-4.9	-6.1	-10.7
DK	48.6	51.4	44.4	5.7	-13.6	-8.7
EE	14.6	13.4	12.8	-8.0	-4.8	-12.4
EL	654.9	678.1	711.1	3.6	4.9	8.6
ES	978.5	959.0	939.5	-2.0	-2.0	-4.0
FI	74.2	70.0	66.6	-5.6	-4.9	-10.2
FR	566.4	527.4	491.1	-6.9	-6.9	-13.3
HU	161.0	157.2	140.8	-2.4	-10.4	-12.5
IE	128.8	125.5	117.9	-2.6	-6.0	-8.5
IT	1,428.1	1,381.4	1,383.3	-3.3	0.1	-3.1
LT	89.4	128.6	85.3	43.9	-33.7	-4.6
LU	2.3	2.4	2.2	2.6	-5.5	-3.0
LV	52.7	44.9	44.4	-14.8	-1.1	-15.8
MT	7.3	8.2	7.6	12.6	-7.2	4.5
NL	85.4	81.8	76.7	-4.1	-6.2	-10.1
PL	1,056.3	1,082.7	1,128.1	2.5	4.2	6.8
PT	261.6	219.0	181.6	-16.3	-17.1	-30.6
RO	1,211.8	1,236.0	866.7	2.0	-29.9	-28.5
SE	60.2	66.3	57.5	10.1	-13.3	-4.5
SI	61.4	60.9	61.5	-0.9	1.0	0.1
SK	12.2	12.9	15.8	5.8	23.1	30.2
UK	181.8	183.4	178.5	0.9	-2.7	-1.8
EU15	5,054.1	4,903.3	4,775.9	-3.0	-2.6	-5.5
NMS-12	2,878.3	2,919.4	2,534.8	1.4	-13.2	-11.9

Eurostat, 2010a, p. 18

The development of agriculture has been different from country to country, both in the extent of structural change and when it began. The number of agricultural holdings increased from 2003 to 2007 in Slovakia, Greece, Poland, Malta and Slovenia due to changing economic and political situations and CAP incentives that led to an intensified use of land for agriculture. However, all other Member States registered a decline in the number of holdings. The most sizeable drops occurred in the cases of Bulgaria, Romania and Portugal, where the number of agricultural holdings fell by about 25% between 2003 and 2007 (Eurostat, 2010a). This was primarily related to technical developments in agriculture connected with the restructuring of holdings, as well as an ageing farming population, which often resulted in the abandonment of smaller holdings. This broad tendency towards smaller units disappearing goes hand in hand with a rise in the number of larger holdings (DBV, 2011).

Despite the increase in the number of agricultural holdings in some countries from 2003 to 2007, all NMS registered a decrease after their accession (Buchenrieder et al, 2007; CEETTAR, 2002). In Denmark, structural changes in agriculture led to a 52% fall in agricultural holdings between 1975 and 1997, compared with 29% on average for the EU during the same period. The number of agricultural holdings in the six founding countries of the EU fell by 42% between 1967 and 1997, that is by one million units in France and 700,000 units in Germany.

Increasing average utilised agricultural area per holding

Comparing the average UAA per holding, EU countries vary greatly. The average UAA per holding in Slovakia, for example, is 100 times bigger than in Malta. However, despite these differences, an increasing trend in average UAA can be observed, due in particular to the fall in the number of agricultural holdings (see Table 4).

Table 4: Average UAA per holding ≥ 1 ESU, 2003, 2005 and 2007

Country	Average UAA per holding (in hectares)		
	2003	2005	2007
EU27	20.4	20.7	22
AT	19.3	19.6	19.7
BE	26.4	27.9	29.7
BG	16.7	21.1	24.3
CY	5.2	4.8	4.9
CZ	138.5	131.7	134.6
DE	43.3	45.7	48.4
DK	54.7	52.7	60
EE	48.3	57	66.5
EL	5.9	5.8	5.6
ES	23.2	24.8	25.4
FI	30.2	32.3	34.3
FR	48.9	52.1	55.7
HU	25.3	25.8	28.8
IE	32.9	33.2	34.1
IT	8.9	9.0	9.0
LT	20.4	18.2	25
LU	55.4	54.5	58.4
LV	22.8	29	32.2
MT	1.3	1.1	1.2
NL	23.5	23.9	24.9
PL	12.2	12.1	12.3
PT	13.6	16.0	18.3
RO	8.8	8.4	11.0
SE	50.9	46.7	51.9
SI	7.3	7.4	7.5
SK	172.1	143	119.3
UK	85.2	81.6	80.3
EU15	24.0	24.8	25.2
NMS-12	14.0	13.8	16.0

Source: Eurostat, 2010a, p. 21

Within the EU27, the average UAA of a holding is 22 ha. The countries with the highest UAA per holding are the Czech Republic, Slovakia and the United Kingdom. The high figures for the Czech Republic and Slovakia can be traced back to their particular ownership structure as well as to former large-scale corporate farms (Eurostat, 2010a). In the United Kingdom, agriculture has always consisted of large holdings (CEETTAR, 2002).

The average UAA in Denmark (60 ha), France (55.7 ha) and Germany (48.8 ha) is considerably higher than the EU27 average, whereas the average UAA in Poland (12.3 ha) is below the European average. The growth of average UAA in Poland is not as high as in the other countries.

Concentration and the increasing economic size of agricultural holdings

In line with the overall downward trend in the number of small agricultural holdings, the number of large holdings has generally increased, as seen in Germany, France and Denmark since the end of the 1960s (CEETTAR, 2002). This concentration of agricultural holdings has seen the economic size of holdings in Europe increasing, though the growth patterns differ from country to country.

According to the European Commission in 2010, there were 13.7 million farms in the 27 EU countries in 2007, with an average physical size of 12.6 ha, while the average varied from 1 ha in Malta to 89 ha in the Czech Republic. Generally speaking, farm sizes are lower than the European average in the NMS (except for the Czech Republic, Estonia and Slovakia) and higher than average in the EU15 (except for Greece, Italy and Portugal). The physical size of farms in Europe has risen constantly since the mid-1990s.

Differences between Member States and European regions are more striking when the economic size of farms is measured. Looking at the average standard gross margin (SGM) per holding, there is considerable heterogeneity between countries (see Table 5).

In 2007, the average SGM per holding in Romania was 3 ESU (or €3,600), against the Dutch figure of 111.3 ESU (or €133,560). With regard to the change in average SGM per holding between 2003 and 2007, a general increase in 20 of the 27 EU Member States (including Denmark and France) can be observed (Eurostat, 2010a). In Germany and Poland the changes are minimal, though it should be pointed out that average SGM per holding in Germany is already at a high level, the result of a constant increase over recent decades.

Table 5: Average SGM per holding ≥ 1 ESU, 2003, 2005 and 2007

Country	SGM per holding ≥ 1 ESU		
	2003	2005	2007
EU27	18.3	19.1	20.8
AT	17.2	18.3	21.1
BE	61.2	68.1	73.1
BG	5.5	6.6	7.9
CY	10.1	9.7	11.2
CZ	56.2	57.0	62.4
DE	53.9	52.2	52.5
DK	76.4	70.3	80.6
EE	8.4	9.5	13.6
EL	7.8	8.0	8.5
ES	17.6	20.8	22.9
FI	22.4	25.3	24.8
FR	51.4	54.2	57.5
HU	9.7	11.2	13.3

Country	SGM per holding ≥ 1 ESU		
	2003	2005	2007
IE	21.5	20.3	21.1
IT	13.4	15.9	18.0
LT	3.8	3.8	5.8
LU	45.5	48.2	53.4
LV	4.2	5.2	6.9
MT	10.9	7.0	6.8
NL	95.7	102.6	111.3
PL	6.7	7.2	7.3
PT	8.7	9.6	9.7
RO	3.2	2.9	3.0
SE	32.1	24.5	31.1
SI	5.6	5.6	7.1
SK	40.4	38.7	30.1
UK	59.6	57.7	52.6
EU15	25.5	26.9	28.1
NMS-12	5.8	6.0	6.9

Source: Eurostat, 2010a, p. 31

Typically, the agricultural holdings of considerable economic size are also physically large holdings, as is the case in the United Kingdom, and intensive agricultural holdings, as mainly found in the Netherlands and Belgium. In Denmark, a combination of intensive agricultural production and the physical concentration of agricultural holdings has led to an SGM per holding of four times the EU27 average.

Decreasing employment, increasing seasonal work

Turning to employment, structural change has resulted in a drop in the number of people working in agriculture over the last decades. The main factor driving this trend is increased labour productivity due mainly to the growing industrialisation of the production process through technical innovations, such as the use of modern agricultural machinery (Happe, 2007 and IG BAU, 2010).

According to the FSS, the overall agricultural workforce dropped 11.8% between 2003 and 2007. Farm work – including work by the non-regular workforce – represented nine million annual working units (AWUs) on all holdings, which is the equivalent of nine million people working full time.³

³ Eurostat (2010) defines one annual work unit (AWU) as the work performed by one person working in an agricultural holding on a full-time basis. Full time means the minimum hours required by the relevant national provisions governing employment contracts. If the national provisions do not indicate the number of hours, then 1,800 hours are taken to be minimum annual working hours (equivalent to 225 working days of eight hours each).

With 75.5 % of all AWUs provided by family members, it can be seen that EU agriculture is still largely based on family farms. With the exception of Malta and Poland (with a 3.3% increase), there was a decrease in the number of AWUs in all countries between 2003 and 2007 (Eurostat, 2010a). However, an increasing portion of the workforce is not occupied full time in agriculture.

While the total agricultural workforce has decreased, there has been an expansion in seasonal work, fuelled mainly by central and eastern European workers temporarily migrating to western Europe – there are some four million people now working temporarily in countries other than their home countries in European agriculture (European Commission, 2010). Seasonal work is predominantly characterised by manual tasks requiring little or no previous knowledge in harvesting, planting and caring for specialised crops.

New demands for specialised services

In line with the overall decrease in employment in agriculture and the demand for less-qualified workers for simple tasks, there has been a simultaneous increase in professional qualification requirements for labour. At the same time, new areas of activity have come into existence, often in fields directly related to farms or producer networks. Examples are product processing, sales and marketing, and energy production. In most of these new areas, new and specialised knowledge is required. This has led over recent years to a continuous increase in the relevance and volume of the activities of companies providing direct services to agricultural holdings.

Such holdings are normally above average both with regard to the amount of land farmed and to their economic size, and intent on continuously enhancing their economic efficiency by cutting costs. Many agricultural companies need to engage service companies to cope with the volume of farm work, which has led to agricultural and rural contractors gaining significant importance, especially in recent years. The variety of service activities offered is dependent on the structure and degree of development of agriculture and forestry in individual Member States (IG BAU, 2010).

Relevance and main characteristics of ARCs 2

Looking at the agricultural sector overall, ARCs have gradually developed over the last 50 years, in line with the professionalisation of farming, with a noticeable increase in their significance over the last 10–15 years. The sector's increasing relevance is to a great extent the result of the above-mentioned historical process of diversification in European agricultural holdings and the continuing structural changes in agriculture. ARC companies have benefited from the accelerating technical developments in agricultural machinery and the consequent increasing demand for more investment in such machinery and the knowledge required to operate it.

In most EU15 Member States particularly, the ARC sector is now partially or fully responsible for many agricultural production tasks and specific activities. In France, for instance, farmers spent €4 billion on external services in 2005 – a figure equivalent to 6% of overall agricultural production in the country. Since the 1990s, expenditure on external agricultural services has increased strongly, with intermediate consumption of agricultural services increasing by 18% between 2004 and 2010, according to the National Institute of Statistics and Economic Studies (INSEE). By contrast, ARCs are only marginally existent in the majority of the NMS.

Tasks and activities

As part of the agricultural economic system, the main activity and relevance of ARCs lies in the provision of various services to farmers, forest owners and local authorities. The rapid developments and changes in agriculture have resulted in a wide range of new production methods. To a growing extent, these new methods are carried out by ARCs, either substituting or complementing traditional agricultural activities. Depending on individual requirements, the services provided can cover all activities related to agriculture and forestry, including harvesting, transportation, soil work, fertilising and spraying.

Generally speaking, ARCs are service providers, specialising in consulting and mechanised tasks and working for clients in the private, public, agricultural, rural or forestry sectors. These agricultural services consist of five main categories of activities, with uptake varying greatly depending on the structure and evolution of agriculture in the individual EU27 Member States:

- cultivation services such as soil preparation (ploughing, manure/slurry spreading, sowing), crop protection (phytosanitary treatment), harvesting, the operation of irrigation systems, silage making;
- livestock breeding services including stabling, artificial insemination, milk recording and performance monitoring;
- forestry services, such as tree harvesting, pruning, reforestation;
- rural services, such as landscaping, hedge cutting, lawn mowing, winter services, environmental protection, composting; and
- construction services, such as drainage, drilling, transport, dredging.

The increasingly specialised agricultural activities with enhanced productivity demands require the involvement of technical service providers. In particular, for activities involving the use of expensive machinery, ARCs are often seen as an alternative to farmers and forest owners doing the work themselves, with ARCs providing the high-technology equipment and specialised know-how.

In this respect, ARCs help farmers to reduce costs and the amount of capital tied up in fixed tangible assets, boosting their income and leveraging new technological opportunities in agricultural production. In Germany, for instance, 90% of the annual grass and corn harvest and 70% of the crop harvest is already carried out by ARCs. The reason is the high cost of purchasing and maintaining agricultural machinery, which many farmers cannot afford, especially when they only

use such machines at harvest time. In addition, most farmers and forest owners do not permanently employ the necessary number of employees and would have to hire seasonal workers at peak times. In such situations, contracts with ARCs offer an attractive alternative.

These companies possess the necessary high-capacity, capital-intensive machines, along with employees trained in their use. Due to the fact that ARCs generally provide services to different farmers at the same time, the machinery can be used to its full capacity – an essential requirement for any profitable investment.

Furthermore, ARCs are expected to provide new ideas and services to an increasingly diversified and technically sophisticated agricultural and rural sector, with an increased focus on environmental issues. Many interviewees considered ARCS to be significant ‘drivers of innovation’ and important ‘vehicles of investment’.

In Germany, for example, contractors invest around €500 million in new technology each year, and CEETTAR estimates that between €5 and €6 million is invested in equipment across Europe every year (based on a reasonable average turnover of less than €500,000 a year per company). To ensure compliance with technical standards, an investment volume of approximately 25% of annual service revenue is needed, according to the German National Employers’ Association of Agricultural and Rural Contractors, BLU.

However, significant differences exist with regard to the focus of ARC activities and the pace of the sector’s development in Denmark, France, Germany and Poland.

Denmark

According to estimates given by interviewees in Denmark, about 85% of farmers make use of contractors for harvesting activities, while livestock breeding services are less important. Slurry spreading is one activity almost exclusively carried out by ARCs.

According to interviewees, activities outside agriculture have gained in importance over the past few years, especially in the field of construction such as transport, waste water and drainage. This development reflects the high degree of competition within the Danish ARC sector, leading to increased pressure on ARCs to search for business opportunities outside agriculture.

In 2009, the Danish ARC sector experienced – for the first time in many years – a decrease in total revenue of approximately 10%, after total revenue grew by 73% between 2000 and 2008 (DM&E, 2010). However, the reason for the decrease between 2008 and 2009 is primarily seen as being due to the overall economic downturn as a result of the financial and economic crisis. Nevertheless, ARC harvesting and transport activities in the bio-gas industry have become more important over the last few years, with many interviewees seeing great potential for future activities in the field of renewable energy in Denmark.

Germany

In Germany, each of the above-mentioned categories of ARC activities (cultivation services, livestock breeding services, forestry services, and rural and construction services) are relevant, although, according to German interviewees, cultivation services still play the largest role.

Looking at the specific features of the German situation, the role of bio-gas has risen sharply over the last few years due to changes in legislation. The German Law on Renewable Energy adopted in 2000 was the trigger for this development, particularly with its provision for renewable energy feed-in tariffs (Einspeisevergütungen) with their direct impact on agriculture and other sectors.

Over the past 10 years, the number of bio-gas plants in Germany has risen from 1,000 in 2000 to an estimated 5,700 in 2010 (BLU, 2011). Contractors play a significant role in transporting organic material to and from these plants, some of which are even operated by ARCs. The employer association put forward the assumption that the vast majority of contractors in Germany were active in harvesting and transporting crops for bio-gas plants, with many also engaged in sowing crops, though this is usually done on behalf of farmers. In addition to such crops, slurry and other substrates are used as ‘feed’ in bio-gas plants.

As an example, a contractor responsible for the short-distance (2–3 km) supply and disposal of organic material for a 500 kilowatt bio-gas plant achieves an annual turnover of €100,000–€130,000. As distance increases, this amount rises significantly.

With a continuing trend towards larger bio-gas plants, transport quantities and distances will continue to rise. The German employer organisation BLU estimates that the German ARC sector now achieves more than 20% of its annual turnover in the bio-gas segment, out of the branch’s annual turnover of €2.3 billion. Though the ARC sector appreciates this development, the expansion of bio-gas production, combined with the displacement of cereal areas for corn, has reduced combine harvester activities. The already high pressure of competition in the investment and capital-intensive combine harvester segment is expected to continue rising, leading to a steady erosion of profit margins. Against the background of the boom in bio-gas, it is obvious that many contractors have invested heavily in more efficient choppers. At the same time, the price competition and the risk of overcapacity have increased.

Compared to Denmark, construction services, particularly transport and shredding, are becoming more important for ARCs in Germany as a way of optimising their capacity utilisation. However, agricultural and forestry activities remain the main business operations, accounting for some two-thirds of all ARC business activities and with a 70% share of sales.

As stated by the employers’ association, nearly 98% of corn harvesting is carried out by contractors. Besides this, phytosanitary activities are gaining in importance. Another field of increasing relevance is that of outsourcing the whole seed-to-harvest cultivation process (Komplettbewirtschaftung) of huge areas, of 1,000 ha or more, including risk- and revenue-sharing with the farmers.

Finally, ARCs are increasingly offering a full range of services to farmers going beyond traditional harvesting and transport activities, involving advisory services on the selection and testing of seeds, the determination of the best harvesting date, the development of new products and markets (such as renewable energy), and financing with respect to EU structural funds. This gives farmers more time to concentrate on their core activities such as cattle or pig fattening, where ARCs are less active. According to the German farmers’ association, the ARC full-service offer is even higher in forestry.

France

Most of the main activities of ARCs presented above have not changed much in France in recent years, with activities meeting basic agricultural needs. One development, however, involves the use of new phytosanitary products, with contractors striving to follow product innovations and increasingly tight regulation in this area. In spreading and spraying, development is being triggered by tougher environmental standards imposed by public authorities. ARCs are well placed to offer groups of farmers the right logistics, complying with restrictive spreading/spraying schedules and using the latest techniques and machines.

In France, contractors’ activities on the rural side are directed at rural engineering and landscaping. This should not be confused with landscaping activities done, for instance, for a private or public garden although it is sometimes difficult to distinguish between the two.

From an institutional perspective, the ARC sector is clearly separated from that of landscape architects or gardeners, which have their own professional organisations. In this sector contractor activity mostly involves the upkeep of roadsides or railways for clients such as motorway management companies, the national railway company SNCF, or for public authorities (the upkeep of the sides of minor roads, for instance).

The changes here are partly due to a growing concern about the environment among these clients, but also to the transformation of public employment. Decentralisation laws have entrusted local authorities with new tasks previously carried out by the state. This in turn has led to increasing needs, in particular regarding landscaping alongside roads. At the same time, mechanisation has progressed, making it necessary for work to be organised on a sufficiently large scale and done by specialists. As a result of these drivers of change, subcontractors are increasingly being used instead of employed public sector staff. With local authority intervention growing in such new markets as biomass and wood-based renewable energy, new opportunities for ARCs can be expected to arise.

Generally speaking, French ARCs are not yet active in the construction sector or in the field of biomass/bio-gas, or of renewable energies in general – particularly since there is no legislation promoting bio-gas. Companies from traditional agriculture sectors are, however, starting to operate in these new segments.

A somewhat new field for ARCs in France is that of the environment. In recent years new quality requirements, a growing concern for the protection of the environment, and the will to concentrate on core business have resulted in the growing use of contractors in agriculture and forestry. In this context, it is important for the contractors and farmers to work closely together to ensure that farmers meet all cross-compliance requirements for EU structural fund subsidies. In addition, these quality requirements have made it necessary to use certain types of highly innovative machinery that is unaffordable to small farmers. Following the logic of cost minimisation, farmers are increasingly engaging agricultural or forestry contractors.

Poland

ARC sector boundaries in Poland seem to be atypical compared to the other countries in the sample. First and foremost, desk research results clearly show that the ARC sector has not yet received any significant attention from existing national data-gathering sources. Secondly, with no distinct boundary able to be drawn between the agricultural and ARC sectors, they will not, and for practical reasons cannot, be treated separately. Thirdly, in contrast to most of France, Denmark and Germany, Polish agriculture remains fragmented, with a very large number of small-sized agricultural holdings. This can be explained by historic circumstances – Poland was the only country of the former Soviet bloc where the Communist government's programme of collectivising agriculture largely failed. So the majority of farms remain not just in private hands, but also in a state of paralysis, with individual holdings staying relatively small.

Even so, contractors are active in Poland, although the opinions of Polish interviewees vary significantly on the actual size of the sector, whether it includes just businesses with a legal status, or whether a broader view should be taken to include all entities that are actively providing such services.

The major actors in the sector explain these conflicting views by the tendency to establish ad-hoc definitions because there is no clear-cut formal definition of 'services for agriculture'. Given the extent of the shadow economy in the sector, combined with the lack of factual data, individual opinions are bound to differ.

According to the Polish employers' association, all of the above-mentioned categories of services to agriculture can be found in Poland, although support activities for crop production and post-harvest crop activities dominate. The association's interviewee stated that support activities for animal production remain marginal. According to a trade union interviewee from Germany, structural change in Poland will continue, opening up opportunities for ARCs mainly in the field of animal husbandry such as feeding, mucking out and milking.

Polish ARC company 1 – expanding the focus of activity

One of the Polish ARC companies taking part in the study was founded in 1998 and has 90 permanent employees, 9 or 10 of whom are responsible for providing agricultural services. The company initially focused on importing farming machinery and equipment in northern Poland, but subsequently became an authorised dealer of New Holland agricultural machinery. In 2004/2005, the company expanded its business by introducing additional services to agriculture including grain cutting, straw pressing, fodder collection and renting of machinery such as tractors and harvesters. Only regular customers are eligible to rent the equipment, as they have to operate it themselves. All customers are adequately trained by the company before receiving the equipment.

Polish ARC company 2 – an additional ‘business path’

The second Polish company was established in 1999 and has four permanent employees and an additional six to eight seasonal workers per year. Gradually, the company broadened its scope of operations from dealing in parts of agricultural equipment and machinery to becoming a dealership of full equipment and machinery. Finally, the company expanded its operations to services to agricultural holdings. According to the owner and operator of the company, this business development path is quite typical for ARCs in Poland, as companies that deal with used machines or parts often subsequently become agricultural and rural contractors. The owner explained: ‘If it is difficult to sell the equipment, you can always offer services by using that equipment – and achieve profit in this way.’

Structure; economic and organisational profile

In contrast to the large amount of literature on the development of the agricultural sector, there is still only limited information on the role and economic impact of agricultural and rural contractors in Europe. In 2001 CEETTAR conducted a survey analysing the increasing economic and social importance of the ARC sector in the European Union. The study, based on a sample of 10 European states and 132 contractors, provided the first overview of the characteristics and structures of the European ARC sector. However, the study is statistically not representative and the information is now obsolete, meaning that the results need to be checked and complemented through further research.

Number of companies

CEETTAR represents 84,000 independent companies in 13 European Member States: Belgium, Denmark, Germany, France, Italy, Ireland, the Netherlands, Poland, Portugal, the United Kingdom, Slovakia, Spain and Sweden. France has the highest number of companies, with about 23,200 contractors, followed by Germany with about 6,500 and Denmark with about 2,600, as indicated by official national statistics. Unfortunately, there are no data available on Polish ARCs (Table 6).

Table 6: Number of ARC companies in CEETTAR and country samples

Country	Number of companies*	Source, year
13 CEETTAR member countries	84,000	CEETTAR, 2010
Denmark	2,593	Danish statistical office, 2008
	600 (estimated)	GLS-A (employers' association)
France	23,219	MSA (Agricultural Social Mutual Insurance), 2009
Germany	6,480	Federal Employment Agency, Statistics, 2010
	5,500, of which 3,200 full time (estimated)	BLU (employers' organisation), 2010
	7,000 to 10,000 (estimated)	IG BAU (trade union), 2011
Poland	(no data available)	

Note: *The various national sources/statistics are based on different data-collection methods and a different data basis. The CEETTAR figures, for example, refer to 'independent enterprises'. In France, one-person enterprises without employees are also covered by MSA statistics. According to MSA, between 11,000 and 15,000 ARCs are one-person enterprises. The figures of the German Federal Employment Agency refer to establishments with at least one employee. The figures of the Danish statistical office refer to all enterprises registered for VAT settlement, regardless of the number of employees.

Even if available data about the number of ARCs and about changes in the number of companies in the selected countries in recent years are inconsistent (meaning that any comparative interpretation should be treated with caution),⁴ it is striking that France shows a considerable gain. The number of contractors both in Denmark and in Germany declined over the same period, presumably due to tough competition in the ARC sector in these countries and the resultant concentration process.

France

In France, about 23,200 contractor companies were registered with the French Agricultural Social Mutual Insurance (MSA) in 2009, though not all of them employ workers (cooperative contracting companies, CUMAs (see footnote 4), are not included).

Different figures put the number of ARCs with employees at between 8,000 and 10,000, representing between 34% and 43% of all registered ARCs. The 23,200 companies can be classified according to their main activity; around 15,000 (65%) are registered as companies active in agriculture and 8,200 (35%) in forestry.

⁴ This is due to different survey methods and different classifications and sources among the selected countries and also among the national institutions inside individual countries. As mentioned by many interviewees, one of the main problems of accurately identifying the number of ARCs and the extent of their activities in many countries is that many owners of smaller farms operate as contractors as a sideline or part-time, in a context of neighbourly cooperation. In Germany, a large number of farmers offer services in the context of *Maschinenring*, i.e., a consortium of farms jointly using agricultural or forestry equipment and the associated manpower. *Maschinenringe* are common in Bavaria, for instance. These activities are not sufficiently covered statistically, meaning that the researchers had to rely on estimates made, for instance, by the social partners. Another problem in the correct determination of the number of ARCs and their activities is the shadow economy in the ARC sector.

In France, CUMAs (*coopératives d'utilisation du matériel agricole*) are cooperative companies that rent agricultural machinery and provide services (such as manpower) to farmers, who themselves may be co-owners of a CUMA. Such cooperatives, associated with an asset shared directly by the farmers, differ from the more classical entrepreneurial aspect of ARCs, i.e. companies providing services to third parties. In certain databases, no distinction is made between the two forms of companies (ARCs and CUMAs). In France, there were 12,500 CUMAs in 2007. Forty-two percent of farmers are members of a CUMA, and 5,600 workers worked for CUMAs in 2007.

From 2003 to 2009, the total number of ARCs increased by 13% (in contrast to the number of farms which, according to the national statistics office, SSP, decreased by 24% between 2000 and 2007). However, there are significant development differences with regard to the segment the companies operate in. While the number of ARCs active in agriculture rose by 24%, that of companies focusing on forestry decreased by 2%.

Germany

In Germany, around 4,500 ARCs (or 69%) are active in agricultural business and nearly 2,000 (or 31%) in forestry, according to data provided by the German Federal Employment Agency in 2010. Most of the ARCs providing agricultural services focus on support activities for crop production (42%), followed by support activities for animal production (31%) and seed processing for propagation (25%).

Even if estimates of the average size of ARCs and the number of companies in each size class vary, both the German employers' association and the trade union stated that most contractors were small companies with up to 9 employees, with only a very few companies having more than 50 employees. Companies with more than 100 employees are very rare.

According to national statistics, the number of ARCs fell by 9% between 2007 and 2010, while at the same time, the overall number of companies in agriculture and forestry (taking companies other than ARCs into account) rose by 3%. The number of contractors decreased in both agriculture and forestry. However, it is clear that the larger companies with 10–49 employees were less affected (-1.5%) than smaller companies with 1–9 employees (-10%).⁵ This trend reflects the intensification of competition in the sector. According to the interviewee at company level, ARCs have two strategies available to them to cope with competition: either niche specialisation for small companies, or offering the full-range provision of diversified services for relatively larger companies. The interviewee expected the ARC sector to be increasingly affected by competition and ongoing structural change in agriculture, while at the same time dealing with the risk of decreasing equity ratios and farming margins. Liquidity shortages and financial difficulties could start hitting farmers, leading to a situation where they are no longer able to afford contractors' services. The interviewee expected the importance of the ARC sector to increase in the future, even though the number of companies could decrease.

Denmark

In Denmark, more than 2,000 ARCs (or 78%) registered by the national statistical institution in 2008 are active in the field of agriculture, with the remaining 560 (or 22%) providing forestry services. Similar to the situation in Germany, the main focus of ARC agricultural activities is concentrated on crop-production services (44%), followed by support activities for animal production (34%). Activities associated with seed processing for propagation are less important in Denmark, with less than 1% of contractors specialising in this area.

Interviewees from the social partner organisations stated that most ARCs are small companies with between 1 and 9 employees, and contractors employing more than 30 people are rare. Between 2002 and 2008, the total number of ARCs decreased by 7% while the number of companies in agriculture and forestry (not including ARCs) decreased by 16%. This trend is also confirmed by other Danish interviewees.

⁵ Development in company size class with 50 and more employees is not considered. Due to the small number of companies in that class, not all cases are reported in the national statistics for data protection reasons.

In their appraisal, strong competition in the ARC sector was leading to the disappearance of smaller, less competitive companies and to a concomitant rise in the number of bigger companies that continue to extend their business activities. Therefore, the key competitive factors for Danish ARCs are seen to be either economic size coupled with a broad range of offered services, or a niche strategy offering specialised services. An interviewee from one of the two employer associations expected the total number of ARCs to remain stable over the next 10 years, with new companies entering the market and others disappearing. By contrast, the interviewee from the other employer association expected to see a steady increase in the total number of contractors.

Poland

The number of ARCs operating in Poland cannot be accurately established. According to the Polish Association of Agricultural and Rural Contractors (PZPUR), there are approximately 200,000 farms producing for the Polish market. In general, these farms constitute the primary target group for agricultural and rural contractors. PZPUR estimates the number of persons (not companies) actively engaged in the provision of agriculture and rural services at about 14,000. One interviewed representative from a contractor gave this estimate: ‘There are approximately 30,000 entities which provide agricultural and rural services. However, most of them are just individual farmers. Let us say that around one in ten of all those employed in agriculture provide services.’

However, there is a political obstacle in Poland preventing ARCs from both starting up, and from gaining in importance as service providers to farms. The interviewee believes that EU funds flowing to the NMS after accession effectively triggered a process of technical modernisation in Polish farming. Yet, paradoxically, this also prevented the further development (and possibly, consolidation) of agriculture and rural services since large numbers of farmers used the funds to purchase their own machinery and equipment. The interviewed public administration representative pointed out that Polish farmers were ambitious, striving to be as independent as possible and therefore preferring to buy their own equipment if possible rather than relying on contractors.

Since no official statistical data on the number of ARCs in Poland are available, statistical data on the number of businesses found in the National Business Register (REGON) database may be taken into account. Table 7, based on figures calculated by the Polish Institute of Agricultural and Food Economics (IERiGŻ), provides aggregated figures for mechanical/automation and animal husbandry (including insemination) services.

Table 7: *Number of businesses providing services for agriculture, Poland, 2004–2009*

Year	Businesses providing mechanical/automation services	Businesses providing animal husbandry services	Total
2004	9,066	2,748	11,814
2005	10,053	2,939	12,992
2006	10,761	3,001	13,762
2007	11,405	2,889	14,294
2008	11,947	2,915	14,862
2009 (1st half)	12,126	2,899	15,025

Source: IERiGŻ, 2009

According to the IERiGŽ data, the number of officially registered businesses active in the field of services for agriculture provision has been growing at a slow, yet relatively steady pace since 2004.⁶

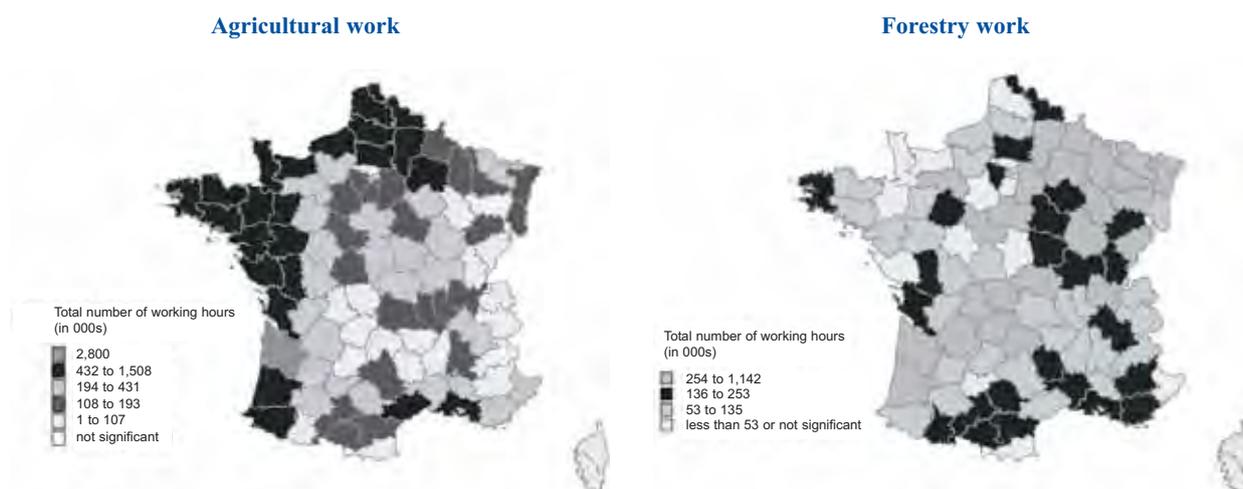
National distribution and regional disparities

In all four analysed countries the ARC sector varies from region to region in a similar pattern to the regional differences seen in the overall agricultural sectors. ARCs are mostly present in regions with large agricultural holdings and large utilised areas, where farmers demand services for economic reasons. This naturally leads to a large number of businesses. As a result, the number of ARCs shows significant regional differences in each country.

France

In France, specific regional features can be observed in agriculture, with certain regions dominated by grain and other field crops and other regions famous for vineyards. Although ARCs in France also provide services to winegrowers, their main customers are field crop farmers. The result is that most French ARCs are to be found outside the traditional winegrowing regions. Figure 1 shows the number of hours worked by ARCs in agriculture and forestry by region in 2006. It shows that ARCs focusing on agriculture are more active in the northern and western parts of France, and consequently located there, while ARCs doing forestry work are particularly active in the north-eastern part of France.

Figure 1: Number of hours worked by ARCs in agriculture and forestry by region, France, 2006



Note: The '2,800' category in the left-hand chart stands for one region which seems to be different to the rest of the country – this is the Bordeaux region where many ARCs are active in the wine sector.

Source: MSA

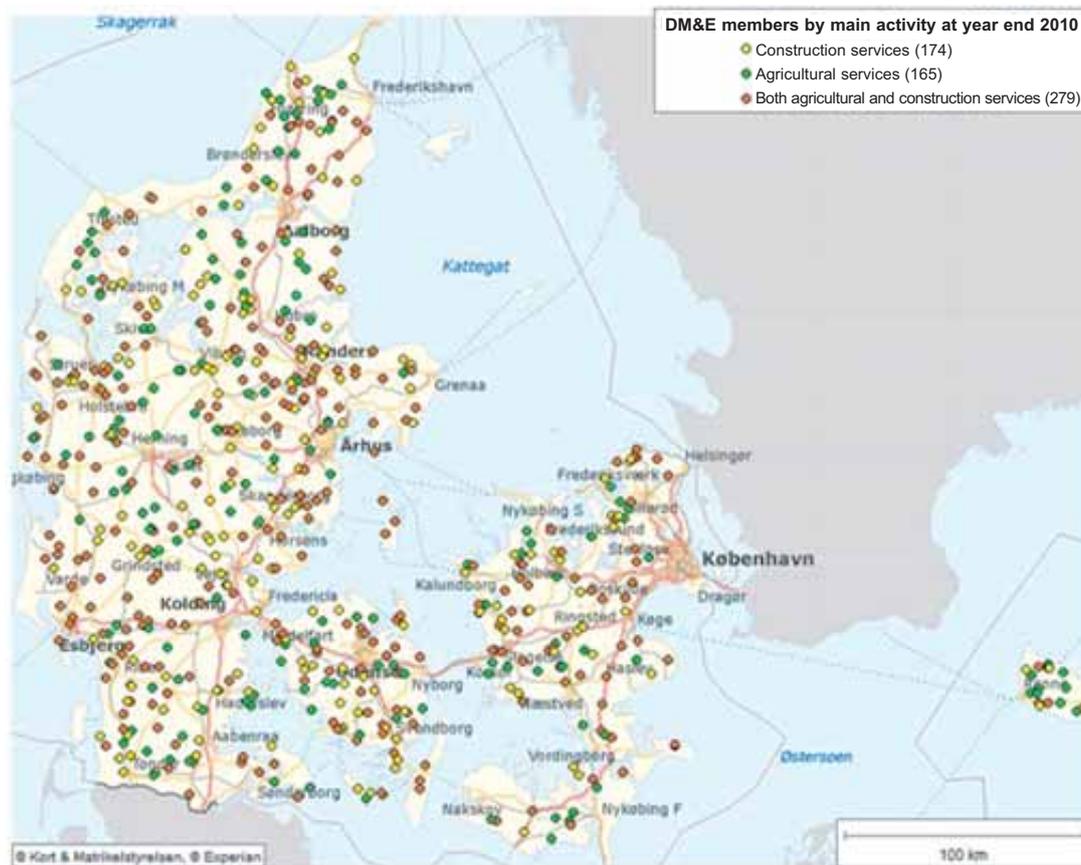
Denmark

Danish agriculture is characterised by a focus on cultivation and crop growing in the east and south of the country, while stock breeding, especially pigs and cows, dominates in the west. Since Danish ARCs are mainly active in crop production and harvesting, most contractors, especially the relatively bigger companies, are located in the eastern and southern regions, according to the interviewees. The density of ARCs in western Denmark is lower although ARCs are active there in slurry spreading.

⁶ It should be noted that the classification of the sector as defined by IERiGŽ differs from the European NACE classification. The definition of the ARC sector at national level is broad, with the following types of services included: mechanical/automation assistance, equipment and machinery repair services, veterinary services, and animal husbandry services.

Figure 2 shows the geographical distribution of the 618 Danish ARCs that are members of the Employers' Association of Agricultural and Rural Contractors, DM&E. In contrast to the explanations of the interviewees regarding the whole ARC sector, the geographical distribution of DM&E members by main activity appears to be evenly spread across the country.

Figure 2: *Geographical distribution of ARCS by main activity, Denmark, 2010*



Source: DM&E, 2010, p. 4

Germany

Geography and tradition have led to a situation where German agriculture is characterised by a strong north–south divide, with large agricultural holdings in the northern plains and smaller-sized ones in the south. In eastern Germany agriculture is characterised by comparably large farms and immense utilised areas, mainly the result of state agricultural policy during the Communist era, with its focus on land redistribution and large agricultural units. Accordingly, most ARCs are located in the northern and north-western part of Germany, with its strong tradition of cultivation and stock breeding (see Figure 3).

According to BLU, nearly 60% of its members are located in the three northern German states of Lower Saxony, North Rhine-Westphalia and Schleswig-Holstein. ARCs are particularly active in the regions where farms concentrate on value-adding livestock operations, with a major factor influencing demand for contractors being the unavailability or lack of working capacity on farms. Time is limited on these value-adding farms and contractors are responsible for non-core activities. In eastern Germany, the number of ARCs is not as high as in the north-west, although the size of ARCs is usually larger, corresponding to the larger size of agricultural holdings in this region. There are a large number of ARCs in southern Germany, but they are generally smaller in size than their counterparts in northern Germany for structural reasons – agricultural holdings are smaller and more fragmented in southern Germany, such that requirements

for ARCs in terms of size and capacity are different. In Bavaria and Baden-Wurttemberg, ARCs often cooperate with farmers in process chains, with contractors responsible for cutting and farmers transporting crops.

Figure 3: *Geographical distribution of ARCs, Germany, 2011*



Source: *Beckmann-Verlag, Lohnunternehmen, 2011, 66 (1), p. 19*

Poland

There are also regional disparities within the ARC sector in Poland, with a major divide between the north-western belt and the central, southern and eastern regions. Across the north-western belt the Communist collectivisation process progressed furthest, resulting in a large number of state-owned farms being created. These were subsequently privatised after 1989, leading to the emergence of large farms. As a result, there is a growing demand for services in this region. In the central, southern and eastern regions collectivisation was less successful, with the result that the majority of farms were retained by their original private owners. The average acreage of such farms remains relatively small and consequently, according to Polish interviewees, their demand for external services remains low.

According to IERiGŻ (2009), the largest numbers of businesses in the agriculture services field were registered in the following regions: Mazowieckie (15%), Wielkopolskie (nearly 12%), Kujawsko-Pomorskie (8%), Łódzkie (8%), Lubelskie (7%) and Śląskie (7%).

Figure 4: The 16 regions (voivodships) in Poland



Source: BPI Polska

Legal forms

Table 8 is provided by CEETTAR (2001) and gives a first impression of the different legal forms of companies in the ARC sector. The table shows that the majority of companies participating in the survey were self-employed people with companies in their own name (59%), followed by private limited liability companies (31%).

Table 8: Legal forms of ARCs in 10 European countries, 2001

Legal forms of companies	BE	DK	DK	FR	IT	IE	NL	PT	SV	UK	Total
Self-employed/ company in own name	6	13	6	8	8	8	12	1	5	6	73
	8.2%	17.8%	8.2%	11.0%	11.0%	11.0%	16.4%	1.4%	6.8%	8.2%	100.0%
Public limited company	2										2
	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Limited liability company				3							3
	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%
Unlimited private partnership	4	10		6	1	2	4	5	4	2	38
	10.5%	26.3%	0.0%	15.8%	2.6%	5.3%	10.5%	13.2%	10.5%	5.3%	100.0%

Source: CEETTAR, 2001, p. 14

The picture gained here reflects the current situation, according to the information provided by the interviewees and national statistical agencies, where data is available. The basic rule is that the higher the number of employees, the more likely it is for a company not to operate privately.

France

In France, half of the contractors are companies with no employees (51%) according to the data collected by MSA. About 73% of ARCs with no employees do business as companies in their own name (Table 9). More than 7% of the contractors with no employees are controlled by an entrepreneur with a specific legal status (public limited company or limited liability company). More than half of the ARCs with at least one employee are companies with a non-salaried manager (55%). The largest portion of ARCs with a non-salaried manager are companies in their own name (52%), and less than 42% of the companies are limited liability companies or public limited companies.

Table 9: *Legal forms of ARCs, France, 2009*

	Companies with no employees				Companies with employees				
	Self-employed /company in own name	Public limited company/ limited liability company	Other	Total	With non-salaried manager			Other	(status not available)
					Self-employed /company in own name	Public limited company/ limited liability company	Other		
Forestry service companies	4,187 (86.7%)	386 (8.0%)	256 (5.3%)	4,829 (100%)	1,047 (61.4%)	486 (28.5%)	173 (10.1%)	1,706 (100%)	1,976
Agricultural service companies	3,722 (61.6%)	385 (6.3%)	1,934 (32.0%)	6,041 (100%)	2,127 (51.7%)	1,717 (41.7%)	270 (6.6%)	4,114 (100%)	2,828
Total	7,909 (72.8%)	771 (7.1%)	2,190 (20.1%)	10,870 (100%)	3,174 (54.5%)	2,203 (37.9%)	443 (7.6%)	5,820 (100%)	4,804

Source: MSA

Denmark

In Denmark, most ARCs operate as private companies. According to an estimate of one of the two employer associations, they divide up as follows:

- 50% are private companies;
- 40% are limited liability companies (ApS), requiring a minimum of one director and one shareholder recorded in the register of companies, with a standard authorised capital of DKK 125,000 (€16,800);
- 10% are joint-stock companies (A/S, or Aktieselskap).

The interviewee at the other Danish employer association estimated that about 90% of Danish ARCs are private companies.

Germany

The social partner organisations state that individual and private companies are the most common legal form in Germany. Relatively larger companies are more commonly limited liability companies, *GmbH*, with a minimum capital of €12,500. According to estimates given by the BLU, about 20–25% of their 3,200 members are limited liability companies and about 75% are individual and private companies. The legal forms of joint-stock companies or ordinary partnerships, *offene Handelsgesellschaft* or *OHG*, play no significant role in the ARC sector.

Poland

Looking at Poland, it is difficult to identify the most common legal form of ARCs because the vast majority of agricultural and forestry services are situated in the informal economy – as concluded by the IERiGŻ in its report on services for the agriculture market:

Besides the formal network, there is an informal network of services for agriculture, within which farmers use their mechanical and human resources to supplement their income from the basic source, i.e. agricultural production. Services are mainly provided by farmers who operate farms with a size of 15–20 ha and larger, and purchased by small and medium-sized farms.

(IERiGŻ, 2009, pp. 20–21)

All Polish interviewees agreed that the informal economy plays a decisive role in the sector. There is also a consensus on the primary motives behind the unwillingness of agricultural and rural contractors to leave the shadow economy, rooted in the specific legal environment governing agriculture in Poland:

- economic activity in farming is exempted from VAT;
- farmers are not obliged to pay personal income tax (PIT);
- establishing a business officially providing services to agriculture would entail both the business owner and his staff having to switch from the agriculture social security scheme (KRUS) to the general social security scheme (ZUS) (as long as they are employed on the basis of employment contracts complying with the Labour Code) and the mandatory contributions required by the ZUS scheme are less favourable.⁷

There is also unanimity among Polish sector representatives and stakeholders that informal services delivered in the form of neighbour-to-neighbour assistance are the main obstacle hampering the further development of ARCs in the formal economy.

⁷ In the first quarter of 2011, the basic quarterly KRUS contribution was PLN 321 (approx. €80) – this amount is a quarterly updated fixed sum. The ZUS insured have to pay a total social insurance contribution amounting to 31.3% of gross earnings, which is higher than the fixed KRUS contribution even in the case of minimum wage earners.

Employment in the ARC sector 3

Number of employees

For various reasons, it is quite difficult to make a clear statement about how many people are employed in the ARC sector in the country sample.

Firstly, the statistical NACE classification does not necessarily reflect the reality of the ARC sector, with not all activities provided by ARCs covered by these classifications. For example, services to public authorities or activities in the construction and biomass sectors are generally not covered by the NACE classes 01.6 and 02.4.

Secondly, the sector has a high share of seasonal work, with numbers of workers possibly doubling or even tripling at certain times of year. Official statistics do not normally reflect seasonal fluctuations in employment, only providing annual figures (mostly on a set date). Furthermore, it is rare for seasonal workers to be statistically assigned to the ARC sector.

Thirdly, the national statistical agencies as well as unions and employer organisations provide different employment figures, relying on different databases and different collection methods.

Due to these statistical problems, different data sources have to be combined and estimates by interviewees included to reach an approximation of employment in the sector.

Table 10 provides an overview of the approximate number of employees in the ARC sector in the sample countries.

Table 10: *Number of ARC employees in CEETTAR and sample countries*

Country	Number of employees in the ARC sector (rounded)	Source, year
13 CEETTAR member countries	425,000	CEETTAR, 2010
Germany	28,400 (including seasonal workers)	BLU (employers' organisation), 2010
	44,500	Federal Employment Agency, Statistics, 2010
Denmark	4,000 (estimated, including seasonal workers)	DM&E (employers' organisation), 2010
	4,000	Danish statistical office, 2008
France	71,400 (including seasonal workers)	MSA (Agricultural Social Mutual Insurance), 2007
Poland	14,000 (estimated, without seasonal workers)	PZPUR (employers' organisation), 2010

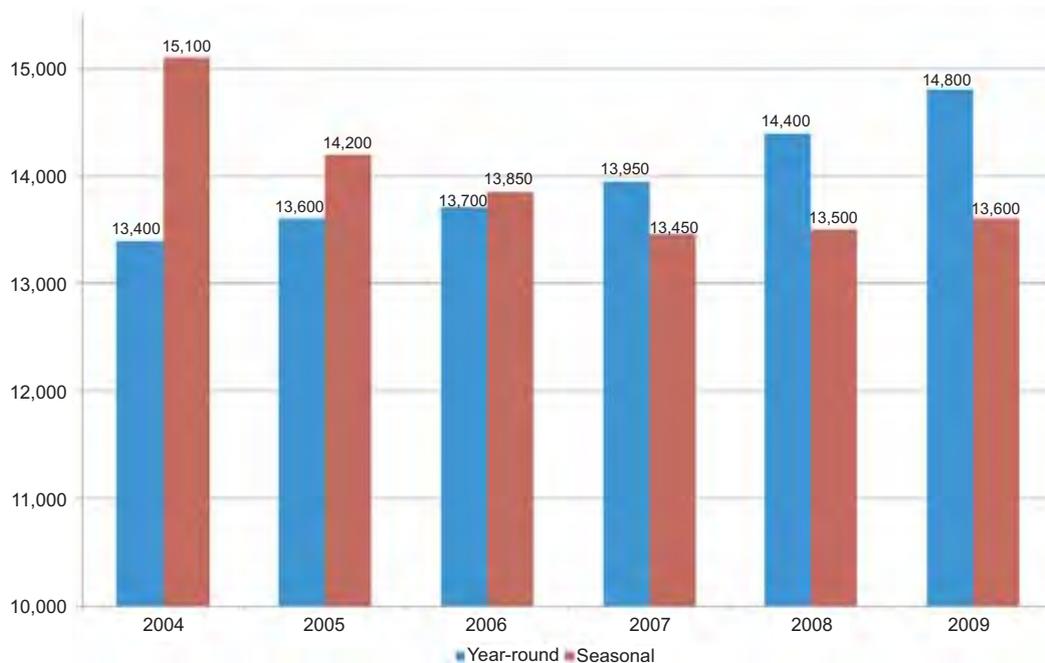
CEETTAR estimates that it represents about 425,000 employees. Taking into account differences in data and methodology, the largest number of employees is to be found in France, with more than 70,000 people working in the sector, though most are employed as seasonal workers. According to the German employer organisation, the ARC sector there employs about 30,000 workers, though the Federal Employment Agency lists more than 44,500. In Poland, the number is estimated at 14,000 by the employer organisation PZPUR. In Denmark, estimates put the ARC workforce at about 4,000 employees, according to DM&E, the same figure given by the Danish statistical office.

Germany

According to the Federal Ministry of Food, Agriculture and Consumer Protection (BMELV), the ARC sector in Germany includes 14,800 workers employed year-round and an additional 13,600 working on a seasonal basis (based on data provided by BLU) (see Figure 5). Interestingly, although the total number of employees has remained fairly stable, the

employment structure has seen changes, with the number of year-round employed workers increasing by 10.4% between 2004 and 2009, while that of seasonal workers fell by 9.9%. This development seems to point to a stabilisation of the full-time workforce and a high degree of capacity utilisation due to a diversified service portfolio of ARCs.

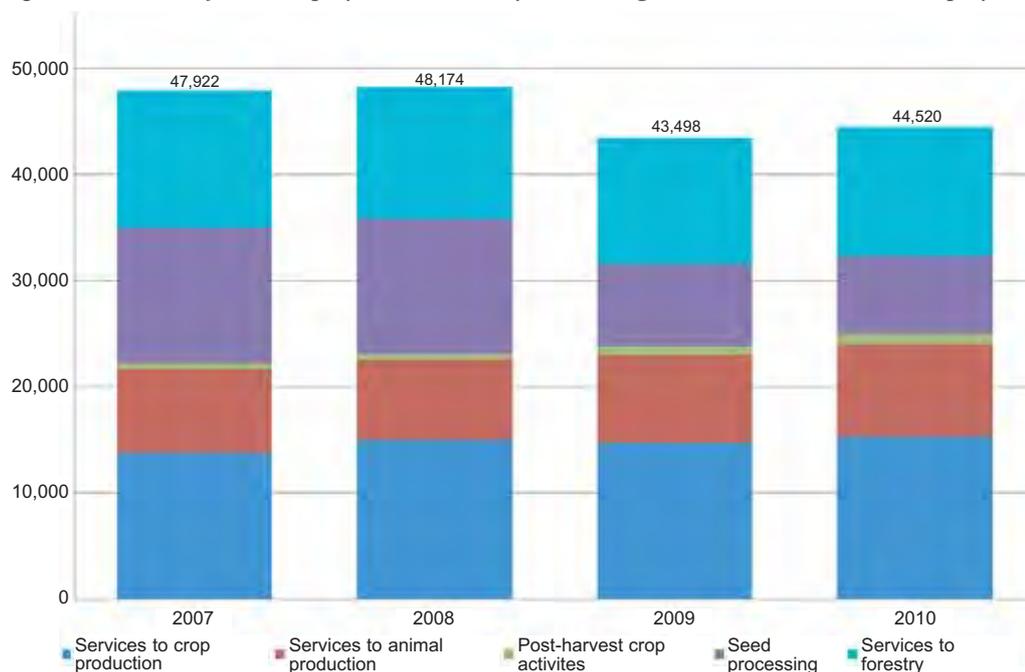
Figure 5: Number of ARC employees in Germany, estimated by BMELV, 2004–2009



Source: *BMELV, 2010, p. 49*

In contrast to the BLU/BMELV figures, the German Federal Employment Agency reports a total of 44,520 employees in the ARC sector, 31,015 of whom are subject to social insurance because they are earning more than €400 per month (see Figure 6). However, these figures do not reveal any information on whether these workers are employed on a year-round or seasonal basis. In 2010, the largest proportion (34.4%) of employees worked for companies providing crop production support services, followed by companies providing forestry services (27.6%) and companies providing animal production support services (19.4%). The employment share of companies specialised in seed processing for propagation accounts for 16.2%, and finally, the smallest share is associated with companies specialised in post-harvest crop activities (2.1%).

Figure 6: Number of ARC employees in Germany, according to the German Federal Employment Agency, 2007–2010



Source: German Federal Employment Agency

Between 2007 and 2010, the total number of employees fell by 7.1%, mostly attributable to a large decrease in employment in companies specialised in seed processing for propagation.⁸ It is clear that medium-sized companies with 10–49 employees were less affected by the decrease (-3%) than small companies with 1–9 employees (-15%) or bigger companies with 50–99 employees (-14%).⁹

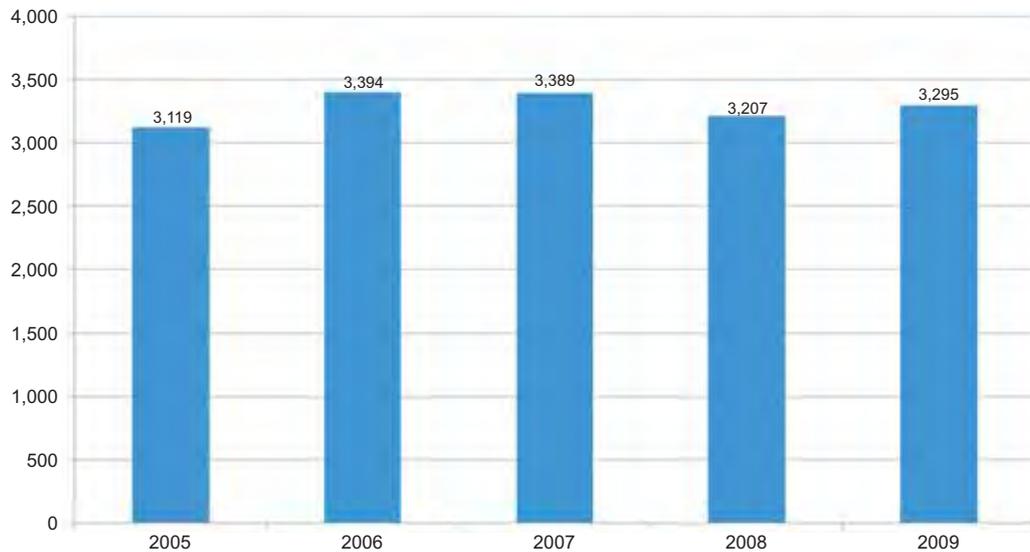
Denmark

In 2009, DM&E member companies employed 3,295 workers. However, according to the DM&E interviewee, the number of employees in the Danish ARC sector might be nearer 4,000 people (year-round), with an additional 800 seasonal workers. Between 2005 and 2009, the number of employees in DM&E member companies increased by 5.6% (see Figure 7), while the number of member companies (about 600) has remained stable over the last ten years (DM&E, 2010). A small decline in employment can be observed from 2007 to 2008, probably related to the effects of the economic crisis. According to the interviewee, ARCs active in the field of services to farmers were not hit as hard as ARCs active in construction and/or services for public authorities.

⁸ The validity of this data has to be considered with caution, as the respective NACE class (01.64) was subject to a statistical adjustment in 2009, probably causing the slump.

⁹ The number of companies with 100 or more employees is not considered here due to their small number.

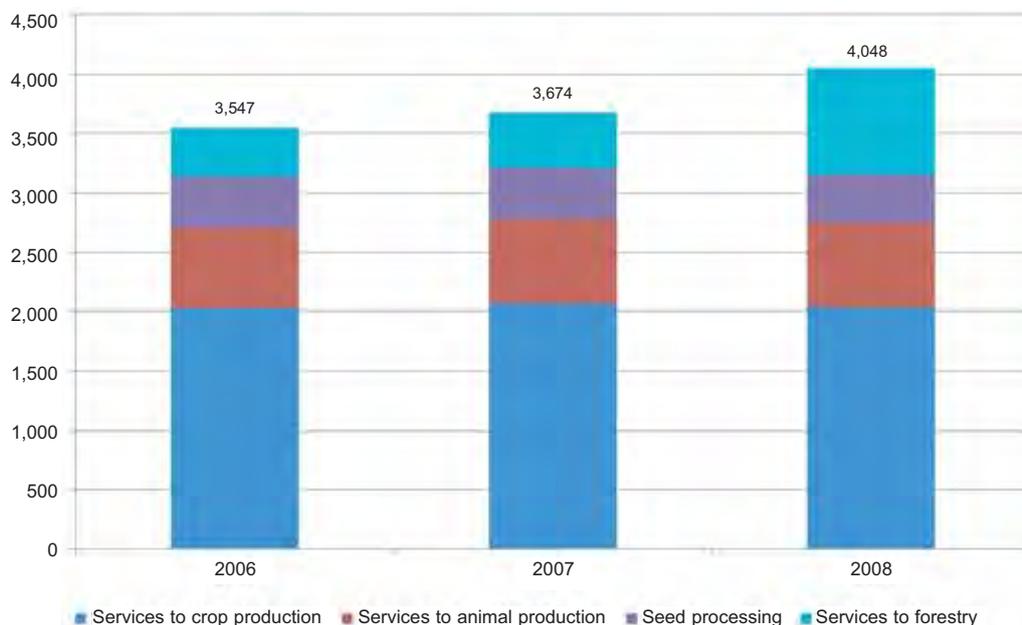
Figure 7: Number of ARC employees in Denmark, estimated by DM&E, 2005–2009



Source: DM&E

According to data from the Danish statistical agency, the ARC sector comprised 4,048 full-time equivalent employees in 2008 (see Figure 8). Unfortunately, these figures do not indicate employment status (full time or part time) or when workers are employed (year-round or seasonally). Between 2006 and 2008, the number of employees increased by 14.1%.¹⁰

Figure 8: Number of ARC employees in Denmark, according to the Danish statistical agency, 2006–2008



Note: Post-harvest crop activities (NACE 01.63) are not included in Danish statistics.
Source: National statistical office, Denmark

¹⁰ One of the reasons for the increase could also be the adjustment of the statistical sources for NACE class 02.4 in 2008.

France

In France, only 40% of companies in the ARC sector have employees. The remaining 60% are one-person companies, possibly with relatives involved.

According to MSA, 71,435 people were employed during 2009, most of them as seasonal and part-time workers. This is a 15.1% increase on the 62,042 workers employed in 2003. Almost 80% of workers were employed in companies providing agricultural services, with the remainder working for ARCs active in the forestry sector.

Considering that ARCs providing services to farmers only represent 66% of the total number of ARCs in France, it becomes clear that ARCs providing agricultural services are overall the main employers in the sector. In contrast to the fairly large total number of employees in the sector, the number of year-round employed is much smaller – just 28,000 in 2009 (see Table 11; cf. CGAAER, 2008). Again, most of them worked in ARCs providing services to farmers.

Table 11: *Number of ARC sector employees in France, 2009*

	No. workers employed (including seasonal workers)			No. jobs at year end	No. year-round employed workers
	Total	Men	Women		
Related to forestry	14,747	13,487	1,260	8,595	8,362
Related to agriculture	56,688	44,910	11,778	15,808	19,724
Total	71,435	58,397	24,403	24,403	28,086

Source: MSA

Poland

It is difficult to estimate the number of people employed in the Polish ARC sector since there are no official statistics for the sector. Even the social partners are not able to estimate the actual size of the sector, due to the impossibility of precisely delineating the sector from the overall agricultural sector. The ARC sector also has a high share of informal labour – or as one Polish union representative put it: ‘There are so many types of operations which may be counted as services for agriculture, from blacksmiths to accountants who keep books for farmers.’

PZPUR assesses the number of people actively engaged in providing agricultural and rural services at 14,000. However, as agriculture is an extremely seasonal sector of the economy, that number may double during the harvest season.

Comparison to agriculture in general

In recent years, employment in the overall agricultural sector decreased in the sample countries, according to data provided by the European Commission (2011), as shown in Table 12. Germany, France and Denmark each experienced a similar decrease in the agricultural workforce of around 20% between 2004 and 2009, attributable to the structural change in agriculture. In Poland, the decline in agricultural employment (-13%) was not so pronounced.

Table 12: *Number of employees in agriculture, sample countries, 2004–2009*

Country	2004	2005	2006	2007	2008	2009	2004–2009 (%)
Germany	835,000	866,000	844,000	859,000	690,000	649,000	-22%
France	953,000	906,000	932,000	876,000	704,000	753,000	-21%
Denmark	90,000	87,000	87,000	83,000	72,000	71,000	-21%
Poland	2,409,000	2,452,000	2,304,000	2,247,000	2,206,000	2,107,000	-13%

Source: European Commission, 2011, p. 143

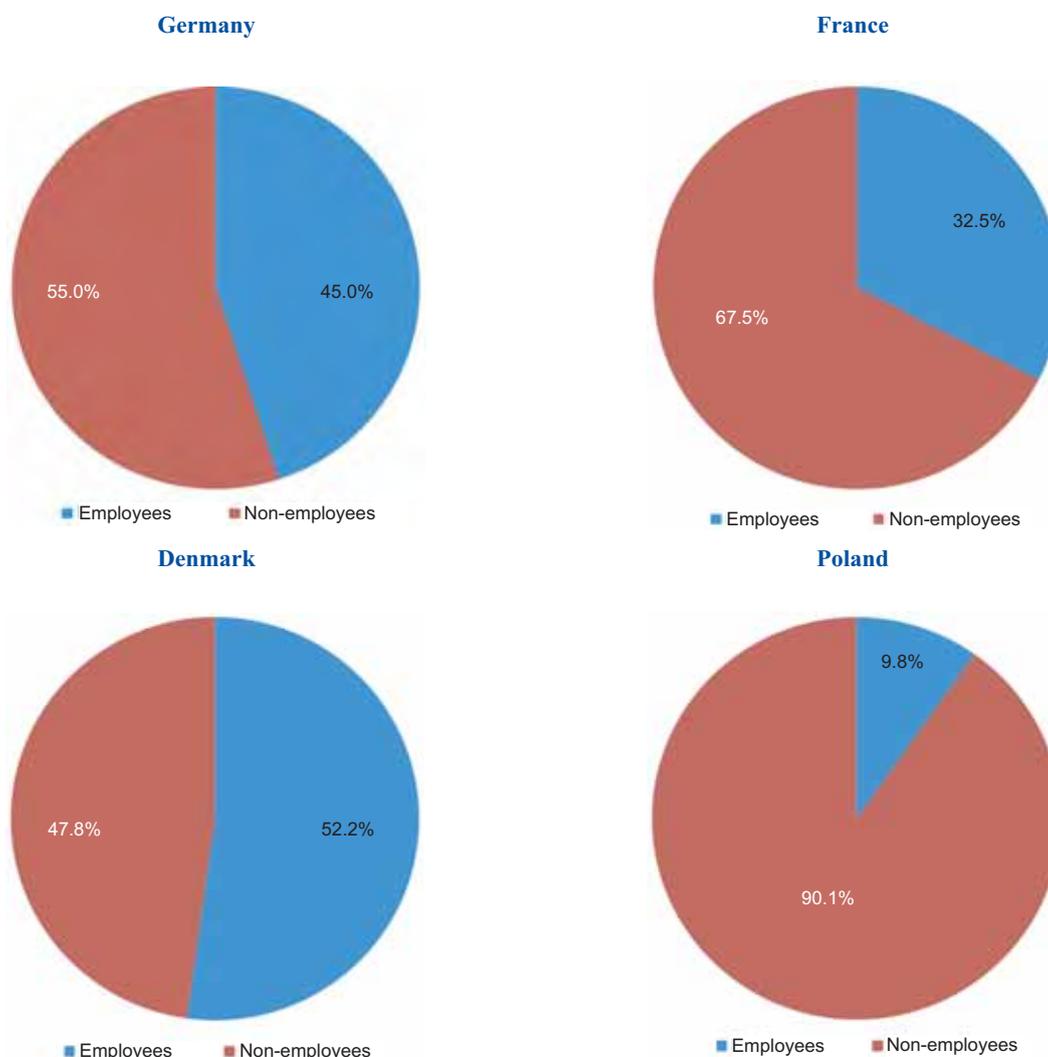
Comparing this employment data from the European Commission and the national statistics for the ARC sector stated above (and taking into account the fact that the surveys rely on different data sources and samples as well as different survey methods), the employment situation in the ARC sector seems to be more stable than in agriculture as a whole, or, when employment in the ARC sector has declined, the decrease has not been as pronounced as in agriculture.

Structure of employment

Employment and self-employment

Traditionally, agriculture is characterised by a high level of self-employment, with help from family members. With the exception of Denmark, all countries show a dominance of non-employee workers in agriculture, either self-employed or family members (see Figure 9). The highest share of non-employees can be found in Poland (more than 90%), followed by France (67.5%). Germany and Denmark have a more balanced workforce structure, with a share of 55% non-employee workers in Germany and 47.8% in Denmark.

Figure 9: Share of employed and non-employee persons in agriculture (including hunting, forestry and fishing), 2009

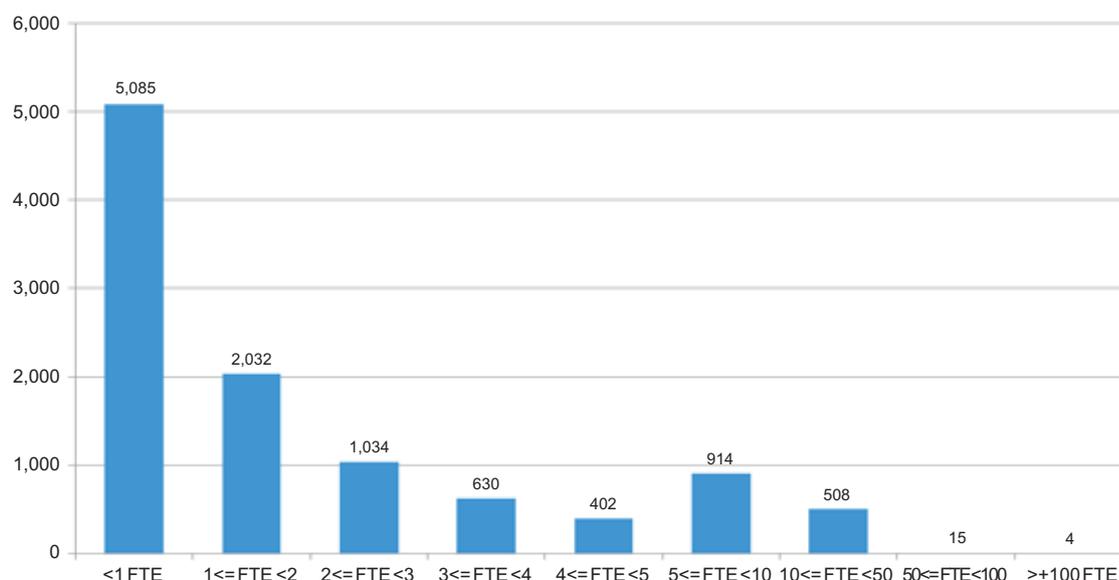


Note: 'Non-employees' means self-employed persons or family members.
Source: *European Commission, 2011, p. 146*

The workforce structure in agriculture is related to the overall structure of agriculture and the size of agricultural holdings. Countries with a large non-employee workforce are normally characterised by smallholdings owned and managed by the farmer and his family, without any employees. Such a preponderance of small agricultural holdings can be seen particularly in Poland and correlates with the high share of non-employee workers. By contrast, the average size of agricultural holdings in Denmark and Germany is larger (see above), resulting in a higher share of employee workers.

Generally speaking, the ARC sectors in the four analysed countries all have a similar workforce structure, reflecting the structure of the overall agricultural sector. As described above, ARCs have developed more in countries and regions where farmers own larger agricultural holdings and are thus more in need of specific agricultural services. As a result, Germany and Denmark generally have a higher share of larger ARCs (as regards employee numbers) than France and Poland, where the majority of holdings have no employees and rely only on the entrepreneur and his family. Furthermore, most companies that do employ workers in the latter countries have only a very small workforce of one or two employees. In France, most employees work for smaller-size companies. From a statistical perspective, 50% of companies have less than one FTE (full-time equivalent) (see Figure 10).

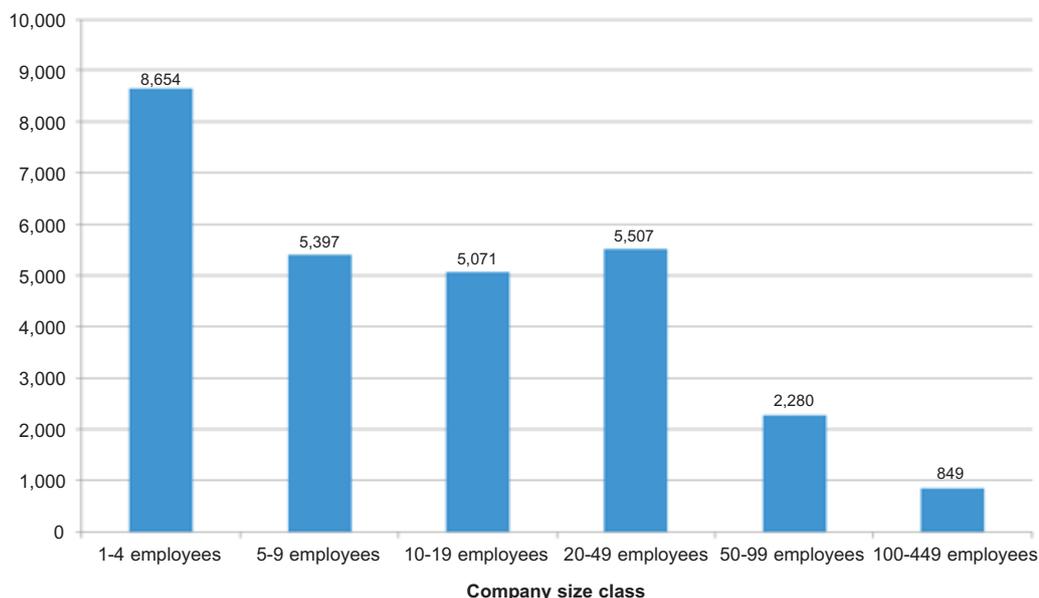
Figure 10: Number of ARC employees by company size (in FTE), France, 2009



Source: MSA

The situation in Germany is similar, with the highest number of companies employing just a few workers as shown in Figure 11.

Figure 11: Number of employees by company size class, Germany, 2010



Note: Due to the small number of large companies, data on those companies is not reported fully for data protection reasons.
Source: German Federal Employment Agency

Employment contracts

Unfortunately, there is hardly any reliable statistical material on the development of different forms of employment contracts, with statistical data only available for France (see Table 13). In 2009, open-ended contracts represented 28% of jobs and fixed-term contracts 72%. Part-time jobs only represent 4% of contracts. However, the French sector is distinctive in that time flexibility is reported over the year rather than the week, through a succession of full-time short-term contracts.

Table 13: Forms of employment contracts, France, 2009

	Total	Open-ended contracts			Fixed-term contracts		
		Full time	Part time	Total	Full time	Part time	Total
Forestry	16,328	7,470	733	8,203	7,611	514	8,125
Agricultural services	64,714	12,661	1,512	14,173	49,842	699	50,541
Total	81,042	20,131	2,245	22,376	57,453	1,213	58,666
Share	100%	25%	3%	28%	71%	1%	72%

Source: MSA

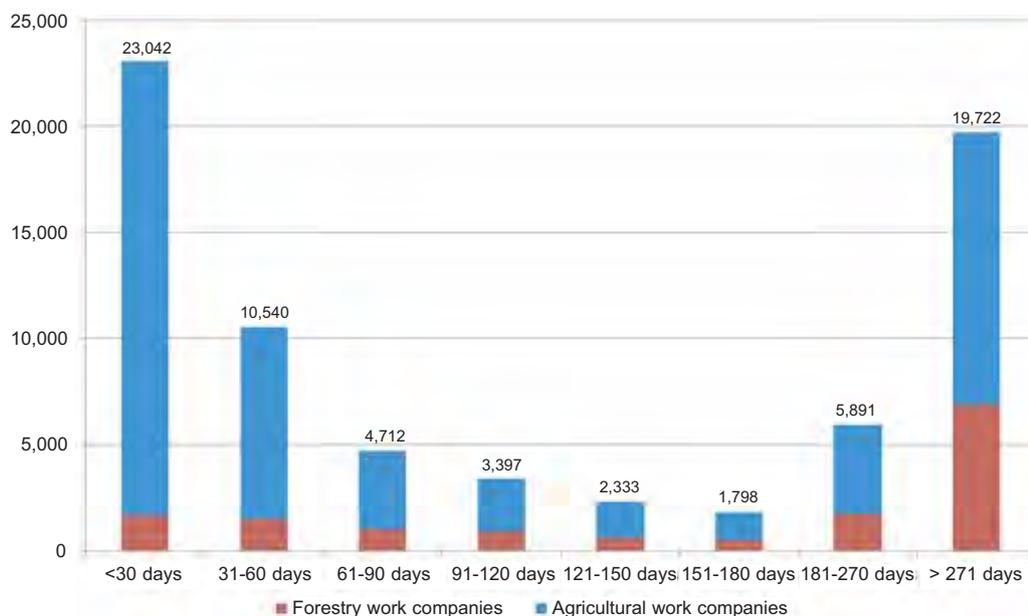
According to most interviewees, employees in the ARC sector – at least in Denmark, France and Germany – can be classified into two categories of workers:

- a large number of seasonal workers working only a few weeks a year;
- a core workforce employed year-round and in most cases full time.

Data from France (2009) shows a good example of this (see Figure 12), with some 33,000 workers in the French ARC sector employed for only 60 days or fewer each year, most of them even fewer than 30 days. These workers are obviously

for the most part seasonal workers. By contrast, nearly 20,000 workers were employed for more than 271 days or, in other words, working on a full-time and year-round basis. The share of year-round employed workers seems to be comparably higher in the forestry sector, which has fewer seasonal constraints.

Figure 12: Length of employment contracts in France, 2009



Source: MSA

Share of women

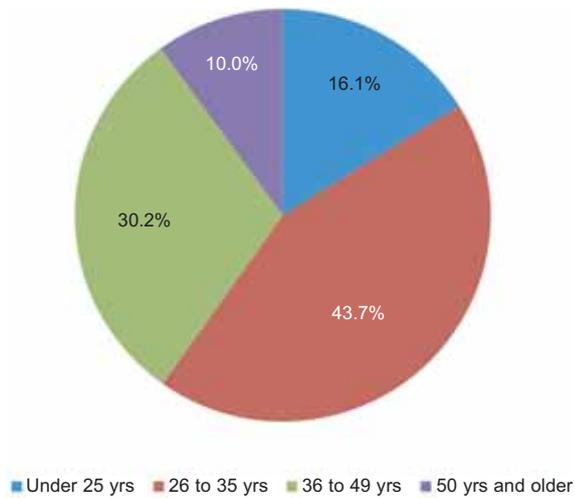
All interviewees reported that the share of women in the ARC sector remained very low, reflecting the structure in the overall agricultural sector. Most of the women working in agricultural services are wives, with the majority of them, according to the interviewees, working in administration, for example as a dispatcher, where they maintain contact with customers. Thus, it is more likely for employed women to be found working in larger companies with administrative structures. The low number of women who have completed specific vocational training – where available – in the agricultural sector is also an indicator for a low share of employed women. In Germany, for example, out of 533 apprentices on the skilled agricultural services vocational training programme *Fachkraft Agrarservice* in 2009, only 10 were women.

Age structure

According to most interviewees, the ARC sector is considered as quite a young sector, with the majority of employees aged between 20 and 35 years old. According to social partners and company representatives, younger workers are often attracted by the possibility of working with large agricultural machinery and at the same time are less scared by the often unattractive working hours in the ARC sector, especially during the high season. Furthermore, most seasonal workers are younger workers, for example students or farmers' children who work in the ARC sector during their holidays. Typically, jobs in ARC companies become less attractive after people start a family and become less willing to work long hours, especially during the high season.

The impression that the ARC sector has a higher share of younger people was also confirmed by CEETTAR in the 2001 survey of 132 ARC companies in Europe on the age structure of their workforce. According to this survey, most workers (59.8%) are younger than 36, with only 10% older than 50 (see Figure 13).

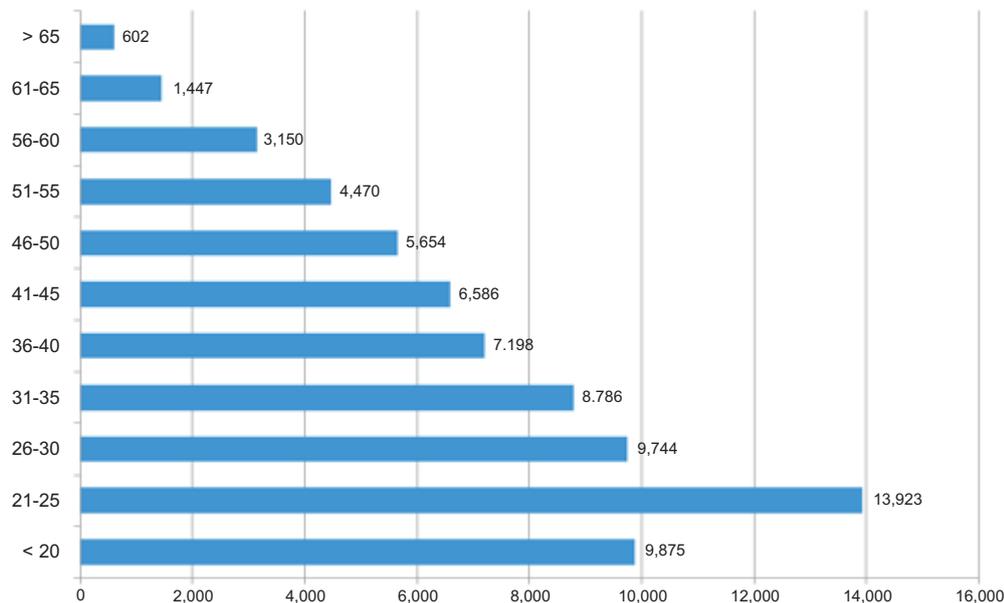
Figure 13: Age structure of employees (in %) in 10 European countries, 2001



Source: CEETAR, 2001, p. 16

Statistical data from France provides a similar picture, with 33% of the employees working in the ARC sector in 2009 younger than 25 and 59% younger than 35 (see Figure 14).

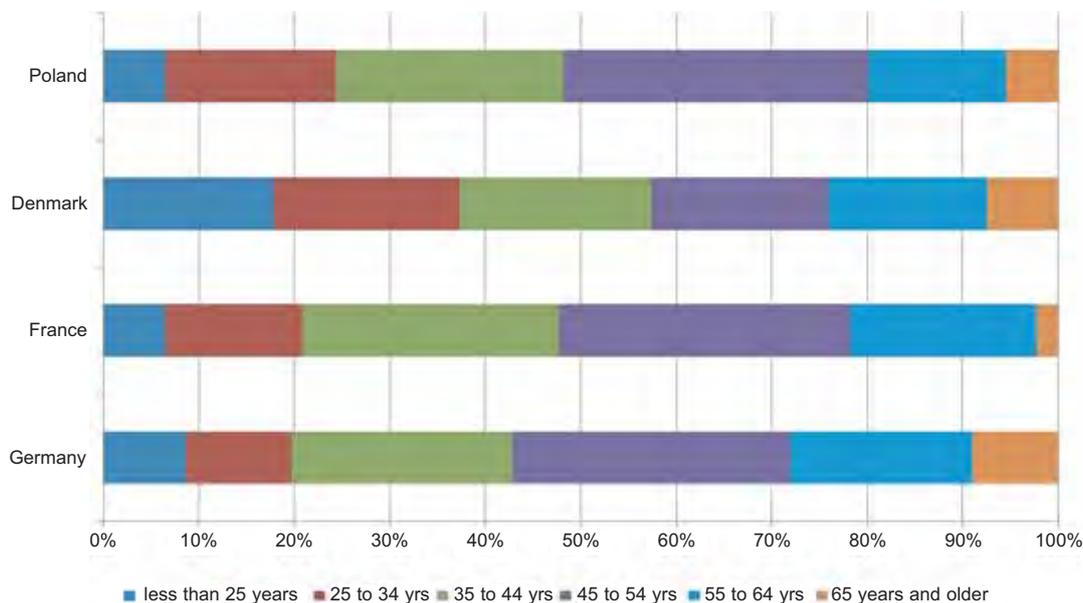
Figure 14: Age structure of employees in France (numbers per age group), 2009



Source: MSA

In contrast to the relatively young workforce in the ARC sector, employees in the overall agricultural sector are on average older (see Figure 15). In Germany and France, about 80% of the agricultural workforce is 35 or older (European Commission, 2011). In Poland, the share of agricultural workers older than 35 years is only slightly lower. Denmark is the only country where the agricultural sector has a relatively young workforce, with 37.4% of employees younger than 35 in 2009, a percentage nearly twice as high as in Germany. Workers younger than 25 are over-represented in Danish agriculture.

Figure 15: Age structure (in %) of employees in agriculture (including hunting, forestry and fishing) in sample countries, 2009



Source: European Commission, 2011, p. 146

Seasonal work

Seasonal work (mainly between June and October) plays an important role in the ARC sector. However, seasonal workers in the ARC sector are quite different to seasonal workers in agriculture. In western European countries like Germany, Denmark or France, seasonal workers in agriculture usually come from eastern European countries, whereas in Poland, most come from the Ukraine. Such workers are normally hired for low-skilled and often physically hard work such as harvesting fruit and vegetables.

These ‘traditional’ seasonal workers play no role at all in the ARC sector. The main reason for this is that ARC workers (including seasonal workers) carry out work requiring higher qualifications, for instance operating sophisticated machinery and/or working in direct contact with the farmers who are the ARCs’ clients. According to interviewees in Denmark and Germany, the ARC seasonal workforce is seen as quite stable, meaning the majority work for an ARC company for several consecutive years during the high season. Typically, sons of local farmers, students (during their vacation) or people from surrounding villages are recruited. In France, 55% of new employment contracts are signed between June and October. In 2009, 25% of new contracts were signed in September according to data provided by MSA.

Winter months are generally less work-intensive, with ARCs often switching to providing services to public authorities such as snow-ploughing or forest activities. Many ARCs in Denmark and Germany that focus on agricultural services use the winter for training employees. German interviewees reported that some companies operate flexible working-time accounts enabling employees to use up overtime accrued over the high season in winter months.

Industrial relations and social dialogue 4 in the ARC sector

As the ARC sector is a relatively young sector, only having emerged in recent decades, social dialogue at national and European levels cannot build on such a long tradition as other areas of industry in Europe. Nevertheless, stable social dialogue structures have emerged on both a European level and in several European Member States. In some countries, specific sector-based industrial relations structures have been created, while in other countries social dialogue is embedded in the industrial relations structures of agriculture as a whole.

Since the ARC sector in western and northern Europe is more developed and more visible than in the NMS – which generally do not have such strong industrial relations traditions – ARC social dialogue in the NMS is not as developed as in some of the older EU Member States, as observed by many interviewees. The four countries selected for the study provide examples of all these aspects.

European level

Key players and membership structure

On the European level the ARC sector is characterised by quite active social dialogue between the European ARC organisation CEETTAR, created in 1983, and the European Federation of Food, Agriculture and Tourism, EFFAT, as the responsible trade union association.

CEETTAR is a specific sector-related organisation that represents 84,000 independent contractor companies, with 425,000 employees organised in 13 national employer associations across the European Union: Belgium, Denmark, France, Germany, Ireland, Italy, the Netherlands, Poland, Portugal, Slovakia, Spain, Sweden and the United Kingdom.

EFFAT acts on behalf of 2.6 million members of 120 national trade unions from 35 European countries. This means that EFFAT covers employees from the whole ARC sector, but at the same time, it is also responsible for other sectors (concrete figures for how many EFFAT members work in the ARC sector are not available).

Joint position statements

In recent years, CEETTAR and EFFAT have adopted a number of joint position statements and negotiated several sector agreements. Both European-level social partners emphasise the relevance of a strong and independent dialogue for the implementation of the Lisbon Strategy and the European Commission's subsequent Europe 2020 strategy in the ARC sector. Both parties have agreed to work together to take all necessary steps to promote the creation of more companies, jobs and quality services within the ARC sector. Finally, they have agreed to intensify their joint initiatives in the fields of employment, training, health and safety, and the enlargement of the European Union.

Regarding employment and vocational training, CEETTAR and EFFAT emphasise the rapid development of the overall agricultural sector and the wide range of employment opportunities for ARCs, underlining the importance of developing a coherent employment policy within the sector. Further activities in this area aim at leveraging the employment potential in the sector and increasing the quality of employment.

According to the European-level social partners, health and safety aspects play a major role in the ARC sector as well as in the activities and efforts of social partners. Social partner activities also focus on accident prevention by promoting initiatives at national level. These activities involve evaluating best practice examples in relation to risk analysis and management and are expected to establish a framework for optimal accident prevention.

Another important social partner activity is dealing with the implications of EU enlargement for the ARC sector.

According to CEETTAR and EFFAT, restructuring and modernisation in the agriculture sector in the NMS pose severe challenges for the ARC sector. A number of interviewees refer to the role of social partners in these countries, stating that in most cases it remains relatively limited, with social partners often given inadequate information on important European developments and programmes that pose a potential threat to economic and social cohesion. European social partners argue that social dialogue within the NMS needs to be enhanced to help develop the agriculture sector as a whole in these countries and consequently the ARC sector.

Finally, CEETTAR and EFFAT are calling for the interests and needs of the ARC sector to be taken into greater account in current debates on future challenges to European agriculture, and thus, for the sector to be included in EU social policy.

Social dialogue

Addressing these key aspects of the ARC sector at national and European levels, the European social partners have in recent years negotiated several agreements that promote social dialogue and face the main challenges within the sector. Wage issues are of no relevance in European-level social dialogue, due to the fact that wages are agreed at national level.

Code of conduct

A first agreement was reached in 2004 in the form of a code of conduct between CEETTAR and EFFAT entitled 'The social responsibility of agricultural, rural and forestry contractors in the European Union'. The two organisations agreed to share information and opinions in the future and to initiate joint activities in the ARC sector. This agreement laid the basis for further social dialogue between CEETTAR and EFFAT.

As a fundamental basis for joint activities, in 2005 CEETTAR and EFFAT reached agreement on a joint work programme of social dialogue. Both partners confirmed the importance of strong and autonomous European social dialogue in the ARC sector, with a view to developing a sustainable sector as encouraged in Commission communications on the future of social dialogue. The joint work programme set out a range of actions focusing on four policy areas.

- **Employment:** Within the framework of the European Employment Strategy both organisations identified several employment issues requiring joint action at European and national level. These are the analysis and evaluation of specific ARC characteristics in the EU, the organisation of joint seminars on the impact of migration and cross-border working (including the formulation of common conclusions and recommendations for potential improvements), and the examination of the impact and consequences of the self-employed status in the sector.
- **EU enlargement:** EFFAT and CEETTAR agreed to draw special attention to the socioeconomic situation of the ARC sector in the applicant countries by ensuring maximum participation of national trade unions and employer federations in European social dialogue and its working groups. They will encourage their member organisations to provide adequate instruments and assistance to their respective sister organisations, to organise workers and employers in the best possible way. They will organise seminars on the implementation and application of the legal *acquis communautaire* (the body of EU laws) on industrial relations in the ARC sector, including case studies on ways of linking different levels of negotiation.
- **Health and safety:** EFFAT and CEETTAR confirmed the added value of a strong health and safety policy in the ARC sector. The application of existing European health and safety regulations was seen as one of the most important measures for the sector in applicant countries. Important milestones include improving health and safety culture and management in the ARC sector, building a close relationship with European health and safety institutions, and decreasing sector-related illness.

- Vocational training: The European social partners agreed that a vocational training policy is one of the most important instruments for developing a sustainable ARC sector. They decided to examine the recognition of vocational training qualifications for employees in the ARC sector as well as the application of health and safety regulations in education and training programmes for rural contractors.

Action plan on social dialogue

Between 2005 and 2008 an action plan to implement European social dialogue was developed, which defines a series of initiatives developed by social partners in the ARC sector. This plan is the realisation of the 2004 agreement on the social responsibility of agricultural, rural and forestry contractors, and focuses on three key areas: employment and qualifications, health and safety, and EU enlargement.

Münster Declaration

In December 2006, the Münster Declaration was jointly adopted by CEETTAR and EFFAT. This declaration clarifies the main aims of European-level social dialogue with regard to the three core issues and how these aims should be achieved. Furthermore, the social partners decided to continue their partnership based on a three-level approach: 'Listen, inform, promote social dialogue'.

As a result, several initiatives were realised between 2006 and 2008 to target the implementation of European employment policy in the agricultural and forestry contractor sector. These involved seminars on various topics, bringing together representatives from different European Member States. Working groups were established and meet regularly (normally once a year) to discuss current challenges and trends in the ARC sector as well as education and training matters.

In this context, a sectoral agreement was negotiated dealing with further training for experienced employees providing rural services. For this, the social partners developed training modules for use at national level to establish training structures in the ARC sector. These modules involve education in business management, service to customers and environmental issues.

The joint work programme agreed in 2005 is currently (2011) being evaluated by the European social partners with a view to developing new joint strategies, which should form the basis for close future social dialogue. The experience of the last five years has emphasised that qualifications and health and safety matters in particular are very important subjects for social dialogue at both European and national levels. By addressing these issues, the European social partners agreed to foster the development of the ARC sector and the creation of more and better jobs.

However, the transposition of agreements reached at European level into national realities and the transfer of national 'best practices' to other countries remains difficult, due to wide variations in national sectoral and industrial relations structures. Yet for some of the interviewees this makes it more important to strengthen existing social dialogue structures and processes in the ARC sector at European level – preferably with the support of the European Commission – and to invite other players at European and national level to participate in a joint dialogue. Owing to the special requirements of the ARC sector, it seems essential to implement and foster a strong social dialogue in the sector on top of existing European-level social dialogue structures in agriculture as a whole.

National level

Key players and membership structure

Looking at the national key players in ARC industrial relations in the country samples, certain similarities and major differences are apparent. In Denmark and Germany, there is a clear social partner structure, with a single employer organisation (GLS-A in Denmark and BLU in Germany) representing contracting companies and a single union (3F in Denmark and IG BAU in Germany) representing sector employees. In France, also, several actors are involved in social dialogue, with a single employer organisation (FNEDT), on the one hand, and a number of trade unions representing

ARC employees (FGA-CFDT, CFTC, CGT, CFE-CGC, FO), on the other. Industrial relations structures are more complicated in Poland, where a variety of actors are involved in social dialogue (Table 14). However, since the delimitation of Poland's ARC sector vis-à-vis the overall agricultural sector is blurred (and since there are no comprehensive statistical data specifically covering the ARC sector), there is no clear industrial relations structure for ARCs.

With the exception of Denmark, membership density in the sector – in the opinion of the interviewees – seems very low.

Table 14: *Industrial relations actors and membership density in sample countries*

Country	Employers' association		Trade union	
	Actors	Membership density*	Actors	Membership density**
Denmark	GLS-A (Employers' Association for Agriculture, Forestry and Horticulture) (<i>Not a CEETTAR member</i>)	Estimate 8–10% ***	3F (United Federation of Danish Workers)	Estimate 40–75%
France	FNEDT (National Federation of Territorial Entrepreneurs)	Unknown (guess: 4,000 members)	FGA-CFDT (General Federation of Agriculture – French Democratic Confederation of Labour) CFTC (French Confederation of Christian Workers) CGT (General Confederation of Labour) CFE-CGC (French Confederation of Management – General Confederation of Executives) FO (General Confederation of Labour – Workers' Force)	Unknown, but rather low
Germany	BLU (National Employers' Association of Agricultural and Rural Contractors)	Estimate 50–70%	IG BAU (Trade Union for Building, Forestry, Agriculture and Environment)	Unknown, but rather low
Poland	PZPUR (Polish Association of Agricultural and Rural Contractors) (<i>Member of CEETTAR</i>) FBZPR (Farmers' Labour Union 'Homeland', Federation of Agricultural Producers' Unions) (<i>Member of COPA-COGECA</i>) KRIR (National Council of Agricultural Chambers) (<i>Member of COPA-COGECA</i>) KZRKIOR (National Union of Farmers, Circles and Organisations in Agriculture) (<i>Member of COPA-COGECA</i>) Federation of Employers, Leaseholders and Owners in Agriculture	Unknown	Agricultural Workers' Secretariat of NSZZ Solidarność Food Workers' Sekretariat of NSZZ Solidarność Inter-company Trade Union of NSZZ Solidarność ZZPR (Trade Union of Agriculture Workers) FZKS (Trade Union Federation of Food Industry Employees) (<i>All are members of EFFAT</i>)	Unknown

Notes: * Number of association members in the ARC sector in relation to the total number of companies in the ARC sector; ** number of employed members in the ARC sector in relation to the total number of employees in the ARC sector; *** interviewee estimate.
Source: *Own compilation*

Denmark

One specific feature in Denmark is that there is a second employers' organisation – beside GLS-A – representing more than 600 member companies and focusing on training and advisory services for contractors with a focus on agricultural and construction activities (business consulting and legal and technical advice). This organisation (DM&E) is part of CEETTAR and also cooperates with 3F on certain issues (education, training, health and safety), but does not conclude collective agreements.

With about 370,000 members in 78 branches, 3F, the United Federation of Danish Workers, is the largest trade union in Denmark. 3F emerged in 2005 as the result of the amalgamation of the General Workers' Union (SiD) and the Women Workers' Union (KAD). In 2006, the National Restaurant Trade Union (RBF) merged with 3F.

3F organises both skilled and unskilled workers in six main areas: the Industry Group (about 15,000 members), the Transport Group (about 70,000 members), the Public Sector Group (about 50,000 members), the Building and Construction Group (about 50,000 members), the Private Sector Service Group (about 35,000 members), and the Green Group (about 20,000 members).

The last category covers a wide range of occupational groups including animal keepers, gardeners, horticulturists, forest workers, farm and dairy workers. This means that 3F's Green Group is responsible for employees in the ARC sector. The Green Group has entered into collective agreements with a number of employer organisations including GLS-A. However, there are no specific agreements for the ARC sector, since the agreements cover all employees belonging to the Green Group.

The membership domain of the employer association for agriculture, forestry and horticulture (GLS-A) comprises mainly SMEs and large-scale companies in agriculture, horticulture, forestry and the agro-industrial sector. GLS-A had 1,365 member companies in 2010. According to GLS-A estimates, 8–10% of their members operate as ARCs.¹¹

Trade union membership in Denmark is traditionally relatively high. According to the estimates of trade union interviewees, 75% of employees in the ARC sector are members of 3F, in contrast to the estimate of one of the two employer organisations of 40%. One of the reasons for the relatively high trade union membership density in Denmark can be traced back to the Danish system of unemployment insurance, an important part of the labour market system. A special feature of this system is that the union operates an unemployment insurance fund covering members should they be made redundant. Union membership fees include a contribution to the unemployment insurance fund as well as to the union's early retirement scheme.

Germany

In contrast to the other countries studied, the German employers' association system in the ARC sector is subdivided into a national umbrella organisation (BLU) and 12 regional associations. The federal states of Hessen and North Rhine-Westphalia have independent regional associations organised by the BLU head office. In Brandenburg and Schleswig-Holstein, the contractors are served by full-time regional associations. In Baden-Wurttemberg, contractors are part of the Association of Agricultural Trade and Industry (VdAW), with their own special section. In the states of Saxony, Thuringia and Mecklenburg-Vorpommern they have their own sections of agricultural trade organisations. As there are

¹¹ A small number of forest contractors have their own employers' association.

only few contractors located in the city states of Berlin, Bremen and Hamburg, these companies are organised by the neighbouring regional associations. Rhineland-Palatinate and Saarland form a joint regional group. Finally, contractors in the states of Bavaria, Lower Saxony and Saxony-Anhalt are organised by regional BLU associations.

The BLU as the federal association of contractors represents a total of 3,200 members. In line with the geographical distribution of ARCs, Lower Saxony (500 member companies) and North Rhine-Westphalia (400 member companies) are the biggest regional organisations. Though there is a special employers' organisation for ARCs active in forestry, many forestry contractors are also organised in the BLU. Besides representing the interests of contractors in politics, society and the economy in Germany (and on the European Union level as a member of CEETTAR), BLU offers a wide range of support activities and advisory services to its members, covering technical, business, legal and organisational issues (including public relations, regular newsletters on sector developments, training courses and networking). Finally, BLU is responsible for bargaining on sector-specific collective agreements with the German Trade Union for Building, Forestry, Agriculture and Environment (IG BAU).

Even if IG BAU – formed by the 1996 merger of the Construction Workers' Union (IG BSE) and the Trade Union for Agriculture and Forestry (GGLF) – represents about 325,000 members in total (figures for 2009), only a small proportion of those members belong to the ARC sector. According to estimates given by the trade union interviewee, less than 2% of IG BAU members are employees in the ARC sector. Numerically, construction workers dominate IG BAU membership.

Though both German social partner organisations are unable to quantify the exact number of trade union members in German ARCs, it is accepted that trade union density in the sector is very low. This can be traced back to three basic facts: first, there is no strong trade union tradition in agriculture as a whole; second, this is a rather young sector where industrial relations structures were not established until the end of the last century; and third, a large proportion of contractors employ fewer than 10 employees. The employer association and the company interviewee saw this as an explanation for the dearth of trade union activities on a local level. However, the interviewed trade union representative saw a more distinctive 'employee mentality' in ARCs compared with the rest of agriculture, due to larger staff levels in ARCs.

In Germany, there are no tripartite bodies dealing with sector-specific issues, though the two social partners do work together with the German farmers' association in certain areas, e.g. education and training.

France

In France, ARCs are represented by the employers' association Fédération Nationale des Entrepreneurs des Territoires (FNEDT). This organisation comprises local organisations representing agricultural and rural contractors. It merged in 2002 with the Forestry Service Companies' Federation, giving its work a new impulse and greater coverage.

FNEDT has four sections; agricultural services, forestry services, rural services, and a 'young entrepreneurs' section. According to its managing director, 4,000 companies are members.

Other employers' associations, such as the National Federation of Farmers' Unions or the National Federation of Agricultural Equipment Cooperatives (CUMA), are involved in agricultural issues.

On the trade union side, the General Federation of Agriculture – French Democratic Confederation of Labour (FGA-CFDT), the French Confederation of Christian Workers (CFTC), the General Confederation of Labour (CGT), the French Confederation of Management – General Confederation of Executives (CFE-CGC) and the General Confederation of Labour – Workers' Force (FO) are primarily responsible for employees in the French ARC sector.

Though there are no concrete figures available, very few ARC employees belong to unions, mainly due to the size of the companies (often having only one or two employees). As acknowledged by one interviewed unionist, it is hard to contact such employees directly at work. In most cases, it is employees who directly contact the union: in approximately 80% of cases they do so because they have a problem with their employer, and in 20% of cases for reasons such as obtaining information or giving feedback on union initiatives. Another trade unionist acknowledged the difficulties unions have in communicating with employees unless there is a specific issue to discuss, such as a recent agreement on supplementary health insurance.

Poland

In Poland, the main actors in the industrial relations scene within the ARC sector are mainly those active in agriculture (see Table 14), since the boundaries between agriculture and the ARC sector are – as already mentioned above – somewhat blurred. Together with Slovakia, Poland is the only central and eastern European country belonging to CEETAR, where it is represented by PZPUR, the Polish Association of Agricultural and Rural Contractors.

Founded in 2004, the organisation has 12 companies as full members, employing a total of around 100 employees providing services in 2011 (self-reported data). The majority of those companies are SMEs. According to the interviewee, the organisation consists of the largest companies active within the ARC sector. As PZPUR maintains a fairly strict membership policy, only those companies regularly paying their membership fees are considered to be full members, although some 40 further companies have links with the organisation. A large (although unspecified) portion of member companies do not solely provide services to agriculture, but are also involved in agricultural machinery dealerships and other equipment activities. As pointed out in the interview, this specific form of ‘dualism’ in their main activities creates the problem of members competing against each other.

On the trade union side, there are two organisations with special relevance: the Agricultural Workers’ Secretariat of NSZZ Solidarność and the Trade Union of Agriculture Workers (ZZPR). Reportedly, there is little bilateral cooperation between the two.

The Agricultural Workers’ Secretariat of NSZZ Solidarność is a sectoral organisational unit of NSZZ Solidarność, the largest national-level trade union organisation in Poland. The secretariat’s domain covers all aspects of agriculture. As of 2009, Solidarność reportedly had a total membership of nearly 670,000, though it is difficult to assess the specific share of ARC employees. The union representative estimated the proportion of members employed in service-related activities was 80%, though it should be noted that the definition of services used in the interview was very broad (advisory services for agriculture rendered by public administration and agencies, veterinary services), meaning that the actual share of members employed by ARCs is definitely lower.

ZZPR is an autonomous union, not affiliated to any of the national-level trade union organisations. The union succeeded the Federation of Trade Unions of Agricultural Employees (FZZPR), which was active between 1983 and 1991, belonging to the All Poland Alliance of Trade Unions (OPZZ). ZZPR is an all-grades single-sector union focused on agriculture. As of 2008 the union had 24,842 members, of whom approximately 95% were active workers, with the remainder pensioners and the unemployed (self-reported data). No data on the share of ARC workers in the organisation is available, due to the lack of a clear definition of the sector. According to the union’s representative, the share of ZZPR members actually involved in ARC-related activities is about one-third. However, among the companies employing union members, none which have service provision as their main activity can be identified.

In Poland, no tripartite sectoral body exists, though agricultural organisations have been involved in the activities of the regional social dialogue bodies (WKDS). There is, however, a specific bipartite consultative body in the agriculture sector, the Farmers’ Social Insurance Council, established by law in 1990. The body represents the insured in the

agricultural social security system. Moreover, there is a tripartite consultative body called the Working Group for the National Network of Rural Areas (KSOW).

Social dialogue and collective bargaining

Major differences between the sample countries' approach to social dialogue and collective bargaining are clear. The level of bargaining differs from country to country either in the sector-related coverage or in the geographical scope of agreements.

In Germany, for instance, wage negotiations between the social partners take place at regional level in the ARC sector, while in Denmark they are part of the overall agriculture sector level provided by the Green Group covering agricultural work, bulbs, orchards, contractors, mink farms, sales and export houses, and poultry production (excluding hatcheries) for the whole of Denmark. The Danish ARC sector could therefore be considered as a subsector of the overall agriculture sector or the 'green sector' (Table 15). However, the collective agreement for the green sector in Denmark foresees different wage levels dependent on the subsector. The current collective agreement (2011–2013) provides for an annual 1.5% rise in wages, although wage levels for ARC employees are generally higher than for employees in other agricultural professions. Furthermore, as stated by interviewees in Denmark and Germany, contractors' employees are paid above the general pay scale in many cases.

Table 15: *Levels and coverage of agreements in sample countries*

Country	Major level of agreements	Coverage of the agreements
Denmark	Both overall sector level (agriculture) and national level	Agriculture, including ARC sector as a subsector
France	Simultaneously at overall sector level, regional level and local level	Parts of agriculture (e.g. mixed farming, livestock farming, agricultural cooperatives), including ARCs as a subsector
Germany	Simultaneously at sector level, national level (general working conditions) and regional level (wages)	ARC sector exclusively
Poland	Both overall sector level and local level	Agriculture, including ARC sector as a subsector

Source: *Own compilation*

Among this study's country samples, Poland is a special case where collective bargaining plays only a marginal role in industrial relations in the entire agricultural sector, including the ARC sector. In the other three countries, the main topics of collective bargaining are wages, working hours and working conditions in general, although discussions also cover matters such as overtime, sickness, holidays, leave and employment termination terms. Health and safety matters are generally regulated by law. Education and training, however, are issues sometimes addressed by specific agreements (for instance, in Germany), by no agreements at all and/or integrated in the tripartite education system (as in Denmark). In Denmark, France and Germany, the predominant pattern is multiemployer bargaining – in other words, conducted by an employer organisation on behalf of the employer side – between a trade union, on the one hand, and the national or a regional employer organisation on the other. Generally speaking, collective agreements are defined in line with national labour law regardless of whether they are negotiated under a peace obligation, which prevents industrial action for the duration of an agreement.

Denmark

Denmark has a long-standing tradition of collective agreements covering periods of two years, although certain agreements apply longer. Education and training issues are not part of the agreements, since these are regulated by legislation. Nevertheless, they are an important factor for social partners. In line with the Danish tripartite system, the government designs training programmes in consultation with trade unions and employer organisations in order to ensure that the programmes comply with the parties' wishes and with labour market requirements and needs. The social

partners are represented in various training committees and also participate in updating existing training programmes and developing new ones. 3F, for instance, offers over 60 vocational training schemes for adults as well as young people.

According to an interviewee from one of the two employer associations, there is also a special agreement on flexible working time in Denmark, allowing for weekly working time to be extended to 45 hours under certain conditions. Covering the whole green sector, 11 major agreements exist. There are also a large number of local and adhesion agreements (collective agreements between a trade union and an unorganised employer referring to the collective agreement that usually applies for the particular trade) regarding the green sector, but it is not possible to determine how many of them involve the ARC sector. In Denmark, an estimated 90% of 3F members are covered by a collective agreement.

France

In France, the ARC sector belongs to the agricultural sector and so does not have its own social dialogue at national level. However, ARC representatives participate in national social dialogue in the agriculture sector. Workers are covered by 82 territorial collective agreements, either at regional or *département* level (there are 100 *départements* in France). At this territorial level, issues such as social protection and wages are negotiated. These territorial collective agreements are not specific to ARC employees – they can also cover workers in mixed farming (polyculture) or agricultural cooperatives (CUMAs). Social dialogue in the agriculture sector is highly decentralised for historical reasons, in contrast to social dialogue in non-agricultural sectors in France, where negotiations between social partners take place at a national level.

In France, collective agreements signed between representative social partners apply to all employers and employees in the sector. In agriculture, the Ministry of Agriculture is in charge of this procedure, while in other sectors it is generally the Ministry of Labour. A collective agreement signed at the level of a *département* or a *région* will then apply to the workers whose company is situated in this *département* or *région*.

In recent years, some inter-professional agreements have been signed which apply to ARCs. For instance, these agreements concern new rules governing the ‘representativity’ of social partners (allowing them to participate in collective bargaining), gender equality, older workers and supplementary social protection.

One union representative reports that ARCs are also covered by 250 local collective agreements that apply to a wider scope of employees in agriculture (mixed farming and livestock farming). These collective agreements cover such issues as pensions and social protection. Among them are 84 local collective agreements defining the precise status and rights of employees on a territorial basis. All workers in the ARC sector are covered by one of these 84 territorial collective agreements and their existence is very specific to the agriculture sector in France (though they also exist in the construction sector). They allow the characteristics of a specific geographical area to be taken into account, such as the predominant type of agriculture there and the local climate and its potential impact on employment. For instance, collective agreements may exist at the level of a *département* rather than a *région*, because different *départements* within one *région* may focus on different types of crop, such as winegrowing or other crops.

At the territorial level (*région* or *département*), on the employers’ side, negotiations involve members of the employer association FNEDT, members from other agricultural employer associations such as the National Federation of Farmers’ Unions (FNSEA), forestry associations and CUMA representatives. On the employee side, the representative unions of the sector also participate. At this level issues such as wages, leave and health insurance are discussed.

Health insurance is a good example of this. A national agreement was reached specifying a minimal supplementary health insurance for all agricultural workers in 2008/2009, and was then extended through territorial agreements. The engaged parties on the employer side were the FNEDT representing ARCs, FNSEA, the National Wood Federation, the

National Private Foresters' Federation, the National CUMA Federation and the Flax Dressers' Union. On the union side, five organisations participated (CFDT, CFTC, CGT, CFE-CGC and FO).

Interviewees noted that this recent agreement had led to a real improvement in the working and living conditions of agricultural employees. The actual implementation of this national agreement took place through territorial agreements.

Germany

In contrast to the other countries, two types of collective agreements are common in Germany: a national-level framework agreement concluded between BLU and IG BAU (covering a period of over two years), and regional wage agreements concluded between the respective regional employer association and IG BAU (lasting one to two years). The current framework agreement for the agricultural and forestry contractor sector concluded in November 2010 covers long-term working conditions such as working hours, termination periods, holidays, leave, sick pay, sick leave and annual bonuses.¹²

In some cases, vocational training is covered by regional agreements. For instance, the Regional Employer Association of Schleswig-Holstein in the northern part of Germany and IG BAU, together with the Schleswig-Holstein Employers' Federation of Agriculture and Forestry, reached a special agreement on vocational training in agriculture and forestry in 2001, which is still in force.

There is unfortunately no data available on the coverage rate of the collective agreements in the ARC sector. The only data available covers the whole agricultural sector and is provided by the Institute for Employment Research (IAB). According to this data, collective agreements cover 46% of companies in the primary sector (NACE Sections A and B), equivalent to 60% of all employees in western Germany. In eastern Germany, coverage is considerably lower (9% of companies and 19% of employees).

Poland

In Polish agriculture (including the ARC sector) collective bargaining plays only a marginal role. The insignificance of collective bargaining is hardly surprising, given the overall weakness of the national system of industrial relations. There is no sectoral or multiemployer collective agreement in place – the only form of collective agreement at supra-company level recognised by Polish law.

According to a trade union interviewee from NSZZ Solidarność, no such agreement can currently be concluded with any partner on the employer side, although NSZZ Solidarność is party to a collective agreement in one state-owned entity. There are, however, reports of company-level or single-employer collective agreements in force. An interviewee from ZZPR said the union was party to around 200 such collective agreements.

Turning to company-level social dialogue, no collective agreement in any PZPUR member company seems to exist, as the majority of these companies are not bound by relevant legal regulations due to their small size. These companies are also non-unionised, in most cases for the same reason.

¹² IG BAU also concludes national-level framework agreements and regional-level wage agreements with the employer organisation covering ARCs active in forestry.

Company-level social dialogue

Most interviewees stated that company-level social dialogue is mostly informal in all the sample countries because so many of the companies have only a few employees. Given that there is no trade union tradition in agriculture and the ARC sector, formal company-level social dialogue structures such as works councils are virtually non-existent.

A German interviewee observed that just three works councils have been established in the German ARC sector, all of them at the initiative of the employer. Another example in Poland, where companies are generally non-unionised, involves one company contacted for the survey which employs about 90 people. A works council had been set up, though no unions were present in the company. According to the company interviewee, the body has been rather passive since its inception. This seems to apply to the majority of works councils established in Poland since 2006, the year Directive 2002/14/EC on informing and consulting employees was adopted.

A specific feature of Denmark is that all companies with 10 or more employees are required to set up a safety committee. However, such committees are no substitute for formal works councils with co-determination rights. There is no data regarding the extent to which 3F shop stewards are active in Danish ARCs, although the trade union itself reports that more than 15,000 shop stewards are active in Danish companies where employees are represented by 3F.

French ARC company 1 – informal social dialogue

One of the French ARC companies taking part in the study is located in western France. The company was founded in 1986 and is specialised in manure/slurry spreading and silage making. The contractor employs four full-time workers, one part-time administrative worker, one apprentice and two to three seasonal workers from July to October. There is no formalised social dialogue. However, there is a ‘collective discussion’ every week between employer and employees. One major issue of the informal social dialogue is related to working time and overtime. Although working-time matters are increasingly formalised in France, the manager of the company tries to reach specific arrangements with the employees. Their working time is calculated on a yearly basis, which permits flexibility during the year. In the high season, the volume of working hours increases. As compensation, employees can accumulate part of their extra time in an annual working-time account, with the rest paid as overtime.

According to French law, the maximum working time is 48 hours per week, but under certain circumstances, for example during the harvesting period, it may be extended to 60 hours per week. The authorisation is given by the Agricultural Labour Inspectorate. The legal annual working time is 1,607 hours, but for agricultural work employers are permitted to increase this to 1,940 hours per year and to 2,000 hours for ARCs in particular. This was set out in a national collective agreement on working time, signed in 1981 and amended in 2009.

Quality of work, health and safety 5

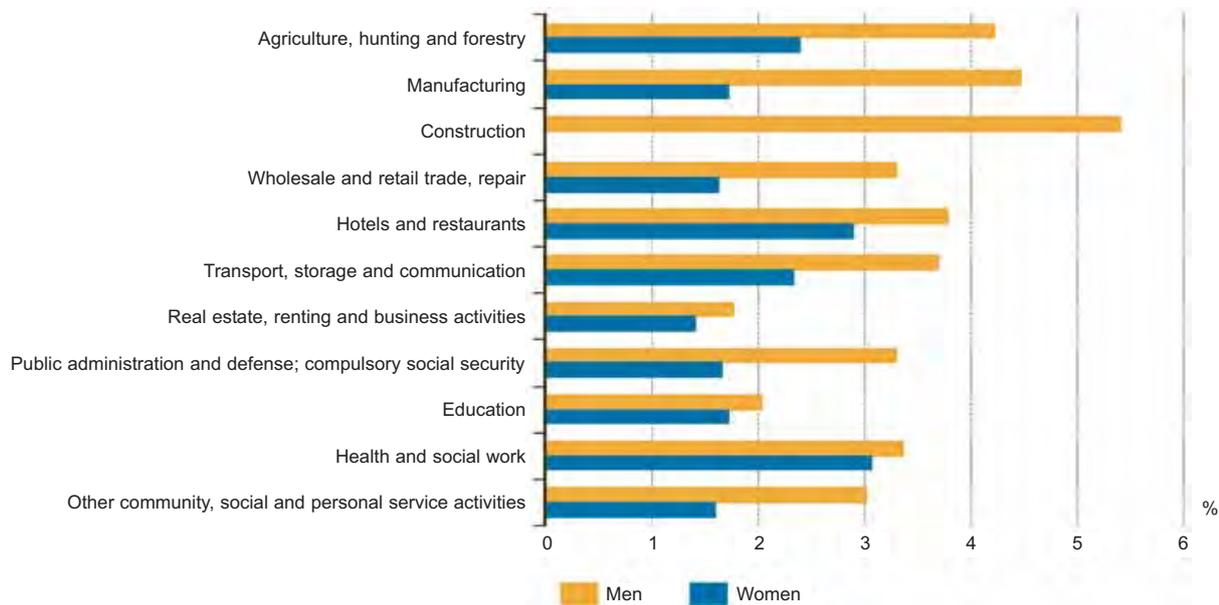
To understand the occupational health and safety situation in the ARC sector, a few details on health and safety in the overall agricultural sector are necessary, specifying general occupational hazards that are also relevant to the ARC sector, and risks specific to the sector.

Health and safety in the agricultural sector

The methodology used for European statistics on accidents at work defines an accident at work as ‘a discrete occurrence in the course of work which leads to physical or mental harm’ (European Communities, 2001). This includes cases of acute poisoning and the wilful acts of other persons, accidents occurring during work but off the company’s premises, and even those caused by third parties. It excludes deliberate self-inflicted injuries, accidents on the way to and from work (commuting accidents), accidents having only a medical origin, and occupational diseases. The phrase ‘in the course of work’ means while engaged in an occupational activity or during time spent at work, thereby also including road traffic accidents in the course of work (Eurostat, 2010b).

In comparison to other sectors, agriculture still has one of the highest numbers of accidents at work, only exceeded by the construction and manufacturing sectors (see Figure 16). Traditionally, the number of men working in agriculture is higher and so therefore is their share of occupational accidents. However, it is also obvious that the share of accidents at work affecting women is comparably higher in agriculture than in other sectors dominated by a male workforce. This is attributable to the fact that there are normally no ‘women-specific’ tasks in agriculture, with women often doing the same work as their male counterparts and thus being exposed to the same occupational hazards.

Figure 16: EU27 workers reporting one or more accidental injuries at work or in the course of work in the past 12 months in their main job, by sector (in %), 2009



Note: Sample size below publication limit for fishing, mining and quarrying, electricity, gas and water supply, construction (women), financial mediation, private households with employed persons, and extra-territorial organisations and bodies.

Source: Eurostat, 2010b, p. 29

Taking into account not only reported accident-related injuries but more general work-related health problems, agriculture features more work-related problems than other high-risk sectors such as manufacturing and construction. In 2007, the agricultural sector had the second highest number of work-related problems, including musculoskeletal problems, stress, depression or anxiety and other work-related ailments such as hearing problems, skin diseases or respiratory health problems. Only the health and social work sector showed a higher share. However, prevalence patterns are different in agriculture, with the share of musculoskeletal problems higher than in other sectors and that of reported stress-related problems lower (Eurostat, 2010b).

Health and safety in the ARC sector

As part of the agricultural sector, ARC employees are generally confronted with similar occupational risks to those faced by other employees in the overall agricultural sector. These include falls, collisions with objects, physical stress caused by noise or contact with sharp, pointed, rough or coarse objects. There are however certain risks specific to the ARC sector.

Most interviewees stated that ARC-specific risks are associated with the operation and transport of large agricultural machines. The movement of tractors, harvesters or other agricultural vehicles seems to represent a significant risk factor. Road accidents are one of the most frequent causes of injuries in the sector. According to a recent study in Denmark, accidents related to the operation of heavy agricultural machinery are especially observable during the high season, where long working hours and stress increase the risk of accidents due to fatigue (Carstensen, 2008). Other occupational risks in the ARC sector involve contact with chemicals and plant protection products.

Finally, a specific occupational risk affecting the ARC sector involves stress-related problems, especially in connection with time pressure and having to handle several different customers at once. However, the influence of stress differs, depending on the field of activity and the size of the company. Larger companies often employ dispatchers who are responsible for coordinating new orders and maintaining contact with customers. According to one interviewee from a larger company, these dispatchers are especially prone to stress-related health problems – or as he put it: ‘Dispatchers often act as the buffer for customer demands and complaints.’

Basic data on health and safety matters in general and accident statistics in particular are provided by national social insurance institutions. According to the Danish Working Environment Authority (Arbejdstilsynet), the number of accidents in agriculture is about six times higher than in support activities carried out by ARCs – there were 613 accidents in 2009 in agriculture compared to 106 in ARCs. Considering that the number of employees in agriculture is about 20 times higher than the number in the ARC sector, it would seem that accidents at work in the Danish ARC sector are a significant issue.

In Germany, the agricultural social insurance umbrella organisation (LSV, Spitzenverband der landwirtschaftlichen Sozialversicherung) provides statistical data on the number of accidents in the agricultural and ARC sector (although not on the basis of the NACE classification).

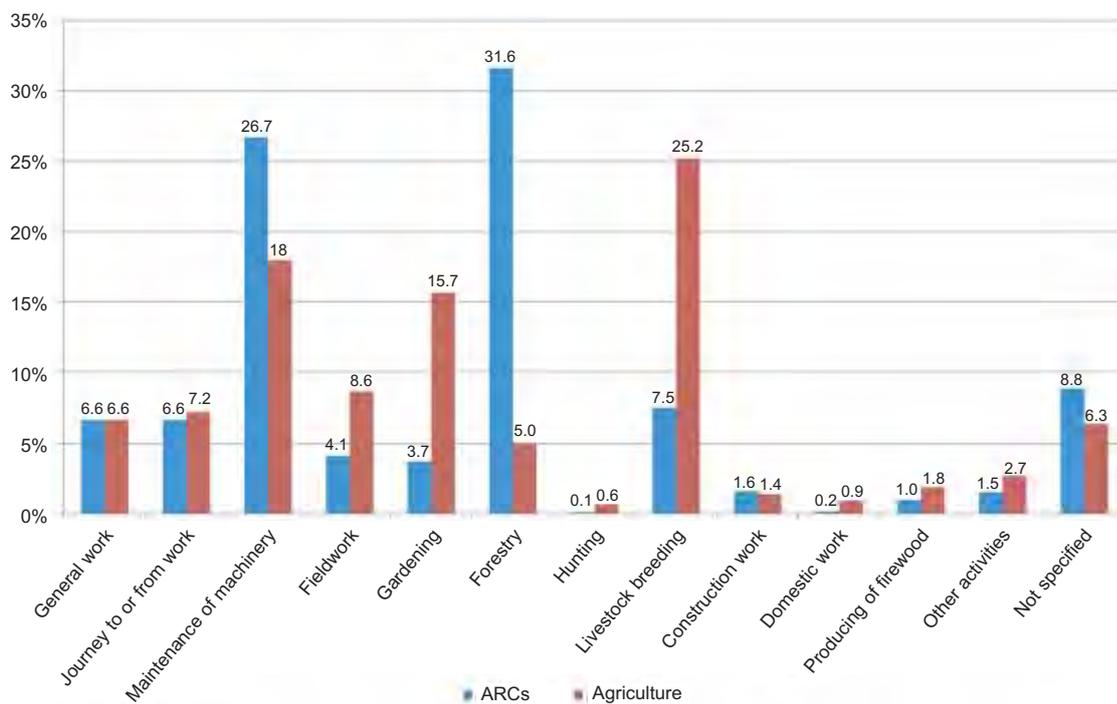
LSV registered 4,735 accidents and 13 fatal accidents in the German ARC sector in 2010. Since 2007, the total number of accidents has increased by 3.2%.

Of the registered accidents in 2010, 41.9% were related to ARCs providing services to agriculture, 43.7% related to ARCs active in forestry and 14.4% were not related to any specific ARC activity. Twelve out of the 13 fatal accidents in the ARC sector in 2010 were related to forestry activities.

This data is consistent with statements from a number of interviewees that workers in forestry face higher occupational hazards than employees in other fields. These findings are also illustrated by statistics as seen in Figure 17. In 2010, 31.6% of all accidents in the ARC sector were related to forestry work. In comparison, only 5% of accidents in the overall agricultural sector were related to forestry activities.

In general, the differences in the most hazardous activities in the agricultural and ARC sectors reflect the key activities of these two sectors. While the number of accidents happening during maintenance of machinery is considerably higher in the ARC sector (26.7%) than in agriculture as a whole (18%), the number of accidents happening in the field of livestock breeding is higher in agriculture (25.2%) than in the ARC sector (7.5%).

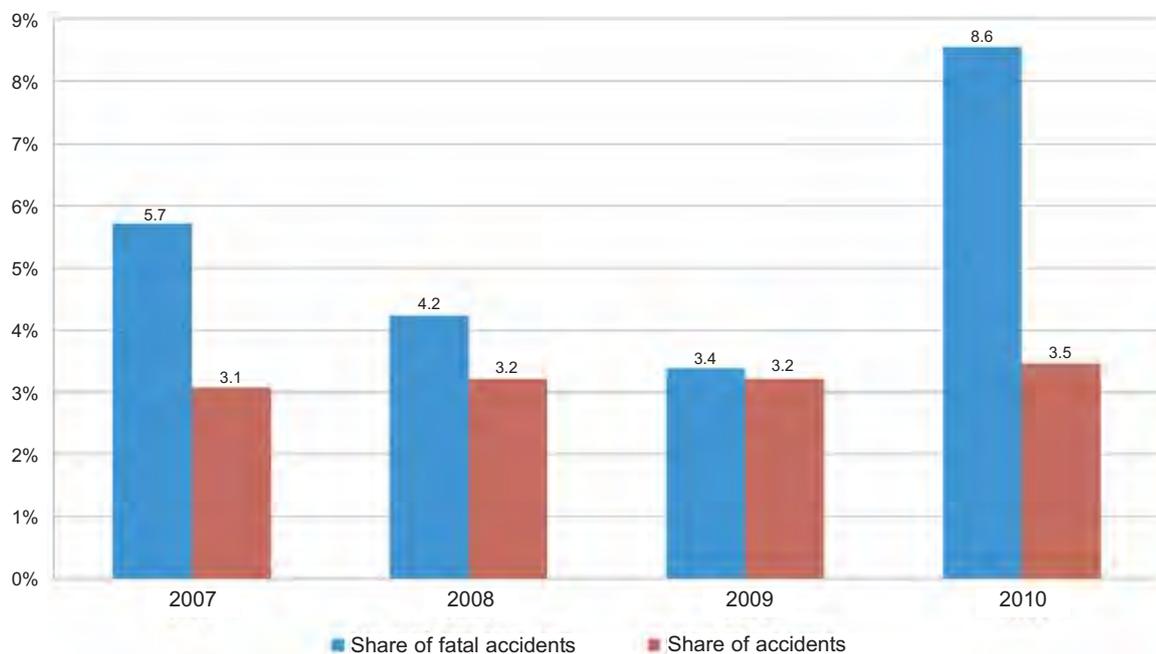
Figure 17: ARC sector accidents* by activity (in %), Germany, 2010



Note: * All accidents reported to social insurance.
Source: LSV

Although the total number of accidents in the German ARC sector has increased in recent years, the share of accidents related to ARCs in the overall number of accidents in agriculture is low. In 2010, accidents in the ARC sector represented just 3.5% of all accidents in agriculture (see Figure 18). Since 2007, this share has increased slightly by 0.4 percentage points. Against this, the share of fatal accidents related to contractors in agriculture as a whole was higher (8.6%) in 2010. Since 2007, the share has increased by 2.9 percentage points.

Figure 18: Share of ARC sector accidents and fatal accidents in the overall number of accidents and fatal accidents in agriculture, Germany, 2007–2010



Source: LSV

Instruments for increasing safety at work

Specific instruments or social partner initiatives targeting accident prevention in the ARC sector are scarce, and issues around safety at work are normally covered by general statutory obligations, according to many interviewees in the country samples.

These obligations require, for instance, the establishment of company-level health and safety representatives or committees when a company has a specific workforce size. These representatives or committees are responsible for informing and consulting with employees about health and safety issues and new rules, and for investigating workplace risks. Normally, employees assigned to such tasks receive a certain amount of basic training in health and safety matters.

Although such health and safety institutions at company level can be found in France, Germany and Denmark, statutory thresholds for their establishment differ. In Denmark, any company with more than 10 employees is required to appoint such a representative. In Germany, the threshold is 20. In France, health and safety committees are compulsory in companies with more than 50 employees (cf. Nicot, 2010). Considering that most ARCs have fewer than 10 employees, these rules normally do not apply to such companies, with the result that only very few companies have institutionalised health and safety structures. In Poland, companies with trade union representation usually have social labour inspectors – employee health and safety representatives with a range of rights. They have the right, for example, to issue written improvement recommendations, which the employer must act on within a specified time.

In Denmark, additional statutory obligations stipulate that all economic undertakings have to possess a ‘safety book’ listing the basic occupational risks of that workplace. Furthermore, the Danish Working Environment Authority regularly screens work and health standards at all Danish companies within the framework of the ‘smiley system’, as explained below.

Denmark – the smiley system

In 2004, the Danish government decided to introduce an evaluation system to improve health and safety at workplace level, instructing the Danish Working Environment Authority (WEA) to screen all Danish companies for compliance with given health and safety standards. After inspection each company receives a ‘smiley’ symbol displaying its current health and safety status. A green smiley indicates that the WEA has no issues with the company, whereas a yellow one indicates that the company has received notice of improvements to be made either immediately or within a given time limit. A red smiley indicates that the company is non-compliant and will be shut down unless immediate improvements are made. Finally, companies can be awarded a crowned green smiley, which shows that the company holds a recognised health and safety certificate and has made a special effort to ensure a high level of health and safety.

All inspection results are published on the WEA website and can be accessed via the company name or specific sectors. Should a company have been awarded a yellow or red smiley, the kind of problems identified are also mentioned. The WEA reports that the smiley system has, in a very short time, proven to be very effective in convincing Danish companies of the sense of having a good working environment. Most companies acknowledge the value of improving the health and safety situation and obtaining a green smiley.

Danish ARC company – from yellow to green smiley

The Danish ARC company taking part in this study is located in the south-eastern part of the Central Jutland region (Midtjylland) and was originally established at a farm in 1952. The contractor employs 10 permanent and an additional 16–18 seasonal workers per year and offers both agricultural and construction services. The company received a yellow smiley on its first inspection, with its owner consequently remedying the criticised shortcomings and receiving a green smiley on the next inspection. According to this company, the Danish smiley system exerts gentle pressure on companies to improve their health and safety situation because no company wants to explain to its own employees and customers why it has performed worse than other companies.

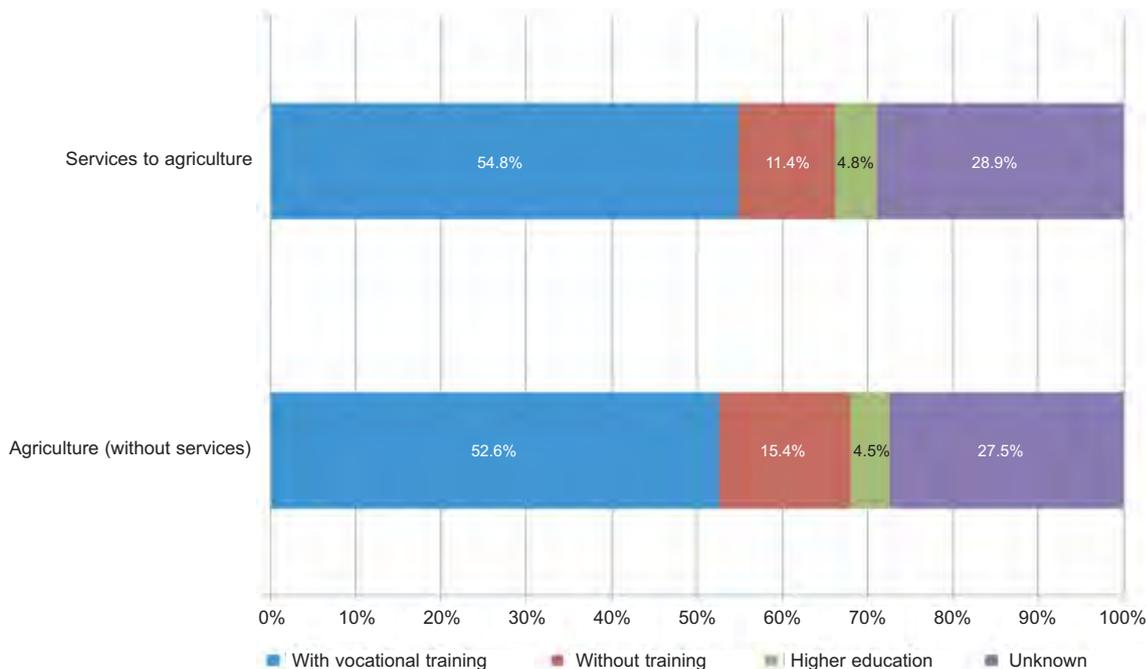
Due to statutory health and safety obligations, there are hardly any specific social partner initiatives aiming at improving health and safety in the ARC sector in the countries studied. Health and safety matters are generally not subject to collective agreements that go beyond the provisions on general working conditions defined in framework agreements.

Vocational training

Most interviewees believed that training and skills are important to the ARC sector, especially since employees have specific training needs that are different to those in the overall agricultural sector. Workers in the ARC sector normally have to be able to work in different fields, possibly involving farm work, the construction industry or the transport sector. At the same time, workers need specific technical knowledge as they often have to work with sophisticated agricultural machinery and employ modern techniques in areas such as fertilising or the disposal of agricultural waste products. Finally, employees in the ARC sector have regular contact with customers, requiring soft skills such as communication.

Most interviewees stated that, in comparison to the overall agricultural sector, workers in the ARC sector have higher qualifications. This applies particularly to Denmark, Germany and France where most employees in the ARC sector have received vocational training. In Germany, for example, the qualification level of employees working in support activities for agriculture and forestry is higher than in the overall agricultural sector, as indicated by the German Federal Labour Agency (see Figure 19). The majority (59.9%) of employees have been through either vocational training or higher education. In agriculture, the share is lower (57%).

Figure 19: *Qualification structure of ARC sector employees in comparison to agriculture, Germany, 2010*



Source: *German Federal Labour Agency*

With the exception of Germany, there are as yet no ARC-specific vocational training programmes in the selected countries. In France, an ARC-specific training course was approved by the government in mid-2011 and is now being implemented (see box below for details). Typically, employees working in the ARC sector receive vocational training in the context of the overall agricultural education system. This involves a certain amount of classroom work at agricultural college and apprenticeship periods in an agricultural company. In addition, young people generally have the option to choose a specific subject to study, for example stock breeding, planting or agricultural machinery.

Germany

In Germany, apprenticeship training in the agricultural sector is generally part of the dual vocational training system, with training provided on the job at a company backed up by theoretical training and general education at vocational training institutions on one or two days a week. An apprenticeship usually lasts three years. A total of 14 professions related to the agricultural sector come under the label of green jobs, including farmer, livestock farmer, horse farm manager, forester and winemaker. In 2005, a specific vocational training programme for the ARC sector – the *Fachkraft Agrarservice* – was established. In 2009, most apprentices in professions related to the agricultural and forestry sector received vocational training as a farmer, followed by horse farm manager and forester. The number of apprentices graduating from the *Fachkraft Agrarservice* has risen from 122 in 2005 to 523 in 2009 (see Table 16).

Table 16: Number of apprentices in selected professions related to agriculture (number of women in brackets), Germany, 2006–2009

Profession	2005	2006	2007	2008	2009
Farmer	9,470 (813)	9,451 (897)	9,709 (989)	9,413 (1,030)	9,217 (1,061)
Fachkraft Agrarservice	122 (3)	271 (4)	398 (2)	454 (5)	523 (10)
Livestock farmer	1,616 (739)	1,716 (746)	1,759 (820)	1,718 (809)	1,522 (745)
Horse farm manager	2,143 (1,714)	2,119 (1,692)	2,194 (1,767)	2,198 (1,808)	2,154 (1,773)
Forester	1,911 (87)	2,184 (111)	1,951 (91)	1,912 (90)	1,911 (93)

Source: German Federal Ministry of Food, Agriculture and Consumer Protection

Many German interviewees stated that the new vocational programme for ARCs appeals to young people attracted by a combination of working in a rural environment and dealing with technical issues and machinery. According to the trade union interviewee, about 80% of the apprentices in this programme have no agricultural family background.

Germany – the *Fachkraft Agrarservice*: a specific vocational training programme for the ARC sector

Traditionally, most employees in the ARC sector were trained as farmers or agricultural machinery mechanics. However, due to the sector's increasing professionalisation and mechanisation, it became obvious that employees working in the ARC sector had specific skill needs different to those of the overall agricultural sector and that a straightforward agricultural education was not sufficient to meet these needs.

As a result, in 2003 the social partners IG BAU and BLU, together with the German Farmers' Association, started to evaluate the possibility of establishing a new vocational training programme specific to the ARC sector. The main idea was to develop a training programme that combined basic agricultural knowledge with more specific skills in the fields of operating agricultural machinery and customer relations. After a two-year consultation process the final concept was approved by the Federal Ministry of Agriculture, coming into force in August 2005. The new vocational programme focuses on agricultural skills, operating machinery and business skills.

1. Agricultural techniques:

- evaluation of different kinds of soils;
- sowing and taking care of plants;
- fertilising and protection of plants;
- harvesting, transport, storage and preservation of crops.

2. Operating agricultural machines:

- driving on public roads and taking action to prevent road accidents;
- cleaning and maintaining agricultural machines.

3. Participation and organisation in the main business processes:

- book-keeping;
- price calculation and compiling and presenting service offers to customers;
- advising customers;
- dealing with customer demands and integrating them into the business process.

The development of this new vocational training programme serves as an illustration of social partner cooperation within the German ARC sector. In the light of the successful start of this new programme, with more than 500 new apprentices in 2009, the social partners continued their cooperation, establishing a master craftsman examination for this profession in 2010. Master craftsman training represents the highest education level in the German crafts system, with its successful completion associated with certain specific rights. For example, only master craftsmen are allowed to train apprentices in their profession and the diploma is a precondition for starting up one's own business.

German ARC company – vocational training

The German ARC company taking part in this study has 70 permanent employees and an additional 70–100 seasonal workers. The company was established in 1967 and is located in the southern part of Lower Saxony. The company offers a full range of services to farmers, such as traditional harvesting and transport activities as well as additional advisory services for sowing, harvesting, product and market development, and financing. At the moment, the company has 12 apprentices, of whom 10 receive vocational Fachkraft Agrarservice training. Two apprentices are trained in transport. According to the company manager, the establishment of the specific vocational training programme for the ARC sector in 2005 was an important step in meeting the changing requirements of the sector and the specific qualification needs of employees. As stated by the interviewee, the special benefit of the programme is seen in the high variety of tasks and activities it covers, including technical and administrative issues as well as customer relations management. In 2010, one of the apprentices of the company won the German apprentice contest (*Bundesberufswettkampf*) of Fachkraft Agrarservice trainees.

Denmark

In Denmark, no ARC-specific agricultural vocational training exists except as part of the overall agricultural training programme. Agricultural education includes a base curriculum of 'animals, plants and nature', which normally lasts 20 weeks. This is followed by the main programme that starts with an apprenticeship period and includes time in school. Trainees can choose between three subjects; agricultural equipment operator, farmer specialising in livestock, or farmer specialising in plants. Each of these three programmes last 3 years and 5–11 months. In addition, a more basic agricultural assistant training programme is offered, lasting just 2 years.

The agricultural equipment operator programme best reflects the skill needs of ARC employees. This course involves working with agricultural equipment at a farm or in a machine pool. Trainees learn how to operate and maintain tractors, combine harvesters and other machines, for example, excavators and fork-lifts. Furthermore, trainees learn how to adjust

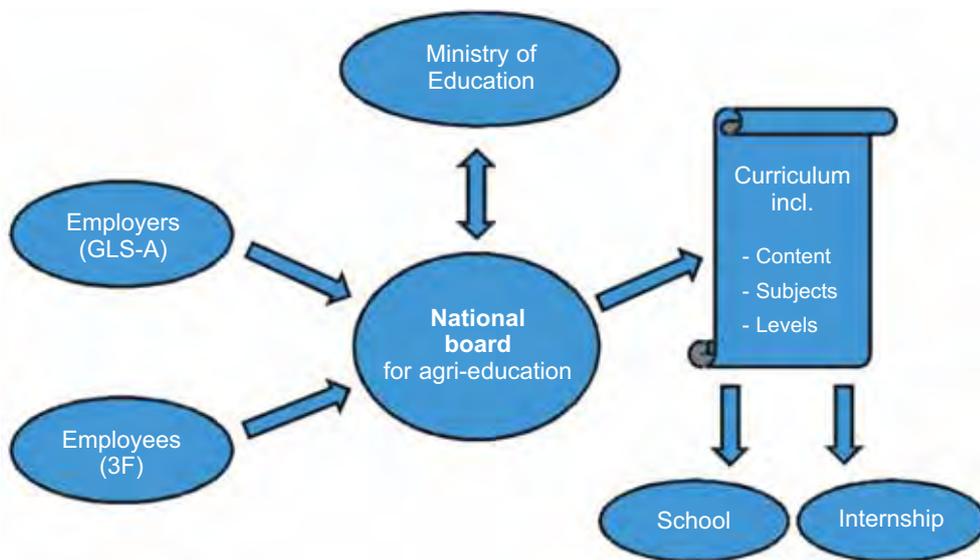
agricultural equipment to soil processing and caring for and harvesting crops, including fertilising and the use of various chemical sprays. According to the Danish interviewees, most young people working in the ARC sector in Denmark have received this kind of training. Other common occupations found among ARC employees are those of a farmer or mechanic.

Danish ARC company – workplace of the year in 2007

The Danish ARC company inspected during this project currently has one apprentice being trained in agricultural equipment operation. During the previous 10 years, eight apprentices have been given permanent contracts after finishing their vocational training. In 2007, the company received an award for best workplace of the year in Denmark. This was based on a survey carried out with apprentices in different sectors on their satisfaction with the quality of technical/operational training and working atmosphere as a whole. The decisive factor for the award was the high assessment by company apprentices of the variety of activities carried out there and the special corporate culture emphasising the social interaction of employees and the employer.

There is a tradition of social partner involvement in the organisation of vocational training in Denmark. Statutory regulations require the social partners to form a national board dealing with the organisation of vocational training. The national board for agriculture consists of GLS-A as the employer organisation and 3F as the responsible union (see Figure 20). In line with the Danish tripartite system these two organisations develop agricultural training curricula in cooperation with the Ministry of Education.

Figure 20: Model of social partner involvement in vocational education in Denmark



Source: IG BAU/PECO-Institut, 2010, p. 5

France

Up until 2011, there was no ARC-specific vocational training programme in France. Employees working in the ARC sector were normally trained within the framework of the overall agricultural sector. Most employees have been trained as regular farmers or followed vocational training related to machinery, perhaps as an engine fitter or a mechanic for agricultural machinery (agro-equipment). In France, specific knowledge related to the ARC sector is often provided by further training. In 2011, however, the French government approved an ARC-specific vocational training programme for

‘technical site managers’ at national level. As a consequence, the category of technical site manager will be included in the national directory of professional qualifications.

France – official recognition of a vocational training programme: technical site manager in ARCs

In mid-2011, the French government recognised the vocational training programme ‘technical site manager in agricultural and rural contractor companies’. The training course was originally set up by the regional association of FNEDT in Brittany in 1995.

Owing to the growing importance of good management skills, ARCs and FNEDT felt the need to improve skills so the sector could respond to a market of increasingly demanding customers, such as farmers and the food industry, who desire high service quality that is speedy, use high-performance materials and require highly skilled workers. In the past, contractors had mainly technical skills and training concentrated on agriculture or agro-equipment. Today, ARCs want to meet the growing demand of customers, especially for technical and economic management of projects and teams and participation in business management.

As a close associate of the general manager, a technical site manager has comprehensive management skills, thanks to their technical knowledge, and facilitates decision-making. The main role has to do with ‘management of the technical, economic and administrative sites, management of teams and coordination of services for customers’.

The training programme takes place alternately in a training centre and at the company and takes 650 hours spread across 12 to 24 months. The choice of company is left to the discretion of the candidate for certification. However, the training institution must ensure that entry conditions are met at each company. At the end of the training programme, the holder of the diploma should be able to:

- master the economic and technical management of the work, manage risk and maintain equipment;
- involve himself or herself in marketing the company and in sales functions including reception and advice to customers, sale of services, communication and promotion;
- participate in the business management including daily administrative operations, accounting operations, billing and analysis of results, calculation of costs and monitoring of cash flow.

As agreed by FNEDT and the administration, only a few training institutions are authorised to administer the course, based on technical criteria: CFTA de Montfort, Maison Familiale Rurale de Vigneulles, Maison Familiale Rurale Val de Garonne, Maison Familiale Rurale de Saint Germain de Marencennes and Maison Familiale Rurale Mozas. FNEDT will be in charge of monitoring the institutions’ activities.

Poland

In Poland, there is no specific education for the ARC sector, with workers in this sector trained within the framework of regular agricultural education. Altogether, there were approximately 600 agriculture-oriented schools in 2008. Vocational agricultural schools offer two training paths, basic vocational training and secondary training.

With secondary education, students graduate with diplomas entitling them to continue education at tertiary level. The secondary schools are further divided into subtypes: secondary, supplementary secondary (for graduates of basic vocational schools), and specialised secondary. Since the 1999 reform of the education system, the curricula of secondary agricultural schools are in general supervised by local government. There is, however, a group of 45 such

schools directly supervised by the Ministry of Agriculture and Rural Development. Last but not least, there are post-secondary schools, providing education to secondary-school graduates (see Table 17).

Table 17: *Vocational schools by profile and education level, Poland, 2010*

School profile/ education level	Basic vocational school	Secondary vocational school	Post-secondary vocational school
Agro-business technician	0	202	4
Farmer	145	13	25
Farming technician	0	179	153
Farming vehicles and equipment mechanic	194	1	0
Forestry technician	0	30	60
Operator of forestry equipment	3	0	0
Technician of farming automation	0	79	4

Source: *The National Centre for Supporting Vocational and Continuing Education (KOWEzIU)*

In Poland, student numbers in agriculture-oriented basic vocational schools have been decreasing over the last few years (see Table 18). However, the decline should not be attributed solely to a decrease in the popularity of that particular career path among the younger generation. One company representative observed: ‘Vocations related to agricultural automation are slowly disappearing. There is little demand for such skills in the labour market.’ Some observers believe that the recent overall drop in student numbers in agricultural schools is also a result of a general fall in student numbers caused by demographic change.

Table 18: *Number of students in agriculture-oriented vocational schools (number of women in brackets), Poland, 2006–2010*

School year	2006/2007	2007/2008	2008/2009	2009/2010
Secondary level				
Basic vocational	4,225 (1,171)	3,829 (1,049)	3,380 (900)	2,777 (723)
Regular secondary	23,090 (5,208)	24,031 (5,396)	34,442 (10,631)	30,097 (9,252)
Supplementary secondary	5,853 (1,509)	4,668 (1,021)	4,193 (811)	2,908 (611)
Specialised secondary	2,697 (1,034)	1,340 (502)	754 (304)	510 (218)
Post-secondary level				
Number of students	6,225 (1,628)	5,830 (1,355)	10,943 (2,333)	9,150 (2,651)

Source: *Central Statistics Office of Poland, National statistics, 2007–2010*

Further training

According to interviewees in all four sample countries, further training plays an important role and generally represents the most common form of providing specific knowledge for work in the ARC sector. In addition, training courses are sometimes required to gain the certification needed to carry out certain tasks, for example chemical spraying.

In Germany and Denmark, further training courses for managers and employees are offered by the national employer organisation, for example to enhance communication or business administration skills such as book-keeping, office management, electronic data processing, pricing, time management, interaction with clients and employee motivation. Safety and technical training are also offered. In Germany, in particular, there are several private educational institutions offering further training courses on a large variety of topics. Interviewees from Germany and Denmark stated that agricultural machinery manufacturers also offer free courses for familiarising employees with new machinery. Typically, further training takes place outside the high season, especially in winter. Employers can use such courses to bridge the slack period instead of laying off their employees.

Further training courses are normally paid for by the employer. In addition, in some countries and regions, ARC employees can benefit from training funds established for the overall agricultural sector, such as in Denmark and in the state of Schleswig-Holstein in Germany, as seen in the box below. In both cases such funds were set up as a result of cooperation between the social partners.

Germany – qualification fund for agriculture and forestry

The qualification fund for agriculture and forestry was set up in Schleswig-Holstein in 2001 on the basis of a collective agreement signed between the employers' organisations for the agricultural, forestry and ARC sectors in Schleswig-Holstein and the union IG BAU. The agreement covers all agricultural businesses in Schleswig-Holstein including ARCs.

The idea behind this agreement was to promote further training in agriculture and to respond to structural changes in agriculture and the related training needs of the agricultural workforce. Based on the idea of lifelong learning, the objective is to create a consistent further training framework, thereby enhancing the employability of agricultural workers. The fund is financed by both employers and employees, with a monthly contribution of €5.11 per employee, of which the employer pays 70%. The remaining 30% is paid by the employee. The fund covers 1,800 agricultural businesses in Schleswig-Holstein with 4,370 employees. In 2010, the fund provided 72 training courses for 633 participants, with an average subsidy of €240 per participant.

In Denmark, a training fund similar to that implemented in Schleswig-Holstein has been set up by employer association GLS-A and the union 3F. The Agricultural Education Fund is part of a collective agreement, according to which each agricultural company pays a contribution of 10 øre (€0.01) per hour worked by its employees. The fund is also open to non-GLS-A companies, though their required contribution is 40 øre (€0.05) for each employee hour worked.

The fund is used to finance the work of the Agricultural Education Committee. Its income must not exceed 75% of its total operational expenses, defined as wage costs and general office expenses.

In France, each sector has its own institution, jointly managed by the social partners and responsible for collecting the further training taxes paid by employers. Tax revenue finances the training offer and provides services to companies

connected with their further training plans. In agriculture, this institution is the FAFSEA (Fonds national d'Assurance Formation des Salariés des Exploitations et entreprises Agricoles). It has 174,000 member companies, representing 1.2 million workers in the agriculture sector. There are 25 regional committees. In 2009, the FAFSEA collected €180 million from companies and financed more than five million training hours. Unfortunately, there are no data on the share of ARCs participating in this programme.

Another organisation in France is the national association for employment and training in agriculture (ANEFA), created in 1992 by the social partners with a view to developing employment and training in the sector. Its objectives are to provide information on occupations and the existing training curricula, thereby promoting jobs in agriculture and informing on recruitment needs. This joint organisation implements the guidelines defined by the Agriculture National Joint Employment Committee. ANEFA is financed by a 0.02% payroll contribution equally shared between employers and employees working in agricultural production. At the local level, new training and qualification schemes can then be created on the initiative of certain actors. The Regional Joint Employment Committee is entrusted with defining a strategy for matching training needs with supply at regional level.

French ARC company 2 – training curriculum

Supported by a professional trainer, the manager of one of the companies taking part in the study has developed a new occupational training curriculum with a number of local partners to address the specific qualification needs of a new occupation called *accoroutiste*. The company was established in 1983 near Lyon. It is specialised in landscaping activities and employs eight full-time workers and three to five seasonal workers in the summer. The *accoroutiste* occupation has become a common element of ARC work and involves the upkeep of grass verges, especially cutting the grass. Workers at this company who were specialised in landscaping activities were the first to receive specific training in this field, and the programme has now been extended to employees from other companies or job-seekers. It consists of 15 days of training organised around three units: safety, machinery operation and the environment. According to the interviewed manager, the training programme has given the employees the knowledge needed to carry out their job properly, and has helped open their minds to security requirements and the protection of the environment.

In Poland, agricultural workers can take part in vocational training in the form of agricultural courses offered mainly by public Agricultural Advisory Centres (ODR). Training ends with a vocational exam, giving successful examinees the title of skilled farming technician. The possession of such a title is a formal requirement to become an owner and operator of a farm when the farmer has no other formal qualifications related to agriculture or cannot prove at least five years of practical work experience in farming (usually by means of five years' registration with the agricultural social security system). In practice, the target group for such courses consists of those already active in farming (with at least three years' experience), but without a high school diploma. These requirements do not apply to prospective business operators who simply provide services to the agriculture sector. However, on-the-job training appears to still be the prevalent form of upgrading workforce skills, with staff normally being trained at the workplace without any officially recognised certificate being provided.

Conclusions 7

The overall objective of this project was to analyse the ARC sector in four European Member States (France, Germany, Denmark and Poland). The purpose of the study was to get a better understanding of the sector and to look at where it differs compared to the overall agricultural sector. Besides this, the aim of the study was to analyse the employment situation, with health and safety and training issues being of particular interest, and to take a closer look at industrial relations in the ARC sector.

The country examples discussed in this report illustrate a broad variety of activities of ARCs. The sample demonstrates a broad spectrum of national industrial relations and social dialogue structures and developments as well as different quantitative and qualitative aspects of employment. At the same time, there are a number of similarities and comparable trends regarding the ARC sector in the countries studied, in contrast to agriculture as a whole. Therefore, it is possible to draw some general conclusions concerning the main research topics of the study.

A striking result of this project is that ARCs, which historically emerged from the diversification and professionalisation of agricultural and rural practices in western and northern Europe in the 1920s, have gained in importance and increased their socioeconomic weight in rural development.

Today, ARCs – at least in Denmark, France and Germany – are expected to provide new ideas and services to an increasingly diversified and technically sophisticated agricultural and rural sector. In many cases, ARCs are considered to be significant ‘drivers of innovation’ and important ‘vehicles of investment’. All in all, it is estimated that across Europe, contractors invest between €5 billion and €6 billion in new machinery each year. The investment cycle in the ARC sector is relatively short. Contractors purchase new machinery roughly every four to six years, which benefits the manufacturers of agricultural machinery. These investments are important in order to carry on business activities and to safeguard employment both in the contractor companies and the supplier industries.

In France, more than 70,000 people are employed in the ARC sector. In Germany, the number of employees is about 30,000 to 40,000. In Denmark, there are about 4,000, and in Poland there are an estimated 14,000 ARC employees. All in all, the number of employees in the ARC sector – at least in the country sample for this study – has been relatively stable in recent years (in France, the number of employees has actually increased), in contrast to traditional agriculture, where employment continues to decline as a consequence of structural changes of recent decades.

Beyond these rather general findings on the ARC sector, there are noticeable differences with regard to single European countries. While contractors in most of the old Member States of the EU15, mainly in the northern and north-western parts of the Union, have become indispensable partners for agricultural production (with an increasing relevance as service partners for local authorities and construction companies), contractors barely exist in the majority of the New Member States (NMS).

In Denmark, France and northern Germany, a huge proportion of farmers make use of ARCs for carrying out cultivation services.

- In Denmark, about 85% of farmers use contractors for harvesting activities, and slurry spreading is almost exclusively executed by ARCs. Also, construction services are a very important business segment of Danish ARCs.
- In Germany, nearly 98% of the corn harvesting is operated by contractors. German contractors also play an important role in transporting organic material to and from bio-gas plants. The role of bio-gas has risen during the last decade due to changes in legislation, triggered by the German Law on Renewable Energy.
- In France, ARCs have become important partners of public authorities regarding rural services such as landscaping, hedge cutting or winter services, but they are generally neither active in the construction segment nor in the field of bio-gas yet.

- ARCs in Poland are active in support activities for crop production and post-harvest crop activities. However, the Polish ARC sector has not received considerable attention yet and thus no distinct boundary can be drawn between the contractors' sector and agriculture as a whole. In contrast to most parts of France, Denmark and Germany, Polish agriculture is still fragmented and divided into a large number of small-sized agricultural holdings. In many cases, contractors are active as farmers at the same time.

Defining the ARC sector

The study shows that statistically, it is difficult to delineate the ARC sector and identify it as a discrete subsection of agriculture, although the NACE classification does regard the sector in this way. However, a clear distinction between the ARC sector and agriculture as a whole is difficult in statistical and practical terms. The first constraint is that in many cases contractors carry out the same activities as farmers or forest owners and vice versa. Secondly, ARCs typically offer additional services that are not directly related to the agricultural sector. In many cases, contractors also work for public authorities (for example, maintaining public parks, waterways or streets, cutting trees, maintaining roadside ditches) or the construction sector. This broad set of activities is barely acknowledged in available statistics. Thirdly, official national statistics can differ from the European NACE classification, so the statistical classes describing the main activities of contractors may not compare like for like.

Though it is difficult to separate the ARC sector, or the activities of contractors, from agriculture as a whole in a precise quantitative way, there are various qualitative differences.

Qualifications

Firstly, while the qualification requirements in both agriculture and the ARC sector are increasing due to technical progress, in agriculture generally there remains a demand for workers with lower qualifications. However, in the ARC sector, particularly due to the high standards of technical equipment and machinery, and the importance of close customer contact, there is no significant demand for less well-qualified people. This fact is also reflected in the high qualification level of the contractors' employees. In Germany, for instance, the qualification level of employees working in support activities for agriculture and forestry is higher than in the overall agricultural sector. As stated by most of the interviewees in the sample, training and skills are important to the ARC sector, particularly because employees have different training to those required for the overall agricultural sector. While in Denmark and Poland the ARC vocational training system is integrated into the overall agricultural sector, Germany has an ARC-specific vocational training programme, the *Fachkraft Agrarservice*, established in 2005. In France, the vocational training system has until recently been integrated into general agricultural education. However, the government recognised an ARC-specific vocational training programme in 2011, which was originally set up in Brittany in 1995.

Employment contracts

Secondly, seasonal work is an important factor in both agriculture and the ARC sector. Especially during the harvest period in the summer months, there is a high demand for additional workers. While seasonal work in agriculture, predominantly characterised by simple tasks involving manual labour without much previous knowledge of harvesting, planting and care of specialised crops, is mainly carried out by foreign workers from central and eastern European countries, seasonal work in the ARC sector is generally carried out by local people. Furthermore, there seems to be a trend in the ARC sector – at least in Denmark and Germany – towards a decreasing relevance of short-term working contracts and a simultaneous rise in the number of workers employed year-round. This suggests that workers are being better utilised outside the peak periods and points to high employee retention, probably due to the diversification strategy of big contractor companies and the niche strategies of smaller ARCs.

Age profile

Thirdly, in comparison to agriculture, the ARC sector in Denmark, France and Germany (no data is available for Poland) the age profile of employees is rather young. Most employees are between 20 and 35 years old, while most of the workforce in agriculture in France and Germany are 35 or older. Only the overall Danish agricultural sector is characterised by quite a young workforce (more than 37% of the employees in Danish agriculture are younger than 35). The reason for the rather young workforce in the ARC sector is that younger employees are often attracted by the possibility of working with high-tech machinery. At the same time, they are less concerned about the rather unattractive working hours in the ARC sector, especially during high season. Interestingly, the Fachkraft Agrarservice in Germany attracts many apprentices who have no agricultural family background.

Health and safety

Regarding health and safety matters, contractors' employees are generally confronted with similar occupational risks to other employees in the overall agricultural sector. These include falls, collisions with objects, physical stress caused by noise or contact with sharp, pointed, rough or coarse objects. However, there are certain risks specific to the ARC sector. A number of interviewees stated that ARC-specific risks are associated with the operation and transport of large agricultural machines. The movement of tractors, harvesters or other agricultural vehicles seems to represent a significant risk factor. Road accidents are one of the most frequent causes of injuries in the ARC sector. Other occupational risks include contact with chemicals and plant protection products.

Social dialogue

Against this background, CEETTAR and EFFAT, the key industrial relations players at European level, have intensified their joint initiatives in the fields of health and safety, training and the enlargement of the European Union in recent years. The application of existing European health and safety regulations is considered to be one of the most important measures for the sector in Europe. Therefore, important milestones for joint initiatives involve an improvement in health and safety culture and management in the ARC sector, building a close relationship with European health and safety institutions, and decreasing sector-related illness. Furthermore, for European social partners a vocational training policy is one of the most important instruments for developing a sustainable ARC sector. Here, the German model (the Fachkraft Agrarservice) seems to be a good approach.

In the country sample, specific instruments or joint initiatives by the social partners targeting accident prevention in the ARC sector are scarce, with safety-at-work issues normally covered by general statutory obligations. These provide, for instance, for the establishment of company-level health and safety representatives or committees when the company has a specific workforce size. These representatives or committees are responsible for informing and consulting with other employees about health and safety issues and new rules, and for investigating workplace risks. Education and training, however, are issues addressed by the national industrial relations players, for instance through specific agreements (Germany) or integrated in the tripartite education system (Denmark). However, the main topics of collective bargaining in Denmark, France and Germany are wages, working hours and working conditions in general, overtime, sickness, holidays, leave and employment termination terms. In this area Poland is the exception, since collective bargaining plays only a marginal role in industrial relations in the entire agricultural sector, including the ARC sector.

Because the ARC sector is a relatively new phenomenon, having only emerged in recent decades, social dialogue at national and European levels cannot build on such a long tradition as other areas of industry in Europe. Nevertheless, stable social dialogue structures have emerged at both European and national level in several European Member States. In some countries, specific sector-based industrial relations structures have been created (such as in Germany), while in other countries social dialogue is embedded in the industrial relations structures of agriculture as a whole (Denmark, France, Poland). The countries selected for the study illustrate that the ARC sector in western and northern Europe is more developed and more visible than in the NMS, which generally do not have such strong industrial relations

traditions. Although only one NMS country, Poland, was examined, interviewees suggested that this seems to apply to other NMS too.

All in all, this study shows the main characteristics and specifics of the ARC sector in four European countries. The overall picture shows that the activities of contractors go beyond the agricultural and forestry sectors, into construction services or services to public authorities. The project also shows that special requirements for health and safety, education and training arise in this sector, due to the high degree of mechanisation and the use of high-tech equipment. At national level, the study shows that most of the time representation and social dialogue is not ARC-sector-specific. The ARC sector is predominantly covered by the social partner organisations of the agricultural industry. Collective agreements often overlap with the general agricultural sector, or they apply at company level.

For the future of social dialogue at European level it is therefore important to continue joint initiatives, with an emphasis on analysis of different national specifics and problems in order to strengthen existing national social dialogue structures, and to foster the transfer of best practice examples and solutions across national boundaries. Against the background of the increasing socioeconomic relevance of the sector, the specific potential of contractors as drivers of innovation and vehicles of investment, and the common challenges in the field of training and health and safety, it is important to strengthen ARC sector-related social dialogue at European level through policy initiatives.

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List of interviews with representatives of employers' associations and trade unions and other experts

Denmark

DM&E (Danske Maskinstationer og Entreprenører [Employers' Association of Agricultural and Rural Contractors]): Erik Groth, President/Chefkonsulent, interview conducted on 21 March 2011.

3F (Fagligt Fælles Forbund [United Federation of Danish Workers]): Peter Kaae Holm, President of 3F's Agriculture Sector and Collective Bargaining Agent; Morten Fischer-Nielsen, Collective Bargaining Agent for 3F's Green Sector; Karin Olsen, Chief Educational Adviser for the Green Sector; interview conducted on 3 May 2011.

GLS-A (Gartneri-, Land- og Skovbrugets Arbejdsgivere [Employers' Association for Agriculture, Forestry and Horticulture]): Johnny Ulff Larsen, Director, interview conducted on 26 April 2011.

France

FGA-CFDT (Fédération Générale Agroalimentaire CFDT), trade union: Fabien Guimbretière, Secretary General, interview conducted on 23 March 2011.

FGTA-FO (Force Ouvrière), trade union: Jocelyne Marmande, Secretary General, interview conducted on 12 May 2011.

FNEDT (Fédération Nationale des Entrepreneurs des Territoires [National Federation of Territorial Entrepreneurs]): Patrice Durand, Director, interview conducted on 28 March 2011.

Germany

BLU (Bundesverband Lohnunternehmen [National Employers' Association of Agricultural and Rural Contractors]): Alfred Schmid, Managing Director, interview conducted on 15 April 2011.

DBV (Deutscher Bauernverband [German Farmers' Association]): Peter Pascher, Head of Business Administration/Rural Area Department; Burkhard Möller, Head of Social Policy/Agricultural Employers Department; interview conducted on 13 April 2011.

IG BAU (Industriegewerkschaft Bauen-Agrar-Umwelt [Trade Union for Building, Forestry, Agriculture and Environment]): Holger Bartels, Head of Agriculture and Environment Department, interview conducted on 13 April 2011.

Poland

Ministerstwo Rolnictwa [Ministry of Agriculture]: Maria Zwolińska, Councillor General, interview conducted on 30 May 2011.

PZPUR (Polski Związek Pracodawców-Uslugodawców Rolnych [Polish Association of Agricultural and Rural Contractors]): Zbigniew Studniarski, President, interview conducted on 9 March 2011.

Sekretariat Rolnictwa NSZZ Solidarność [Agricultural Workers' Secretariat of NSZZ Solidarność]: Wojciech Pogorzelski, President, interview conducted on 10 May 2011.

ZZPR (Związek Zawodowy Pracowników Rolnictwa [Trade Union of Agriculture Workers]): Leon Grycuk, President, interview conducted on 15 March 2011.

European level

CEETAR (Confédération Européenne des Entrepreneurs de Travaux Techniques Agricoles et Ruraux [European Organisation of Agricultural and Rural Contractors]): Eric Drésin, Director, interview conducted on 16 June 2011

Please note: for reasons of confidentiality, the names of the interviewed company representatives are not listed.