

## MODULE 5. INDUSTRY: IRREGULARITY PROVIDES CHEAP LABOUR

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### Capsule 3. Agromafie and caporalato

Numerous factors have changed the labor market in Italy from the 1970s to today.

In 2022 the Italian population is equal to 58.983.122, but demographically it has lost its endogenous dynamism. As the comparative analysis of the ISTAT censuses shows, the number of elderly people is two and a half times higher than that of young people.

The inversion of migratory flows has created a modification of the migratory balance, partly offsetting the problems deriving from the aging process of the population. Indeed, Italy has become a country of immigration after having been an emigration one for a long time. From the 1990s onwards, regularization measures have been issued, remedying the irregularities of foreign citizens and thus making them visible and registered. So the participation of foreign citizens in the labor market has also grown and today they represent about 11% of the total workforce.

The fields of greatest employment are agriculture, tertiary sector, manufacturing, construction. The greatest regular employment is recorded in hotel and restaurant facilities, followed by the manufacturing, construction and agricultural sectors. But it is precisely in agriculture that the concentration of foreign workers and

irregular work has increased, especially since the economic crisis of 2008.

In Italy work off the books is unfortunately one of the structural and growing characteristics of many productive sectors. According to ministerial investigations, those with the highest rate of contractual irregularity are agriculture, construction and the tertiary sector. These include, in particular, accommodation and catering activities, support services for both construction and tourism companies, the logistics sectors (transport and warehousing) and those of artistic, sports and entertainment activities.

As mentioned, agriculture has a very high rate of irregular work (especially in central and southern areas) and in many cases its workforce is made up almost exclusively of migrant workers. The work of agricultural laborers has always been problematic in Italy, even before the conspicuous presence of migrant workforce. It was often characterized by severe exploitation, extremely harsh and precarious conditions which led to uprisings, protests and strikes against landowners for the recognition and protection of labor rights. The industrialization and outsourcing processes of the Italian economy, together with the mechanization of agricultural production, progressively led to a drastic reduction in the number of Italian workers employed in the agricultural sector in the last sixty years. According to data from the National Labor Inspectorate, foreign labor permanently represents one third of the overall workforce in agriculture; two thirds if we consider only the central and southern regions; the totality if we consider the monoculture collections.

In other words, since the 1990s, the demand for seasonal agricultural work has been met mainly by foreign workers.

Particularly in the southern plains, the planting of intensive, often monoculture, crops implied the need to find a significant number of workers exclusively for the fruit and vegetable harvesting period.

Migrant workers were employed for heavier and less skilled jobs. Seasonality, precariousness, just-in-time mobility (that is the movements of migrants on Italian territory to "chase" the various collections) and the informality of employment relationships, have accentuated the condition of blackmail and vulnerability of migrant workers. It was also caused by a regulatory system that inextricably links the legal residence permit to an employment contract (with the exception of asylum seekers and beneficiaries of protection).

For over thirty years, especially in the southern regions, employment in agriculture has been the first channel of access and inclusion in the undeclared labor market for many migrants. The ineffective management of immigration contributed to determining a self-managed and informal system of mobility, intermediation and job placement within the agricultural sector which was already strongly characterized by a high level of irregularity.

The recent health emergency and the consequent measures to limit mobility brought out the hidden data from the statistical surveys produced by control bodies, trade unions and trade associations. In the official 2020 data, the agricultural sector was already indicated as being in difficulty due to the delay in issuing the flows decree (useful for finding seasonal workers) and the lack of adherence to the regularization of seasonal workers. Only 14% of the regularization applications concerned agriculture, despite the high incidence of foreign workers and those without a residence permit. In 2021, the lockdown made it impossible to use irregular workers and seasonal workers usually employed 'illegally', seriously endangering the productivity of the sector and the entire agricultural market. And these circumstances brought out the evidence of a stable use of the undeclared labor force in agriculture.

It is a complex phenomenon to piece together. The significant weight of temporary and "undeclared" work but also the widespread use of

the so-called "fictitious work" (that is work not actually carried out but declared by Italians to benefit from social security benefits) do not allow official data to paint an exhaustive picture of reality. Added to this are the problems triggered by the so-called "agromafias" (ie mafias related to agriculture). This system includes activities that generate illegal profits or allow money laundering. They range from agricultural production to food processing and transport to fruit and vegetable markets, up to the supply of products to large-scale distribution. In the last ten years, also given the policies and practices described above, the opportunities for criminal infiltration in the agricultural sector have multiplied, starting with the management of labor and the international trafficking of human beings in collaboration with foreign criminal organizations. Other infiltrations are identified in the management of fruit and vegetable markets; in the distribution and logistics as well as in the counterfeiting of products with protected designation of origin (PDO), protected geographical indication (PGI) or other certifications. Thanks to this method of forging certifications and the reduced production costs of undeclared work, it was easy to bring niche products with higher profit margins into the market. The judicial authorities have ascertained that, in some agricultural areas, criminal organizations influence and control the kind of products grown and determine the prices and methods of marketing through joint ventures. In addition, the involvement of organized crime in the management of funds from the EU Common Agricultural Policy is growing: it is estimated that the economic amount of proceeds deriving from the agromafia system exceeds six billion euros each year.

The agricultural labor market, therefore, historically represents a sort of anomaly in the Italian economy. The accentuated seasonality, the characteristic of refuge for the weakest social groups and the territorial dualism outline a unique configuration with respect to other economic sectors and other European countries. Since the 1970s, with the gradual fading of worker activism and trade union

control in the countryside, there has been a general decline of employment relationships in agriculture. This also led to the spread of "anomalous relationships" such as the subcontracting of certain work activities, piecework payments and forms of processing for third parties, which became normal in the 1990s. The liberalization of the labor market, the partial abolition of public employment services and the flexibility of labor paved the way for the development of a dark market for agricultural labor. The most innovative aspects in terms of flexibilisation of work - the voucher system, on-call work, temporary work - have found a first field of experimentation in the countryside.

In a context of progressive weakening of trade union relations and labor law, the responsibility for the persistent exploitation of labor in agriculture has been identified in the "caporalato", a system of illegal labor intermediation. This illegal recruitment has its historical and social roots in the southern countryside, as a form of irregular and anomalous organization of the agricultural labor market, in which some social intermediaries - not necessarily linked to organized crime - act as an intermediary between agricultural entrepreneurs and workers. Liberalization policies have given new space to this form of intermediation: the wide availability of migrant workforce and their condition of social and spatial segregation have recently reinvigorated this system.

Many workers employed in seasonal fruit and vegetable harvests live in slums or isolated farmhouses in the countryside and often the migrant workers themselves act as team leaders, taking advantage of the experience gained over the years.

The term "caporalato" actually explains a plurality of mechanisms. There are the team leaders who "select" the workers and report them to the employers. Or they also organize shifts and check the quantities collected by each worker in the case of piecework payments; they plan and agree on the costs and timing of the

collection, keeping a share of the profits for this logistical intermediary or coordination work. In other cases, the "corporal" rigidly controls and manages the daily life of the workers: recruitment, transportation, lodging, meals and social relations, working hours and wages. Cases of severe exploitation also occur more and more often, with violence, rape, threats and extortion. Most of the victims are non-European workers, mostly North Africans and partly from the Middle East. But more and more EU workers are recruited directly from their respective countries of origin, especially from Eastern Europe.

In the absence of official placement services, the illegal recruitment has become the only brokerage and hiring system capable of guaranteeing the significant share of just-in-time availability of unskilled labor, allowing for a considerable reduction in labor costs. "Caporalato" also means wages below the rates established by collective agreements, extended working hours, rests reduced to a minimum and no safety measures. It can be considered an area of the mafia economy and, in particular, of the above-mentioned agromafia. The phenomenon is widespread throughout Italy in numerous seasonal fruit and vegetable chains, such as tomatoes, oranges, strawberries and grapes, but also in the farming, portorage and construction sectors.

Thanks to the mobilization of exploited workers, third sector operators, trade unions and the commitment of some politicians, specific laws were issued in 2011 and 2016 following numerous crime events and revolts by foreign laborers. These rules introduced the crime of illicit intermediation and exploitation of labor, which punishes those who practice irregular hiring with imprisonment for up to six years, also sanctioning companies and individual employers. Before this reform, the illegal recruitment was punished with an administrative fine of only 50 euros.

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