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the restructuring of agriculture in Central Italy  
and its implications on labour relations.**

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**Beyond the agrimafie-caporalato binary: the restructuring of agriculture in  
Central Italy and its implications on labour relations**

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**Abstract:** As in many other countries in the world, the Italian agricultural sector has witnessed a process of deep restructuring with the expansion of export-oriented production and the rise of global value chains in the agrifood sector. This paper argues that the new way of producing and delivering food, coupled with country-specific conditions, such as the structure of Italian agrarian capital, have created the room for new forms of exploitation, such as those based on seasonal migrant labour through practices of labour contracting and that sometimes amount to forms of 'modern slavery'. These new forms of exploitation are far from being exceptional. Although often associated with the territory control of *Mafia* organizations, this article argues that migrant labour exploitation through the labour contracting system is an integral feature of the contemporary agricultural production in Italy. This is shown through the case study of the fruit and vegetable production in the south area of Lazio region where firms can rely, through the role of labour contractors, on cheap and disposable migrant labour, especially Indian workers.

**Key words:** labour contractors, caporalato, Italian agricultural sector, FFV value chain, labour exploitation

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## ***Introduction***

Processes of restructuring, started since the late 1970s with the structural crisis of capitalism, have increasingly involved the agricultural sector which has come to be completely re-organised. These changes, due to the resurgence over the last three decades of ideas associated with laissez-faire economic liberalism and free market capitalism, have involved, among other things, a shift toward export-oriented production and the formation of global value chains, with a deep impact upon labour relations. In the first place, they have created 'new' ways for capital to extract surplus from labour, above all those based on the exploitation of migrant workers through the increasing use of informal recruitment systems, which include diverse degrees of labour exploitation.

Contrary to the conventional wisdom that considers these forms of labour subjugation as exceptional, as happens in the Italian context where they are often connected to the Mafia control of the agricultural sector, the hypothesis expressed here is that they are systemic, integral features of the agricultural production system. This has been investigated through a field research on the fruit and vegetable production in the south area of Lazio region, where there is a massive involvement of migrant labour, especially from Punjab, India.

The research has tried to make a combined use of quantitative and qualitative methods. Quantitative data come mainly from the Italian National Institute of Statistics (Istat), National Institute of Agricultural Economics (Inea), Fruit and Vegetable Service Centre (CSO) and FAO. As for the qualitative part of the research, the empirical accounts presented here are partial results from a fieldwork, started in October 2014 and concluded in April 2016, which consists mainly of observations and in-depth semi-structured interviews with key informants, mainly workers, labour contractors, farmers, labour organisations and unions.

The paper is organised as follow: after a short introduction to the dominant perspective in the Italian context over the phenomenon of *caporalato* and connected forms of labour subjugation, the following section will deal with a brief reference to the restructuring of agro-food systems at global level. In the third section an analysis about the growing importance of fruit and vegetable production at the world level and its consequent

restructuring is presented. Finally, in the last section, after a brief overview over the fruit and vegetable production in Italy, the results from the field-work over labour relations in the fruit and vegetable production in the Lazio region are presented.

***Labour contractors and migrant labour exploitation in Italy: the mainstream perspective***

In Italy, the debate over appalling labour conditions that could amount to forced labour and practices of informal labour contracting has started acquiring increasing relevance soon after the so-called facts of Rosarno<sup>1</sup>. In January 2010, in Rosarno, a little town in Calabria, a region in southern Italy, a violent riot erupted between migrants and the local population after a racist attack was perpetrated against two men from Togo. The facts of Rosarno have allowed to shed light on the alarming conditions of exploitation of migrant labour, especially in the agricultural sector. According to news reports and studies conducted soon after the 'infamous' facts<sup>2</sup>, a farmworker in Rosarno works about 8 – 9 hours and earns no more than 25 Euros per day, while, under the national collective agreement, a farmworker should be paid more than 40 Euro per a eight-hour working day. They are usually paid on a piecework basis: one Euro per create filled with mandarins and clementines and 50 cents per orange create. Furthermore, from their pay workers have to deduct about 3 Euros per day to give to their gang-mansters for the transport and an equal sum for a sandwich and a small bottle of water. Most of them do not have a contract and, to add insult to the injury of illegal work, sometimes it happens that many workdays actually worked by migrant workers are instead assigned to employer's friends and relatives, who may enjoy the benefits coming from the social security contributions (Pugliese 143: 2013).

In 2011 there was another important event which drew new attention on labour exploitation of migrants in agriculture and informal systems of recruitment: in the

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1 Although it was at least since Jerry Masslo's murder in 1989 that the problem of migrant labour exploitation in the Italian countryside has been revealed. Maslo was an anti-apartheid activist from South Africa, thus a political refugee in Italy who had publicly denounced the harsh working conditions in the Italian agricultural sector.

2 *Gli africani salveranno Rosarno* (Mangano 2019); *Italia. Analizzare Rosarno* (Dolente e Vitiello 2010); <https://www.internazionale.it/reportage/2016/04/15/arance-italia-rosarno>; Terra Ingiusta (MEDU 2015) <http://www.mediciperidirittiumani.org/pdf/Terraingiusta.pdf>; *Immigrazione e diritti violati* (Pugliese 2013);

summer of 2011 about 400 migrant farmworkers went on a two-week strike in Nardò, an agrarian village in Apulia, Southern Italy. For farmworkers, the strike was a battle over pay, working hours and system of recruitment (Sacchetto & Perrotta 2012). It is from that mobilisation that the issues of 'modern slavery' and labour brokerage have started receiving increasing attention in Italy and to be tackled by institutional bodies. The appalling working conditions and the extremely low payments given to workers were increasingly attributed to the informal recruitment system, otherwise known as *caporalato* system. *Caporalato* is an Italian expression which comes from the word corporal, a military officer who command a section or squad of soldiers. The word *caporalato* has come to indicate a practice of 'illegal' recruitment and control of workers, especially immigrants, done by specific figures, called *corporal*, a 'broker', or gangmaster, who manages the labour market with *different degrees* of oppression and exploitation. Because of the almost exclusive attention given to the informal system of recruitment over the other issues at stake, the farmworkers' strike in Nardò brought only to a single concrete result: the art. 12, D.L. 13 August 2011 n. 138, a law against 'illegal labour brokerage and labour exploitation', otherwise known as the *Caporalato Law*.

According to this law:

*'anyone carrying out an organised brokerage activity, either by recruiting workers or organising their labour activities characterised by exploitation, through violence, threat or intimidation (emphasis added), taking advantage of workers' vulnerability, is punished with five to eight years of reclusion, and with a 1.000,00 to 2.000,00 Euros fine per recruited worker'*<sup>3</sup>

Since then, the Italian debate over the *caporalato* phenomenon and labour exploitation in agriculture has been characterised, monopolised more properly, by a continual reference to the Mafia criminal organisation: in political discourses and in many studies and reports done by activists, journalists and NGOs<sup>4</sup>, there has always been a more or less direct reference to some kind of criminal organisation involvement in the activity of

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3 <http://www.gazzettaufficiale.it/gunewsletter/dettaglio.jsp?service=1&datagu=2011-09-16&task=dettaglio&numgu=216&redaz=11A12346&tmstp=1316417614599>

4 See for instance the books from Mangano (2010), Rizzo (2011) and of course the press: <http://www.ilfattoquotidiano.it/2012/12/10/caporalato-e-mafie-700mila-schiavi-nellagricoltura-italiana/441656/>; <http://www.repubblica.it/solidarieta/diritti-umani/2014/06/04/news/caporalato-88051452/>

corporals. An interesting case in point, among others, is the Italian sectoral trade union FLAI-CGIL<sup>5</sup>, which publishes a report on the issue every two years, with the evocative title '*Agromafie and Caporalato*' (2012; 2014; 2016), according to which inhuman conditions of exploitation, taking place especially in the agricultural sector and involving above all immigrants, as they argue, need to be attributed to the territory control of Mafia organizations. The *caporalato* system is deemed to be a phenomenon directly linked to the control of part of the agricultural sector by the organised crime, because it is essentially the agrimafia which 'offloads costs of the illegal practice onto workers' (FLAI-CGIL 2014: 49). It is something that has to do only with that side of the economic system, which choose to act illegally.

More recently, the tragic death of many agrarian workers has raised further awareness on the miserable working conditions of labourers in the Italian agriculture and has, therefore, renewed the debate over illegal practices of labour contracting and forced labour. The (former) Italian Minister of Agricultural, Food and Forestry Policies, Maurizio Martina, and the (former) Italian Minister of Labour, Giuliano Poletti, expressed their profound concern about what was going on in the Italian countryside and announced that measures against the *caporalato* system would be further tightened up. They announced that a new law will soon come into effect, increasing the penalty also against employers who takes advantages from the *caporalato* system and who will have their property and assets confiscated, 'as is the case for *Mafiosi*'<sup>6</sup>.

In the meanwhile, other measures have been taken by the Italian left-wing government to fight labour exploitation and the usage of labour brokering, such as the so-called Network of Quality Agrarian Labour, a measure that is inside the so-called *Campolibero law*<sup>7</sup>, which is in turn included in the Competitiveness Law. This law is said to be against informal labour and labour exploitation of migrants in agriculture through the creation of a network where 'good' agrarian firms can ask to join, by proving they have

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5 FLAI-CGIL is the Italian food and agricultural workers' federation, part of the Italian General Confederation of Labour (CGIL), which is not only one of the most important Italian trade unions, and currently the biggest trade union in Europe, but it has also had historically the most radical-left positions, until recently.

6 [http://www.repubblica.it/politica/2015/08/27/news/caporalato\\_martina\\_a\\_breve\\_legge\\_su\\_confisca\\_beni\\_poletti\\_vogliamo\\_stroncarlo\\_rafforzeremo\\_misure\\_-121715046/](http://www.repubblica.it/politica/2015/08/27/news/caporalato_martina_a_breve_legge_su_confisca_beni_poletti_vogliamo_stroncarlo_rafforzeremo_misure_-121715046/)

7 <http://www.gazzettaufficiale.it/eli/id/2014/06/24/14G00105/sg;>  
<https://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/7865>

never been convicted of an offence of labour exploitation, and receiving as prize an ethical certificate that they can label their goods with. In this way, their virtuous attitude is valued, which can be turned in a competitive advantage, just in line with the Competitiveness Law which contains this measure. As others have argued, it seems that ethical labelling, although presented as a way to contrast the negative effects of globalisation, is not only unable to offer that protection it is supposed to encourage (Guthman 2007; Cramer et al. 2016) but it also turns out to be perfectly in line with the ongoing hegemony of market ideology since it contributes to shifting regulatory responsibility away from the public sector and promoting capital friendly regulation (Guthman 2007; Fridell 2007; Bartley 2007).

This perspective, that pretends to enclose the issue of migrant labour exploitation inside the boundaries of legality, without questioning whether instead it has something to do with, for instance, the way the agricultural sector and the food economy are organised, is a widespread point of view in the Italian context. As shown above, the direct results of this perspective have been some policy measures whose central purpose is to correct individual attitudes. Contrary to this orientation, this paper intends to recall more attention towards context-related causes, that is more general social and economic processes, investigating the possible link between labour exploitation and the *caporalato* practice on the one hand and processes of accumulation in contemporary capitalism on the other.

### **The global restructuring of *agro-food systems* under unfettered capitalism**

Starting from the structural crisis of the 1970s, capitalism has undergone a deep restructuring in its functioning and its production landscape, both in the so-called advanced and developing world, which has also implied a radical reformulation of the development consensus. One of the major changes often underlined by scholars has been, among other things, the promotion of export-oriented strategies of production and an emphasis put on integration into the global market, which is resulted, for instance, in the formation of the so-called global value chains, in other words a deep reorganisation in the production and distribution modalities. The liberalisation of market forces and the deeper integration into the world economy based on comparative advantages have

become the core of a new development paradigm (Bair 2005; Ocampo and Ros 2011; McMichael 2017). A reshaping of the capitalist system which firstly means, as Bernstein puts it, 'reducing or abolishing the gains of working classes, registered in state regulation and provision concerning employment contracts, working hours and conditions, minimum wages, rights of association, health care, education and social insurance and pensions' (Bernstein 2010:80). Changes in power relations are often mentioned as a defining feature of the contemporary era: "a drastic restructuring in the balance of power in favour of capital" as pointed out by Breman (1995) and a liquidation of the labour friendly-regime (Arrighi and Silver 2000) which has been laid down as a prerequisite for economic development. As argued in recent studies (Barrientos 2013, De Neve 2014, Mezzadri 2016), the restructuring of production, with the formation of global value chains, plays a major role in the deepening of anti-labour practices, through the increasing use of informal labour relations and the incorporation of 'traditional' forms of exploitation, such as those based on the practice of labour contracting. As argued by A. Mezzadri (2008), this is due to the larger dis-articulation which is already under way between what is happening to the governance of production on the one side and that of labour on the other side: while the former is increasingly incorporated into global circuits of capital, the organisation of work to respond to capital's need to have a labour force as cheap and flexible as possible is left to local regulatory mechanisms. A case in point is the use of *caporalato* practice and the employment of lower-paid, unprotected, indeed informal workers in the Italian agriculture. Although it can be argued that labour contracting and informal labour have not been really created by the economic liberalisation and deregulation processes characterizing the contemporary era<sup>8</sup>, the latter does seem to have created areas of 'inclusiveness', whereby some old labour relations<sup>9</sup> have been reshaped and incorporated in the logic of *laissez-faire* production<sup>10</sup>. In this sense, labour contracting and informal

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8 Indeed, the informal economy debate started in the 1970s as a critique of modernisation theory and the supposed 'trickle down' effect which not only was not creating sufficient employment but also diverse forms of underemployment, namely informal labour (Hart 1973).

9 The *caporalato* practice is not new in Italy. According to some it belongs to the past feudal mode of production. Others argue that its origins seem to be connected with the Italian capitalist transition in agriculture (Sereni 1971; Mottura and Pugliese 1975).

10 Regarding the rising role of informal labour relations in the contemporary era, characterized by a deep process of economic deregulation and liberalisation, it is interesting to note that, from an opposite

labour are part and parcel of the new phase of capitalist development.

The food and agricultural sector was not immune from these changes. The 1970s capitalist crisis marked a turning point also in agriculture and an increasing number of scholars began observing that a deep agrarian restructuring has begun across the globe with the introduction of a set of policies aimed at broadening and deepening the market imperative and that important transformations have occurred in the way food has been produced since the 1970s onwards.(Akram-Lodhi and Kay 2009; McMichael 2013, 2017). One of the major changes pointed out by most of the literature on agricultural restructuring has been a kind of double-direction movement. On the one hand, the transnationalisation of agricultural production with the rise of agribusiness and its configuration into global agro-food chains (Whatmore 2002; Gibbon and Ponte 2005; McMichael 2009). Leading food multinational corporations (Kraft-Philip Morris, Nestlé, ConAgra, Danone, Kellogg, etc.) together with huge supermarkets and hypermarkets (Carrefour, Metro, Auchan, Coop, etc) have increasingly globalised their activities and come to dominate food sales and food production on a global scale. On the other hand, the increasing incorporation of farming, above all small-scale farming, into these new global commodity circuits: since the 1970s and 80s, contract farming across much of the world has emerged as a central features of the contemporary global agro-food system (Watts and Little 1994; McMichael 2000). In recent years, a lot of literature on the subject has been produced, assessing the beneficial effects of contract farming on growers, especially focusing on developing contexts. Contract farming is often promoted as a 'dynamic partnership' between the grower and private capital, which protects the autonomy of the former while ensuring market integration and economic growth through the latter (Bhagwati 2004; FAO 2001; Williams & Karen 1985).

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perspective, it could be argued that its persistence today could be attributed to an incomplete process of liberalisation and deregulation. This is pretty much in line with the so-called 'legalist' or 'De Soto' approach (Rakowsky 1994), according to which informality is primarily due to legal factors, to excess State regulation. However, this approach generally focuses on the top strata of the informal category, namely micro-enterprises and self-employed who are said to suffer from the high costs of formality (state bureaucracy and regulation), and completely overlooks the overwhelming majority of informal workers. By picturing such a vision of what informality is about, it is obvious that the main problem results to be an over-intrusive state and the most pressing policy prescription will be more deregulation. In this paper, instead, the focus is on the lower strata of the informal category, that is on lower-paid and unprotected workers for whom State deregulation has meant a worsening of working and living conditions.

Moreover, there is a growing body of policy-oriented evaluative research specifically investigating the positive impact of contract farming arrangements on the welfare of small farmers (Minten et al 2009; Swinnen and Vandeplass 2014; Bellemare and Novak 2015). However, as Watts (1990) has pointed out, the increasing use of contract farming in agriculture seems to be very close to the so-called “flexible accumulation” restructuring in industrial capitalism, where the apparent decentralisation of production is actually a new *vertical co-ordination* of production, with a strict integration of dispersed food producers and workers 'subordinated and controlled via [...] tied contracting' to agribusiness corporations (1990:160). Friedland (1994) too argues that the so-called decentralisation of production in agriculture is actually a mass production system controlled by large corporations, hence, despite producers' apparent independence, products and labour processes still have mass character and remain highly influenced from above. Generally, several authors have pointed out to the loss of power and to the increasing vulnerability faced by (small-holder) farmers vis-a-vis retailers or agro-processing companies, within the framework of global restructuring marked by the rise of 'buyer-driven' chains and private regulation (Daviron 2002, Gibbon and Ponte 2005; McMichael 2017). Yet, as highlighted by Oya (2012) one should be cautious in glorifying or demonising contract farming, and in general making over-generalizations about it, since there is very scant systemic empirical evidence to support the quantitative significance and spread of contract farming from a long-term perspective: 'its significance, implications and role are highly contextual' (2012:5).

The aim of this paper is not investigating the spread of contract farming in Italy from a pro-smallholder point of view, rather analysing the implications of contract farming, where present, for the conditions of labour relations. Indeed, the mentioned changes in the agricultural sector have had a deep impact on agrarian labour relations, as we will see later through the case of fruit and vegetable production in the Lazio region, central Italy.

### ***The growing importance of Fresh Fruit and Vegetable Production and its restructuring***

Since the 1980s, the whole European rural policy was about to prepare its transition

towards a free market regime of governance. Under the influence of the World Trade Organisation (WTO) and its ideology of economic liberalisation and deregulation, the Common Agricultural Policy (CAP) went through profound shifts in its modes of intervention and regulation. As Clive Potter and Mark Tilzey (2005) have pointed out, competitiveness and integration into the world market have become the primary goals of the European rural policy. Indeed, already the 1992 MacSharry reform, but more properly the 2003 Fishler reform, by decoupling supports from production and removing state-support measures, radically changed the shape of the CAP, which took a clear market-oriented direction, enabling the EU to accept various agreements on agriculture in the WTO negotiations (Tilzey 2006; Tilzey and Potter 2006). Within this framework, Italian agriculture too underwent a deep process of restructuring.

In this section, the profound transformations occurred in the Italian agriculture will be analysed by looking more specifically at the Fresh Fruit and Vegetable (FFV) production. Before entering the national and local scale, and looking at country-specific conditions, a more general description of the transformations occurred in this particular commodity production will be provided.

Some segments of food production have been globalised for a long time, at least from the 1870s when the *first food regime* took place, by combining 'colonial tropical imports to Europe with basic grains and livestock imports from settler colonies' (McMichael 2009). Others, instead, have not, at least until recently. The fresh produce, with the exception of banana production, was precisely one of those segments which was primarily regionally and nationally based (Friedland 1994). By the mid-1980s researchers had increasingly recognised that global trade flow in fruits and vegetables has grown rapidly since the 1980s, and more rapidly than other agricultural commodities (Selwyn 2007; Huang 2004).

Since the 1980s global flows in fruits and vegetables have increased dramatically. In 1980 about 15,40% of total global exports in agricultural commodities was in meat and wheat, while just about 11,50% was in fruit and vegetables. However, in 2000s wheat and meat accounted just for 11,70% of total value in agricultural exports, while fruit and vegetables more than 16%<sup>11</sup>. This has been underlined also by one of the last WTO

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11 Author's calculations based on [FAOSTAT](#) data. See Appendix

reports on trade and development, stating that “During the last 50 years, the share of raw traditional agricultural exports in total agricultural exports has declined significantly [...] The share of fresh fruits and vegetables exports has also increased steadily over the past decades and now represents 10 per cent of total agricultural exports” (WTO 2014: 9) According to some, this is part of the evidence suggesting a transition towards a new food regime that since the late 1990s has shifted from the previous food regime, under American hegemony, based on the production and trade of meat and wheat to the current food regime, under corporate hegemony, based on the global trade in fruit and vegetables (Friedland 1994; McMichael 2009).

As for world production of fruit and vegetables, this grew by 30 per cent between 1980 and 1990, by 53 percent between 1990 and 2000 and by 32 per cent between 2000 and 2010. Fresh produce, over the same period, has had an even more dynamic increase, especially during the 1980s and 1990s: world production in FFV grew by 61 per cent between 1980 and 1990, by 54 per cent the following decade<sup>12</sup>.

This growing importance of fresh produce has gone hand-in-hand with a deep restructuring of the fresh industry, pretty much in line with the most general changes occurring in the global food system as a whole. Also this sector has witnessed the rise of the so-called value-chains and integrated networks delivering fresh fruit and vegetables worldwide. The commodity chain approach, initiated by the world system scholars, and popularised by Gereffi and his colleagues in their studies (Gereffi 1999, Gereffi and Korzeniewicz 1994, Kaplinsky 2000, Humphrey and Schmitz 2000), has become over time a useful research tool to investigate the organisation of the capitalist production system. A commodity chain has been defined as "sets of interorganizational networks clustered around one commodity or product, linking households, enterprises, and states to one another within the world-economy." (Gereffi and Korzeniewicz 1994:2). As noted by many, however, the GCC approach has paid exclusive attention to the firm level, ending up focusing on the issue of governance exerted by leading firms along the chain and on the concept of upgrading, the opportunity some firms can grasp to move up the chain. This has had the undoubted merit of underlining the accelerated growth in power and influence along the chain of multinational retailers, but it has consistently

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12 FAOSTAT Date: Fri Jul 10 09:50:34 CEST 2015

sidelined the issue of labour and capital-labour relation in the process of value creation (Newman 2012; Selwyn 2013; Taylor 2007). The aim of this paper is precisely to investigate how the changes occurred in fresh fruit and vegetables production in the Lazio region impact upon local capital-labour relations.

As underlined by William H. Friedland (2004, 1994), who has dedicated particular attention to the study of the current global FFV system, value chains in this sector are composed by three main segments: production, marketing and distribution. According to him, only the distribution segment has acquired a global scale while the other two, production and marketing, are still mostly locally, regionally and/or nationally based. Moreover, the distribution sector has become increasingly concentrated over time with a few large supermarket chains accounting for the bulk of FFV sale. Across Europe, for instance, supermarkets would account for 68% of sales in fresh produce in France, 72% in the Netherlands and 80% in the UK (Cadilhon et al. 2003) and their market shares have been rising since then. According to Humphrey (2004) supermarket chains are increasingly developing competitive strategies based upon fresh produce, seen as a strategic area in terms of quality and year-round availability, in order to persuade consumers to select a supermarket rather than another.

This look for product differentiation, together with the constant search for lower prices and production costs, is what has been driving the relevant shift from market-based supply to *vertical coordination*. Most food retailers increasingly engages in closer relationships with its fresh food suppliers while traditional wholesale markets of FFVs is constantly losing its importance (Gereffi et al., 2005; Brown 2005; Reardon and Gulati 2008). This move toward vertical organisation of production can take different forms, for instance that of contracting between different agents in the chain. Contract farming is a term increasingly used to describe a particular form of supply chain governance through which leading firms can secure access to food products 'meeting desired quality, quantity, location and timing specifications' (da Silva 2005).

As mentioned before, these direct links between retailers and their suppliers have been producing a very complex relationship between the two, involving a high level of coordination of production schedules (planting, harvesting) and strict requirements (quality, timing of delivery) which has had relevant consequences in terms of the

agrarian capital-labour relation at the level of the production unit, as we will see in the case study under exam.

### ***FFV production in Italy: 'new' forms of exploitation in the Lazio region***

The Italian agricultural sector was in no sense immune from these deep changes. Since the 1970s the Italian FFV production has become increasingly export-oriented, with a massive increase in terms of quantity exported, which has made Italy one of the top five exporting countries of fresh vegetables at the world level, and the second biggest exporting country of kiwi fruit in the world<sup>13</sup>. According to data, Italian exports of fresh fruit and vegetables both in terms of volume and value have grown sharply over the last decades: FFVs exported from Italy have increased by about 42% from 1980 to 2000, and still by approximately 53% from 2000 to 2010<sup>14</sup>. In terms of value the increase is even more stunningly, suffice it to say that in 2014 FFV exports has come to account for 78 per cent of all agricultural products, becoming the first, and most lucrative, good in the Italian agricultural export, with a value above 8 billion \$US (Nomisma-Unaprao 2015).

Since the late 1970s, the Italian FFV production has also been deeply reorganised. As a result, the FFV sector has witnessed the rise of the so-called Value Chains characterised, as elsewhere, primarily by a double trend: on the one hand the retail sector has come to exert an increasing influence along the chain, in terms of governance, which has thus come to take a neat buyer-driven shape. Indeed, as underlined by the Italian Competition Authority that between 2010 and 2012 carried out an inquiry into the Italian large-scale retail sector<sup>15</sup> (“*grande distribuzione organizzata*” in Italy, hereinafter also “*GDO*”), the recent reorganisation of production and delivery processes has led to a widespread imbalances of bargaining power between GDO and their suppliers, in particular in the food sector. Indeed, a growing share of sales of agricultural products has been grabbed by the new retail sector, which in 2013 has come to acquire 72,4 per cent of it, while traditional grocery store are increasingly losing their

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13 Data from FAOSTAT. See Appendix 2 below

14 Fresh fruit and vegetables exported from Italy have grown during this period from 111,978.00 tonnes in 1980 to 244,132.00 tonnes in 2010. Author's elaboration on FAO data <http://faostat3.fao.org/browse/T/TP/E>

15 Available here: <http://www.agcm.it/component/joomdoc/allegati-news/IC43.pdf/download.html>

food market share<sup>16</sup>. As far as FFVs are concerned, according to data released by CSO (Centro Servizi Ortofrutticoli)<sup>17</sup>, which is a private observatory on the Italian fruit and vegetable sector, GDO has come to control almost 60 per cent of the FFV market (CSO Dossier 2012: 24).

On the other hand, as part of the double trend, there has been an increasing 'direct' incorporation of the production base in the FFV chain, although with some interesting local specificities. Indeed, FFV production in the Lazio region is highly fragmented, with a massive presence of small-scale farms. In the region under exam, according to the latest census on agriculture, almost 60% are small-scale farms with less than 2 ha (Istat 2010).

The reorganisation of the FFV production has had significant effects and impacts on the production base. First of all, there has been a substantial liquidation of traditional distribution channels while modern retail distribution has achieved greater prominence to such an extent that integration into the agro-food chain has come to represent the only game in town for farmers to reproduce themselves. Secondly, buyers intervene decisively on the production process, by making decisions that normally should be taken by farmers about what to produce and the quality and features their products should have. Finally, times and methods of delivery are further requirements demanded by retailers that have come to represent an additional element of pressure for farmers.

This re-organisation of the Italian FFV production has had as one of the main effect for producers to look for new strategies in order to resolve their problems of integration into the value chains. One of the major strategies carried out by FFV producers has been to decentralise labour management to labour contractors and use an ever-increasing informal and hyper-flexible labour force. Sometimes, these practices of intermediation, recruitment and organisation of workers may amount to forms of slavery.

In the Lazio region, according to data, the agricultural sector relies heavily on migrant workers, in particular coming from Punjab, India (Fioretti et al 2014; IDOS 2016). Interviews made to Indian workers have revealed a very complex reality: this system of recruitment and control of migrant labour have different shades and different degrees of

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16 [http://www.federdistribuzione.it/studi\\_ricerche/files/Mappa\\_Distributiva.pdf](http://www.federdistribuzione.it/studi_ricerche/files/Mappa_Distributiva.pdf)

17 *Centro Servizi Ortofrutticoli* could be translated in English as '*Fruit and Vegetables Service Centre*': [http://www.csoservizi.com/about\\_us.php](http://www.csoservizi.com/about_us.php)

oppression, but labour exploitation, as defined by the current Italian law against labour contracting (l.n. 199/2016)<sup>18</sup> is something shared by all the workers interviewed, despite the diversity characterising the relationship between recruiter and worker (below). Indeed, labour contracting may be highly structured and sometimes used to manage an unfree labour force. Migrant workers tell about long working days, about 12 hours a day, and an average pay of 25 euros per day without any contract or with a fake part-time contract. Some workers, usually latecomers and the most inexperienced, are in a relation of direct dependency on recruiter in terms of debt bondage. Some workers tell that their corporal monitors and controls their work even in a violent and despotic way, and usually they have to pay their recruiter for everything: for helping them find a job, for transportation, for food and water at the workplace. However, this is not the rule. Despite conventional wisdom loves picturing corporals as ferocious criminals and the source of all evil, it is important to remind that the service offered by gangmasters is firstly a necessity coming from employers to have a flexible and ready to use labour, even going so far as to ask to simple workers to turn into 'corporals', occasionally, mainly during peak seasons, to 'get help' finding 10 or 15 workers promptly available. They do the same work as proper recruiters, organising friends and relatives and bringing them to the farmer's field who asks him 'to help', without taking money from them but offering them the same indecent conditions of work as those experienced by workers mobilised by despotic corporals<sup>19</sup>.

The results gathered from the field research seem to confirm a process of disarticulation between capital and labour, a tendency that sees capital increasingly going global, while labour is increasingly 'going local' (Mezzadri 2008). According to Standing, for instance, what is happening is that while concentration of capital has

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18 One of the most important feature of the Italian law against labour contracting are the so-called 'exploitation indexes'. For the first time there has been an attempt done by the Italian institutions to define economic exploitation by breaking it down into four sub-categories which are: (i) pay levels – when these are systematically below those set in the collective bargaining agreements; (ii) working hours – systematic violation of the law regarding working hours, weekly rest, leave and social insurance; (iii) safety, hygiene and health protection at work - when such violations expose workers to health and safety hazards; (iv) more general working conditions, methods of control over workers, and also degrading housing conditions.

19 For a more detailed description of the *caporalato* system in the Lazio region: L. Salvia (forthcoming), *I caporali e il loro ruolo nella filiera agroalimentare del Basso Lazio: oltre la criminalizzazione*, in *Sociologia Urbana e Rurale*.

increased, the centralisation of labour has decrease. 'Global concentration of capital has been coupled with deconcentration of production, increasing organisational flexibility' (1999: 87). Bernstein has also noted that since the 1970s capital has entered a new phase of international centralisation and concentration and the reverse side of this process is an intensification of the fragmentation of labour, which 'pursues its reproduction through insecure and oppressive wage employment' (Bernstein 2006:455). Indeed, the new forms of exploitation revealed, such as those belonging to the *caporalato* practice, seem to be strictly connected to the contemporary organisation of agricultural production in Italy, and by no means exceptional, or just linked to the *Mafia* control of territories.

### ***Conclusion***

Since the late 1970s the Italian agricultural sector has undergone significant restructuring. Major changes have involved a great emphasis on integration into the world market and the formation of the so-called commodity chains, which have totally rewritten relations of production along the production process, as the FFV production in the Lazio region seems to suggest. One of the major impact has been the creation of 'new' forms of exploitation, such as the *caporalato* practice, which far from being an exception, is increasingly part of a 'local' strategy through which producers are trying to cope with their problems of integration into the global economy.

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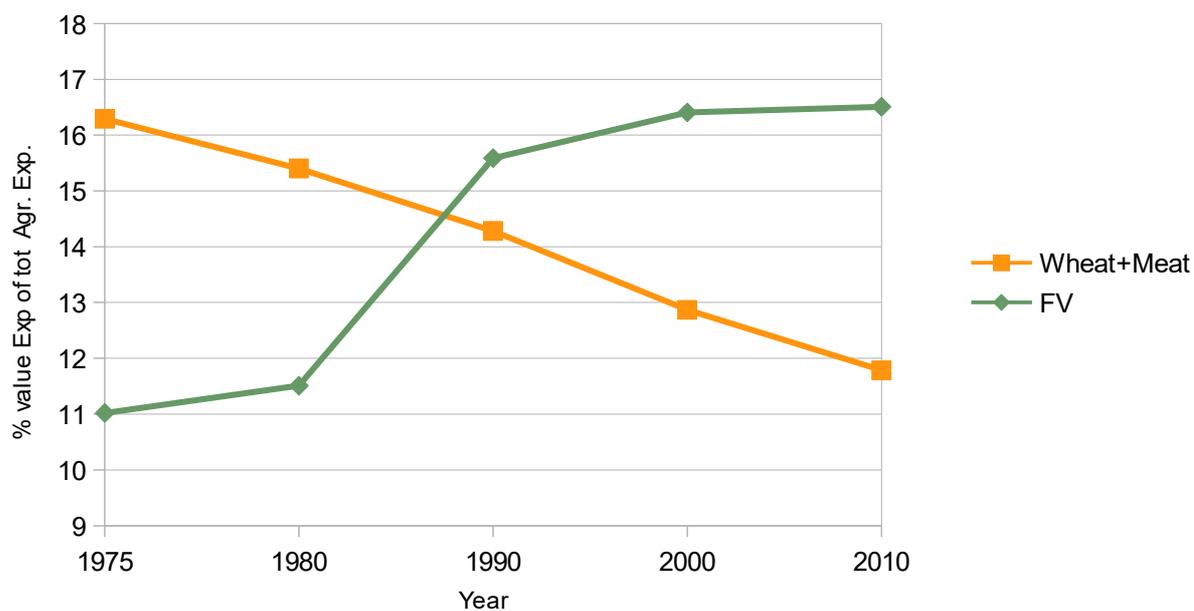
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## Appendix 1

Global Exp in Value [1000 US\$] Wheat+Meat (II Regime) and FV (III Regime) from 1975 to 2010					
Year	Agricultural Products, tot	Wheat + Meat	% of tot Agricultural Products	FV	% of tot. Agricultural Products
1975	123932016	20191778	16,2926245	13659823	11,0220292
1980	233821175	36011576	15,4013322	26910795	11,5091351
1990	325577830	46500478	14,2824461	50752400	15,5884078
2000	411044491	52900246	12,8697129	67441476	16,4073421
2010	1084786917	127856152	11,7862919	179083493	16,5086332

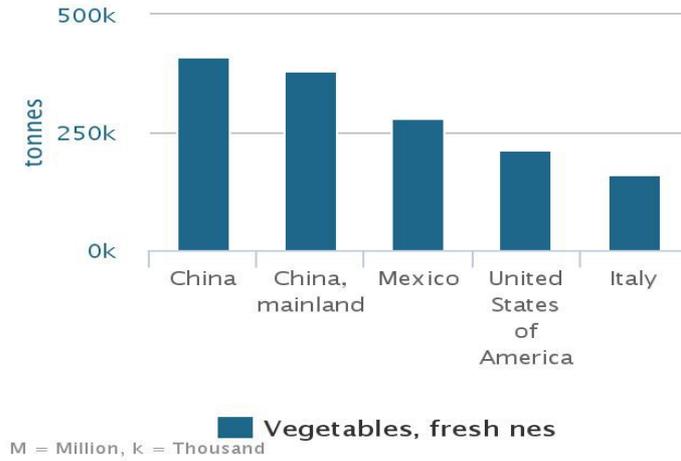
Source: FAOSTAT data: Jul 25 15:43:32 CEST 2016 , author's own elaboration



Graph 1: Value in % of Global Exp. in Wheat+Meat (II Regime) and FV (III Regime) over tot of Agr. Exp. from 1975 to 2010\_ Sorce: FAOSTAT data, author's own elaboration

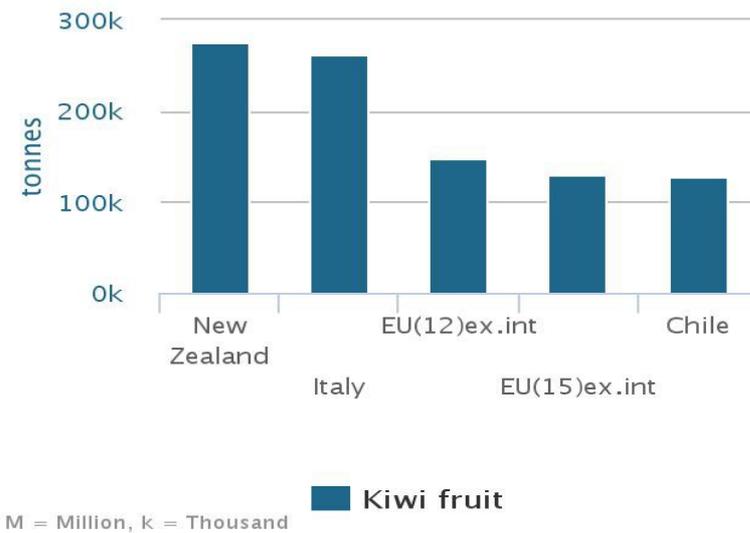
## Appendix 2

Graph 2: Italy among top five exporting countries of fresh vegetables at the world level



FAOSTAT Date: Wed Jul 27 11:17:40 CEST 2016

Graph 3: Italy, the second biggest exporting country of kiwi fruit in the world



FAOSTAT Date: Wed Jul 27 11:25:25 CEST 2016