

Summary - Material embargoed until 12.00 on 13 July

FOURTH REPORT ON AGRO-MAFIAS AND GANGMASTERS - Placido Rizzotto Flai Cgil Observatory

Presentation 13 July 2018 in Rome, Cavour Convention Centre, Via Cavour 50/a

The Report is divided into four parts.

The **first part**, *Mafia Economy: agro-Mafias and gangmasters*, provides an overview of the illegal economy in the food sector and the application of Law 199/2016, "Provisions relating to the fight against illegal employment, the exploitation of labour in agriculture, and pay realignment in the agricultural sector", and an assessment of its impact on the ground.

The numbers, composition and conditions of migrant workers in Italian agriculture are also analysed.

The invisible economy in Italy is estimated to be worth about €208 billion; irregular work is worth 77 billion, or 37.3% of this. Irregular work accounts for 15.5% of the added value of the agricultural sector.

Irregular labour and the gangmaster system in agriculture amounted to 4.8 billion euros.

1.8 billion euros are avoided in taxes.

Counterfeit and Italian sounding. The phenomenon of counterfeiting in the food sector saw the seizure of counterfeited food products valued at one billion euros between 2012 and 2016.

The Guardia di Finanza (Tax Police) estimated the loss of tax revenue due to counterfeiting at 5.7 billion euros resulting in the loss of about 100,000 regular jobs.

Italian sounding is worth €60 billion in terms of food products sold abroad.

Irregular and gangmaster work.

Between **400,000/430,000 agricultural workers are exposed to the risk of irregular work** under gangmasters; of these more than 132,000 are in a state of serious social vulnerability and severe suffering in employment terms. These numbers, unfortunately, confirm a scenario similar to previous Reports.

In addition, more than 300,000 agricultural workers, or almost 30% of the total, work less than 50 days a year. Presumably this includes a lot of irregular/illegal work. The rate of irregularity in labour relations in agriculture is 39%.

Part I also analyses the **composition of migrant labour in agriculture**.

Among roughly one million agricultural workers, migrants are a fundamental resource. According to INPS data **in 2017**, 286,940 were registered with regular contracts, about 28% of the total, of whom 151,706 were from the EU (53%) and 135,234 from non-EU countries (47%). **According to the Crea, foreign workers in agriculture (both regular and irregular) number 405,000**, of whom 16.5% have an informal employment relationship (67,000 workers) and 38.7% receive non-union pay rates (157,000 workers).

The **second part**, *The rules for combating exploitation*, deals with the theme of placement, labour exploitation and the various laws and regulations opposing this, in a monographic study, an excursus that moves from 1950 to the present day.

This part also contains a chapter dedicated to analysing the relationships between the various players in the **value chain in the agro-industrial sector**; a chain in which there is a clear asymmetry between bargaining power in the agricultural and basic phase compared to that of the other parties in the chain (for example, the retail sector). "Empirical analyses of the agri-food value chains in Italy show how the distribution of labour provides an advantage to players other than farms/companies".

The **third part**, *Indecent work in the agricultural sector*, provides, through a series of interviews, seven case studies, stories of labour exploitation in seven regions: Lombardy, E. Romagna, Tuscany, Campania, Puglia, Basilicata and Sicily. In each region, particular territories were studied, insofar as they were those in which there are indecent forms of work at the limit of near-slavery levels of exploitation.

The conditions of workers subject to severe exploitation in agriculture: no protection and no rights guaranteed by contracts or law; an average pay of between 20 and 30 euros a day; piecework for a fee of €3/4 for a 375kg container; a wage lower by about 50% than the provisions of the CCNL and CPL.

Workers under gangmasters have to pay them for: transportation depending on distance (on average €5 euros); basic necessities (on average €1.5 for water, €3 for sandwiches, etc.)

The average working day is from 8 to 12 hours.

Women under gangmasters receive 20% less salary than their male colleagues.

In the severe cases of exploitation analysed, some migrant workers received a salary of 1 euro per hour.

Farms/companies. From the information collected, an estimate was made which quantifies **the number of farms/companies that make use of gangmasters at 30,000**, about 25% of the total number of farms/companies in the country that have employees. 60% of these companies hire those who are defined in the Report as "team-leader gangmasters", who differ in terms of having decent (albeit irregular) working relationships compared to those that are indecent and run by the gangmasters in collusion with criminal if not Mafia organisations.



The **fourth part**, **The foreign mafias and the case of the Bulgarian mafia**, deals with the issue of foreign criminal organisations, in particular focusing on the case of the Bulgarian mafia. Migration flows, settlement strategies, modus operandi, the relationship between foreign mafias and local criminals, and therefore the issue of illicit intermediation and the trafficking and exploitation of people which obstructs the union organisation of workers also violently sometimes.

The spread and branching out of the foreign mafia, according to the Report, “allows it to operate simultaneously in different parts of the country and therefore to hire labour, offer it on the market of illegal supply/demand, establish/negotiate interests with irresponsible/dishonest entrepreneurs, and make money from this (...). These modalities are antithetical to those that the unions put in place to defend workers, regardless of their nationality. From this point of view, the criminal groupings that manage segments of the supply of labour with rules and behaviour that are punitive and discriminatory can be considered as micro-organisations parallel to the union ones, acquiring, for this reason, consequently, not only a “shadow function” but specifically the identity of “delinquent union”.

Flai Cgil Press Office