

E(U)XPLOITATION

**GANGMASTERING:
THE SOUTHERN QUESTION
ITALY, SPAIN AND GREECE**



Terra

RIAVVIA IL PIANETA



Terra

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This report stems from the need to look beyond our Italian peninsula to solidify the activity carried out in recent years on the theme of exploitation in agriculture and on supply chain dysfunctions.

For some time we have been speaking on the structures that govern the food business from the field to the shelf. In 2015, with the #FiliaraSporca (BrokenProductionChain) campaign, led together with daSud and terrelibere, for the first time we linked the exploitation of labourers to the imbalances in the distribution of market power, placing what was normally told as a news story in its political-economic context. The subject of the report was the orange supply chain "**Gli invisibili dell'arancia e lo sfruttamento in agricoltura nell'anno di Expo (The invisibles of the orange trade and exploitation in agriculture in the year of the Milan Expo)**", followed in 2016 by the reports "**Filiara Sporca - La raccolta dei rifugiati (Broken Production Chain- The refugee harvest)**" and "**Spolpati - la crisi dell'industria del pomodoro tra sfruttamento e insostenibilità (Spolpati - the crisis of the tomato industry, exploitation and unsustainability)**", in which we investigated respectively the lack of transparency of farms and the supply chain of another made in Italy symbol, the tomato. With the Flai CGIL union and the daSud association, in 2017 we launched the #ASTEnetevi campaign, to denounce one of the most humiliating practices adopted by the large-scale retail trade, that of online auctions with double competitive bidding, described in the report "**Astenetevi. Grande Distribuzione Organizzata. Dalle aste on-line all'inganno del sottocosto (Astenetevi. Large Scale Distribution. From on-line auctions to the deception of below-cost prices)**". An initiative that had a big impact and that led to a corrective bill. Practices like these create the conditions for the exploitation of agricultural work, in Italy and in other European countries. There is a dire need to put an end to this at every level.

E(U)XPLOITATION

TABLE OF CONTENTS

Introduction

ITALY

What undermines the development of the agricultural sector in Southern Italy	4
The Sele Plain and the fourth range boom	
The Agro Pontino: an undervalued pool of excellence	10
Foggia: from the tomato crisis to the asparagus boom	11
In focus: Manual harvesting versus mechanized harvesting: tomatoes	12
In focus: Auctions with double competitive bidding	14
In focus: The issue of work: semi-invisible labourers, grey labour and fake labourers	18
The Southern industry - the poor valorisation of products favouring large-scale distribution	20
In focus: The evolution of caporalato after the approval of Law 199	22
	24
	26

SPAIN

The precarisation of agricultural work: temporary employment agencies and the "Murcia case"	30
Piece work, minimum wage and grey work	34
ETTs, a changing production model, large companies and investment funds	36
Imbalances in price setting, the European directive and the new law on the food supply chain	39
In focus: Inspections and the dignity of work	44
The female strawberry pickers of Huelva and the limits of contratación en origen	46
In focus: Lepe and the slums of the last of Huelva	54


GREECE

Seven years after the Manolada shooting, little has changed	58
The impact of Certifications and inspections on social standards	61
Improving labour inspections in the agricultural sector	64
Pressures occurring throughout the supply chain	68
Unfair trading practices and the transposition of EU Directives in Greece	71
In focus: Changing the regulatory tools, why C219 alone cannot resolve the problem	76

Conclusions



INTRODUCTION



Mandarins don't fall from the sky is the title of the statement released by the workers of Rosarno in the aftermath of the protests of 2010, after being forced to leave the Calabrian town in the plain of Gioia Tauro due to the massive deployment of police forces. The shots fired from an air rifle against two African field workers triggered one of the most heated protests against racial discrimination and exploitation in the Italian agricultural sector. Shots that were heard again a few years later, in 2013, a handful of kilometers to the south-east, in the Greek strawberry fields of Manolada. This time against 30 agricultural workers, mostly Bengali. What triggered the shooting was the legitimate request for the settlement of six-months delays in wage payments. The countryside of Southern Europe has been the theatre to this type of violence since 2000. In February of that year, in El Ejido, in the Andalusian province of Almeria, the murder of a young woman by a Moroccan man with mental health issues gave way to a full blown wave of xenophobia. The residents demolished mosques and shops run by foreigners, while the farmers armed themselves with crowbars to track down the hidden migrants: women and men who came here to work in the greenhouses dotted around the region, in the more than 31,000 hectares of the now infamous *mar de plástico*.

The exploitation of labour in agriculture is a long guiding thread that runs through the European countryside. In this report we follow in a long journey along the Mediterranean belt, an investigation carried out in Italy, Greece and Spain.

The lessons learned in the fields and in the ghettos of our home country have pushed us to promote projects for the social inclusion and work integration of vulnerable subjects. Through journalistic investigations published in the weekly magazine *Internazionale* and research reports of the FilieraSporca (Broken Production Chain) campaign, we have reported on the main distortions of the

Italian agricultural sector together with conducting advocacy campaigns. Now it's time to turn our attention to other Mediterranean countries, to identify similarities and contrasts, by forging alliances and denouncing common power imbalances.

With necessary distinctions, these countries have shared the most important transformations of the agricultural sector since the end of the 1980s and after the Great Recession: verticalization of supply chains; gradual defamilisation of farms; aging farmers and a low turnover; employment of foreign labour. **This latter factor, that will be covered in the investigations contained in the report, has profound repercussions on individual countries on a socio-economic and political level. In all of the nations surveyed, the presence of foreigners employed in the sector is very high.** Figures and percentages are lost in the numerous institutional relationships. These are double competitive bidding numbers, which are often biased and hide many irregularities, revealing a sector undergoing reorganization, in which working conditions are closely linked to national and supranational migration policies. The centering of profits in the agri-food sector has created a necessity to resort to foreign labour, because of its flexibility and poor wages. This is why there is an urgency for a comprehensive vision centered around labour costs, human rights and sustainability.

The aforementioned incidents date back to ten or twenty years ago but have established a break with the past. Be it purposely or not, they have urged institutional intervention regarding labour exploitation and recruitment in the sector. **In southern Italy, the Rosarno revolt draws media and political attention to the conditions of thousands of workers.** Two national laws introduce and reform the provision combating illegal recruitment and labour exploitation. This, excluding the parts that remain unenforced together with an almost exclusively repressive system, has also represented an achievement for many organisations such as ours, which for some time have been demanding a change of course. These laws are an exception in southern Europe, especially since they extend joint and several liability to the employer.

The mediation between farms and workers represents a structural factor of labour relations in the agricultural sector, and its strengthening has gone hand in hand with the expansion of agro-industry in the capitalist system of Southern countries. In Italy illicit intermediation has many faces, from caporali¹ to “landless” cooperatives² and temp agencies. The latter system, which has become pervasive in Spain, especially during production peaks, in the race for profit can often become a vehicle for violence and irregularities. These exploitation mechanisms are a symptom of the weakness of public employment and the lack of measures regulating seasonal work in the two countries. Decentralized

1. The International Labour Organisation (ILO) describes caporalato as “a widespread phenomenon characterised by a lack of contractual protection, exploitative working hours, harsh treatment and deplorable housing and working conditions”. Following multiple instances of whistleblowing and protest, caporalato has been officially criminalised by the Italian government. A caporale will act as an intermediary between employer and worker; they will usually claim legal payments while in reality deducting food, water, and transportation costs. The worker will therefore be paid below

the legal minimum wage, spend 8 to 16 hours picking crops under the sun, and live in ghettos with no clean water or sanitation. Caporali will frequently confiscate identification documents, and hold power on many migrant workers whose visa has expired. As a result of this exploitation, employers avoid payroll taxes and responsibility for the underpayment of the workers, together with being able to sell their products for a lower price on the global market.

2. Agricultural cooperatives whose sole purpose is to find low-cost labourer for farms.



programs and bilateral agreements are the basis of the Spanish *contratación en origen*, through which seasonal workers are recruited in their countries of origin. A model that makes the labourer dependent on an employer on the basis of a necessary and absolute condition: returning home after the harvest season. An imperative that is especially applicable to female workers, who are also required to be mothers to obtain work. A bond with their child in their country of origin is indeed a guarantee for the employer that the clause obliging them to return home will be respected. An intrinsically discriminatory mechanism against women, which relies on the general exploitation of care work: the “Huelva model”.

In the jungle of unbridled deregulation, gangmasters are also finding their place in Greece. The mastoura work in the Manolada strawberry cultivations, every day they recruit work teams to be transported to the farms. A transit country and a lifeline for thousands of migrants, with peaks where migrants form up to 90% of the workforce, Greece suffers more evident delays in regularization programs as well as in legislation to combat exploitation. The shots fired in Manolada in 2013 reactivate the radar of Hellenic jurisprudence, leading for the first time to the employment of the notion of trafficking for work purposes. After a few years, following what happened in other European countries, vouchers are introduced, allowing for the recruitment of irregular migrants when the workforce in the countryside starts running low. An economic constraint, in some ways more “extractive” than elsewhere, which does not recognize fundamental rights. The structure of working relationships in Italy and Spain, however, isn’t dissimilar. There are many cases of grey labour, where the employer does not record the days actually worked by the labourer; of piecework, where the pay varies according to the “bunches” of vegetables processed, and illegal work. The high demand for labour has sharpened the ingenuity of business leaders.

The usual picture described so far has been upended by the global Covid-19 pandemic. The assault on supermarkets witnessed in Europe and reduced mobility have shaken producers and States, who worried about ending up without a workforce in the fields. Since March, the European regulatory tangle on immigration has come untied in the face of a greater fear: *who will work in our fields?*

The health crisis has therefore shined a beacon of awareness on the crookedness of the agri-food chain and on the plight of many agricultural workers, especially in the South. According to a variety of studies, job mobility has followed other flows, favouring countries with better pay and conditions, such as the United Kingdom and Germany. The States have extended their residence permits to June almost everywhere, but the living conditions of the labourers, especially the migrants, have worsened. Treated like robotic arms, workers were not provided with adequate sanitary devices and informal settlements, unsanitary places with



no facilities, continued as usual to host hundreds of women and men with no other options.

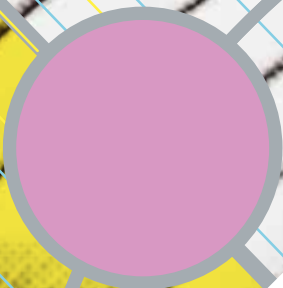
Covid-19 has laid bare the limits of the supply chain, with small and medium-sized farms suffering the effects of restrictions while large supermarket chains grind out profits. A polarization Europe seems to be aware of and on which it is intervening with a directive prohibiting unfair business practices enacted by large-scale distribution on producers and consumers. May 2021 is the deadline assigned to Member States to implement it. Spain is getting a headstart: in 2020 it has already introduced a bill which, among other things, obliges each link in the supply chain to cover the production costs of the lower links. Italy is awaiting the approval of Law 1373, - which Terra! has strongly supported - banning double competitive bidding and limiting dumping prices. And then there is France, that approved a law that looks at the complexity of the agri-food system, from health to misleading advertising, from environmental sustainability in agriculture to putting a stop to the “price war” between producers and Organized Distribution. Recurring key themes for the European agri-food sector, particularly in the Mediterranean area, in which producers seem to have shared problems are individualism and poor organization. There are vulnerability factors in a negotiating table where supermarket chains, faced with an unprofitable agreement, can unleash the weapon of *dumping*, by importing goods at prices lower than those of the domestic market or by coercing local producers to lower their prices by comparing them to other markets. This happens in the pursuit of attracting a large number of customers and offering them bargain prices.

This is what happens in Italy in relation to Spanish producers and in Greece in relation to the Turks or the Egyptians, the latter being external to the European market. A merciless war, in which the quality of labour is sacrificed to reduce production costs.

Some European NGOs³ had figured this out years ago, in the past they launched boycotts against supermarket chains that bought products from Southern European countries. The degrading working conditions and inhumane living conditions have mobilized European citizens, who literally consume the fruits of this exploitation at the dinner table. The agri-food exports of these countries, in fact, are destined in particular to Europe; and the living and working conditions in which strawberries, tomatoes and watermelons are grown have become a European affair.

Although Southern Europe is often portrayed as a periphery escaping the logics of modernity, it is instead the place where the most evident contradictions of the globalised world live. In this context, food becomes a commodity, a source of either profit or misery.

E(U)XPLOITATION



A Sikh worker in a radish field in the Agro Pontino area, in the province of Latina in the Lazio region. The large variety and amount of greenhouse crops requires labour that is anything but seasonal.

Photograph: Yara Nardi / Adobe Stock



ITALY

BY FABIO CICONTE
AND STEFANO LIBERTI



WHAT UNDERMINES THE DEVELOPMENT OF THE AGRICULTURAL SECTOR IN SOUTHERN ITALY

The agricultural sector is one of the main drivers of development in Southern Italy, capable of generating investments and jobs. Almost all of the national fruit and vegetable production comes from there. Citrus fruits, oil, grains, wine, wheat: these are just some of the agricultural supply chains concentrated in the Southern regions, with certified products of excellence.

Although the recent increase in investments has represented an important step towards the development of the sector, the South is struggling: only 30 per cent of total Italian agri-food exports and a quarter of total agricultural investments come from the South.

The strong disaggregation among the workers in the sector, the scarcity of supply chain policies and lack of work organization are the main causes of the fragility of southern production. To further undermine the development of the sector, there are also cases of distortion of regular work and contracts: illegal hiring, the exploitation of labourers, illegal work and especially "grey" work. Phenomena that have clearly not been overcome, but weakened by the law enforcement action put in place by Law 199 of 2016 (better known as the anti-caporalato law), also approved thanks to the pressure of various trade unions and organisations.

In agriculture the presence of foreigners now crushes that of Italians.

According to a study by Crea, if the total number of Italians working in agriculture in 1989 was equal to 100, the amount would have decreased from 100 to 32 in 2017, unlike the number of foreigners, increased from 100 to 1,500 over the same time period¹.

We have thoroughly evaluated these phenomena in three large production areas of Southern Italy: the Sele Plain, the Province of Foggia and the Agro Pontino.



1. G. Riccardi, F. Gaudio, A. Monteleone, S. Tarantoli "XXXIX conferenza italiana di scienze regionali", I migranti: una sfida anche per la politica agricola comune

THE SELE PLAIN

AND THE FOURTH RANGE BOOM

WITH THE COLLABORATION OF RAFFAELLA PERGAMO - CREA

The Sele Plain is a flat area of about 500 square km, south of Salerno, in the Campania region. This is where salads destined primarily to the so-called “fourth range” mainly come from, that is to say the ready-to-eat packaged products sold in the large-scale retail trade.

The history of this production begins with the arrival of companies from the North-East, such as Linea Verde and Bonduelle, to rent the land. The pedoclimatic conditions of the Plain, in fact, favour cultivation in unheated greenhouses, guaranteeing at least eight harvests per year. Thus, the area became the second production center in the country for high-quality horticulture after the Bergamo area.

The salads are harvested mainly by foreign workers of Romanian, Indian and Moroccan origin, aboard “macchinette”, small vehicles that facilitate the harvest work.

The initial situation in this area was potentially advantageous to northern entrepreneurs: they had fertile soil and frequent harvests. Yet the most unexpected scenario takes place in the Plain. The local producers, understanding the enormous potential of their lands and not wanting to limit their role to simple rent collection from the entrepreneurs of the North, begin to work together, forming a consortium and founding Producer Organizations. The POs have in fact actualised the unexpressed potential of a sector, safeguard-

ing its competitiveness and local production. Today the Plain presents itself as a territorial network of production companies all in connection with each other, able to overcome one of the most evident limits of agricultural development in the South: individualism, and to seek market outlets different than the large-scale retail trade.

The few barriers to entry and monopoly of prices by large-scale distribution, in fact, make the entrepreneurial context of the Plain highly competitive. But company turnover is always increasing, averaging around twenty million euros per year. The demand for fourth range products clearly sustains a positive trend.

From the survey carried out, it emerged that some companies only engage in growing, while others deal with the final stages of the supply chain, meaning washing and packaging the fourth range products that become *ready to eat*. Moreover, for many entrepreneurs, there is “the will and the propensity to develop their own brands”, different from those sold in large-scale distribution. The IGP (Indication of Geographic Protection) recognition process for the rocket of the Sele Plain finally demonstrates a real desire to invest in the innovation of the product and on the service offered on the market (although this brings with it a series of environmental criticalities and negative external effects for the entire sector).

THE AGRO PONTINO: AN UNDERVALUED POOL OF EXCELLENCE

In the province of Latina, about 70 km from the city of Rome, lies the “Agro Pontino” (Pontine Marshes), an area once known as the “Pontine Swamps”. In the 1930s the area was completely drained and over time, thanks to the abundance of water, with its fertile soil

rich in salts and its flattish morphology, it became one of the main agricultural areas of the country. The proximity to the Capital, which is also the largest agricultural municipality in Europe, has allowed for extraordinary development. Today the Agro Pontino can be divided into three production areas. **The first, located inland, is known as the “little New Zealand”: 9 thousand hectares of kiwifruit which have contributed to Italy’s world record in the sector.** The second more central area extends along the coast around Sabaudia and Terracina. Here we find mostly greenhouse crops (courgettes, tomatoes, radishes, celery, aubergines) or open field crops (watermelons) destined for food markets and Large-Scale Distribution, there are also vegetables destined for Northern Europe (such as kohlrabi, round radishes and white turnips). The third area is located further south, near Fondi, and is characterized by smaller plots of land, the products of which are mainly intended for the Fruit and Vegetable Market of Fondi (MOF), the largest wholesale center of Southern Italy, and to other smaller Italian food markets. **The problems of the Agro Pontino can be attributed to poor marketing strategies for local products, which fail to keep up with the extension of productive land and agricultural variety.** The risk is competition from other regions of the country and above all, from other European agricultural areas with lower production costs, such as Spain. This situation engenders a weakening of the negotiating power of producers compared to the other links in the supply chain, in particular when facing large-scale distribution.

1. It is called a ‘street wage’ because in the past, those who needed to work would go to the square to get it, and daily wages were set in the square.

Another criticality that can be traced to the Agro Pontino area concerns the rough working conditions of farm labourers, mainly Indians of Sikh ethnicity. **The historic strike called by the Flai CGIL national trade union brought these workers to the streets for the first time on April 18th, 2016, demanding decent working conditions and wages.** Since then, other days of protest have been organized in cases of deaths or accidents at work of members of the community. These protests were supported by the trade unions and by Marco Omizzolo, Eurispes researcher and president of the InMigrazione cooperative and of the Tempi Moderni association, two organisations that carry out awareness-raising work for foreign labourers employed in the area.

The great variety and quantities of crops in greenhouses requires a manpower that is anything but seasonal, guaranteed by permanent workers who live a short distance from the farms, mostly in Borgo Hermada, Bella Farnia, and Sabaudia. The approximately 10,000 Indians are joined by workers of other nationalities, such as Romanians and North Africans (Tunisians and Moroccans) and - at least recently - African asylum seekers, temporarily hosted by the Province's Extraordinary Reception Centers (CAS).

The labourers receive a different wage depending on the crop. For some products, such as courgettes, an hourly salary is applied. It amounts to 4.5 euros and is agreed informally between the worker and the employer or between the latter and the so-called "caporale", an illicit intermediary who in some cases organizes the teams of workers and transports them to their place of work. Another type of payment is piecework, generally used with carrots, radishes and watermelons. The rate per piece follows a precise criterion: the pay for the radish harvest, for example, is based on bunches (0.2 cents for each bunch of ten, 0.3 cents for each bunch of 15). Following certain calculations, both the street wages¹ and the piecework wages are transformed into "working days" in accordance to a contract. **In fact, most of the labourers in the Agro Pontino have a regular contract, but what often goes undetected is the amount of "grey" work happening in the area.** A phenomenon overlooked by many, even by the most attentive media outlets, which report on the spread of illegal work and illegal hiring but do not venture into this legal grey area. In many cases, companies do not record the days actually worked, which are always under-recorded, just like the amount of tax paid to the State.

The problems affecting the production system - from the poor valorisation of some products to the absence of ethical working relationships - have triggered a strong crisis in the sector, where there is no drive or will for Agro Pontino to establish itself as a specific productive area of lower Lazio. In the Agro Pontino area the number of farms has in fact dropped from 25 thousand in 2000 to around 10 thousand today.



RADISH

**0,02 €
FOR EACH
BUNCH
OF 10**

**0,03 €
FOR EACH
BUNCH
OF 15**



FOGGIA:

FROM THE TOMATO CRISIS TO THE ASPARAGUS BOOM

Located in the Apulia region, Foggia, with its 500 thousand hectares of utilized agricultural area (UAA), represents the largest agricultural province in Italy. The unique climatic and morphological conditions and the availability of large cultivable areas favour open-air production over greenhouses. Its main products are grains (particularly whole wheat) and horticultural products such as broccoli, fennel, artichoke and cabbage. But the record-breaking products of this area are industrial tomatoes and green asparagus.

The major criticalities in the production of industrial tomatoes concern location. The fields are located around Foggia, while the processing industries are still largely located in the province of Salerno, in the Campania region. With the exception of the large Incoronata factory, managed by the British multinational Princes Group and the small adjacent Futuragri factory.

Apulian farmers are in fact suppliers of raw materials for a processing industry located 150 kilometers away.

From mid-July to the end of September, throughout the harvest period, the tomatoes are transported on lorries along the Naples-Bari motorway, loaded when they move towards Campania, and empty when they drive back down to Apulia.

This distance prevents the various players of the market from creating a structured system, meaning from strengthening their negotiating power when facing the various subjects involved in the supply chain, especially when it comes to large-scale distribution.

Poor agricultural organization - which often entails ineffective Producer Organizations that are set up by former traders linked to industry - has meant an insufficient valorisation of the product, that has already been transformed into



One of the clearance operations of the Borgo Mezzanone "ghetto", in the province of Foggia. The labourers live in plastic and wooden shacks that can easily catch on fire. Over the years, places like these have become a refuge for thousands of irregular migrants


Photograph: Alessandro Tricarico, 2019



a commodity. The implication of this is the constant lowering of the price of industrial tomatoes, with a consequent lowering of farmers' income and a reduction in cultivated hectares.

Supermarket chains aim for the lowest possible price and, in order to win negotiations, they also resort to full-fledged online auctions with double competitive bidding.

The fragile structure among the players in the sector can only lead to a devaluation of the 'pomodoro pelato' (peeled tomato), one of the treasures and unique products of the country (grown only in Southern Italy) which today finds itself in a serious crisis. In recent years, there has been a sharp decline in production (about 10% per year), the tomato variety slowly risks disappearing.



**IN 2017
IN THE PROVINCE
OF FOGGIA**
58%
**OF LABOURERS
WERE ITALIAN**

At the same time, this province has experienced a real boom in the production of green asparagus, becoming its first Italian production center.

The concerns related to the cultivation of asparagus regard the quantities produced in recent years. Some traders fear that the good earnings of the past have prompted them to grow too much, which could result in a price drop, a trend that was already observed in the last harvest.

A large number of workers are needed to harvest the asparagus. The labourers cut the fruit by hand while sitting on a harvesting machine that completes the job. For such an operation, one person per hectare is required every day. For about three months, 6000 people were employed in the harvest on a permanent basis. This type of work is done mostly by foreign labourers of different ethnic groups, add to that those working in grading and packaging, both foreign and Italian.

In the Foggia area there are many labourers who collect both tomatoes and asparagus, partly stable and partly seasonal. In recent years, due to the increase in mechanized tomato harvesting, the demand for seasonal workers has suffered a sharp decline. Manual harvesting is utilised only in the case of rain, when the harvesting machines cannot drive through the fields. For this same reason, the informal settlements of this province, the so-called “ghettos”, host thousands of workers who hope to be called even for single days, according to the need of the caporale.

These informal settlements are crowded with thousands of people every summer. Although manual collection is in sharp decline, this year at least 5 thousand foreigners - mostly male - headed towards the “ghettos” of this region: Torretta Antonacci (former Rignano Garganico), Borgo Libertà, the Borgo Mezzanone

track and Borgo Cicerone, with the dozens of abandoned farmhouses in the Apulia plain occupied by transient migrant workers. The inhabitants of the “ghettos” are not all labourers waiting to work in the fields and the proof lies in the number of workers needed to manually harvest tomatoes: 800 people a day.

The informal settlements have therefore lost their original function as a place of recruitment of manpower. Not all of the migrants are looking for a job, but rather for a haven to find forms of inter-community solidarity, which allow for a feeling of safety. There are three types of ghetto residents: asylum seekers awaiting an administrative response; “refused” asylum seekers, excluded from the country’s reception system; people who were given expulsion papers to leave Italy, that is the “irregulars” whose appeal was also rejected.

The inspections carried out on farms in the Province of Foggia have instead brought to light the phenomenon of fake labourers and the creation of non-existent intermediary companies. These companies are represented by “landless” co-operatives, which do not carry out any agricultural activity, but whose role is registering many people in agricultural rosters. These people, however, are not labourers, but, by filing false income tax declarations and presenting them to the INPS¹, can request and receive income support benefits from the Institute (health, maternity, unemployment).

This phenomenon goes hand in hand with that of the days not counted worked by real labourers and registered under the name of fake labourers.

In a completely deregulated work context, these same foreign labourers sometimes prefer to be paid by the piece to ensure an immediate and greater income. They have no particular interest in having the days recorded (or simply do not know the contracts well). In practice, the recorded days worked are transferred between real and fake labourers; some farms benefit from this, as they collect a fee for this ‘service’.

An analysis of INPS data shows that in the province of Foggia, in 2017, of the 49,868 agricultural labourers registered, 58 per cent (29,143) were of Italian nationality. If you only count workers who have had more than 51 days marked, meaning the minimum amount to get benefits (22,076 out of 29,871), the percentage reaches 74 per cent. Numbers that show the extent of the phenomenon, which ended up becoming a form of underground welfare.

**INFORMAL SETTLEMENTS,
OTHERWISE KNOWN AS "GHETTOS",
HOST THOUSANDS OF WORKERS,
WHO HOPE TO BE CALLED EVEN
JUST FOR SINGLE WORKING DAYS**

MANUAL HARVESTING VERSUS MECHANIZED HARVESTING: TOMATOES

In many cases, manual tomato harvesting is a thing of the past. It is preferred only on rainy days, when the machinery can't be driven into the fields.

In the area of Capitanata, in Apulia, most of the tomato harvest is now mechanized. It is difficult to give exact figures, because it is an activity strictly connected to meteorological phenomena.

But according to estimates provided by operators in the sector, the percentages of manual harvesting fluctuate from a maximum of 25 per cent (union data) to a minimum of 5 per cent (producer data).

As is often the case, the real figure lies somewhere in between, around 15 per cent. Doing some simple calculations, given that a harvesting machine covers an average of two hectares per day, mechanized harvesting absorbs 68,000 days of work per season. **For the remainder that is harvested by hand, calculating a team of 20 people per hectare, it is possible to estimate 48,000 days, which over the period of the harvest requires the use of about 800**

people a day - a number that can increase in case of rain.

Among the reasons for the decrease in hand picking, are the high costs and high risks. Without job centers, the recruitment of unskilled labourers is managed by the "caporali", gangmasters whose role is to quickly form work teams and transport them to the fields - which can be tens of kilometers away - in exchange for an economic return.

The vehicles normally used for transporting labourers are vans with foreign license plates - mainly Bulgarian - often





but a part of this amount goes into the pockets of the “caporale” recruiting them, who deals with transport, water and food. Workers prefer this type of payment because they are able to earn more than in a standard working day. In fact, according to the provincial contract, the number of bins filled corresponds to a certain number of working days. **But for the labourers, the earnings of a day’s work are roughly 45 euros. With piecework, on the other hand, if you manage to fill up 20 bins at 4 euros each, you can make up to 80 euros.** A much higher figure, even taking into account the “extra” payment going to the “caporale”. This is why piecework pay is de facto illegal but is formally covered by a contract. It is a system that satisfies everyone: the employer, who manages to have greater productivity in one day, and the worker, who earns more.

modified by adding benches in the rear compartment, to load as many workers as possible. Law 199 of 2016, better known as the “anti-caporalato law”, introduced criminal liability for both the “caporali” and the owners of the companies that utilise them (which can be subjected to a precautionary seizure), contributing to the reduction of illicit mediation. In August 2019, two vans carrying migrants returning from the tomato harvest crashed into two trucks, killing 16 people. These incidents have led to the intensification of road inspections and a weakening of the action of the “caporali”, who have been working less, leaving many companies without the manpower necessary for the tomato harvest after the August rain.

Workers are paid by the piece, depending on the number of bins they can fill. Normally they’re paid 4 euros per box,



AUCTIONS WITH DOUBLE COMPETITIVE BIDDING

Through various journalistic inquiries conducted by Fabio Ciconte and Stefano Liberti published in the weekly magazine *Internazionale*, Terra! described the unsustainability of numerous unfair practices implemented by the large-scale retail trade, which are the cause of imbalances and dysfunctions throughout the production chain.

Among these, auctions with double competitive bidding are symbolic of the excessive power of supermarkets, which have a negative impact on prices and lack of remuneration within the supply chain. A practice that the large-scale retail trade exploited even during the tough lockdown months, when supermarkets were open every day making high profits.

In recent months, we have worked to ensure that Italy has a regulatory instrument to ban this oppressive practice. Politicians therefore launched a process to reform the existing legislation and on the 27th of June 2019, a law that prohibits these auctions and limits below-cost sales was approved almost unanimously in the Chamber of Deputies. The Senate also made a statement through the approval by all the commissions that make it up. Today, Law 1373 is awaiting plenary discussion: its approval would represent a turning point for the entire sector. But how do these auctions work?

Large-scale distribution uses online auctions with double competitive bidding to be able to snatch the lowest price of a product that it requires in bulk. Initially, it is the large-scale distribution chain that contacts various suppliers, asking them to make an offer for the lot. Once the offers are collected, the buying chain issues another *tender* on a private channel, the starting price of which is the lowest bid received following the first call. To secure the order, therefore, the operators participating in the auction must lower their original price even further. Thus, by putting suppliers in online competition with each other, the large-scale retail trade is able to obtain cuts of up to 30 per cent on the initial price, crushing the other operators in the supply chain.

According to a study by Associazione industrie beni di consumo (Consumer Goods Industries Association), in discount supermarket groups, at least 50 per cent of the products are auctioned. This percentage is lower if you look at traditional supermarkets.

The practice of auctions involves the entire sector that produces that final price, as it sets a “reference price” to which all companies must comply, thus transforming products into commodities. Thanks to auctions, in 2019 the well-known discount supermarket Eurospin Italia bought 20 million jars of tomato sauce for 31.5 cents per piece and 20 million cans of peeled tomatoes for 21.5 cents per piece. Responding to the allegations that emerged after news of the auction had spread, Eurospin replied: “We use this approach especially for those commodity products that do not have any characteristics of innovation and distinctiveness”. A declaration that clearly expresses how much the lack of direction within the supply chain and the scarce ability to valorise products contribute to the consolidation of the excessive power of large-scale distribution over agricultural operators and industrialists.

In June 2017, at the Ministry of Agriculture, Food, Forestry and Tourism (Mipaaf) a few large-scale distribution chains - with the exception of the main discount supermarket groups and the main Italian group, Coop Italia - signed a protocol committing to eliminating the practice of this type of online auctions for the purchase of agricultural and agri-food products.

The European Union is also making moves against such unfair trade practices. By the 1st of May 2021, member states will have to adopt the legislative provisions in compliance with Directive 2019/633 of the European Parliament and Council on unfair commercial practices between companies in the agricultural and food supply chain. With the 2019 law of the European delegation, the Parliament has established the principles that governments will have to respect in order to bring the contents of the directive back into Italian law. Regarding Article 7, approved on October 29th, 2020, the Senate has accepted many proposals from the world of associations and producers. Among the prohibited practices, there is the use of competitions, online auctions with double competitive bidding and selling at prices that are clearly below production costs. ●

IN 2019
EUROSPIN
BOUGHT

20
MILLION JARS
OF TOMATO
SAUCE
FOR 0,315 €

20
MILLION CANS
OF PEELED
TOMATOES
FOR 0,215 €

**THE LARGE-SCALE RETAIL TRADE
USES DOUBLE COMPETITIVE BIDDING
TO MANAGE TO SNATCH THE LOWEST
PRICE OF A PRODUCT THAT IT HAS TO
BUY IN LARGE AMOUNTS**

THE ISSUE OF WORK

It is mainly foreign workers who collect and package agricultural products in the three areas analyzed in the report. The number of workers is more or less stable, but the labour flow is continuous.

The migrants employed consider agricultural work as a temporary occupation during their stay in the country, a first step before looking for better jobs in Northern Italy or, if possible, abroad. In all three territories examined, farms and trade unions confirmed the presence of a certain turnover among labourers.

In the last two years, a new phenomenon has also been recorded: the employment in the agricultural sector of migrants hosted by reception centers: a cause of strong tensions between the different groups of workers.

Not having to worry about food or accommodation, people hosted in these establishments accept lower wages and stricter conditions, lowering the prices for informal recruitment. In the three areas analyzed a type of irregular work is highly widespread: grey labour. In simple terms, many labourers sign a contract that entails a number of weekly hours which is lower than the actual number worked.

SEMI-INVISIBLE LABOURERS, GREY LABOUR AND FAKE LABOURERS

With grey work, there is a tacit agreement stipulated between the worker and the farmer. The farmer guarantees continuous work all year round, never recording any more than 180 days. In this way the worker will be able to access agricultural unemployment benefits and social safety nets, in exchange for informal pay.

The spread of grey labour is made possible by the distinctiveness of the agricultural contract, a "temporary" contract, where the service is carried out only when the employer requests it.

The work of the agricultural labourer does not, in fact, take place every day, but only under certain weather conditions, and only according to the needs of the companies or to the "personal choices of managers or bosses". The days worked are reported through the Uniemens data transmission system, introduced by the "anti caporalato" law 199/2016, which replaced the previous DMAG system. Unlike the previous system, where agricultural contri-

butions were presented quarterly, with the new system, which has been operational only since April 2020, they're presented monthly with a reference to the salary due to the worker in the previous month.

In the accounting and personnel offices of farms, some conversion tables are widely used. These tables are used to convert the hours worked or the bins/bunches/boxes collected into days according to provincial contracts.

This conversion means that part of the salary be paid based on the number of days counted as total hours, relative to the informally agreed salary or the amount collected per piece, and that the rest be paid in cash off the books. To this amount, the labourer adds agricultural unemployment benefits, paid in a single installment the following year.

Forms of grey labour are favoured by the intrinsic characteristics of agricultural work: the difference between the various provincial agricultural contracts, the specific nature of the agricultural contract and agricultural unemployment benefits (which are paid once and only if the number of days worked does not exceed 180). From the collected interviews with agricultural entrepreneurs, it emerged that "if I offer a permanent contract, I won't have a workforce". **The interests of the employer and those of the labourer intersect. On the one hand, the agricultural business**

owner who utilises this system gains a certain advantage in sealing a provincial contract with a higher pay, because this - according to the conversion table - allows him to minimize the amount paid informally; on the other hand, the labourer prefers a short-term daily contract to a permanent one, because it is his only way to access agricultural unemployment.

In some cases, talking about grey work means addressing the phenomenon of "fake labourers". The days that are not marked are "sold" to workers who have not actually worked but who, by paying for taxes out of their own pocket, access social safety nets such as agricultural unemployment, family allowances and agricultural pensions. This is a widespread practice: in the years 2015 to 2017 alone, INPS identified 92,780 fake workers causing hundreds of millions of losses to the State Treasury. In fact, the treasury is twice damaged by this phenomenon: on the one hand, neither taxes nor contributions are paid on undeclared days, on the other hand the State has to pay very high unemployment benefits to people who are not actually entitled and who have never done agricultural work.

THE SOUTHERN INDUSTRY

THE POOR VALORISATION OF PRODUCTS FAVOURING LARGE-SCALE DISTRIBUTION

Failure to exploit an excellent agricultural product in the right way - from the courgettes of the Agro Pontino to the tomatoes of Foggia - significantly weakens the bargaining power of smaller market players from Apulia, Campania and Lazio when facing other stronger players in the agri-food chain, especially large-scale distribution. In the three contexts analyzed, the scarce spirit of aggregation, the absence of consortia and the weakness of the Producer Organizations engender a weakening of the agricultural side compared to the industrial one. Although POs were born on a European initiative precisely to counteract the power of industries, for now they remain unable to establish themselves along the supply chain. If it is not possible to enhance the characteristics of a product, such as its territorial roots and distinctive features, it becomes a *commodity* that can be compared to any other equivalent product of a different origin.

Here lies one of the main differences between Southern and Northern Italy, where there is a much more established experience of cooperativism and associationism. The number of POs in Southern Italy is higher than in the North, but they bring together fewer market players and struggle to balance negotiations.

The fragmentation of the sector causes a strengthening of the other links in the supply chain, in particular the large-scale retail trade, which has managed to establish itself by conquering important market shares to the advantage of small local shops. Many of the operators interviewed criticized the excessive power of large-scale distribution, denouncing the harsh conditions which it imposes on companies. Indeed, it is the buyer of the distribution groups who sets the price of fresh products on a weekly basis, following a phone negotiation. Bargaining power is usually very asymmetrical, and this goes to the advantage of supermarket chains, whose overall goal is to obtain the lowest possible price. Sometimes, to achieve this result with processed products such as industrial tomatoes, the large-scale retail trade relies on auctions with double competitive bidding on an annual basis (see “In focus: Auctions with double competitive bidding”). Then there are those among agricultural operators who choose to escape the pressures of organized distribution by unloading the cost on workers, who receive a wage lower than that provided for by provincial contracts. In many of the areas examined, grey work is more widespread

Photograph: Michele Lapini



Sikh workers cycling through the Agro Pontino greenhouses.


Bicycles are the only means of transport that these people have to reach the farms. The labourers located in this area mostly live in Borgo Hermada, Bella Farnia and Sabaudia

than illegal work, i.e. the registration of fewer days than those actually worked.

In Italy, 70 per cent of food purchases go through the large-scale retail trade, a slightly lower percentage if we consider the fresh produce sector, even if, unlike in other European countries, the sector appears very divided. However, in the country the role of large-scale distribution has a significant weight on the number and variety of offers. This weakens the bargaining power of suppliers, whose divisiveness and poor organization does not help with limiting the power of large-scale distribution.

The survey conducted portrayed the same situation in all three areas examined. All agricultural operators complain about the lack of knowledge on basic agricultural notions of large-scale distribution employees, and about unsatisfactory purchase prices. The fact that the traded commodity is a perishable product does not make it easier for agricultural operators to impose their own conditions. Not having to comply with any price regulation, as it is practically non-existent, chains adapt to the free market. This is why the bargaining power between large-scale distribution and suppliers is deeply unbalanced, so much so that many agricultural operators see some of the imposed commercial conditions as if they were “concessions”. Some chains tend to maintain privileged relationships with suppliers for whom they have built a high esteem and respect during years of working together; while others are constantly looking for new suppliers - or threatening to do so - in order to obtain more favourable prices and contracts. According to agricultural operators, almost everyone condemns the excessive power of large-scale distribution, which manifests itself as insufficient remuneration, long payment delays, below-cost sales, unwarranted requests for covering advertising costs and relentless persistence on favouring a single supplier.






Producers therefore make minimal profits. This power imbalance places them in a position of vulnerability, forcing them to save as much as possible on variable costs (labour) and to increase production at the expense of quality.

Another problem that many suppliers encounter is the lack of attention that large-scale distribution reserves to the fresh products, considered unprofitable. The chains see fresh products as commodities and based on this they develop aggressive price policies. Discounts and “below-cost” ad campaigns - the sale of a product below the cost of production - in supermarkets have a negative impact on agricultural operators. This creates two types of damage: on the one hand, the spread of a misguided food culture, where fresh produce is devalued; on the other, the crushing of prices along the chain, from farmers to wholesalers .

In 2013 the Antitrust authority had already denounced the unfair practices of large-scale distribution in a fact-finding investigation, underlining “the presence of criticalities both in the structural characteristics and in the functioning of the sector, noting in particular increased issues in relations between suppliers and major distributors”. Yet - the report underlines - there is a legislative tool to

THE EVOLUTION OF CAPORALATO AFTER THE APPROVAL OF LAW 199



Law 199 of 2016, better known as the “anti-caporalato law”, introduces very severe penalties both for the caporale (the person who performs the function of illicit intermediation between the employer and the worker) and for the employer who resorts to the caporale and engages in labour exploitation - even in the absence of a caporale. Among the penalties there is flagrant arrest, imprisonment from 1 to 6 years, the judicial scrutiny of the company and value-based confiscation of assets. 4 years have passed since the approval of this law and it is now possible to make an initial assessment of its effects on the organization of agricultural work and in the relations between business

owners and wage workers. The part of the law that is put into practice is the more specifically repressive one. Inspections leading to arrests and sanctions have been frequent. According to data from Ispettorato nazionale del lavoro (The National Labour Inspectorate), the 5,806 inspections carried out in 2019 revealed 5,340 violations, of which 51% were off-the-books. The measures taken suspending business activity were 408, 86% (350) of which were revoked following regularization¹.

The part that remains unenforced is the more proactive one, which goes to the root of the problem. In situations where the demand for seasonal labour is very high, caporalato re-

1. Ispettorato nazionale del lavoro, Rapporto Annuale dell'attività di vigilanza in materia di lavoro e legislazione sociale, Roma, 2019

combat these unfair practices, Article 62 of Law 27/2012 (better known as “cresci Italia”), which prevents the imposition of heavy, extra-contractual and retroactive constraints. But this law has only been applied in very few cases.

The harsh conditions that large-scale distribution imposes on suppliers are the subject of a directive approved by the European Parliament, with the aim of outlining a common reference framework for 27 different legislations. The text, which is currently being voted on in the Italian Parliament, intends to provide member states with a minimum common legislation. On the basis of this common framework, however, each country can adopt further laws to counteract the imbalance between the negotiating parties. The directive refers to the creation of an Authority that producers can turn to through anonymous reporting of the degrading conditions they suffer. Across Europe, the unfair practices of large-scale distribution denounced by agricultural operators are more or less the same: payment for perishable products 30 days after delivery, last-minute cancellations of orders for perishable products and unilateral changes to the terms of agreement. The rapporteurs for the directive hope that the text will be approved by the end of the legislature. ●

mains a widespread recruitment tool. The caporale quickly forms a team of workers, transports them to the fields, provides food and in exchange for his service, and keeps a percentage of their earnings for himself. The caporale's work fills the vacuum left by the absence of adequate services, which should be guaranteed by institutions. This is why Law 199/2016 provides for the implementation of “measures for the logistical accommodation and support of workers, including through the involvement of regional governments, autonomous provinces and local administrations, representatives of employers and workers in the sector, and third sector organizations “. However, this part of the law has yet to be implemented. In the province of Foggia, housing, the issue of transportation to and from the fields and the public recruitment system are the real problems to be solved.

“Today business owners keep record of more working days and are more likely to reach

agreements when we call them”, stated a union manager in the Foggia area. The law had a substantial impact on the condition of labourers, both due to agricultural unions' increase in bargaining power and the regularization rate, which grew in all three areas investigated.

Many agricultural business owners criticize the punitive aspect of law 199/2016 and the lack of involvement amongst the jointly and severally liable managers of the other players in the supply chain (such as the large-scale retail trade). A telling dispute, since the crushing of prices operated by large-scale distribution and the poor profitability of agricultural production are the cause of the lowering of wages and therefore, indirectly, of labour exploitation.

However, the repressive aspect of the law has led to a reduction of the prevalence of illegal work or extreme exploitation, the vast majority of labourers today possess a regular employment contract. ●



E(U)XPLOITATION

The background image is an aerial photograph of a massive greenhouse complex in Almería, Spain. The greenhouses are arranged in a dense, grid-like pattern, covering a large area of land. The image is overlaid with several geometric elements: a semi-circle of white stars in the top left, a black banner with the title 'E(U)XPLOITATION' in white text, a large white circle on the left containing three downward-pointing chevrons (two white, one yellow), a large grey circle on the right containing a blue diamond, a black 'X' inside a white square in the top right, and a row of white dots at the bottom. Diagonal lines in various colors (blue, pink, yellow, black) are scattered across the image.

The mosaic of greenhouses in Almería, Andalusia, which covers about 45 thousand hectares. The infamous "mar de plástico".

Photograph: Javier Fergo



SPAIN

BY MARIANGELA PAONE



THE PRECARISATION OF AGRICULTURAL WORK: TEMPORARY EMPLOYMENT

AGENCIES AND THE “MURCIA CASE”

A vast and empty land, without an inch of shade. Rows of watermelons that need to be harvested. In the foreground, in front of the already full yellow plastic crates, a tired face, with eyes squinting from the sunlight as he looks into the camera. This was one of the last photographs that Eleazar Blandón sent to

his family and has been appearing in the news since August. On August 1st of last year, Blandón was in a watermelon field in Lorca, in the Spanish region of Murcia, when, while working in 44-degree heat, he felt ill. He died a few hours later in the health centre he was taken to, in one of the same vans that transported labourers to the fields every morning. They dropped him at the entrance and left. It wasn't the first time he had been sick.

Blandón arrived in Spain in October 2019 from Nicaragua, leaving behind his pregnant wife and four children. He had applied for asylum but did not have all the documents needed to work yet. Like many of his compatriots, while waiting for his papers, the only alternative was to try to find work in the only sector where it is always needed. “They don't come searching for us. We're the ones that find them”, comments bitterly Luís (an alias was used), a Nicaraguan national like Blandón. “This is how it is in Lorca. A business owner has his own workers and if he needs nine more, he goes to a guy and tells him: ‘I need nine people. Do you know anyone?’ And the next day he gets them”. After obtaining his residence permit, Luís found a work contract. He earns between 1,000 and 1,100 euros a month. This feels like an achievement to him because even though not all the days he works are recorded, and even if the hours per week are not actually 40 but 56, the company he works for now provides him with work materials and doesn't withhold money for transportation. A right that becomes a privilege.

Luís knows the story of Blandón well. He's familiar with the working conditions he was subjected to because for months and from the day after he set foot

in Spain as he had worked for the same contractor. Luís is an Ecuadorian citizen who has been living in the country for some time. He owns a service company, one of the many that deal with the contracting of labourers in the countryside of Murcia, which is among the regions with the highest fruit and vegetable production in the whole of Spain.

Murcia, with its almost 470,000 hectares of agricultural land¹, is also known as the “huerta de Europa”, the vegetable garden of Europe. It is third in Spain for volume of foreign exports of fresh fruit and vegetables, with a total of 2.5 million tons (beaten only by Andalusia, 4.5 million, and the Comunidad de Valencia, 4.05 million) and a value of about 2.6 billion euros in 2019. Germany, France and the United Kingdom are the amongst the top three importers of the Murcian “huerta” (62% of the sector’s total exports)².

The main production is lemons (56% of the area dedicated to this product in Spain is in Murcia), stone fruits (apricots, peaches, nectarines, plums), melons, watermelons and table grapes (of which the region is the main exporter in Spain). Amongst the wide variety of vegetables grown in the region, the main productions are those of broccoli and peppers. It is also the fourth region in Spain for almond production. The agricultural sector represents about 5 per cent of the region’s GDP, a percentage that rises to over 20 per cent if the entire agri-food sector is considered.

Service companies and temporary employment agencies (ETT, in the Spanish acronym), in a system of extensive and intensive production, have become increasingly important in the recruitment of manpower in agriculture. Entrepreneurs justify this model with the need for worker availability during production peaks. And this is in spite of the increase in labour costs that the mediation of these companies would have to deal with if legal bargaining conditions were respected.

The use of ETTs in the agricultural sector is not a phenomenon exclusive to the region; but to understand how pervasive these types of enterprises have become in the agricultural production of Murcia, it is useful to look at comparative data. Murcia, despite having a population five times smaller (approximately 1.5 million inhabitants) is the third region, after Catalonia and the Madrid region, for a number of “puesta a disposición” contracts, through which the agency or service company makes workers available to the “client” company. The number of these types of contracts has almost quadrupled in the last ten years, according to data published in the latest report of the Consejo Económico y Social of the region. Contracts through ETTs currently account for over 55 per cent of the total of new contracts across all sectors in the region. The sector with the most statistical weight in this percentage is the agricultural one: of the 490 thousand

1. https://www.mapa.gob.es/es/estadistica/temas/estadisticas-agricolas/regados2019_tcm30-526243.pdf
2. http://www.revisiaagricultura.com/exportaciones/economia/murcia-se-consolida-como-tercera-potencia-nacional-en-exportacion-hortofruticola_12069_39_15124_0_1.html

3. [Collective agreements are established on a provincial basis. In Murcia there are currently seven agreements: Agricultural, forestry and pecuario (livestock); Fresh fruit and vegetables (processing and packaging); Citrus harvesters; Treatment and packaging of citrus fruits; Fresh fruit and table grape pickers; Fresh fruit and

vegetable pickers; Fresh tomatoes (processing and packaging); Tomato production and harvesting companies.
4. A type of contract applied to seasonal workers, both in agriculture and in other sectors subject to seasonality such as tourism, in which the worker is employed during the work season and has the

right to be called back for the next one. During periods of inactivity, they can work for another company, except in the case of either an exclusivity clause, or if they're receiving unemployment benefits.
5. https://www.eldiario.es/murcia/economia/murcia-comunidad-espana-contratos-ett_1_2787145.html

contracts signed in 2019 in the sector, 366,000 were made through ETTs, almost 75 per cent.

These figures, according to the main Spanish trade unions CCOO and UGT, hide irregularities and fraud. “Companies do not want to deal with social security costs, so they resort to ETTs, which they also employ to create precarious working conditions for the labourers hired. **Either you accept these conditions or tomorrow I hire 100 workers through ETTs**”, reports Ramón Inarejos, secretary of trade union action of the Federación de Industria, Construcción y Agro of the UGT in Murcia (FICA-UGT Murcia).

“Companies know exactly how many workers they need because the annual harvests are always the same or very similar year after year. If your field isn’t any bigger than before, and last year you needed 500 workers, this year will be the same. But when the time comes for thinning [*aclareo* in Spanish] or harvesting, they say that more manpower is needed during peak production time and they resort to ETTs. In some cases, some sector contracts³ involve clauses that limit this type of bargaining, establishing for example that 75 per cent of the people employed must have a fixed-term or fixed-discontinuous contract⁴. “But there are those gleefully bypassing it and there are companies where 100 per cent of the workforce comes from ETTs. And that’s not legal,” Inarejos explains.

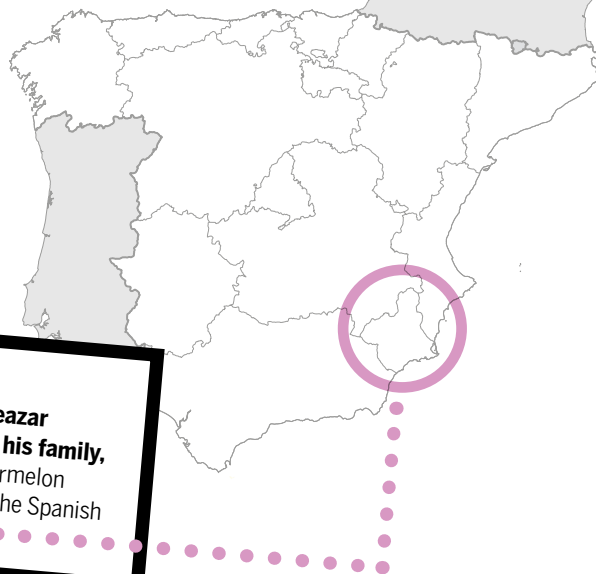
In recent years, similar complaints have been made by the CCOO trade union. In an interview with *ElDiario.es*⁵ the then secretary of trade union action in the region, Teresa Fuentes, denounced that most of these contracts were made in defiance of the law. This is because they treated jobs for which the company should have resorted to a different type of contract as temporary, and in some cases, they were used for positions that should, by their nature, be covered by an open-ended contract. Fuentes reiterated an important point that summarizes the distortions in the labour market that this type of bargaining hides: “ETTs are required by law to apply the collective agreement of the sector to its workers. But, in most cases, this does not happen: a lot of times they pay less than what is established in the collective agreement, they do not declare all the hours and days worked, they pay by the piece and modify the pay slip to give an appearance of legality”.

But there are cases, like that of Eleazar Blandón and Luís, where there simply is no paycheck. Or if it exists, the social security number and personal data are not those of the labourer who is actually working in the field. “In various cases and various areas of the Murcia region, companies have been revealed to





One of the last photographs Eleazar Blandón sent to his family, in one of the watermelon fields in Lorca, in the Spanish region of **Murcia**



be using others' data to cover for the people who work in their fields. Or there are cases where people lend or 'rent' documents to others ", explains Lorenzo Peñas, a lawyer who represents the UGT trade union which, like CCOO, is a civil party in the proceedings for the death of Eleazar Blandón. "It is a crime of document forgery and a scam," adds Peñas. **Various sources confirm the process: the social security number and personal details are used for a contract that can be as short as one day, which is needed to give legal coverage for the physical presence of labourers at work in case of inspection.**

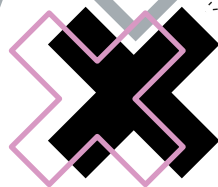
At the end of May 2020, one of the last maxi-operations of the National Police against the exploitation of workers was in the Murcian town of Torre Pachego, and led to the arrest of 19 people, including the sole administrator of an ETT. The investigation was triggered after a road check of two vans to verify compliance with anti-Covid restrictions. Hence the discovery: immigrants were in an irregular situation and were employed in the fields for 150-200 euros per month. **Many worked using the documents of other people with legal residence in Spain and many were Indian citizens, the same nationality as the workers exploited by a criminal organization dismantled two years ago in the same Murcian locality.** The investigation began when the police discovered the existence of a network dedicated to illegally smuggling Indian citizens from Serbia⁶.

**FOREIGN NATIONALS
WERE IN AN IRREGULAR
SITUATION AND WORKED
IN THE FIELDS FOR 150-
200 EUROS PER MONTH**

6. <https://www.laopiniondemurcia.es/municipios/2018/05/22/vente-detendos-torre-pacheco-operacion/924195.html>



PIECE WORK, MINIMUM WAGE AND GREY WORK



The practice of registering a contract of one day with “borrowed” documents that can be presented in case of inspection is one of the examples of a legality that is only apparent, in a sector marked by a wide variety of illicit practices. Inarejos argues that irregular contracting- between those who work without a contract and those who are contracted in one of the various forms of “grey work”- can reach 50 per cent of total workers. In this context, the problem of wages goes far beyond the failure to respect the limits established by the law (the latter will be touched upon later in the report). Workers and unions report the widespread practice of piecework, formally prohibited, although it is not a phenomenon exclusive to the region.

“The first day I worked in the fields here in Murcia, I went to pick lemons from 8 to 17, with a half hour lunch break. They pay you for what you do or what the team does. That day I earned 21 euros. Five euros were deducted for transport. Whether the journey was long or short, they always took us 5 euros. And the first two days I worked for free because they didn’t give us any tools and good pruning shears, which last and don’t break immediately, are 30 euros. And I bought them. Another day, in full quarantine for the coronavirus emergency, we went out at 5am, then it started raining and they left us there in the camp. They came back to pick us up at 4pm. That day they paid me 8 euros”, explains Luís. In the company where he worked, a 18 kg crate of lemons was priced at 1.20 euros; a crate of oranges of the same weight, at 55 cents.

Another worker says that everything can be paid by the piece, from harvesting to sowing. “I worked from 9-10 am to 5 pm planting cauliflowers. I don’t know how many plants there were in each crate, but one crate covered an entire row. And for each box they gave us 1.5 euros which we divided by three. At the end of the day, after deducting the 5 euros for transport, I had 15 euros left”, explains Catalina (alias), also a Nicaraguan without a residence permit. She knew Blandón, who, in the days preceding his death, had told her that for those watermelons harvested by the piece, under the over forty degree heat that can be reached in Murcia in the height of summer, when things went well you could make up to 27-30 euros.

If undeclared work and piecework represent the tip of the iceberg of abuses, both inherently and also when there is a contract, there are also all of the other ways to “reduce” the cost of the wage bill, common both in Spain and Italy when it comes to agricultural work. First of all, the failure to declare all the days actually worked. This practice, according to the complaints of workers of various companies in the region collected by the UGT union, is also being used to “absorb” the impact of the increase of the minimum inter-professional wage (SMI) approved in recent years.

A first increase was decided by the socialist government in 2019, which brought the minimum wage from 735.9 to 900 euros. A second amendment was adopted in February 2020 by the PSOE and Unidas Podemos coalition government, raising it to 950 euros per month (out of 14 wages), 31.66 gross euros per day which go up to 44.9 in the case of casual and temporary workers, who work for one business for less than 120 days a year. It was a measure applauded by the trade unions but received with concern by the three main producer associations, ASAJA, COAG and UPA, which consider the wage increase inadmissible due to the scarce sales margins and low profitability. “The margins are so tight that anything becomes an added challenge. The problem lies in the prices, which are so low as to not allow us to endure any increase in costs, nor wages, nor fertilizers or phytosanitary treatments. Producing in a sustainable way is always more expensive but the prices are the same as twenty years ago”, sources in the sector told the EFE agency shortly after the announcement of the decision by the government¹.

“Here we all work under contract, but the cheat is in the paycheck: I work 25 days and my paycheck says 20. If you report it, the company says that it is legal, that you’re being paid minimum wage, but it’s not true, nor are they giving us what we’re contractually owed as a supplement for transport costs. We normally work eight hours, but some days it’s nine or we work on a holiday. But we always earn the same: there are no extra hours or holidays”, explains a Moroccan worker who has worked for the same company in Murcia since 2012.

The failure to apply the increase of the minimum wage in many companies 10 months after its approval, was one of the reasons, together with the increase in precariousness and worsening working conditions, of the strike in the agricultural sector called by the unions in Murcia last December 4th. Another reason for the strike was, again, the denunciation of the abusive use of labour contracting through the ETTs. There was also a need to bring back the work of the Mesa de supervisión de las Empresas de Trabajo Temporal (Supervisory Board of temporary employment firms), established in the Region in July 2020, with the participation of trade unions, business organizations and representatives of the same ETTs.



ETTS, A CHANGING PRODUCTION MODEL, LARGE COMPANIES AND INVESTMENT FUNDS

“In family businesses we don’t use ETTs. Large companies with more intensive firms do, they have ups and downs in production, also due to the size of their crops, and add this middleman figure. It is a model that we do not understand, first of all because it is much more expensive, being a service subject to VAT, and if you have to respect everything that the law says, it is more costly. It is not a way to shift the blame either, because if tomorrow the temporary work company violates the law, you have a subsidiary liability”, comments Antonio Moreno, producer and secretary of agriculture and water of the Unión de Pequeños Agricultores y Ganaderos (UPA)¹ of the Murcia region.

Moreno hires labour during periods of thinning and harvesting for his company within which he works directly. He recognizes that, in recent years -which he defines “bad”- after having paid raw materials and social security to the workers, there was no profit. “But it can’t be an excuse for not paying workers. What I did is get a little more in debt and look for alternative solutions to try and safeguard the company. I gave myself some time. If I see that past this margin, I can’t get the company back together, I’ll just close shop. But this cannot be an excuse to declare fewer days those worked on contracts or to not fulfill my obligations”.

Moreno adds: “In Murcia we have two models: one is that of large crops, large companies, some with foreign capital, with mass production and which employ ETTs a lot. These companies cover 30 per cent of the sector. And then there is the model of small and medium-sized enterprises, in which the producer is directly involved in daily activity, which represent 70 per cent of the sector, grouped in cooperatives”. For the UPA representative it is important to aggregate the offer into cooperatives, but also to safeguard agriculture structured in small and medium-sized enterprises, which are the ones that guarantee the maintenance and preservation of rural areas: “The problem is that we are not compressing supply as quickly as buyers: right now there are 5-6 multinational companies that move around 80 per cent of food production in Europe. On the one hand there are many of us who negotiate, on the other there are very few”. In Spain, 55 per cent of the distribution of all food products goes through six

1. Association integrated into the UGT trade union.T.

large groups: Mercadona (the main player in the Spanish large-scale retail trade, about 25 per cent of the total), followed by Carrefour, Lidl, the Día group, the Eroski group and the Auchan group².

In a report published at the end of 2019, titled *La Uberización del campo español* (The Uberisation of Spanish fieldwork), the organization, after presenting a series of case studies, denounced the risk of a model of entrepreneurial oligopolies prevailing and of an “agriculture without farmers”. A trend that would explain what COAG calls the “agro paradox”: on the one hand, you have record macro-economic figures, with the increase in agricultural revenue and agri-food exports that have grown by 97 per cent in the last ten years, on the other hand there’s an ever smaller number of agricultural firms in the face of an increase of the land used to grow fruit and vegetables. **To explain the “paradox”, they add from official data cited by COAG , there is an ever greater hoarding of wealth: out of a million farms, 93.4 per cent have a natural person as an owner, and 6.6 per cent have a legal person as an owner; this 6.6 per cent gets 42 per cent of the value of production.**

In this context, an “integration” model takes hold, which tends towards the creation of oligopolies that enter directly into all of the steps in the production chain: from the supply of seeds, pesticides, etc., going through production to marketing. A model that, denounces COAG, further crushes farmers.

One of the examples that the organization gives is what is happening in the production of table grapes of which Murcia has become the first production area (with 46% of the cultivated area of all Spain). A recent record that was flaunted until 2010 by the Comunidad Valenciana, with production concentrated in the province of Alicante. **Since 2010 the production of table grapes in Murcia has increased 75% and now covers 68% of the tons exported. “This situation -as can be read in the COAG report - is accompanied by the growing prevalence of one production model in the sector, if we consider the characteristics of the two main production areas.** In Alicante, the so-called “uva embolsada”³ and more traditional and late-season varieties, destined more for the national market, are of great importance, and the profile of producers is more diverse and less condensed at an entrepreneurial level. In the Murcia region, on the other hand, the production for exports of seedless grapes predominates, with higher yielding “club” varieties (seedless grapes represent 77 per cent of production in the area), a harvest that starts and ends earlier, and that is marketed by a small number of large companies. In fact, the integration model, similar to that characterizing the swine meat sector, is growing rapidly in this production area, together with foreign capital inflow through investment funds and *venture capital* “.

Currently in the region, the marketing of table grapes is in the hands of three large companies, which manage 85% of the grapes produced in the area: El

2. <https://www.kantarworldpanel.com/es/grocery-market-share/spain>
3. So named for its ripening process, where the bunches grow protected by a paper bag, with particular characteristics recognized by the Protected Designation of Origin Uva de Mesa Embolsada del Vinatopo.



Ciruelo SL, Moyca Grapes SL and Frutas Esther SA. Both Moyca, the main European exporter of seedless table grapes, with a turnover of around 70 million euros, as well as Frutas Esther, recognized as OP, with a turnover of around 80 million, count with the presence in the shareholding, respectively, of the investment fund in the venture capital ProA Capital and the investment fund Miura Private Equity.

The relationship between these large groups and supplier farmers, as explained in the COAG report, follows an integration model similar to that of the swine meat sector: “Farmers take on the production risk and maintain ownership of the land, have long-term sales contracts and receive technical advice, supplies and permits to plant and produce (by paying the respective royalties) the grape varieties owned by the ‘integrating’ companies. The costs are high, because there is a search for a quality product. The prices paid to the farmer cover the production costs, but with monitored and very limited profitability”. On the one hand, the relationship presents the benefits of a stable commercial bond with a guaranteed return, on the other hand it is based on a dependency which, especially in the cases of companies dedicated only to a single type of product, essentially leaves the management of production in the hands of the integrating company .

Even at the risk of citing a long quote from the COAG report, this passage is worth mentioning: “Variety control is a very relevant issue in this operating system. These are seedless varieties, highly appreciated by the market, which were obtained thanks to a company, Investigación y Tecnología de Uva de Mesa SL (ITUM), set up by commercial companies in the sector and the Instituto Murciano de Investigación y Desarrollo.

Agrario y Agroalimentario (IMIDA), a public research center dependent on the regional government. The varieties obtained, partly with public money, are registered by this entity. If a farmer wants to plant and cultivate one of these varieties he must either buy stakes in the ITUM enterprise, which is currently impossible because it is neither accessible nor feasible in practice, or buy the plant - with the respective *royalties*- from the company with which it will market the grapes. In the latter case, the farmer will be able to market his grapes only through this company. If he wanted to switch to another marketing company, he would have to get permission from the first one, and provided that the new marketing partner is part of ITUM. Otherwise, he would have to tear up the plants and would not be allowed to market the product, because he would not have the guarantee of ITUM who owns the license. In practice, ITUM is a select club headed by large integrating companies, despite their being public money in its structure”.

Photograph: Javier Fergo





An African worker in the Lepe settlement, Huelva, a symbol of the conditions in which sin papeles migrants live when working during the red berry harvest.

IMBALANCES IN PRICE SETTING, THE EUROPEAN DIRECTIVE AND THE NEW LAW ON THE FOOD SUPPLY CHAIN

From Valencia to Toledo, from Malaga to Lleida, from Jaén to Zaragoza. For weeks in Spain, before the Coronavirus disrupted priorities and social dynamics, the protests of farmers and producers throughout the country made headlines. Until shortly before the start of the state of alert due to the coronavirus emergency, thousands of farmers blocked streets and squares with tractors, protested in front of the Ministry in Madrid, with brutal scenes such as police charges against protesters in Don Benito, Extremadura. There were a number of reasons at the base of the mobilization, with the fall in source prices and the

increase in production costs in the lead. And then external factors impacting the sector, such as the forecasts of cuts in financial assistance from the Common Agricultural Policy (CAP), customs imposed by the United States and the increase of the inter-professional minimum wage decided in those weeks by the Socialists of the PSOE and Unidas Podemos coalition government.

The statements collected from the news reports during those days sum up the complaints that have been accumulating in the sector for years. “The minimum wage has increased, and this type of grape needs a lot of

manpower. Agricultural insurance, fertilizers and the price of diesel oil have also increased but we're selling grapes at the same prices as 20 or 25 years ago"¹ Enrique Sánchez, manager, grape producer in Novelda (Alicante) and supervisor of the Unió de Llaudadors - a producer organization in the area. In the same article, Miguel Blanco, secretary general of the COAG organization, reminds us that production costs had moved onto represent 50 per cent of the final value, compared to about 30 per cent a few years ago. Blanco echoed the demands of the protests: greater organization of supply and demand from the ground-up and greater leadership of the sector in the buying and selling processes. The producer associations' request to the government was

medium farmers and ranchers, who unfortunately are now seeing how prices get lower and lower, which is absolutely unacceptable for the government." A few days earlier the minister of Agriculture, Luis Planas, had spoken of "a problem of prices and margins" and had called for cooperation from large-scale distribution companies, speaking of them as "part of the solution". Statements that triggered a reaction in the sector, with Ignacio García Magarzo, general manager of Asedas, the association that brings together the main Spanish retailers, ready to declare in El País that "the prices of fresh products in Spain are set efficiently" and abide by the "major competition" in the industry.

A few days later the government approved the Royal Decree 5/2020 with "urgent measures in the field of agriculture and food production". The decree amending law 12/2013 on the food chain, introduces the requirement to show on contracts that the agreed price between the producer and first buyer covers the actual costs of production. A principle that can be summarized as follows: each trader must pay the immediately preceding trader a price equal to or higher than the production costs.

The decree therefore introduces the prohibition of selling below cost; the regulation of promotions and the prohibition of "promotional activities that are misleading on the price and image of products or jeopardize the perception on the quality or value of the products in the chain". The decree provides for the sanctioning of traders who have committed serious or very serious infringements.

**WITH ROYAL DECREE 5/2020
EACH TRADER MUST PAY THE
IMMEDIATELY PRECEDING TRADER
A PRICE EQUAL TO OR HIGHER THAN
THE PRODUCTION COSTS**

clear: to adopt measures to ensure that the amounts paid to producers could cover at least production costs.

Such was the tension and pressure in those days that the prime minister himself, Pedro Sánchez, intervened in the debate to criticize the price system, asking large food retailers "to be self-critical": "We need to introduce much more transparency to defend small and

The provision also includes the strengthening of two bodies established by the previous 2013 law on the food supply chain: the Agencia de Información y Control Alimentarios (AICA) and the Observatorio de la Cadena. The former monitors legal compliance and manages the information and monitoring system for the olive market and payments to inter-professional organizations in the milk and olive sectors, the latter updates studies on the margins of the main products and publishes indexes that can be used to determine production costs.

The Government's intention was to strengthen these changes in a broader reform of the 2013 law, to incorporate Directive 2019/633 on unfair business practices in the relationship between businesses in the agri-food chain within national legislation. After a period of public consultations started in April, the Council of Ministers approved the draft of the new law on the food chain last November 20th, 2020. The text now begins its parliamentary process and the Spanish government intends to enter it into force on November 1st, 2021. A year, in fact, is considered by the Ministry for Agriculture, Fishing and Food as a sufficient time frame to ensure that the sector can adapt to the planned reforms. In the presentation of the law, the competent minister, Luis Planas, stressed that the agricultural sector was the only one where GDP had grown in the last year (+6.9 per cent), with an increase in exports of 5.5 per cent, totaling 54.6 billion euros, and a

positive trade balance of 16.9 million euros. "A good example of the fact that the sector is performing well," said the minister. Which does not mean, he added, that there are no structural imbalances to adjust.

The main updates of the law, in addition to the changes already provided for in the Royal Decree 5/2020, concern its extension to commercial relations within the European Community in which an economic operator established in Spain participates, unless that operator applies the legislation of another Member State. Additionally, the law also provides for the application of prohibitions and sanctions also to commercial relations between traders established in Spain and other traders from third countries. The obligation to sign the contract in writing is guaranteed with precise directions for all transactions starting from € 2,500. A limit of 30 days is set for the payment of fresh products and of 60 for non-perishable products. There is a broadening of the notion of unfair business practices, such as the unilateral modification of contracts with regards to amounts or the return of unsold items, unless explicitly agreed. New infringements or redevelopments of previous infringements are introduced into law. The cancellation of an order 30 days before delivery is considered a minor infringement, and becomes a serious infringement when additional payments are required or the covering of costs additional to the agreed price.

Thomas García Azcarate, deputy director of the Institute of Economics, Geography and Demography of the CSIC² with 29 years of experience as an economist and analyst at DG AGRI of the European Commission, considers the intentions unpinning

1. https://elpais.com/economia/2020/02/01/actualidad/1580586437_958117.html

2. Consejo Superior de Investigaciones Científicas, (Spanish National Research Council).



Some greenhouses of a Huelva farm, in the Andalusian province where almost all of the Spanish strawberry production is concentrated.

the law to be good but speaks of the “maze” you can end up in when trying to regulate price setting. “The definition of the cost of production that was incorporated in the decree [later absorbed in the proposed law, *ed*] is the variable cost, which does not include amortization, own labor, nor the return on capital, but all variable expenses, which is an advantage because they are expenses that can be documented” he explains. For García Azcarate the question is that there are sectors, such as dairy, where costs are determined more easily, and others where it is more complex such as, for example, the greenhouse production of tomatoes, where there can be weekly variations, or fruit, where the costs are known at the end of the harvest. Whether the contract covers production costs remains a complicated issue which is difficult to verify in practice. “What the companies are doing is that the

selling farmer signs a clause in the contract where he ensures that he is selling above production prices”, adds Azcarate.

According to the analyst, the law is nonetheless an attempt to strengthen the position of farmers when negotiating with buyers but it does not solve the problem of the power imbalances within the production chain whereby producers are disorganized when facing large-scale distribution: “If the producers do not offer services and added value to showcase the product, if there are no inter-professional organizations that set the rules, if there isn’t a structuring of the production chain, regardless of the intentions of the law, the power imbalances remain. Strengthening the position of farmers is a part

3. <https://www.upa.es/upa/noticias-upa/2020/3123/>

4. <https://agroalimentarias-andalucia.coop/noticias/2855-la-ley-de-la-cadena-favorece-la-competencia-desleal-y-pone-en-peligro-la-competitividad-del-sector-espanol-en-un-mercado-bajista-como-el-actual>



of a structure that needs to be broadened”. According to Azcarate, other positive aspects of the new implementation of the law are the reactivation of the work of the Price Observatory, essentially frozen after austerity cuts approved following the Great Recession; and the advertising of fines, which also increase in amount, “because reputation is an important element of the value of brands and endangering it can be a deterrent”.

The atomization of supply is one of the problems that are most frequently indicated as a reason why dysfunctions occur

and, ultimately, damaging to production value in the supply chain. In the face of about 950 thousand farms (of which about 180 thousand produce fruit and vegetables), there are about 31 thousand processing industries in the food sector and 5-6 large-scale distribution companies that manage 55 per cent of distribution. This atomization persists if we consider producer organizations, even in regions such as Murcia where the cooperative sector has a broad reach. “In Spain there are over 600 producer organizations, whereas in Italy, with a similar production volume, that number is halved,” explains Álvaro Areta, COAG’s food chain expert.

There are conflicting opinions on the ban on selling below cost introduced by the decree. If the trade association Unión de Pe-

queños Agricultores y Ganaderos (UPA), linked to the UGT union, considers it a “historical achievement”³. Cooperativas Agro-alimentarias de Andalucía, federation of cooperatives in the region and the main producer of fruit and vegetables in Spain, argues that the implementation of the new law, which makes it mandatory to always sell above production costs, “does not take into account the reality of the agri-food sector in its entirety, in the context of a globalized market imposing dumping prices, where unfair competition prevails “. For the organization, banning selling below cost is not in itself the solution to the profitability issues of companies⁴.

The need to operate in a highly competitive global market where the large-scale re-

WITH ABOUT 950,000 FARMS, THERE ARE AROUND 31,000 PROCESSING INDUSTRIES IN THE FOOD SECTOR AND 5-6 MAJOR LARGE-SCALE ENTERPRISES

tail trade operates on multiple market levels is what leads García Azcarate to saying that perhaps not even a greater concentration of supply at the state level, in this case Spanish, can be the solution: “Even if all of Spain were organized, you are dealing with a retailer which is all over Europe, so then perhaps one should consider an organization of European producers”.

INSPECTIONS AND THE DIGNITY OF WORK

The exploitation of workers is not widespread, but ...". "The vast majority of the sector respects its obligations, however ...". In conversations with operators in the sector, it is difficult to see the exploitation of labour recognised as a widespread issue.

There are those "ifs" and "buts" which follow when taking into consideration the difficulty in paying decent wages when faced with the impossibility of guaranteeing profitable production. "Improving farmers' income is a necessary but insufficient condition for farmers to pay their workers decent wages and become active participants in climate change mitigation," says García Azcarate, the deputy director of the CSIC Institute of Economics, Geography and Demographics.

On the other hand, one of the recurring complaints among those who work to defend workers' rights in agriculture regards the need for more resources for inspections. In all of Spain, there are 1,866 labour inspectors¹, a number that has remained largely unchanged over the last 10 years (although the acquisition of another 214 officials is expected by 2021). "The issue of inspections in the agricultural sector is complex, because the sector has no limits. But, with all the limitations in terms of human resources, if there were no inspections then there would be chaos",

comments José Fuentes, deputy head of the agricultural sector of the CCOO union. "We asked to strengthen the inspections with in-situ interventions, interventions in the fields, and the support of security forces. We reiterate to the producers that they should be the first concerned with avoiding exploitation, because at the end of the day they are creating unfair competition and dumping among themselves, discrediting the sector. Because every day there are more and more social certification companies that require a certain traceability and the certification of working conditions for the products that reach European markets".

There was an outcry from producer organizations when in mid-May the newspaper El Independiente² published

the text of the questionnaire that the direction of Labour Inspection and Social Security sent as a guide to the provincial sections as part of a two-month inspection campaign (May and June) aimed at agricultural work. The questionnaire explained that one of the objectives of the inspection campaign was to identify "cases of exploitation and trafficking con-

1. According to the data published in the 2018 Memory of the Ministry of Labor.

2. <https://www.elindependiente.com/politica/2020/05/12/trabajo-ordena-a-sus-inspectores-ir-al-campo-para-detectar-posibles-casos-de-esclavitud/>

sisting in forced labour or service, slavery or practices similar to slavery". And these were some of the questions: "Does the worker present signs of abuse, such as bruising? Are you locked up in the workplace? Are there any visible signs that indicate that the worker cannot leave the workplace, such as barbed wire, presence of guards or other restrictions of this type?"

The response of agricultural organizations, from ASAJA to COAG or UPA, from cooperative associations to Fepex, the Spanish federation of the associations of producers exporting fruit was unanimous: "there is no slavery" in Spanish agriculture and the countryside "criminalized" an entire sector. Some even asked for the resignation of the Minister of Labor, Yolanda Díaz, who had already announced in February, shortly after taking office, that she wanted to strengthen agricultural inspections.

The ministry explains that the harvest season was designed taking into account the special circumstances caused by the pandemic and that it had the entire area of competence regarding labour inspections covered. With regard to the document leaked to the press, the ministry underlined that "the harvest has intensified compared to previous years and, even if no internal data has been published, it should be noted that the crucial issues the inspectors must affect have not changed substantially".

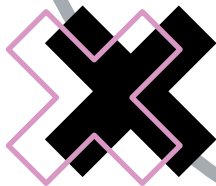
3. A special coordination unit for the fight against fraud in transnational labour, created with the ministerial decree published in the Spanish Official Journal on October 16, 2020.

The leaked document, the ministry added, "exclusively includes rigorous terminology, extracted from Article 177a of the Criminal Code and other relevant texts, such as Forced labour and human trafficking: handbook for labour inspectors of the International Labour Organization".

"We cooperate closely with the Labour Inspectorate and the security forces but what happens is that it is much cheaper for these companies to pay an administrative fine and continue as usual", comments Soledad Montaner, head of the agricultural sector of CCOO Valencia, regarding the abuses that also occur in the region with ETTs. **"There are ETTs that are indeed deserving of respect, like those operating in the industrial sector, such as Adecco or Ramstad. But in agriculture there are ETTs created exclusively by gangmasters in search of workers, and which are opened from one day to another."** There is a need for a legislative change to ensure that when a case of exploitation is exposed, that these people won't be able to set up another ETT again. Here, after the third fine they close down the agency but it's fine, because tomorrow I can open a new one under another name ". Montaner also points out how, in recent years, the phenomenon of transnational ETTs has increased, such as those that send workers from Spain to the south of France. **"We need a European Labour Inspectorate. The ministry has just created a transnational unit³, this means that there are steps being taken in this direction"**.



THE FEMALE STRAWBERRY PICKERS OF HUELVA AND THE LIMITS OF “CONTRATACIÓN EN ORIGEN”



Among the many things that the pandemic has upended, there is also one of the tools for managing migration in a controlled and circular way that has made Spain a European model: the so-called *contratación en origen*, the direct recruitment of workers in third countries. A model that, in recent years, has been almost completely incorporated by the thousands of contracts made in Morocco to bring labour to Huelva, the Andalusian province where almost all of the national production of strawberries¹ is concentrated, of which Spain is the world's leading exporter². Strawberries - and, for some years now, also raspberries and blueberries - have become the red gold of the region. A treasure that passes through the hands of thousands of Moroccan workers, recruited every year thanks to the agreement signed in 2001 between Spain and Morocco.

The so-called GECCO decree (*Gestión colectiva de contrataciones en origen*) of the Ministry of Labor, regulates *contratación en origen* since 2009. It provided for the authorization of the arrival of 20,195 workers by 2020, of which 13,695 had already participated in previous harvests and 6,500 were recruited with a new selection made in Morocco. The forecast was that what happened in the previous harvest would be repeated, but the plans were completely blown due to the coronavirus crisis. On March 25th the Ministry of Social Inclusion, Welfare and Immigration (the now competent department) suspended the program and, of the approximately 17 thousand workers expected (about 15 per cent of the total labor required in the strawberry and other berry harvests) by that date, only a little more than 7 thousand had arrived. Thousands of women who, at the end of the harvest, with the borders of Morocco still closed even to nationals, found themselves stuck in Spain for weeks.



Photograph: Javier Fergo



1. Andalusia produces 97% of strawberries grown in all of Spain, and 99.7% of the fields are located in the Huelva area, according to data from the Andalusian Regional Government's Observatory on Prices and Markets.

2. <https://www.tridge.com/products/strawberry?q=strow>



A seasonal Moroccan worker in a farm not far from the Lepe settlement, Huelva.

Without the possibility of returning home, or being able to leave the places where they had gone to work, remaining in the accommodations that the business owners have to make available and that are sometimes located near the fields, ACCORCIA miles away from inhabited centers, for many of these women the lengthening of their stay in Spain meant seeing the money earned go up in smoke which, in many cases, is used to cover the expenses of an entire family in Morocco for the rest of the year. A critical situation that was resolved in the second half of July when all the *temporeras* were finally able to return home, but that brought to light some of the limitations of the *contratación en origen* model. These limitations also have to do with the vulnerability of the Moroccan subjectivities to whom the job offer is addressed.





A PIONEERING MODEL

As has happened in many other sectors of agricultural production in Spain, the change in the model that took place in the 1980s, with the transition from small family-run farms to intensive production destined for export, meant that Huelva also had an increasing need for manpower. The increase in workers was covered during the 1990s by migrants arriving from North Africa and sub-Saharan Africa, many in an irregular situation. The circumstances start to change again at the end of the decade, when protests organized by a few migrant groups due to the exhausting working conditions they were subjected to, at the same time a series of regularizations are approved (1991, 1996, 2000, 2001). These allow those with a residence and work permit to find employment in other fields³ such as catering or construction, a sector which will incorporate a lot of foreign labor in the period of the real estate boom, from the end of the nineties until the start of the Great Recession of 2008.

What is known as *contratación en origen* formally began in 1999, with the approval of the protocol implementing a framework agreement adopted two years earlier to manage internal migration in the agricultural countryside. The protocol, which will then be incorporated into the new immigration law of 2000, allowed to recruit foreign workers in their countries of origin based on offers presented by entrepreneurs.

Between 2001 and 2003 the first bilateral agreements were signed with countries such as Romania, Poland, Ecuador and Morocco, preceded in 1999 by a first pilot project carried out in the province of Lleida with a group of 35 workers arriving from Colombia. In Huelva, the bulk of the workforce initially comes from Poland, Romania and only partially from Morocco. The latter will become important after the first two countries joined the European Union on January 1st 2007. From 2006 Moroccan workers in the strawberry countryside of the Andalusian province started to play a more important role. This is thanks to the AENEAS-Cartaya project, based on the European funding for the development of a circular recruitment plan, which became the model that inspired European directive 2014/36 on the entry of third-country nationals as seasonal workers. This started mainly from 2007, when the rate of non-return of workers recruited through *contratación en origen* went from 90 and 50 per cent in the two previous harvests, to 12.8 per cent. This result was due, as the promoters of the plan⁴ themselves explained, to a change in the selection criteria for workers that originally responded to the standards of producers: that they were mainly female with familial responsibilities.

The selection of the workers takes place directly in Morocco, with a three-day trip by a delegation of the main strawberry and red berry producer asso-

3. I.Y. Molinero, 2020. Dos décadas desplazando trabajadores extranjeros al campo español: una revisión del mecanismo de contratación en origen. Panorama Social n.31, pp. 141-153.

4. https://elpais.com/diario/2007/08/18/andalucia/1187389327_850215.html

ciations, and in collaboration with the National Labor Agency of Morocco (ANAEPEC). The ANAEPEC publishes the job offer and the requirements to participate in the selection: be between 25 and 45 years of age, married, widowed or divorced, come from rural areas, have previously worked in the sector and be responsible for children younger than 14 years. A selection criterion which, as denounced by NGOs and trade unions, are in clear contradiction with the constitutional principle of non-discrimination, further reaffirmed in the GECCO decree itself. Regarding the definition of these requirements the researcher Yoan Molinero⁵, who for years has been studying the management of the evolution of this circular migration model, explains: “These controversial criteria were based on certain ideas and prejudices of the entrepreneurs, who preferred women because, according to them, they have the most gentle hands, which avoid ruining the product. Moreover, they considered them more “docile” and less demanding than men, which avoided issues with strikes or protests. The age criterion had to do with the harshness of the work, which requires being in good shape, while being from rural areas was intended to prevent women in urban areas from finding the work too hard and look for a way to ‘escape the program’. And, lastly, the family status and maternity requirements helped to increase the likelihood of return, a fundamental point of the program’s project”.

Over the years, however, these criteria have also proved to be indicators of how vulnerable these workers are. In many cases they are illiterate, and struggle within a system that binds work permits to specific companies and that has repeated the obligation to comply with the conditions of the contract and the return clause in subsequent harvests.

THE 2018 SCANDAL OF AND ITS REPERCUSSIONS

This type of recruitment continued smoothly in Morocco until 2008. After a harvest where the amount of Moroccan labourers employed had reached the record figure of 13,800, the beginning of the economic crisis led to a change in trend, due to the exponential increase of unemployment in Spain and the re-introduction of citizens and residents in the agricultural labour market. Thus, the program remained basically frozen between 2009 and 2015, when only about 2 thousand *temporeras* who had already worked in previous harvests arrived in Huelva. In 2016, in the phase of economic recovery, the number went back to increasing, to then reach 14,411 people in the 2018/2019⁶ harvest.

In the spring of 2018, however, there are international repercussions due to the publication of a long investigation on the German magazine *Corrective.com*,

IN 2019
14.411
LABOURERS
CAME FROM
MOROCCO



in collaboration with *BuzzFeedNews*, entitled *Rape in the fields*⁷. The report included accounts and reports of sexual abuse and exploitation in the 2016/2017 harvest, reopening the public opinion debate on the working conditions of female Moroccan labourers. It was not the first time that accounts of abuse were received, but the situations described in the report and the complaints presented by some labourers in the same period made 2018 the year of “raising awareness of the situation of these *temporeras* with an impact on the following harvest”, as underlined by a report published in 2019⁸ by the non-profit Womens Link, which legally represented four workers who filed a complaint for exploitation in the workplace and sexual harassment.

It is also following the media coverage and as a response to a “reputational crisis”, that the new collective agreement signed at the end of 2018 by the producer organization ASAJA and the trade union CCOO was amended. The new agreement included, for the first time, a protocol for equality and the prevention of sexual harassment, which included the presence of mediators designated by the administration. A few months earlier, Interfresa, the inter-professional association of the sector in Andalusia, had presented an Ethical, Work and Social Responsibility Plan (PRELSI), which, according to the data of the same organization, 97% of the companies have joined. This protocol also provided for the creation of a group of mediators. According to the Women’s Link survey, the work of these mediation figures is limited for several reasons: “On the one hand, there’s the fact that the workers themselves are unaware of their existence, while

7. <https://correctiv.org/en/top-stories-en/2018/04/30/rape-in-the-fields/>

8. <https://www.womenslinkworldwide.org/files/3118/resumen-ejecutivo-temporeras-marroquies-en-la-agricultura-onubense.pdf>

when they know about them, they suspect that they have agreements with the company; or when the mediators are members belonging to NGOs, there is no adequate advertising of their activity (...); on the other hand, you have the inability of the mediators to act effectively since, in the event of complaints, no one can guarantee these women stability in the workplace, a residence permit or the renewal of their contract”.

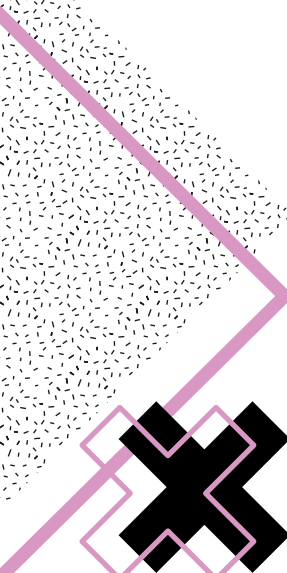
BROKEN PROMISES

Last June, Womens Link itself, along with seven other organizations, sent out a statement to several UN bodies. They requested an urgent investigation into the working conditions and human rights violations of Moroccan *temporeras* employed in the strawberry and red berry harvest Huelva, and highlighted the even greater risks during the Covid-19 pandemic. **To the statement, the organizations attached the survey carried out in 2019, which gathers and summarizes the most frequent violations reported by the labourers.**

One of the main complaints concerns the failure to comply with what is agreed in the job offer presented during the selection process. This is together with the lack of information provided regarding the conditions of the contract and housing, with pre-contracts signed in French, a language that many of the candidates selected do not speak. Regarding contracts, the GECCO decree establishes that workers must be guaranteed a continuous activity of at least 75 per cent of the duration of the residence permit requested. A condition that, according to various sources, is not fulfilled, because once they arrive in Spain the so-called contract “por obra y servicio” is applied, with only the days actually worked counted depending on the needs or circumstances of production. This type of contract⁹ is also usually applied to Spanish agricultural workers or residents and, as explained by journalist Perico Echevarría, who has been investigating the sector in the province of Huelva for years, is summarized in the principle “día trabajado, día cotizado” (day worked, day counted). **The problem, explains Echevarria, is that unlike national workers, the labourers hired in Morocco arrive with earning expectations that are not fulfilled.**

ONE OF THE MAIN COMPLAINTS CONCERNS THE LACK OF COMPLIANCE WITH THE PROVISIONS OF THE JOB OFFER AND THE LACK OF INFORMATION ON THE CONDITIONS ESTABLISHED IN THE CONTRACT





There are also complaints from women who have been fired after the trial period which, according to ANAPEC's job offer, should be 15 days but is instead extended to 30 days. Other complaints concern the extra hours not paid or "withheld" to pay part of the bills and expenses of the housing that business owners must make available to workers free of charge. "And then there is a high percentage of workers who remain in Spain upon expiry of their permit because they do not have the money to return to Morocco or to pay for the paperwork necessary to departure once again", says Angels Escrivá, a member of the Huelva Mujeres 24 collective, who has provided assistance to Moroccan laborers in the last three harvests. Escrivá explains that another one of the irregularities often encountered regards the lack of applications for health cards, to which labourers are entitled, which makes access to basic care harder and limits medical assistance to first aid service. "Last year I met a labourer who had been repeating the harvest for 11 years and did not have a health card. She told me, 'Yes, I do bring money home but here you have to shut up and keep your head down'. I was tearing my hair in desperation so I mentioned it to the company she worked for, and then I learned that the first thing they did was scold her for talking to me," says Iksan Ben Terras, an expert in intercultural mediation and on the

THERE IS A HIGH PERCENTAGE OF FEMALE WORKERS WHO REMAIN IN SPAIN WHEN THEIR PERMIT EXPIRES BECAUSE THEY DON'T HAVE THE MONEY TO RETURN TO MOROCCO

dynamics of *contratación en origen*. Ben Terras also talks of another case, in which a young woman, who arrived in the second phase of the harvest, in March, with a residence permit valid until July, was then fired in May, when they found out she was pregnant: "This woman was left on the streets, without no idea where to go, in a province she does not know, where she doesn't speak the language. Her only contact was

with the Moroccan citizens who live here in the slums. And she couldn't go back to Morocco because she didn't even have the money for that".

Complaints regarding housing have also accumulated in recent years, with crowded conditions or inadequate sanitation in the prefabricated modules used by some companies, which are located near the fields, in many cases several kilometers away from inhabited centers. For the first time, the GECCO decree

Photograph: Mariangela Paone





for the 2019/2020 harvest included precise provisions on the characteristics that accommodation, be it prefabricated modules, houses or dormitories, must comply with.

“You have to understand the logic of the program: it not only brings you the manpower you need but also imposes a series of conditions that forces workers to stay in place, to respect the conditions, to behave well because otherwise the owner can send them back home. If after two weeks, he thinks that you haven’t worked well enough he can send you back to your country and if you want to return for the next harvest you have to behave well. For business owners this is ideal: they have labourers who work the days that they choose and if one day it rains, they don’t work and they don’t get paid either. And they are workers who will not protest, because they know that if they’re quiet they will be called back. A worker with a seasonal permit is forced to reside in the province in which he is employed and can only work with the business owner who hired them, save for exemptions. This allows them to have a docile, monitored and very efficient workforce”, adds Molinero.



LEPE AND THE SLUMS OF THE LAST OF HUELVA

"They live like animals", "Their conditions rival the worst I've seen anywhere else in the world." There was no sugar coating the judgment of United Nations Rapporteur for Poverty Philip Alston in February, after visiting the slum of Lepe, a municipality in the province of Huelva.

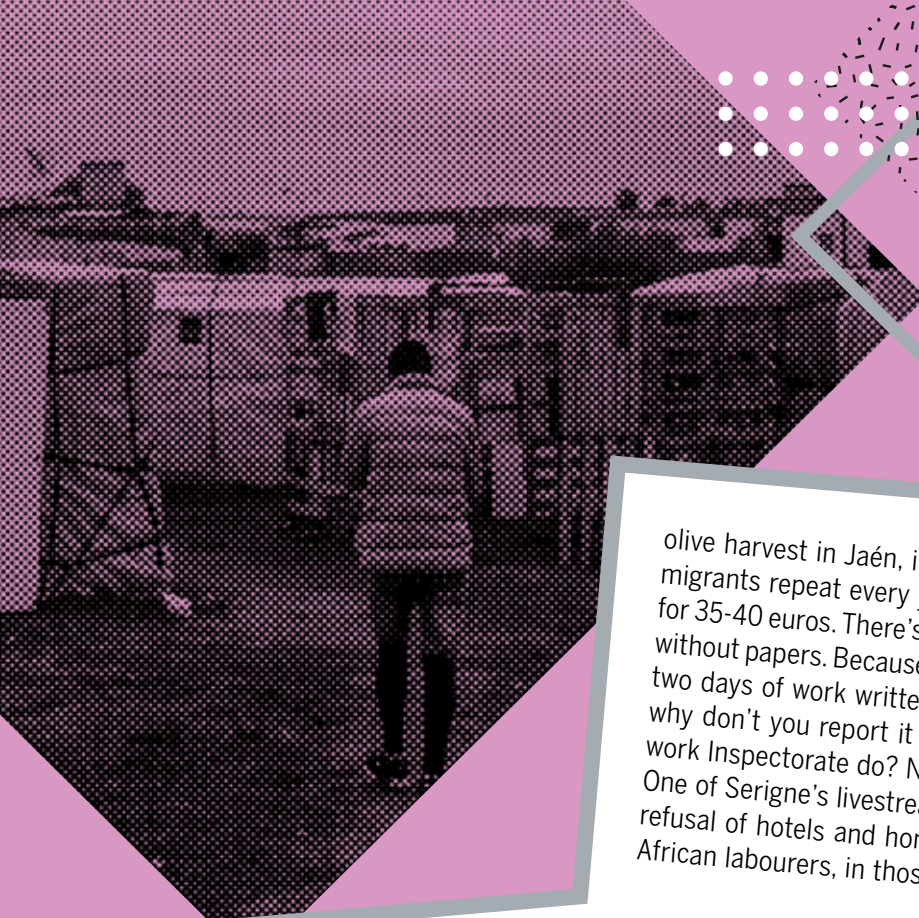
For years, Lepe has been symbolic of the conditions which the *sin papeles* migrants who work illegally in the red berry harvest are subjected to. The grounds, in which about 400 people lived, were almost completely destroyed by a fire in mid-July. But in the province, in the outskirts of the villages of the area where the production of strawberries and red berries is concentrated, there are numerous settlements where regular and irregular migrants live, and where there's neither electricity nor drinking water. Many of the people who live there are the labourers who, during the year, move throughout Spain, from one countryside to another, following the trail of breadcrumbs of different harvest seasons: strawberries and red fruits in Huelva, citrus fruit in Valencia, stone fruit in Lleida, grapes in Albacete or La Rioja.

To start the process of regularization of your administrative situation you need to prove that you have resided in Spain for three years and have a one-year

work contract, which is difficult to obtain in a sector where contracts are temporary and precarious. And proving the length of your stay in the country isn't easy either.

In mid-November, the Asociación de Nuevos Ciudadanos por la Interculturalidad (ASNU-CI) achieved an important legal victory in this sense,

because a court in Huelva recognized the right of a person living in a settlement to register his domicile in the municipality of Lepe, that had initially rejected the request. Domicile registration is one of the means to prove the



olive harvest in Jaén, in the pilgrimage that hundreds of migrants repeat every year: “You work 11-12 hours a day, for 35-40 euros. There’s always the same problem, with or without papers. Because at the end of the month you have two days of work written down. And you say to yourself: why don’t you report it to social security? What will the work Inspectorate do? Nobody will hire you afterwards “. One of Serigne’s livestreams, in which he denounced the refusal of hotels and homeowners in the area to rent to African labourers, in those weeks reached soccer player

Keita Baldé (currently playing for U.C. Sampdoria after a past in Lazio and Monaco) who offered to pay four months of room and board to 200 *temporeros*. Only then did the municipality of Lleida decide to use a few pavilions of the City Fair to host the labourers.

three years of residency, required by immigration law, to begin the regularization process for reasons of “arraigo social” (social roots). ASNUCI itself is also building the first hostel for homeless labourers in Lepe, with 40 beds.

The housing issue of labourers resurfaced in May after the distribution of images of hundreds of migrants forced to sleep on the street in the center of the city of Lleida, in Catalonia, a situation seen before during the harvest but which this year was made even worse by Covid restrictions.

The media attention came also thanks to the videos and livestreams posted on Instagram by Mamadou Serigne, a 41-year-old Senegalese immigrant who has lived in Spain for 20 years, for half of which in a semi-irregular situation. Serigne explained in his videos what he repeats on the phone months later, while he is pruning a vineyard in Albacete and before leaving for the



E(U)XPLOITATION



Seasonal workers pick strawberries and pack them in one of the many greenhouses dotted around the countryside in southern Greece, in the Manolada region.

Photograph: Ververidis Vasilis/Shutterstock



GREECE

BY APOSTOLIS FOTIADIS





SEVEN YEARS AFTER THE MANOLADA SHOOTING, LITTLE HAS CHANGED

At the beginning of 2013, workers at one of the strawberry fields of Manolada, in Southwestern Greece, were restless. Most of them had migrated from South Asia to Europe in search of work. They had already started questioning their working and living conditions, as well as the delayed wage payments, pending since Spring of the previous year. Regardless, they were coerced to continue working under armed guard supervision.

In April 2013 the situation exploded when the employer's armed supervisors fired upon workers protesting. The incident exposed the deplorable conditions and exploitation under which the migrants had to work. What followed for the victims of the attack, including the 30 people who were seriously injured, was a lengthy court case.

A year later, the court handed out mild sentences to only a handful of people indicted for the case. All charges against the business owner were dropped. This would lead to a severe verdict from the European Court of Human Rights in 2017¹, sentencing Greece for a clear violation of the prohibition of forced labour and stating, "the applicants had not received effective protection from the Greek State". The Court noted, in particular, that "the applicants' situation was one of human trafficking and forced labour" and specified that exploitation through labour was an aspect of human trafficking. It also found that the State "had failed in its obligations to prevent the instance of human trafficking, to protect the victims, to conduct an effective investigation into the offences committed and to punish those responsible for the trafficking". In 2019 a Greek appeals court reduced the sentences of the first instance court even further.

"It was the reluctance of authorities to do the necessary inspections before the incident and then to investigate after it happened that shows what is so wrong with the situation. In Greece, when talking about trafficking, people will immediately think of sexual abuse, but no one considers the exploitation of young single males as trafficking" Vassilis Kerasiotis, a lawyer that worked on the ECHR case, told Terra.

"What the Strasbourg court told us was that the authorities were aware of the situation prior to the incident in 2013 but they never intervened. The police were

actually calling and asking that wages be paid in order to manage tensions, which is telling of their confusion about their institutional role in the case. For this situation to change, prosecuting authorities must order investigations and enforce the rule of law, which was not the case in Manolada”.

Seven years after the notorious incident that made Manolada internationally known, not much has improved for migrant fieldworkers. A July 2020 report by Manolada Watch², an initiative of the organization Generation 2.0 for Rights, Equality & Diversity (G-2.0) describes a picture as stark as ever. Most field workers in the region are undocumented, about one in ten holds a special document suspending deportation due to their occupation in the agricultural sector, in accordance with Amendment 13A.

13A is a legal amendment introduced in law 4384/2016. It allows employers, if no other workers are available, to request an exemption to employ workers that do not legally reside in the country and do not have work permits. The permit predicts the suspension of deportation of irregular migrants employed in the agricultural sector and is updated every six months. It can also be obtained multiple times. Amendment 13A is considered problematic in various ways, mostly for providing permission to work without resolving the issue of residence permits. As a result, it accentuates worker dependency on employers for maintaining their lawful presence in the country as well as access to the labour market.


Close to 500 workers, still working in the region, have been granted residence permits for humanitarian reasons after a fire in 2018 that destroyed the makeshift settlement where they resided, together with burning all of their documents and belongings. G-2.0 visited two similar settlements in July 2020 and found people living in degrading conditions.

In the first camp “[...] there are makeshift huts made of bamboo, steel and greenhouse plastic films. For their stay, the land workers pay a monthly fee of 15-20 euros per person.

Due to the extremely high temperatures during summer months, it is impossible for most of the people to stay in the shacks during the day, where the temperature rises because of the plastic and the lack of natural shade. Furthermore, there is no water supply, apart from some small plastic tanks, and for drinking water the land workers supply themselves with plastic bottles from the market. There is also no provision for sanitary protection, i.e. there is no waste collection and no sewage cleaning of the makeshift toilets inside the camp.”

The second camp was built to replace the one destroyed in the 2018 fire, it consists of small houses made of plywood, which have begun to be inhabited in recent months. “According to the testimonies of the land workers themselves, in addition to the monthly fee of 220 euros per house (holding a maximum of 8

¹ Choudhury and Others v. Greece: https://ec.europa.eu/anti-trafficking/case-law/choudhury-and-others-v-greece-0_en
² Generation 2.0 Manolada Watch Report, Luglio 2020, <https://g2r.eu.org/report-on-the-situation-at-manolada-july-2020/> Rapporto sulla situazione a Manolada | Luglio 2020



people), they also pay a fee for electricity provided through a generator, which amounts to about 60-90 euros per month for the entire camp. Apart from the lack of care for the collection of waste from the two camps, there are no waste bins around the entrances to these areas for the land workers to throw out their rubbish. As a result, a huge volume of plastic bottles and other waste is concentrated inside the two camps”.

According to estimates, the peak of the working season, between late autumn and early spring, attracts between 8,000 to 10,000 land workers around Manolada. **Thousands of tons of strawberries are produced in the wider region, these are mainly exported to various EU countries as well as to the Western Balkans, Russia and various Arab countries (some estimates put the figure above 90%).**

“The majority of the migrants reside in precarious conditions and work undocumented and uninsured. Finding work very often depends on migrant land workers paying a fee of one euro per day to gangmasters of their same ethnic background who are often called ‘Mastoura’, who act as intermediaries between various employers. This shows a pattern where a system regulates itself outside of the State’s jurisdiction. Lack of State intervention ends up leaving a wide margin for labour and human exploitation.” says Kerasiotis.

THE PEAK OF THE WORKING SEASON IN MANOLADA, BETWEEN THE END OF AUTUMN AND THE BEGINNING OF SPRING, ATTRACTS BETWEEN 8.000 AND 10.000 LABOURERS

The gangmasters are crucial for immigrant workers looking for employment in the area. They facilitate and control access to employment daily, the producer decides how many people need to work on the farms each day and informs the gangmaster, who in turn recruits the required amount of people.

Additionally, the role of a significant number of factors needs to be examined in order to understand how a reality like that of Manolada can be perpetuated for so long without anyone pushing for drastic solutions. The lawyer asks the most important questions. “I wonder how a business owner that exploits labour in intolerable conditions can at the same time maintain a stellar looking packaging facility with the necessary ISO certification to ensure his exports. I would really like to understand how a system adapts around and normalizes this completely abnormal reality”.





Photograph: Giorgos Moutafis

Mohamed, a 25-year-old Bengali worker, shows his scars after the 2013 shooting. The ECHR condemned the Greek state for failing to protect workers

RE-ESTABLISHING OVERSIGHT OVER A LARGELY NON-TRANSPARENT SECTOR: THE IMPACT OF CERTIFICATIONS AND INSPECTIONS ON SOCIAL STANDARDS

“In the Greek agricultural sector approximately 90% of the working force are migrant workers. Most of them work informally, get paid with black money and are uninsured. Meanwhile, for years the big market players, meaning Greek supermarkets and EU importers, have been raising the quality threshold and upgrading production protocols that producers need to implement in order to enter more lucrative markets. But maintaining high social and labour standards has not always been a central part of these upgrades, this is a theme that needs to be explored further” says Apostolos Papadopoulos, a professor at Harokopio University and Director of the National Centre for Social Research EKKE, who for years has been studying temporary migrant labour in the agricultural sector.

“We have certification protocols for production that formalise how preparation and planting is done, how the plants are treated, packaging, transport and traceability. This could without doubt become a tool through which to attempt to regularize control mechanisms over production lines and supply

chains. It would also touch on issues related to labour insurance and working conditions”. For this to work effectively advocates and researchers must work to better understand what these organisations providing certification look for and how they work. “Who are the certification agents and advisors? What is the law on this issue and what happens in practice when certification is implemented? Who is looking into issues such as the health of workers and the consequences of working conditions during certification? These are things we should be able to better understand to use these protocols effectively” Papadopoulos told Terra.

Iraklis Moskov, National Rapporteur for Combating Human Trafficking, says “the impression I have is that there is a dialectic relation between norm and reality when it comes to how certifications can impact what happens in the farms. In the long run it could work out as a dynamic process of adaptation. You have the norms and protocols which, when implemented, raise the standards. Then you have the reality on the ground which is different. You can end up with a new balance but there is definitely a long way to go from here”. Moskov explains that, within the agricultural sector, it is important to understand that implementing good practices and improving social conditions cannot

occur only from a top down type of enforcement. “You have to work with and across the market in order to break down barriers and change standards. It is important for institutions and laws to adapt but we also need to facilitate a cultural shift”.

An exchange with some of the biggest Greek supermarkets reveals they do actually request certifications that also examine social standards. The Communication Manager of AB Vasillopoulos says that the company requests the ‘GLOBALG.A.P. Risk Assessment on Social Practice’ (GRASP) as a minimum requirement from their suppliers. This assessment can be conducted at the same time as a GLOBALG.A.P. audit. GRASP is a voluntary add-on to the certification of agricultural products by Global GAP, a company that certifies agricultural products worldwide. The main objective of GRASP is to raise awareness of social practices in primary food production. The outcome of the assessment doesn’t affect the GLOBALG.A.P. certification, instead it works as additional information to supply chain partners¹.

A exchange with the AB Vasillopoulos and Lidl Hellas supermarkets

reveals that the distribution groups require certifications that also take into account social standards



The press office of Lidl Hellas has responded to email correspondence stating that GlobalG.A.P certification has been mandatory since 2018 for the producers the company works with. Since 2019, GRASP has also become a prerequisite with a “deadline to acquire this certification by February 2021”. Leonie Fischer, a PR officer from GlobalGAP says the distribution of GRASP varies greatly from country to country, from small single producers to bigger producer groups applying for GRASP. “To be more precise, in Greece there are currently 11,000 GRASP assessed producers”. Additionally, there are a number of social programs that are considered comparable to GRASP criteria by major food retailers².

In practice, for a GRASP assessment, “documents of a sample of employees are reviewed, and working and employment conditions are also examined in interviews and during the IFA [Independent Financial Advisor] audit”. Fischer stresses that it has to be kept in mind that GRASP is a risk assessment rather than a certification. **“Which means that any producer can complete an assessment and upon completion will receive proof of assessment stating their level of compliance. The proof of assessment will show where improvement is necessary. This documentation is available to both the producer and the buyer”** says Fischer³.

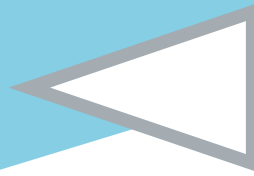
Certifications are a tool, or better, a ratified consensus between a supplier of products and a buyer that certain standards are being observed. There cannot be uniformity regarding these standards as producers often supply different markets and must fulfil the requirements of different clients. So as always, reality proves to be more complicated and human behaviour flexible. Ismini Karydopoulou, a Generation 2.0 researcher involved in the Manolada Watch field visits, states that “in Greece, it is the fragmentation of the production process and supply chain that potentially tolerates certification of businesses that exploit labour but are able to preserve a facade of legitimacy and quality standards. It’s very difficult amidst this fragmentation and the confusion it causes to identify who is the producer, who runs the business, and who employs the land workers”.

Sometimes it proves too difficult to even identify who the workers are and how many of them there are.

1. Additional information about GRASP: https://www.globalgap.org/uk_en/for-producers/globalg.a.p.-add-on/grasp/
2. For a list of social programs that are considered comparable to GRASP criteria by these retailers: https://www.globalgap.org/uk_en/for-producers/globalg.a.p.-add-on/grasp/grasp-retailer-recommendation/
3. Email Q+A on 25/11/2020

CERTIFICATIONS ARE A RATIFIED AGREEMENT BETWEEN A PRODUCT SUPPLIER AND A BUYER ON COMPLIANCE WITH A CERTAIN SET OF STANDARDS

IMPROVING LABOUR INSPECTIONS IN THE AGRICULTURAL SECTOR



The labour inspector is brutally honest, “if you know that you will be pretty ineffective in a sector you usually avoid larger scale monitoring, you only inspect farms if specific complaints are raised”. His many years of experience in the Labour Inspection Unit (SEPE), which works under the Greek Ministry of Labour, provides a simple explanation as to how difficult it is to conduct effective inspections within agricultural production. In simple terms, it sounds practically impossible. The inspector requested to remain anonymous, therefore the alias ‘Petros’ will be used.

“The fines issued in the Manolada case were eventually dropped. Nobody paid. When inspectors arrived, they did not find any workers there. They issued the fines based on the police reports, in which all the workers declared they worked for a single employer”. Later, the court did not accept that the business owner accused was the actual employer, which led to the fines not being issued. It seemed ludicrous that despite the symbolic importance of the case not even the State appealed the decision.

“We can effectively inspect packaging facilities or greenhouses, but at the farm it’s a completely different story” Petros says. What he describes is essentially a legal gap that makes labour inspections ineffective. “A piece of land can be rented by someone, and then rented again to a third person. Who is responsible for the irregular workers there? Who is the employer? How do you deal with a situation where the workers in a farm are mostly members of the same family, which includes minors” his list of queries can be traced back to the emerging legal gap that becomes more and more evident as he speaks.

Lack of a cohesive legal framework, and several confusing and often contradicting provisions, makes it uncertain how farm workers ought to be declared when employed, or how to transparently declare the number of hours they work. They only appear in the system when employers buy an insurance voucher in the worker’s name, for which they pay an amount for every hour of work. Some of it goes to insurance and the rest will remain as income. Although the voucher (Ergosimo) is a formal declaration, this process almost always takes place at the very end of the working period and, as many experts explain, the declarations almost never correspond to reality.

“The service voucher scheme (Ergosimo) is a simplified method for employers to pay labor remuneration and insurance contributions relating to labor contracts re-

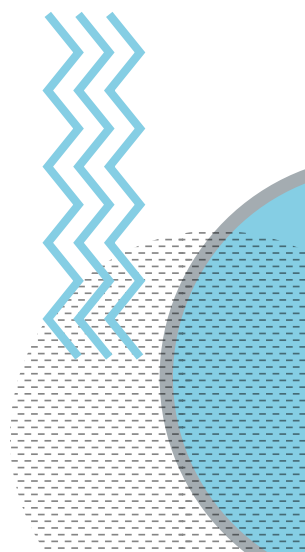
garding specific professions and sectors of the Greek economy. In the form of a special coupon-check, the Ergosimo is usually issued by banks and post offices where it is also cashed in view of having the relevant amounts withheld and immediately paid to employees and the concerned insurance funds respectively.”¹

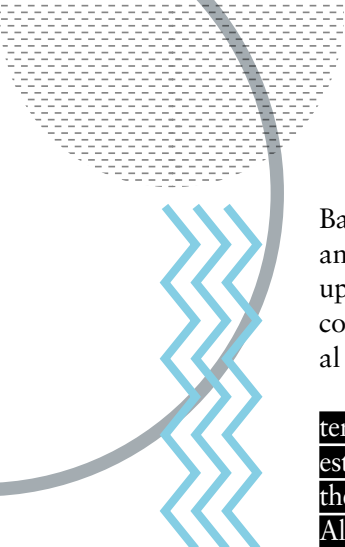
Law 4635/2019 provides that every voucher should be declared in the corresponding electronic system of the Ministry of Labour ‘Ergani’ but this has not yet been implemented, and it’s unclear how this would improve the situation given the vouchers could still be issued at the end of the working period and for a shorter period of time than the actual employment period.

It is not only the lack of a regulatory framework that raises the barrier so high, says Petros. It is also the structure of the service itself. “We are not an independent authority. There is a gap between what we understand as operationally necessary and what the Ministry thinks is necessary, there is no flexibility between the two. This boils down to simple issues such as taking initiative on decisions about travel expenses”. The lack of an effective inspection mechanism, and a corresponding regulatory methodology on how land workers ought to be registered, might be the single most important factor determining how extensive exploitation in the agricultural sector has been for decades in Greece. It is an issue that ranges from how politicians have avoided pursuing drastic solutions to this issue, to how the existing tools and measures have been inadequately utilized.

Panos Korfiatis was the Special Secretary of SEPE between March 2018 and July 2019. When asked why the black labour market in the agricultural sector is so difficult to control, he cuts straight to the core of the issue, “Labour relations in the agricultural sector are essentially chronically unregulated”. SEPE is a characteristic example in this case. “Legally, the service has the mandate to control the entire private sector. In agricultural production you can’t control much in practice since you don’t have the appropriate tools available. Everything depends on declarations of employment, but farms have been excluded since they are not considered to be established/settled businesses”. This makes it extremely hard to accurately verify if land workers are registered, insured and paid.

Korfiatis says not regulating labour relations has historically been the State’s policy towards the agricultural sector. This is partly policy and partly adaptation to a reality that has been built around a completely unregulated framework. “Imagine what the situation is like in a farm that needs to employ 80 workers per day, with an available workforce that changes on a daily basis, composed of primarily irregular migrants that do not have work permits in order to be able to be registered anyway”. While Korfiatis headed SEPE a plan was put in place to make inspections more effective. In 2017, a handwritten register for seasonal workers became mandatory. This would cover land workers mostly transiting in Greece from Albania and other





Balkan countries to work in farms in the Northwest, where harvesting of peaches and other fruits requires a lot of workers during the spring. The register should be up to date and available for inspection at any time in the farm, so inspectors could compare the declared workers with those present. The invitation scheme for seasonal workers is a different system than the insurance vouchers (Ergosimo).

Land workers are recruited and declared in advance to work on temporary short term contracts. This is to facilitate the procedure for issuing the necessary visas. It is estimated that each year, about 50,000 to 60,000 seasonal workers used to come to the country prior to the Covid 19 pandemic; the majority of these workers come from Albania. “This was a temporary step towards finding a solution and regulating how people that work in the agricultural sector would be properly declared and registered in advance”. Work was also done on expanding the capacity of the inspectorate service. The objective was broadening access to information and knowledge and effectively increasing the number of inspections to be carried out by an inspector every month to a minimum of 12. Two business trips were organized in Portugal (2018) and Belgium (2019) to observe how inspections are implemented in the National context and to assess the situation with the country authorities. “It occurred to us that in our case the biggest challenge was how a service which is built to work in urban centres would be effective in carrying out inspections in farms” says Korfiatis.

Among the most important developments was the preparatory work done for the ratification of Convention 129 (C129) of the International Labour Organisation for labour inspection in the agricultural sector, introduced in 1969 and officialised on the 19th of January 1970. Greece is still among a small group of European countries that have not ratified C129. ILO Conventions cover a wide area of social and labour issues including basic human rights, minimum wage, industrial relations, employment policy, social dialogue, social security, gender and other issues. C129 is defined by the ILO as a governance (or priority) instrument, thereby encouraging member States to ratify it because of its importance for the functioning of the international labour standards system. C129 provides a framework on how to implement inspections in the agricultural sector.

Its ratification has been an issue Greek authorities have worked on for years, but without results. An advisory working body of experts was convened by the Ministry of Labour back in April 2011 to examine its compatibility with the structure of the Greek agricultural sector. In July 2013 the working group deliberated that ratification of C129 would be possible with the introduction of a small number of legal tweaks. It also called for an increase of the number of inspectors in regions with intense agricultural activity.

The reinforcement of SEPE with 120 additional staff has also been planned and is being gradually implemented by authorities during 2020 and will continue in

2021. SEPE inspectors will also be provided with remote computers in order to have instant access to databases during inspections, which is expected to increase their efficiency. Still, the issue of increasing access and efficiency of controls in rural areas remains largely unaddressed. It has to be added that in July 2019 one of the first decisions of the newly elected right-wing government was to abolish the status of SEPE as an autonomous special secretariat and to incorporate it under the mandate of the Ministry of Labour Secretary General. This decision has inevitably led to a reduction of its operational independence.

In June 2018 the ILO issued an assessment report² “on necessary amendments of the legal framework regarding inspections in agriculture and Recommendations for reforms in line with ILO Convention No129”. It was reiterated that minor legal amendments for C129 ratification were necessary and called for an increase of inspectors for its proper implementation. It noted that the “ILO Convention n°129 on ‘Labour Inspection in agriculture’ has not been ratified by this country, although the Greek Government has made a commitment to ratify it before the end of December 2018” and underlined that the Greek case is characterized by “lack of regulation” and “lack of inspections” in the agricultural sector resulting in “absence of legal obligations” to the extent that “farmers might find unnecessary to declare workers or to comply with occupational health and safety regulations.”

The report also stated that on top of undeclared and uninsured labour other serious shortcomings were faced by land workers “such as inequality and discrimination, bullying, low living standards, undeclared work and illegal employment, child labour or difficult access to social benefits. Moreover, there is a greater dependence of workers on their employer as far as the latter owns not only the means of production but also the facilities where workers live or need to live (lodgement, water, etc.).” Security issues raised by inspectors themselves are also of concern since the activity of organized crime groups and violent resistance are often factors hampering inspection activity in various areas.

The report also reiterated an earlier observation of the ILO’s Committee of Experts on the Application of Conventions (CEACR). According to the Committee, in Greece there is a need to disconnect the implementation of legal provisions for the employment of irregular migrants and the monitoring of labour rights protection with the objective of motivating irregular workers to seek cooperation with SEPE.

When Korfiatis left SEPE the draft of the legal text for adopting C129 had already been prepared. Although a very simple step, ratifying the convention would not change everything in a day, he says, “it would be a recognition from the State of its obligation to control the agricultural sector. It would push to implement controls beyond the packaging facilities or only checking for illegal labour, and to cover largely overlooked issues such as safety, health conditions and working relations”.

² ILO Assessment Report on necessary amendments of the legal framework regarding inspections in agriculture and Recommendations for reforms in line with ILO Convention No129, July 2018, Microsoft Word - REPORT_C129_27_8_2018_EN.docx (ilo.org)

PRESSURES OCCURRING THROUGHOUT THE SUPPLY CHAIN

Pressures cascading throughout the agro food supply chain, from unfair trading practices producers have to face in the market to how they transfer this pressure onto workers, have not been studied extensively, according to Apostolos Papadopoulos, EKKE director. “It is a no brainer that pressure on producers from wholesale agents and big supermarkets is accentuating the pressure they then put on labour costs and conditions. They are in a subordinate position and can’t negotiate effectively, so they can’t get the prices they should. In order to be able to sell for less they have to lower costs on their side. This is the mechanism that produces big profits in national and export markets”.

There are a variety of reasons, structural and historical, as to why producers are not able to pursue their interests vis-a-vis big buyers. According to a number of producers Terra has spoken with, membership in producers’ associations is not always a preferred choice. This is the result of past mistakes, corruption and irregularities that have made associations unpopular amongst some of the producers. This overlaps with the extensive fragmentation of land ownership together with the family business model¹. These circumstances lead to smaller production capacity and lack of organization among producers. In the unruly world of the market this automatically puts them at the wrong side of the negotiating table.

“Supermarkets are the leaders in the business. To be able to negotiate with them - say they offer you 50, you ask for 60 and then you both finally agree on 55 - takes years. You have to be established and recognizable. Even doing business with a bigger supermarket might mean you have to deal with their

1. “In Greece, the economy of the country is basically composed of small and medium-sized enterprises, which constitute a 98.4% of the total number of enterprises. The agricultural sector is a large one and is mainly integrated by micro holdings and family-based production farms. In 2016, the family labour force represented 40.5% of the total labour force in agriculture and held 82.3% of the total number of work-days. In parallel, the percentage of unpaid manpower work and household work is higher than in other EU countries. This sector, therefore, is relatively important in Greece and is characterized by a predominance of small-sized family farms since around 76.7% of farms have less than 5 hectares and the average size of the farms (6.8 ha) is much smaller than the EU average size (16.1 ha). On the other hand, productivity per unit of work in the agriculture sector in Greece (in terms of Farm Net Value Added) is traditionally lower than the average of the EU countries”.

ILO Assessment Report on necessary amendments of the legal framework regarding inspections in agriculture and Recommendations for reforms in line with ILO Convention No129 pages p,9 and p,10: https://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_686992.pdf

agents or buyers-suppliers. It's not always easy with these people, they can find one scarred tomato and kick all of your product out to make space for another producer that has a deal with them. To be able to withstand all of this you need to be a big business, almost an exclusive provider with good quantities and a well-known brand. Otherwise you can't evenly deal with them" says Nikos Karras, a producer of agro-food products in Arcadia, in the South Eastern part of the Peloponnese peninsula.

Karras is a member of the Union of Agricultural Producers of Arcadia. He mostly produces potatoes, tomatoes and apples. He sends his produce to stores specialising in organic products as well as wholesale companies that sell to supermarkets, and organic markets in large urban centres. He sees the complete picture as he runs a business where he covers everything, from planning production to organizing supply and delivering the product. He says negotiations are tough and the market is chaotic, surprises and unfair trading practices are not uncommon. "There is a very serious problem, we have asked politicians and bureaucrats to increase regulation, but nobody dares to. Nobody dares to estimate the average production cost of basic products because it would prove how much producers lose. If this was the case producers would not sell below-cost so frequently. I imagine most producers don't even estimate the cost of their personal work or what they spend on gas. **Honestly, for me it would be better if I could sell 35% less than I do at organic markets or in Athens and just transfer all my products through the union. It would be ideal to just work on production and have nothing to do with sales and supply**".

George Alexakis has been working as a reporter covering the market sector for over a decade. He also points to the lack of organisation among producers as a key factor undermining their interests in the food supply chain. "When negotiating a price, a lot depends on the volume of production, how much you are able to deliver and when" he says "On their side producers can affect the negotiation based on how organised production is and if they can unite to increase the quantity, the branding of the product and the type of production". In many cases they not only lack organisation, but they turn on

"SUPERMARKETS ARE THE LEADERS IN THE BUSINESS. TO BE ABLE TO NEGOTIATE WITH THEM TAKES YEARS. YOU HAVE TO BE ESTABLISHED AND RECOGNIZABLE"

each other, “It’s big traders and producers against smaller ones. Prices are under pressure. People sacrifice cost in order to enter a market, this often leads to cannibalizing prices. An effect of this is that they might sell to Germany at a lower price than they do in Greece in order to enter the export market. This kind of infighting is the result of lack of organisation”.

On top of lack of organisation unfair trading practices create additional difficulties in controlling prices. “The negotiation tactics depend a lot on the strength of the buyer network. When you sell to a big supermarket they ask for a credit memo, as a result prices are not clear, you might sell for 10 euro but could end up with a seven euro per unit deal if the supermarkets ask for marketing fees in the end, which depend on where the product will be placed and what kind of promotion they will do. That’s how a price is defined” says Alexakis.

Pressures from the supply chain transform into efforts to reduce production costs. And in reducing production costs, labour is always the primary target. “In cases where small producers struggle on the edge, they can easily turn to informal labour. Bigger ones mix formal and undeclared labour. Labour is the key factor defining production cost” especially in a country like Greece where a number of factors lead to higher production costs. “Production is not mechanized as it is in Spain or Italy. The specifics also make it more expensive, as the plantations are old and not organised for mass production, the landscape is harsh and mountainous, and properties are small and fragmented” says Alexakis.

Another important issue that transfers pressure on primary producers is delays of payments for fresh products, which vary enormously from case to case and have a large impact on the capacity of primary producers to maintain business viability as well as fair labour conditions. Quicker payments from big buyers, like major supermarket chains, are often followed by major discount requests, which in difficult years might lead producers to making minimum or zero profit, just to cover production costs. According to public information, in 2019 the average amount of days it took Skavenitis supermarkets (the biggest chain in Greece by far) to pay their suppliers was estimated around 157,60, (more than five months) with an improvement of 12,81 days since 2018². METRO AEBE was the ‘fastest’ with 97,14 days (over three months).

Photo of Manolada Watch by Generation 2.0 RED





The new shacks built for the workers of Manolada after the fire of 2018 in the Peloponnese region, the destination of thousands of migrants in search of work.

RE-ESTABLISHING OVERSIGHT OVER A LARGELY NON-TRANSPARENT SECTOR: THE IMPACT OF CERTIFICATIONS AND INSPECTIONS ON SOCIAL STANDARDS

Unfair trading practices are changing and cut across the entire supply chain. It is an issue that characterises food supply chain relations in many European countries and which the EU has repeatedly attempted to regulate.

A law predicting a deadline for payments of fresh and perishable products was introduced by the Greek government on 18/10/2017. The law - that was amended again in 2018¹ to specify how fines will be imposed was a start in aligning national legislation with an EU directive. This directive obligates any trader who procures fresh and perishable agricultural products from a producer who issues an in-

voice “to pay the [...] invoice within sixty (60) days from its issuance”

This Greek legislation was based on the recast EU directive (EU Directive 2011/7/EU of the European Parliament and of the Council of 16 February 2011 on combating late payment in commercial transactions)². No other agreement between traders and producers would be accepted as lawful by authorities. Payment delays would be penalized with a 15% fine on the value of the invoice, which

1. Νόμος 4587/2018 Επείγουσες ρυθμίσεις αρμοδιότητας Υπουργείου Μεταναστευτικής Πολιτικής και άλλες διατάξεις (taxheaven.gr)

2. EUR-Lex - 32011L0007 - EN - EUR-Lex (europa.eu)

could gradually go up to 50% for repeating offenders. Suppliers would also be given a 5% fine on the value of the invoice if they did not inform the system predicted to cross check payments for invoices issued.

As Alexakis says, payment delays create serious imbalances in the market, this is not only due to liquidity gaps for producers but also to the competitive advantage of major buyers in the market. “In the case of products that are sold fast in the market, like fruit and vegetables, this also means increased liquidity, so the supermarket will have the extra money to circulate for months after selling your product, before you finally get paid for your supply”.

Unfortunately, the new legislation introduced in Greece has not drastically improved the situation. The law predicted that cross checking of invoices and payments would be done through an electronic system which the Ministry of Agriculture appears to have failed to deliver for a long time. It took sixteen months since the voting of this legislation for the Ministry to produce a Ministerial decision that would detail the framework of how the electronic service would facilitate cross checking of invoices issued and how payments would function.

By 2019 the electronic system had still not taken off. After a number of postponements on June 14th 2019, and while the system was being trialed, the Ministry gave another extension for the mandatory registration of invoices to begin, this time, on September 30th 2019. But ultimately the system never took off and after the national election in July, with a new administration arriving, the law was sent to the freezer” reports an advisor working at the Ministry of Agriculture at the time. Terra has

contacted the biggest supermarket chains in Greece for their opinion on the impact on such measures in the markets. Only AB Vasilopoulos, the second biggest supermarket chain in Greece, a company owned by Delhaize Group, responded. The expert buyer with three decades of experience in this profession confirmed that according to their knowledge the practice of declaring invoices has been suspended, and invoices were not being declared at all due to the lack of an electronic platform for verification. Nonetheless, the buyer’s opinion was that “verification of invoices payments could be a positive and implementable measure”.

On top of implementation delays some suppliers had voiced concerns regarding the negative impact of the measure, given the possible commercial retaliation producers would have to consider if reporting of invoices led to imposing sanctions to stronger buyers.

Such limitations appear to have led to the introduction of another EU directive by the European Parliament and the EU Council in April 2019 (EU) 2019/633 “on unfair trading practices in business-to-business relationships in the agricultural and food supply chain”³. The new directive predicted that “commercial retaliation by buyers against suppliers who exercise their rights, or the threat thereof, e.g. by delisting products, reducing the quantities of products ordered or stopping certain services which the buyer provides to the supplier such as marketing or promotions on the suppliers’ products, should be prohibited and treated as an unfair trading practice”.

3. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2019.111.01.0059.01.ENG

The new directive demonstrates a better understanding of how unfair trading has become a key contributing factor to lowering living standards within the agricultural community. Its impact is understood to be either direct, as it concerns agricultural producers and their organisations as suppliers “or indirect, through a cascading of the consequences of the unfair trading practices occurring in the agricultural and food supply chain in a manner that negatively affects the primary producers in that chain”. The Directive also reduces the time limit for payment of invoice issues for the purchase of perishable⁴ agricultural and food products to 30 days, while the rest of the agricultural products still ought to be paid for by the former time limit of 60 days.

The directive also prohibits the buyer from charging fees for stocking, displaying, listing, promoting, marketing or advertising agricultural and food products unless otherwise formally agreed between the buyer and the supplier. Any kind of similar fees should be based “on objective and reasonable estimates”.

An enforcement authority is envisaged to “initiate and conduct investigations on its own initiative or on the basis of a complaint”, with a broad mandate which includes ordering the termination of unlawful practices and imposing fines for violations. The deadline for transposition is the 1st of May 2021, and the directive should be implemented no later than the 1st of November 2021.

The Greek Ministry of Agriculture has worked on a legislative text to transpose the

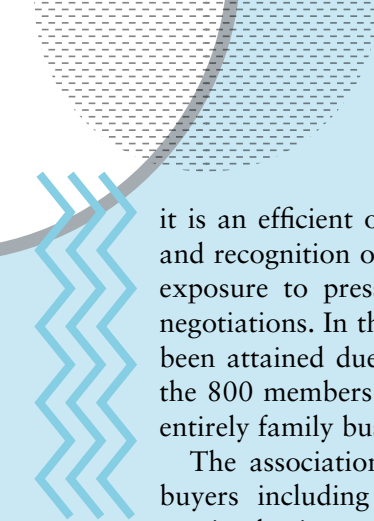
Directive which was uploaded for public consultation on November 21st 2020⁵. The draft law does seem to accurately incorporate the most important provisions of the Directive regarding payment deadlines and procedures regulating unfair trading practices; the authorities were tasked to monitor market practices. The institutions enforcing these decisions are the Ministry of Agriculture itself and the Hellenic Competition Commission⁶, which is the most qualified authority in terms of market monitoring capacity together with its legal standing. Given the draft law has been presented on time and will be voted on soon, an adequate period for robust implementation will be available. Still, given the chronic difficulties and the magnitude of the issue, implementation remains the biggest challenge.

Dionisis Valassas, director of the Zagora Agricultural Cooperative ‘Zagorin’, admittedly one of the strongest association of producers in Greece, says that even without implementation of deadlines as predicted in the law, they have observed an improvement in payment speed, “an essential help” during a difficult time. Still, Valassas says that “this might be a result of the solid negotiating position we have due to the size and structure of our association and might not be representative of what happens with other players in the market”. Zagora is well known in Greece and abroad for the production of high-quality fruits, most notably the many different kinds of apples it produces. With three decades of experience, Valassas confirms that

4. According to the Directive: ‘perishable agricultural and food products’ means agricultural and food products that by their nature or at the processing stage are liable to become unfit for sale within 30 days after harvest, production or processing.


5. <http://www.opengov.gr/ypaat/?p=2688>

6. <https://www.epant.gr/en/>



it is an efficient organisation of production and recognition of products that can reduce exposure to pressures from buyers during negotiations. In the case of Zagorin this has been attained due to the business model of the 800 members of the association, almost entirely family businesses.

The association trades with all kinds of buyers including supermarket chains, big tourist businesses, big traders etc. It has 44 permanent staff and between 80 to 100 workers employed daily between Sep and June. Valassas says that better structured and more visible businesses are not only improving the chances of producers in the market but also the conditions of the workers involved. It's a simple equation: the more visible and recognized you become, the easier it becomes for others to monitor you, and it's in your interest to abide by the rules. Valassas recalls feeling sorry when years ago he read a resolution by the Irish parliament calling for a ban of imports of strawberries produced in the Manolada region, "I felt bad as a citizen of this country and as someone doing business with foreign markets". This is why he believes further implementing certificates that also weigh in on social standards and expanding inspections on people working in factories as well as in farms are welcome, "it's a good tool, although it is something that adds pressure and costs us".



No matter how stable your position is in the market, there are still issues that create pressure. Valassas mentions the emergence of a black market of buyers that buy large quantities of chestnuts and kiwis to export to Italy. They then rebrand everything as local, process it and re-export it. Although this

is not limited to Zagora, it is an emerging issue of concern for their association. "We had issues with this and we know it is the result of a well organised activity, although it's difficult to understand how the undeclared quantities make it through the borders".

The issue is confirmed by Giorgos Polychronakis, special advisor of Incofruit Hellas, the association of Greek fruit and vegetable exporters. "There are products where the Italian buyers intervene on a very local level in Greece and buy quantities which are then transferred to Italy, in violation of all EU regulations, to then be packaged and sold as Italian. This distorts the understanding of the regular or irregular function of the market in various ways as well as giving a false idea of the productive capacity of regions. Strawberries are an example, together with olive oil and kiwis".

This activity could have a potential cascading effect on working conditions too, since the amount of people hired to work during harvest in a farm that sells to the black market cannot surpass the number formally needed for the declared production to look legitimate on paper.

Polychronakis moves onto the bigger picture analysing the wider structural factors within which many of the specific issues already raised find fertile ground. A lot of these problems are also reinforced by the structure of the EU's Common Agricultural Policy itself, which could be largely improved. The EU's preference for third countries selling subpar quality products that do not apply EU community standards affects the local dynamics.

"Preferential EU bilateral agreements ensure quantity in exchange for access with minimal

customs control. Morocco sends 800.000 tonnes of tomatoes. Turkey sends massive quantities of agricultural products with almost zero customs control. Inversely, customs for products Greek producers send to Turkey may rise 40 to 45% percent". This is done in order to reduce costs for consumers, but it establishes mechanisms that alter the market and supply chains. This year the potato price offered to producers in Greece was very low. Reduction of consumption due to Covid and very low international prices made imported potatoes cheaper than the production cost of local potatoes. "Some producers believe this is also the result of buyers blackmailing them. But it's not blackmail if they ask you to sell them at the same price they can find Egyptian potatoes. The issue here is the lack of a balanced customs system that would alleviate the result of a preferential agreement between the EU and Egypt involving extremely low custom prices". Similar issues have occurred with lemons from Argentina and citrus fruit from South Africa. "There are years when import prices are so low that it is simply not profitable to produce locally".

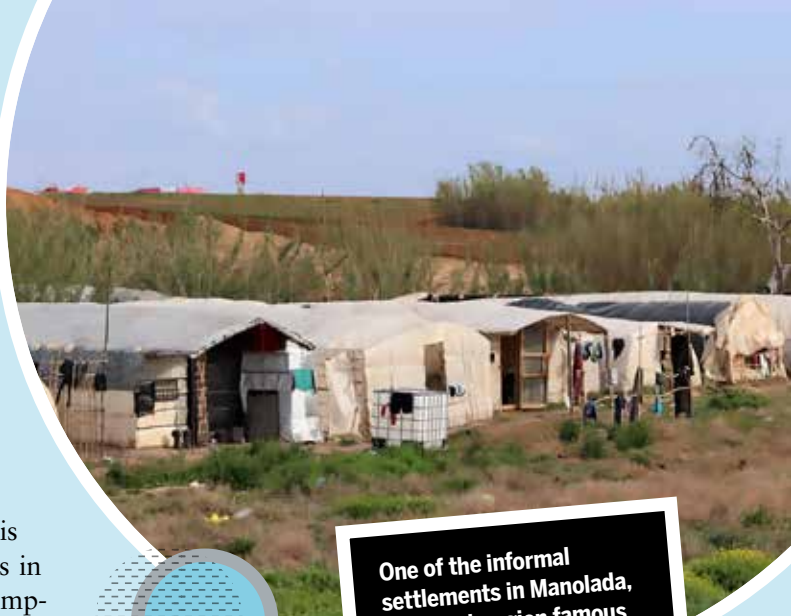
The EU subsidies system is also questionable. "Fruit and vegetables are 17% of total production and receive 3 to 3,5% of subsidies. In comparison, milk products in northern Europe are about 3 to 3,5% of EU production but receive 18% of the subsidies budget. This creates unwanted imbalances".

Although the negative aspect of competition is very present, Polychronakis says there is a positive one, especially when it comes to exports. Exporting units in Greece mostly co-operate with Western companies and

organise production in contact with local representatives. Companies work with their own employers on this level and only a few gangmasters still transfer products, according to Polychronakis.

Exposure to foreign markets has led to a modernisation of production capacity but 70% of producers end up selling exclusively to one buyer, this shapes the agricultural sector according to the needs of Northern European countries. Producers are therefore more affected by the private protocols of companies, which are stricter than the EU community general standards, with a focus on quantity, consistency and traceability.

This has led serious exporting companies in Greece to organise their logistics and certification. Greek companies export 81% of products to Europe, out of this 50% goes to major countries like Germany, while 31% goes to Balkan countries.



One of the informal settlements in Manolada, the Greek region famous for its strawberry production, populated by 8.000-10.000 workers from autumn to spring

Photo of Manolada Watch by Generation 2.0 RED

CHANGING THE REGULATORY TOOLS

WHY C219 ALONE CANNOT RESOLVE THE PROBLEM

"Not ratifying C129 is a political decision" says Apostolos Kapsalis, an expert researcher on labour relations affiliated with the Labour Institute of the GSEE (General Confederation of Greek Workers).

"The legislation is ready but it's sitting on a shelf because politicians don't want to send a message that irregularities and arbitrariness in the sector need regulation" he believes, "nonetheless, without addressing the issue of how land workers are declared and regularised, C129 alone won't resolve much".

"It's obvious from the Manolada case why instruments like 13A and Ergosimo cannot deal with the unstable combination of undeclared work and a sector that utilises mostly migrant labour", says Kapsalis. **"This is an explosive mix not only in Greece but in all Southern European countries, like Italy and Spain. 13A does not tackle workers' vulnerability and dependence on their employer, since it does not address the issue of regularising labour in a justifiable manner".**

Ergosimo, on the other hand, renders any kind of cooperation temporary. There is a disconnect between the actual time, work schedule and place a labourer works in and what actually happens. "The employer writes down an arbitrary amount on the voucher and nobody knows what kind of labour it corresponds to, so essentially everything happens in

a grey zone. It is impossible to control 7 or 10 thousand people in a place like Manolada based on this system". Since 2015 voucher expenses also count against the tax a producer has to pay, this has led to further abuse of this tool. **Workers with legal work permits need 150 insurance stamps to renew their permit. Employees often get paid an excess amount in Ergosimo and then transfer this to irregular workers that can only get paid in black money.** "I have seen the receipt of a Pakistani worker in Manolada being paid 82.000 euros through Ergosimo. An accountant will tell the producer how much he needs to spend to break even from taxes and they buy this amount in vouchers at the end of the year" says Kapsalis.

In 2018 Kapsalis was appointed from the European Commission's Structural Reform Support Service - a body overseeing the application of fiscal consolidation and reform measures Greece had undertaken as part of its bailout programs - to produce a report about Ergosimo. In his report Kapsalis concluded that "At a technical level, due to the rapid

progress of new technologies the replacement or completion of the Ergosimo is fully feasible. This can be done through the creation of a new special platform within the applicable IT systems (in which declarations of workers would be facilitated)". He also cautioned that the provision of strong fiscal and insurance incentives for both parties of an employment contract would be necessary "for such a solution to bring about the desired result". Although the report was approved by the Supreme Labour Council - a body hosting all major employers and employees associations of the country - to Kapsalis' frustration no follow up has taken place¹.

"Occasionally, it is not the inspections or regulatory frameworks but rather incentives and the actual needs of producers to deliver, that provide some stability in labour relations"

says Kapsalis. "We don't have a study of how export strategies affect this dynamic, but for example in Manolada some producers want a stable experienced work force and this, in many cases, makes them very careful regarding payments". **The regular daily rate is 24 euros for 7 hours of work according to Kapsalis, and it's not uncommon that 3 euros per hour overtime is also paid.** It is the dire living conditions that make Manolada so unique, but as other regions have organised and started selling produce to bigger supermarkets or climbing the ladder of

the export market, an underground competition for cheap undeclared labour emerges. "The majority of people that work in Manolada move when summer approaches to work in other regions in northern Greece" says Kapsalis. "I have met some of them in Katerini where peppers trade is growing. They were living in much better housing conditions. Producers there need them as the market grows so they try to entice them".

It is also not uncommon that authorities regulate in a way that indirectly legitimizes pre-existing unlawful practices. Last year, while the Covid pandemic made the transit of seasonal workers from the Balkans to Northern Greece difficult, many Albanians resorted to traveling South for work. They took advantage of the three months allowance provided by Schengen visa liberalization terms, which authorizes them to travel within Schengen for three months but only a tourist visa. Around May 2020 the need for workers in North Western Greece was becoming urgent, so the Greek state passed a decree allowing, exceptionally, the seasonal employment of Albanian citizens on this visa. Karydopoulou, researcher for Generation 2.0 says this is another example of the usual approach by which "the Greek State steps in after the occurrence of an illegal phenomena to semi-regularize unlawful practises, which is a convenient solution for everyone. **Until the legal and regulatory gaps show again, and are temporarily covered once more, in a sort of 'patchwork' approach**".

1. Review of the "Ergosimo" service voucher system in Greece Apostolos Kapsalis May-September 2018 <https://pedis.academia.edu/ApostolosKapsalis/Papers>

CONCLUSIONS

This report stems from the need to understand and identify the links, relationships, similarities and differences within the European agri-food system, through an analysis of three Southern European countries: Italy, Greece and Spain.

Broadening our vision to the continental context has brought out a clear picture. We identified the same power dynamics that we have reported on and denounced in recent years and saw them prevailing once again.

There is the excessive fragmentation of the supply chain, characterized by farmers with little spirit of aggregation, and producer organizations (POs) with a weak operational capacity that find it hard to act as privileged partners in the market.

Add to this the certain service cooperatives which, when acting as intermediaries between the supply and the demand for work, often end up becoming “legalized caporalato”.

The endemic weakness of inspection systems stands out, where the reduced capacities of labour inspectorates cannot make up for the need for on the ground assessments.

And then, there is the wild west of employment contracts: illegal payments, piecework and, more and more often, grey labour: the most recurrent form of irregular work, which holds male and female workers in a subordinate position.

A condition, subordination, which is true for Moroccan women who utilise *contratación en origen* (recruitment in countries of origin) in Spain, for labourers who pick strawberries in Manolada

Agricultural workers steer a tree shaker for the harvest in the Cerignola olive fields, in the province of Foggia. December 2020.

Photograph: Maria Panariello



(Greece), up to asparagus pickers in the Apulian countryside.

Exploitation in the fields, grey work and illegal hiring are nothing other than the most evident indicators of an unsustainable supply chain, of which we know very little. It lives in the shadows and protects itself, shielding itself behind ethical codes and certifications aimed at unloading responsibilities that actually come from the top on the weakest links of the chain.

And finally, an element that unites the whole of Europe emerges from this survey: the value chain.

We are used to buying fruit and vegetables at bargain prices: our televisions, social media and mailboxes are flooded with ads for be-



low-cost products and special offers from large-scale distribution.

But who is affected by the true cost of these offers?

As reported in recent years, it is often the producers themselves who have to take on the commercial offers of distribution groups, that force them to sell their products at a ridiculously low price, which does not cover production costs.

All this, with its massive cascading effect, has repercussions on the lowest links of the supply chain, starting with the women and men exploited in the fields.

For this reason, it is important to intervene at all levels, with actions that combine tools of prosecution and prevention.


Italy did so with the 2016 “anti-caporalato” law, which also led to a strong crackdown within fields other than agriculture. A legal instrument that points in the right direction, as it acts both on those responsible for the exploitation and on protecting the “victims”, and which should be taken as a model for regulating countries such as Spain and Greece where, on the contrary, there is no adequate regulatory device.

At the same time, it is urgent that European institutions introduce legislative instruments that point in the same direction, thus recognizing that caporalato and the exploitation of labour in agriculture plagues the entire old continent.

In parallel, it is necessary to intervene on the power imbalances of the supply chain: the European Directive 2019/633 on on “un-fair trading practices in business-to-business relationships in the agricultural and food supply chain” is an important step which the individual member states are called to follow up on to strengthen the protection of both consumers and producers.

Likewise, it is necessary that Italy swiftly and definitely prohibits the practice of online auctions with double competitive bidding, a structure denounced by Terra! for far too long, which chokes the supply chain, forcing the food industry to lower prices and retaliate against farmers.





We also ask that the so-called “social clause”, recently introduced in the Common Agricultural Policy, which is currently being discussed at the European level, be maintained and strengthened. At the same time, we ask that the overall guidelines of this Common Agricultural Policy be changed. The CAP continues to invest in an industrialized agricultural model, which has amply shown to be ineffective and harmful to the environment, and to workers of all genders.

Finally, it is necessary to invest in the transparency of the supply chain with preventive measures that minimize the possibility of exploitation occurring.

In particular, we consider certain legislative measures essential, such as those accommodating for transparent labeling, which can provide information not only on the origin of the product but also on individual suppliers (suppliers, sub-suppliers, price breakdown). Such information could lead citizens towards a more informed purchase, minimizing the possibility of exploited labour being behind the product. The end goal must be to make exploitation “uneconomical”, because it would be more easily detectable by the competent institutions and by consumers.

The phenomenon of illegal hiring is a scourge that has gripped Italy and the European continent for too long. It can only be faced and resolved with a comprehensive approach, which brings together crackdowns on those who exploit - or set the conditions for exploitation - and prevention, to be implemented along all the links of the supply chain.

THE END GOAL MUST BE TO MAKE EXPLOITATION “UNECONOMICAL”, BECAUSE IT WOULD BE MORE EASILY DETECTABLE BY THE COMPETENT INSTITUTIONS AND BY CONSUMERS

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E(U)XPLOITATION

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The report and the
investigations have been
carried out with the support
of the **Open Society**
Foundations

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Special thanks to:
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Francesco Panié
Daniele Caucci
Federico Tsucalas
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Terra 

RIAVVIA IL PIANETA 

The logo features the word "Terra!" in a bold, black, sans-serif font. To the right of the text is a green leaf-like shape. The entire logo is contained within a white circle with a grey border.

Terra!

RIAVVIA IL PIANETA

Founded in 2008, Terra! is an environmental NGO that is involved in projects and campaigns on environmental issues, human rights and green agriculture at the local, national and international level. Terra!'s network involves organisations, local committees and civil society with the objective of defending natural resources and promoting a development model based on preserving ecosystems.

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