universität wien

MASTERARBEIT / MASTER'S THESIS

Titel der Masterarbeit / Title of the Master's Thesis

„The agri-food value chain and the phenomenon of *caporalato* in Italy: Strengths and weaknesses of the Quality Agricultural Work Network“

verfasst von / submitted by

Anna Simionato

angestrebter akademischer Grad / in partial fulfilment of the requirements for the degree of

Master of Arts (MA)

Wien, 2021 / Vienna, 2021

Studienkennzahl lt. Studienblatt / degree programme code as it appears on the student record sheet:	UA 066 589
Studienrichtung lt. Studienblatt / degree programme as it appears on the student record sheet:	Masterstudium Internationale Entwicklung
Betreut von / Supervisor:	Ass.-Prof. Mag. Mag. Dr^{in}. Cornelia Staritz, PhD

Acknowledgments

To all the interview partners, thank you for your availability, patience, for your knowledge on the topic and for the fruitful discussions.

To my supervisor Cornelia Staritz, thank you for the precious support from the beginning of the research process, for all your insights and for believing in this research. Following your example, I could go beyond my limits.

To all my new and lifelong friends, thank you for giving me the energy and support I needed whenever I was discouraged. You were essential along this journey in Vienna.

To my parents, thank you for allowing me to realize my dream, for your encouragement all over these years of study and for teaching me life's values.

To my sister, I made your strength my own.

To Riccardo, thank you for being my sidekick and for showing me my potential whenever I doubted myself.

Abstract

Even though the agri-food sector is the largest economic sector in Italy, economic liberalization and integration into value chains have led to the creation of precarious labor which is combined with *caporalato*, an illegal recruitment system linked to agro-*mafia*. To tackle this phenomenon and to create a fairer value chain, the Quality Agricultural Work Network was established in 2014, a list of agricultural enterprises and other entities standing out for their compliance with labor and social regulations. This thesis analyses how the Network is performing in terms of its functions and impacts in the agri-food value chain in Italy. To answer the research question, ten different stakeholders along the value chain and representative organizations were interviewed. As a theoretical framework, the Global Value Chain approach is adopted together with the concepts of economic and social upgrading which are linked to agri-food companies and workers, respectively.

The research thesis demonstrates that the Network is still facing many challenges because it has had little success in terms of member firms due to companies fearing financial penalties when they are not complying with the Network's requirements but not recognizing any membership benefits. Therefore, the Network is not succeeding in preventing *caporalato*.

However, the Network plays a crucial role in social upgrading, guaranteeing workers' rights. Moreover, the territorial sections, a Network's implementation at the local level, seems to be crucial role in tackling *caporalato* because they may improve job matching and implement local initiatives, enhancing the transport and housing system for agricultural workers.

The thesis also shows that the Network has affected economic upgrading processes. It has influenced the market access since this certification is used as a requirement for supplier firms, which expands the membership but also gives retailers power to establish market relations. This has also influenced some member firms positions in the value chain as membership may lead to vertical and horizontal integration, which in turn strengthens their power position.

This research demonstrates that the Network is only an additional instrument in tackling and preventing exploitation and *caporalato* as power relations in agri-food value chains need to be changed more systematically. Three main interventions should act together: a law against descending prices in the context of (online) auctions to contrast retailers' power; the public sector should promote regional financial investments in the transport, housing and recruitment system; and interregional projects, such as the *Di.Agr.A.M.MI.* project, involving different stakeholders and aiming at implementing socio-professional integration interventions are crucial to better contrast *caporalato* and exploitation.

Abstract (German)

Obwohl der Agrar- und Lebensmittelsektor der größte Wirtschaftszweig Italiens ist, haben die wirtschaftliche Liberalisierung und die Integration in Wertschöpfungsketten jedoch zur Entstehung von prekärer Arbeit geführt, die in Italien mit *Caporalato*, ein illegales Anwerbungssystem in Verbindung mit *Agro-Mafia*, verbunden ist. Um dieses Phänomen zu bekämpfen und mehr Gerechtigkeit zu schaffen, wurde 2014 das Netzwerk für landwirtschaftliche Qualitätsarbeit gegründet, eine Liste von landwirtschaftlichen Betrieben, die sich durch die Einhaltung von Arbeits- und Sozialvorschriften auszeichnen. In dieser Arbeit wird untersucht, wie das Netzwerk in Bezug auf seine Funktionen und Auswirkungen in der Wertschöpfungskette des Agrar- und Lebensmittelsektors in Italien funktioniert. Es wurden zehn verschiedene AkteurInnen entlang der Wertschöpfungskette, und repräsentative Organisationen befragt. Als theoretischer Rahmen wird der Ansatz der globalen Wertschöpfungskette zusammen mit dem Konzept des *Upgrading* verwendet, das mit den Unternehmen der Agrar- und Ernährungswirtschaft und den Arbeitnehmern verbunden ist.

Die Forschungsarbeit zeigt, dass das Netzwerk immer noch mit vielen Herausforderungen konfrontiert ist. Die Unternehmen fürchten Sanktionen, wenn sie die Anforderungen des Netzwerks nicht erfüllen, und sie erkennen keine Vorteile. Da nur eine geringe Zahl von Unternehmen registriert ist, gibt es keine Anhaltspunkte für die Verhinderung des Phänomens. Das Netzwerk spielt jedoch eine entscheidende Rolle bei *social Upgrading*, indem es die Rechte der ArbeitnehmerInnen garantiert. Darüber hinaus könnten die territorialen Sektionen, eine Art Umsetzung des Netzwerks auf lokaler Ebene, jedoch entscheidend sein, da sie die Vermittlung von Arbeitsplätzen verbessern und lokale Initiativen zur Verbesserung des Transport- und Wohnsystems für Landarbeiter durchführen können.

Darüber hinaus beweist die Forschung, dass das Netzwerk das *economic Upgrading* beeinflusst hat. Es hat sich auf den Marktzugang ausgewirkt, da diese Zertifizierung als Handelsvoraussetzung benutzt wird, was die Mitgliederzahl erhöht, aber auch den EinzelhändlerInnen Macht verleiht, Marktbeziehungen aufzubauen. Gleichzeitig beeinflusst es aber auch die Position der Mitgliedsunternehmen in den GVC, da die Mitgliedschaft zu einer vertikalen und horizontalen Integration führen kann, was wiederum ihre Machtposition stärkt.

Diese Untersuchung zeigt auch, dass das Netzwerk nur ein zusätzliches Instrument zur Bekämpfung von *Caporalato* ist. Tatsächlich sollten drei Hauptinterventionen zusammenwirken: Ein Gesetz gegen sinkende Preise im Zusammenhang mit (Online-)Auktionen, um der Macht der Einzelhändler entgegenzuwirken; die Förderung des öffentlichen

Sektors in regionale Finanzinvestitionen in das Verkehrs-, Unterkunfts- und Einstellungssystem; und das Fördern von interregionalen Projekten, wie das *Di.Agr.A.M.MI.*-Projekt, die verschiedene Interessengruppen einbeziehen und auf die Umsetzung von Maßnahmen zur sozio-professionellen Integration abzielen, sind von entscheidender Bedeutung, um *Caporalato* und Ausbeutung entgegenzuwirken.

Table of contents

LIST OF FIGURES IX

LIST OF TABLES IX

LIST OF ABBREVIATIONS X

1. INTRODUCTION 1

1.1. RESEARCH OBJECTIVE 2

1.2. RESEARCH QUESTIONS 3

1.3. THESIS STRUCTURE AND KEY FINDINGS 4

2. THEORETICAL APPROACH 6

2.1. DIMENSIONS OF GVCS 7

2.2. ECONOMIC UPGRADING 10

2.3. SOCIAL UPGRADING 13

2.4. GVC IN THE AGRI-FOOD SECTOR 16

2.5. VALUE CHAIN INITIATIVES 21

2.6. CRITICAL ASPECTS 24

3. METHODOLOGICAL APPROACH 26

3.1. RESEARCH DESIGN 26

3.1.1. Interviews 28

3.2. DATA ANALYSIS 29

3.3. CHALLENGES 35

3.4. ETHICAL ASPECTS AND REFLECTION 36

4. CASE STUDY COUNTRY AND SECTOR 38

4.1. THE AGRI-FOOD SECTOR IN EUROPE 38

4.2 THE AGRI-FOOD VALUE CHAIN IN ITALY 41

4.3 INVOLVED ACTORS 48

4.4 CURRENT CHALLENGES 55

4.5 THE PHENOMENON OF *CAPORALATO* 58

4.6 THE QUALITY AGRICULTURAL WORK NETWORK 63

5 RESULTS OF THE EMPIRICAL RESEARCH 70

5.5 FUNCTIONING OF THE INITIATIVE 70
5.6 SOCIAL IMPACTS OF THE INITIATIVE 73
5.7 ECONOMIC IMPACTS OF THE INITIATIVE 76
5.8 POWER DYNAMICS 79
5.9 REMAINING CHALLENGES 80
5.10 RECOMMENDATIONS 84
6 CONCLUSION 87
REFERENCES 90
APPENDIX I: SEMI-STRUCTURED INTERVIEWS 102
APPENDIX II: INTERVIEW SCHEDULE 103

List of Figures

FIGURE 1: FIVE GOVERNANCE TYPES IN THE GVC RESEARCH 9
FIGURE 2: SMILE CURVE 13
FIGURE 3: DEDUCTIVE CATEGORY DEVELOPMENT 31
FIGURE 4: PRODUCTION AND ADDED VALUE IN THE EU-27 39
FIGURE 5: PRODUCTION AND ADDED VALUE IN THE EU-27 40
FIGURE 6: THE ITALIAN AGRI-FOOD VALUE CHAIN AND ITS ACTORS 42
FIGURE 7: BREAKDOWN OF FINAL HOUSEHOLD EXPENDITURE OF 100 EUROS 47
FIGURE 8: PROFIT SHARING AMONG THE FIVE PLAYERS IN THE EXTENDED AGRI-FOOD VALUE CHAIN 47

List of Tables

TABLE 1: DEDUCTIVE CODING AGENDA 31
TABLE 2: THE QUALITY AGRICULTURAL WORK NETWORK: NUMBER OF APPLICATIONS AND PERCENTAGE (23.09.2021) 68

List of Abbreviations

AGCM	Autorità Garante della Concorrenza e del Mercato (Italian Competition Authority)
CAP	Common Agricultural Policy
CREA	Consiglio per la Ricerca in agricoltura e l'analisi dell'Economia Agricola (Council for Agricultural Research and Analysis of Agricultural Economics)
ECI	European Citizens' Initiative
G.A.P.	Good Agricultural Practice
GCC	Global Commodity Chain
GN	Global North
GRASP	GLOBALG.A.P. Risk Assessment on Social Practice
GS	Global South
GVC	Global Value Chain
HACCP	Hazard Analysis and Critical Control Point
IFA	Integrated Farm Assurance
ILO	International Labor Organization
INL	Ispettorato Nazionale del Lavoro (National Labor Inspectorate)
INPS	Istituto Nazionale di Previdenza Sociale (National Social Security Institute)
LOD	Large-scale Organized Distribution
LSD	Large-Scale Distribution
MiPAAF	Ministero delle politiche agricole alimentari e forestali (Ministry of Agricultural, Food and Forestry Policies)
MNEs	Multi-National Enterprises
PO	Producer Organisation
SME	Small and Medium-sized Enterprises
TNCs	Transnational Corporations
VAT	Value Added Tax

1. Introduction

During the past years in Italy, there has been an increasing attention on topics such as price setting and wealth distribution among different actors in the agri-food value chain. Many noticed that greater fairness is needed to ensure decent working conditions, to enhance the economic potential of Small and Medium-sized Enterprises (SMEs) and to promote quality along the value chain (Osservatorio Placido Rizzotto/FLAI-CGIL 2020a: 169).

In 2015 the Italian agricultural value chain included more than 2,1 million SMEs, most of which belonged to the agricultural sector (73%). The added value of the entire chain was around 101 billion euro, of which 25,3% comes from the agricultural sector (Osservatorio Placido Rizzotto/FLAI-CGIL 2020a: 171ff). However, in 2009 the European Commission identified imbalances in bargaining power and in the distribution of profit margins. These high levels of concentration in the European Large-Scale Distribution (LSD) cause imbalances in power relations and affect agricultural producers' and suppliers' conditions. As a consequence, the income situation of farmers continues to deteriorate, thus threatening their ability to invest. Moreover, the instability of agricultural commodity prices and the financialization of agriculture has weakened the competitiveness of agriculture (Osservatorio Placido Rizzotto/FLAI-CGIL 2020a: 174f).

At the same time, globalization of production and trade have led to a globalized economy, where global value chains are controlled by transnational companies and lead firms, which decide norms and conditions under which chains are regulated. In the 70s global agri-food value chains emerged through global sourcing practices and innovation processes in different sectors such as processing, logistics and transport. The emerging of the agri-food value chains has led the agri-food sector to face different and complex challenges: (1) public and private standards in the global agricultural trade are increasing and becoming more complex at the same time; (2) global buyers require agricultural sectors to satisfy their requirements, which include a large-volume supply, customization of products, speed, packaging and safety guarantees; (3) certify adding value products is becoming more complex (Humphrey/Memedovic 2006).

In Italy the agri-food sector represents a crucial source of income for many smallholders and wage workers and it also plays a crucial role in economic development and poverty reduction. In Italy, the number of employees in this sector is great (around 3,3 million employees) however, the expansion of the agri-food market has led to a "downward spiral in international labor standards, undermining the efficacy of national legislation to safeguard workers' conditions and rights." (Alford/Barrientos/Visser 2017: 721). The Italian agricultural sector has

been highly affected by economic liberalization and integration into value chains, thus creating unorganized and precarious labor. In the Italian agricultural fields black market labor is combined with the phenomenon of *caporalato*, a form of illegal hiring and a mafia sub-system phenomenon.

Among many initiatives with the aim to fight *caporalato* and build a fair agri-food value chain, the "Quality Agricultural Work Network"[1] initiative, a list of "virtuous" agri-food companies, has been established in 2014. Since the establishment of this initiative in 2014, many retail companies have decided to establish partnerships with enrolled suppliers, which has increased the number of registrations. In addition, at a conference held in Bologna in January 2020, starting from January 2021 the modern distribution system committed to only work with agricultural suppliers enrolled in the Network (Armati 2020). According to some researchers and politicians, this initiative may represent a way to improve the agri-food value chain thus increasing SMEs bargaining power, on the one hand, and it may prevent illegal hiring and so improve casual agricultural workers' conditions, on the other hand.

1.1. Research objective

The objective of this thesis is to understand the role of the Quality Agricultural Work Network initiative in the redistribution of value within the Italian value chain and in the prevention of the phenomenon of *caporalato*. The Network of quality agricultural work was firstly introduced in 2014 by the Italian government with the law n.116 and it was later modified in 2016. The aim of the Network may be twofold: on one hand, it may redistribute value equally within the agri-food value chain by allowing companies to subscribe to a public list, through which they attest the ethical production and the absence of criminal convictions (Gazzetta Ufficiale della Repubblica Italiana 2014). On the other hand, since only agricultural enterprises with no criminal convictions can subscribe to the list, it aims at preventing the so-called phenomenon of *caporalato*. The phenomenon of *caporalato* - often translated as "illegal hiring" or "gangmaster system" in English - is strongly connected to agricultural production and it describes an illegal mediation system between workers and employers. This phenomenon consists of different forms of illicit intermediation, which are the result of transnational labor recruitment and employment systems even linked to international trafficking and are controlled by a *mafia* subsystem called *agromafia* (Di Marzio 2017).

[1] In Italian "Rete del lavoro agricolo di qualità". From now on the "Quality Agricultural Work Network" will be named as "the Network".

Therefore, the present research work will try to understand the role of the above-mentioned initiative in upgrading processes, i.e. economic and social upgrading. The process of upgrading is relevant and emerged as a central concept in development policy objectives, because it is understood as a process that records a change of position from low-value to relatively high-value activities in value chains (Gereffi/Ferdandez-Stark 2016). As already mentioned, the focus of this research is twofold: agricultural enterprises and agricultural casual workers will be examined in order to understand if the initiative is able to upgrade their position within the value chain.

The Italian agri-food value chain is the object of the research and it includes the production and processing stage (with a focus on agriculture) and the distribution and commercial stage (with a focus on intermediation and distribution). Different actors along the value chain will be examined, in particular the role of lead firms and retail companies, which in the Italian agri-food value chain exercise considerable pressure on agricultural enterprises and agricultural casual workers.

The topic of the present research is relevant for two main reasons: on the one side, even if the Network was institutionalized through a law in 2014, no related papers are explaining and analyzing its function and its impacts. Relevant is that in recent years, companies of the LSD are starting to buy agri-food products directly from SMEs, but there is no research on that. Therefore, the present research objective is crucial to understand how this Network is performing, how it is tackling *caporalato*, if it is affecting any market requirements and if there are any power relations among involved actors. On the other side, there is no relevant research on the impacts of the Network, which is important firstly because, besides many private and public initiatives, irregular casual workers were around 2.656.000 in 2018 with a value of €79 billions (Osservatorio Placido Rizzotto/FLAI-CGLI 2020b). Moreover, it is important to mention that in a country of the Global North, like Italy, little research on agri-food value chain has been done, therefore the present research aims at increasing and covering this research gap.

1.2. Research questions

Considering the above-mentioned topic, the objective of this thesis is to analyze the Quality Agricultural Work Network in the Italian territory, its function and impacts with regards to the redistribution of value within the agri-food value chain and the prevention of *caporalato*. Considering this, the main research question is:

How is the "Quality Agricultural Work Network" performing in terms of its functions and impacts in the agri-food value chain in Italy?

Since the research question is broad, some sub-questions need to be added in order to better guide the research. For instance, in order to understand how the Network is performing in the agri-food value chain, it is important to take a closer look at the structure of the Network, i.e. if auditing and standards are implemented, its impacts within the agri-food value chain and in the prevention of the phenomenon of *caporalato*. The following sub-questions will guide the research:

- ⇒ How does the "Quality Agricultural Work Network" function in terms of actors' participation, strategies and auditing system?
- ⇒ What are the impacts of the "Quality Agricultural Work Network" on the prevention of the phenomenon of *caporalato*?
- ⇒ Does the "Quality Agricultural Work Network" affect any market requirements, price setting and value distribution?
- ⇒ Does the "Quality Agricultural Work Network" affect any power dynamics within the Italian agri-food value chain?
- ⇒ Which challenges is the "Quality Agricultural Work Network" facing and how do actors aim at improving them?
- ⇒ How can the challenges be addressed and how can the Network be improved?

In order to answer these sub-questions, different actors having different positions within the agri-food value chain are interviewed.

1.3. Thesis structure and key findings

The present research is divided into six chapters. After an introduction about the research objective, questions and structure, the theoretical approach, i.e. the Global Value Chain (GVC) framework with a focus on the agri-food sector is presented. This chapter focuses on the history of the GVC framework, its different dimensions, the concepts of economic and social upgrading, different types of governance initiatives in the GVC and main actors that exercise power within the agri-food value chain. In the third chapter, the methodological approach is analyzed and discussed. This chapter outlines the research process, i.e. how data were generated and analyzed. The fourth chapter will present the case study country and sector, i.e. it will contain an overview of the Italian agri-food sector, the phenomenon of *caporalato* followed by an explanation of the Quality Agricultural Work Network and an analysis of the agri-food value

chain. In this chapter, main data coming from institutions and researchers with regards to *caporalato* and the Network are discussed. Lastly, in the sixth chapter results of the empirical research, remaining challenges and some recommendations are discussed.

In the last chapter four main key findings summarize the primary research results and answer the research sub-questions on the Network's functioning, its impact on *caporalato* and power relations and most important needed steps forward.

First of all, the Network has had little success in terms of member firms, as the quantitative research proves. This is due to several factors, such as companies fear financial penalties penalties when they are not complying with the Network's requirements but not recognizing any membership benefits.

Secondly, due to this little progress, the Network is not achieving its main objective, i. e. there is little evidence on the prevention of the phenomenon of *caporalato*. However, the Network plays a crucial role in social upgrading because it guarantees *measurable standards*. For instance, enrolled enterprises guarantee they have never been convicted of any criminal offences related to physical wellbeing, working hours, wage level and employment security. Moreover, territorial sections may play a crucial role in tackling the phenomenon since they would act in the transport, housing and recruitment system. They may improve job matching and implement local initiatives to enhance the transport and housing system for agricultural workers, which are mostly under control of corporals.

Thirdly, the thesis also shows that the Network has affected economic upgrading processes. Since some retail companies have begun using this certification as a trade requirement, it has started creating new power asymmetries along the value chain disadvantaging not enrolled enterprises. However, at the same time, the Network is influencing member firms position in the GVC as membership may lead to functional upgrading in terms of vertical and horizontal integration, which in turn strengthens their power position.

Lastly, the research thesis has proven that the Network is only an additional instrument in tackling and preventing exploitation and *caporalato*. Three main interventions should act together: a law against descending prices in the context of (online) auctions to contrast retailers' power; the public sector should promote regional financial investments in the transport, housing and recruitment system; and interregional projects, such as the *Di.Agr.A.M.MI.* project, involving different stakeholders and aiming at implementing socio-professional integration interventions are crucial to better contrast *caporalato* and exploitation.

2. Theoretical approach

This chapter outlines the implemented theoretical approach, the GVC approach. It especially focuses on the dimensions of GVC and on the concepts of economic and social upgrading. Furthermore, it analyses the GVC approach in the agri-food context and the existing value chain initiatives aiming at improving the agri-food value chain. The last section focuses on GVC issues and needed improvements.

For this thesis, the GVC approach will be adopted, since it helps to understand the dynamics and power relations in the global production at different levels and involving different actors both in the public and the private sector. As Gereffi and Fernandez-Stark (2016) argue:

> *The GVC framework allows one to understand how global industries are organized by examining the structure and dynamics of different actors involved in a given industry. [...] GVC methodology is a useful tool to trace the shifting patterns of global production, link geographically dispersed activities and actors of a single industry, and determine the roles they play in developed and developing countries alike. (Gereffi/Fernandez-Stark 2016: 6)*

The global value chain approach goes back to the end of the 1970s when the term Commodity Chain was firstly used by Hopkins and Wallerstein, who explains it as "a network of labour and production processes whose end result is a finished commodity" (Hopkins/Wallerstein 1986: 159). They focused on the macro level and tried to analyze existing inequalities within the commodity chains as well as their contribution to the reproduction of a hierarchical system (Fischer/Reiner/Staritz 2021). However, the world economy has further developed and the 90s marked the beginning of a new interdisciplinary approach, the Global Commodity Chain (GCC) approach which examines the structural changes in the global economy and in the international division of labor within commodity chains on a meso level. As a matter of fact, this research area started analyzing the production stages of a commodity, from the first research until the final consumption and disposal. The aim was to understand where, how and which actors have a role in and gain value out of the chain (Fischer/Reiner/Staritz 2021). In the GCC approach the concept of "upgrading" plays a crucial role since it describes the process of upvaluation of low-value activities into high-value ones within a commodity chain (Gereffi/Fernandez-Stark 2016). Out of this, at the beginning of the new Millennium, Gary Gereffi and a team of social scientists developed a new approach: the Global Value Chain (GVC) approach, which replaced the previous GCC approach, focusing more on micro level on lead firms, their governance and possibilities for actors along the value chain to improve their position, thus further developing the concept of "upgrading". In addition, the GVC approach provides a good explanation of

global industries production and how integration may affect different realities at a local, national and international level (Gereffi/Fernandez-Stark 2016: 6).

2.1. Dimensions of GVCs

The GVC methodology examines six different dimensions, which can be divided into global and local. The first three dimensions are characterized by international elements and explain the value chain dynamics at a global level. The other three dimensions take into consideration individual countries and their participation in GVCs (Gereffi/Fernandez-Stark 2016: 7). Since the concept of upgrading is crucial to answer the before-mentioned research questions, it will be further examined in the following sub-chapters.

(1) The input-output structure

The first dimension of the GVC framework is the input-output structure, which describes the production process from raw materials into final products. The input-output structure allows the industry evolution to be studied, i.e. its trends and its organization, in order to understand which activities and processes can differently add value to the final product. Moreover, after identifying the input-output structure, the characteristics and dynamics of companies will be analyzed to understand the governance of the chain (Gereffi/Fernandez-Stark 2016: 9).

(2) The geographic scope

The second dimension is the geographic scope of GVCs, which examines the geographical distribution of value between involved actors, i.e. the industries or sectors. The globalization of production has changed transportation and telecommunications, dispersing global supply chains, carrying out different activities in different places of the world and thus leading to competition. This has emphasized the division between countries of the Global North (GN) and of the Global South (GS), where firms and workers, despite being far away, are more connected and affect each other. The geographical scope is crucial because it gives an overview of the connection happening between different actors involved in the value chain and also for understanding the trends of GVCs, which are often connected to local, national or international agreements (Gereffi/Fernandez-Stark 2016: 9).

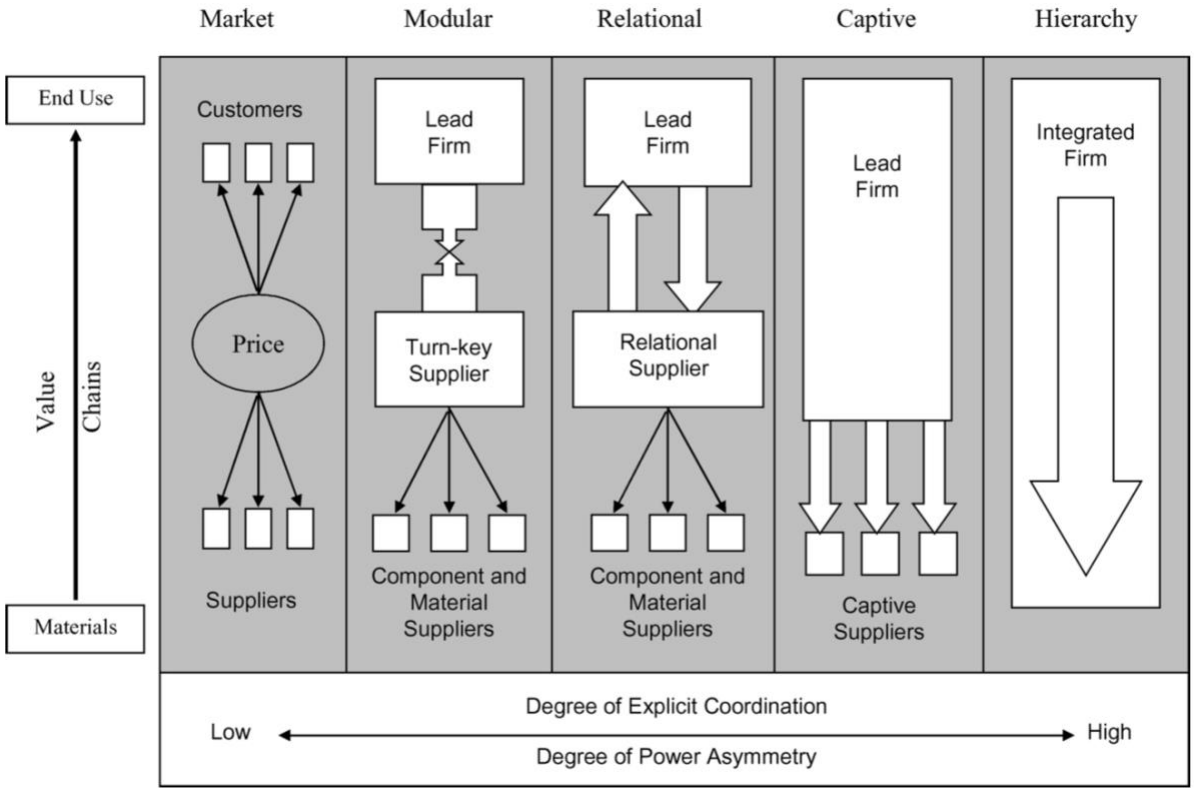
(3) The governance structure

The third dimension of the GVC analysis is governance, which allows "to understand how a chain is controlled and coordinated when certain actors in the chain have more power than others" (Gereffi/Fernandez-Stark 2016: 10). With the development of the GVC approach, the

concept of governance was expanded through the implementation of new typologies, in contrast to the previous approach, the GCC approach only recognized two types of governance: the *producer-driven commodity chain*, where lead firms source their power supervising technology and knowledge in the production and the *buyer-driven commodity chain*, which indicates an explicit coordination implemented by global buyers to control spatial wide-spread production and distribution networks. Those lead firms are mainly *manufacturers without factories* and are specialized in non-tangible activities such as marketing, branding and design (Gibbon et al. 2008; Gereffi et al. 2005). In contrast to the GCC approach which focuses on the whole chain, the GVC approach tries to understand what happens between lead firms and suppliers as well as it focuses on the criteria within the chain (Gereffi et al. 2005).

Considering this, the new value-chain governance typologies contemplate more aspects. Besides the market-based and the vertically integrated governance typologies, which describe the opposite ends of a coordination system, the GVC framework extends this spectrum adding three new models: modular, relational and captive (Gereffi et al. 2005: 83). As Figure 1 shows, between the (1) hierarchy (characterized by a high degree of vertical integration and power asymmetry between lead firms and subordinates) and the (5) market governance model (characterized by a low degree of explicit coordination and power asymmetry), the GVC approach recognizes other three models. (2) The captive governance structure is marked by a high degree of control performed by lead firms on the suppliers. (3) The relational governance structure arises when strong interactions between suppliers and lead firms take place, in order to produce a specialized product. This model is characterized by mutual dependencies, symmetric power relations and often by spatial proximity. (4) In the modular governance structure products are manufactured autonomously by lead firms and suppliers, taking the production workload independently. This governance structure presents a low degree of dependency and power relations (Gereffi et al. 2005).

Figure 1: Five governance types in the GVC research



Source: Gereffi et al. 2005: 89

As argued by Humphrey and Memedovic (2006), governance in GVCs has however consequences. On one side, it brings to power asymmetries, where suppliers may have a limited field of action and are overruled by buyers. On the other side, governance impacts the coordination power since lead firms make key decisions with regards to production, distribution and participation of specific suppliers. In general, value chains are responsible for creating different levels of concentration and only distributing profits among countries of the GN (Milberg 2003).

(4) Local institutional context

The local institutional context considers different conditions and dynamics at a local, national and international level which affect the country's position within the value chain. Therefore, GVCs are not only related to firms or inter-firm relations, but also embedded in a broad institutional, political, economic and social context. This dimension helps to carry out a cross-national and cross-regional analysis and to examine the impact of the institutional context and institutional actors on economic and social issues (Gereffi/Fernandez-Stark 2016: 14).

(5) Stakeholders analysis

The analysis of stakeholders is crucial to be able to examine local, national and international dynamics and to understand their position and role within the value chain. Not only their position should be considered, but also which kind of relation they have with each other. This analysis aims at examining the key players and the stakeholders having the main role in the development sector, i.e. contributing to the upgrading process (Gereffi/Fernandez-Stark 2016: 14).

2.2. Economic upgrading

The concept of upgrading plays a crucial role in the GVC framework. Initially introduced in the second half of the 1990s, it was shaped by "Post-Fordism" literature and by Gereffi's research on apparel chains in Hong Kong. Whereas the "Post-Fordism" perspective, based on full employment and mass consumption, became unsustainable, the global market began to experience differentiation.

> *[…] design as well as other forms of product differentiation, such as branding, became key competitiveness factors, while local inter-firm networking […] emerged as a key mechanism by which enterprises acquired knowledge about markets and access to a wider range of skills and technologies. (Gibbon 2003: 15)*

In addition, Gereffi's research examined how Hong Kong clothing manufacturers, participating in the global clothing chain, learned to move up in the value chain (Gibbon 2003: 15). In a world economy where international competition has increased, participation in global value chains has become crucial and has been interpreted as a way to reach economic growth (Humphrey/Schmitz 2002: 1018). As Gereffi et al. (2001) argue

> *[…] in this view, firm upgrading involves insertion into local and global value chains in such a way as to maximise value creation and learning. For the firm, this often means changing its array of competences by either bundling or unbundling value chain activities. (Gereffi et al. 2001: 5f)*

Upgrading is connected to several improvements and new tasks a firm may undertake to entry into global value chains, and it is mostly associated with a mix of government policies, institutions, corporate strategies, technologies and workers skills, which have had success (Gereffi et al. 2001: 6; Humphrey/Schmitz 2002: 1019; Gereffi/Fernandez-Stark 2016). There are several types of upgrading which Humphrey and Schmitz (2002) have categorized into four: process upgrading, product upgrading, functional upgrading and chain or inter-sectoral upgrading.

(1) <u>Process upgrading</u>

Process upgrading refers to the ability of firms to "upgrade by moving into more sophisticated product lines" (Gereffi et al. 2001: 6). In order to improve their position, firms increase their output volumes or reduce production costs. This may happen when firms implement new techniques, adopt new materials and participate in investments (Mitchell/Coles/Keane 2009: 3). This process is crucial particularly for local producers trying to enter the global market, thus implementing better-organized production processes and new technologies to gain in efficiency (Humphrey/Schmitz 2002: 1020).

(2) Product upgrading

The second type of upgrading is product upgrading, which deals with the production of more innovatory products. Through technology innovation and a production reorganization, firms become more efficient by transforming inputs into outputs. An example of this is when firms move from handicraft to mass product and to lean production in a further step (Gereffi et al. 2001: 6). Product upgrading has become crucial as standards and agreements, mostly driven by lead buyers, have risen. Those standards have affected the production, or rather the market access, since importing countries and consumers' needs require an improved product quality. The improvement of products is a consequence of a production improvement. For this reason, product and process upgrading are strongly connected, because products have undergone a production change in order to meet market changes (Mitchell/Coles/Keane 2009: 3).

(3) Functional upgrading

The third type of upgrading is functional upgrading, which describes the possibility for firms to improve their position within the chain by acquiring new functions, for example when firms move from production to transformation, brand manufacture or design (Gibbon 2003: 16). By acquiring new skills and functions, firms can experience vertical integration, i.e. they are not anymore only responsible only of one stage within the value chain, but they combine more stages of production which were operated by different firms geographically dispersed, thus shortening the value chain and excluding some intermediaries (Gereffi et al. 2001: 6; Mitchell/Coles/Keane 2009: 3). This type of upgrading has a crucial role in the upgrading phase of a firm, especially for those who are specialized in production activities. Implementing new functions and acquiring new skills gives, for instance, the chance to generate a higher income, since the high-added value economic activities are represented by R&D, services, design, branding and marketing. However, many local producers are prevented from realizing a functional upgrade because it may endanger their buyers' core competence (Humphrey/Schmitz 2002: 1020).

(4) Chain or inter-sectoral upgrading

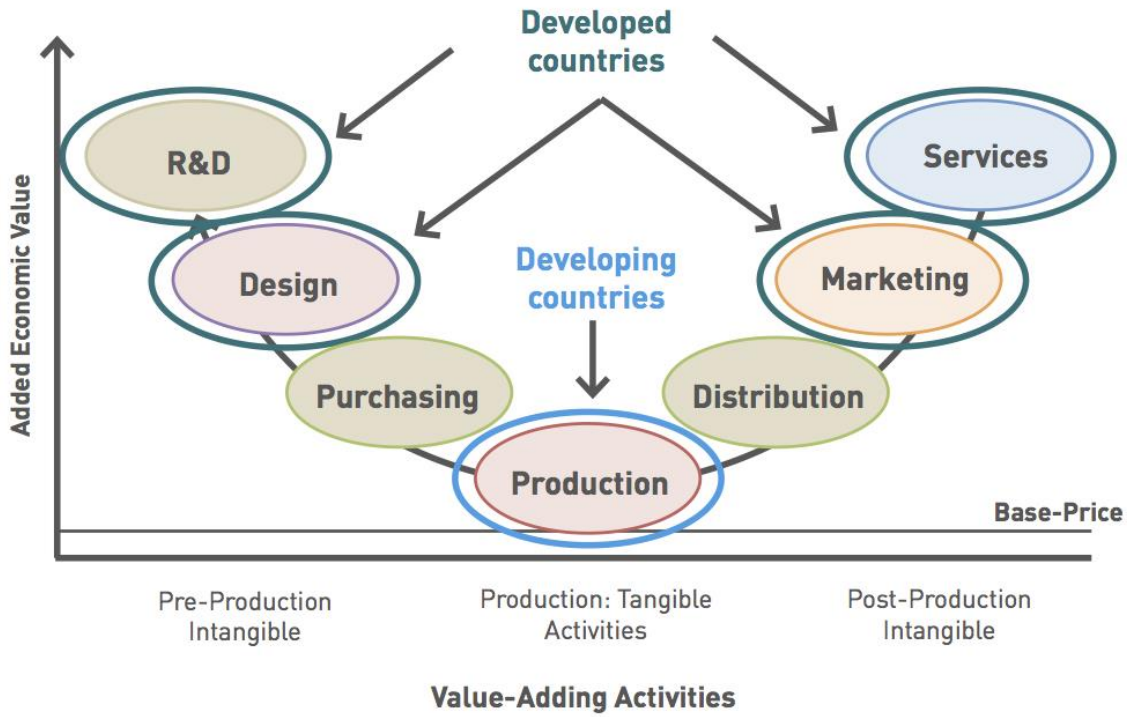
The fourth type of upgrading is the chain or inter-sectoral upgrading, which allows firms to apply their acquired skills and functions to a new sector (Gereffi et al. 2001: 6; Humphrey/Schmitz 2002: 1020). This type of upgrading allows firms to move to a usually more profitable sector. However, the inter-chain presents high challenges and barriers and it is difficult, especially for those vulnerable actors, to get access to it (Mitchell/Coles/Keane 2009: 3).

This upgrading classification, however, may vary according to the sector and it firstly requires a chain analysis. For instance, the difference between product, process and inter-sectoral upgrading is not well-defined and they seem to be interconnected, especially in the agricultural sector, where organic processes generate a new product, but may also lead to an inter-sectoral upgrading. In this context, chain or inter-sectoral upgrading seems to be considered an additional result of applied technologies rather than another typology of upgrading (Gibbon 2003: 16).

Additional upgrading types were identified later. In particular, the *end-market upgrading* identifies upgrading processes in moving into more sophisticated or larger markets, which require rigorous standards as well as a change in the production and price accessibility. Another interesting upgrading process is the *backward linkages upgrading*, which deals with the transfer of local, domestic or foreign firm services to already integrated companies in the GVC (Gereffi/Fernandez-Stark 2016).

Talking about economic upgrading it is important to consider and analyze the activities within the value chain which are located differently in countries of the GN and of the GS, as the so-called smile curve shows (Gereffi/Fernandez-Stark 2016).

Figure 2: Smile Curve



Source: Gereffi/Fernandez-Stark 2016: 14

The smile curve shows how pre-production, production and post-production activities are divided between countries of the GN and of the GS, bringing unequal profits and unequal power relations within the commodity chain. In particular, it shows that low added economic value activities (such as production) belong to "developing countries", whereas high added economic value activities (such as design, marketing, research & development and services) belong to "developed countries". Applying the smile curve to the agri-food sector it is interesting to notice, that despite the mainstream research considers low value-added economic activities belonging to "developing countries", in Europe the so-considered "peripheral" countries of the GN such as Italy, Spain and Greece, are recipients of low value-adding activities, which jeopardize farmers' and workers' conditions.

2.3. Social upgrading

Next to the concept of economic upgrading, there is also that of social upgrading, which was developed as a consequence of the expansion of global value chains, followed by the integration of firms into the global market and their need to respond to the market needs. Within this context, workers have been highly affected since they were required to increase their work

intensity to produce more but at a lower price, thus impacting their well-being (Barrientos et al. 2011). Economic and social upgrading are interconnected however, while economic upgrading deals with the capital dimension and the labor[2] dimension, social upgrading is "the process of improvement in the rights and entitlements of workers as social actors, which enhances the quality of their employment" (Rossi 2011: 60f). This concept was framed by the *Decent Work Agenda* of the International Labour Organization (ILO), whose definition of decent work can be used to frame social upgrading as it encompasses a set of standards and rights at work, such as employment, social protection and social dialogue. Therefore, social upgrading is described as a set of enabling rights which allow access to fair and good work, good working conditions, protection and rights, in order to keep workers' wellbeing (Barrientos et al. 2011).

According to the existing literature, social upgrading presents two components:

- *Measurable standards* are easily quantifiable since they deal with the employment type and workers' well-being. Moreover, they are easily identified during auditing and can be improved through policy interventions. Measurable standards include working hours, wage level, physical wellbeing (such as health and safety) and employment security (such as type of contract and social protection) (Barrientos et al. 2011: 324f).
- *Enabling rights* are on the contrary more difficult to measure and quantify. For instance, they include rights such as freedom of association, the right to collective bargaining, non-discrimination and empowerment, which determine workers' wellbeing as well (Barrientos et al. 2011: 325).

Depending on the local context, social upgrading may find some difficulties in its implementation. For instance, in the agricultural sector, social upgrading should consider different factors in order to improve workers social conditions (Barrientos 2001; Osservatorio Placido Rizzotto/FLAI-CGIL 2020a; Fernandez-Stark et al. 2011):

- *Socio-cultural issues*. Among socio-cultural issues, such as gender, religion and ethnicity, the gender-related one is the most crucial one. Women's employment has, for instance, increased in the buyer-driven chains in order to ensure goods provisions (Barrientos 2001). Female employment is widely spread in labor-intense activities, since women are preferred both for physical and for flexibility reasons, which are a direct consequence of the competitive global economy and its demand for low labor costs as well as to reduce non-wage costs, such as insurance costs (Barrientos 2001). In

[2] Labor is defined here in terms of production and employment shares (Barrientos et al. 2011).

addition, women are more often victims of sexual harassment and have limited access to training, being disadvantaged in improving their employment and managerial position (Osservatorio Placido Rizzotto/FLAI-CGIL 2020a: 81ff; Barrientos 2001). The Italian agri-food sector is a clear example of existing inequalities related to religion and ethnicity issues. Case studies in the agricultural fields have found an ethnic hierarchy according to which agricultural workers are more or less paid. These researchers have identified that workers coming from Bulgaria are paid the least and live in the most precarious conditions (Bilongo et al. 2019; Sagnet/Palmisano 2015).

- *Economic investments*. Since investments are needed to increase workforce skills and education and to provide incentives, financial investments are crucial to reach social upgrading. In addition, investments in training are required and must be oriented to all the categories along the value chain in order to achieve a uniform growth that encompasses agricultural workers, farming activities, packaging and storage and the processing stage (Fernandez-Stark et al. 2011). Financial investments should also address those existing deficiencies such as transports and accommodation, thus increasing workers' well-being (Osservatorio Placido Rizzotto/FLAI-CGIL 2020a).

  However, it is crucial that the private and public sectors work together in order to increase investments, which have been highly damaged by the economic and financial crisis and the existing high competitiveness (Fernandez-Stark et al. 2011; Osservatorio Placido Rizzotto/FLAI-CGIL 2020a: 175).

It is highly discussed that economic upgrading can lead to social upgrading. A case study in the Chinese mobile phones industry revealed that the amount of jobs created did not lead to social upgrading, but on the contrary to downgrading. The availability of jobs was characterized at the same time by a lack of measurable standards and enabling rights, which led many workers to commit suicide (Barrientos et al. 2011: 325).

On the contrary, a case study in 12 developing countries in four different sectors, conducted by Bernhardt and Milberg (2011), reveals a different output according to the examined sector. In apparel and horticulture, they noticed a correlation between economic and social upgrading, whereas in the mobile phones sector social upgrading was not happening and in tourism they found out many cases of social upgrading without or minimum economic upgrading. The correlation was found in 15-17 out of 30 cases, however the case studies have important research limits. On the contrary, they admit a high correlation between economic and social downgrading (Bernhard/Milberg 2011: 29f).

2.4. GVC in the agri-food sector

The GVC analysis was initially developed to examine trends in global manufacturing and specific companies' and retailer's production, distribution and networks. However, in the 70s of the 20th century global agri-food value chains emerged through global sourcing practices and innovation processes in different sectors such as processing, logistics and transport. Nowadays, the agri-food sector is embedded in GVCs, i.e. its different stages to transform raw materials are dispersed in different locations of the world. This sector makes clear how GVCs are becoming more global day by day, as the registered agri-food added value shows. From 2004 to 2014 the agri-food added value in the export sector has doubled, due to the change in trade (especially the increase in extra-regional trade) and the increase in global trade participation by countries from Latin America and especially Asia (OECD 2020: 4, 10).

Participation in GVC has however advantages and disadvantages: on the one side, it raises food availability improving the consumer choice and, depending on the country and its position within the value chain, it increases the employment rate; on the other side, food is sold at a lower price affecting suppliers' and workers' income (OECD 2020: 5).
Globalization has affected international trade in the agri-food sector, in particular its structure and dynamics. This change has led to the increase of several side effects within the functioning of the agri-food value chain, i.e. it has affected the production growth, productivity and livelihood improvements. Moreover, participation in GVCs has increased believing in economic advantages (Jouanjaeun/Gourdon/Korinek 2017; OECD 2020: 8).

Mapping the agri-food GVC

The agri-food value chain system includes different steps, which start with the primary production, go through post-production for export, packaging and storage, processing, marketing, distribution services and eventual recycling. This system includes many other sub-sectors, providing income and job creation in different sectors such as agriculture, but also manufacturing and services (Fernandez-Stark et al. 2011; Memedovic/Shepherd 2008).

In the agri-food sector the final product value derives from a combination of different value-added inputs: some of them are sourced locally (such as labor and capital) and some of them are imported (such as intermediate inputs). These inputs come from the different steps of the supply chain, such as agriculture, services, industry and food processing. The agri-food value chain system covers indeed more than 20 different industries and many other sub-sectors (Memedovic/Shepherd 2008: 5). However, they show a different value contribution according

to the country in which the value chain takes place: whereas in countries of the GN the agriculture sector brings lower value and the food processing sector contributes with a higher value to the final product. In countries of the GS, agriculture brings a higher value and the food processing sector contributes with a lower value to the final product (OECD 2020: 12). This highlights how countries are differently participating in GVCs, since services are spatially differently allocated bringing to an unequal value-added growth. This is a consequence of the rapid structural changes which, among many other sectors, is affecting the agri-food system as well, internationalizing (i.e. outsourcing and offshoring) processing activities. Affecting countries' participation in the value chain, it is widely assumed that many GVCs producers from countries of the GS "operate in low-rent value chain segments, with low economic returns." (Memedovic/Shepherd 2008: 7, 15).

Actors in the agri-food GVC

This section will focus on actors operating along the agri-food value chain, mainly focusing on TNCs whereas other actors will be introduced here but deeply analyzed in the next chapter. Later, power imbalances between countries of the GN and the GS will be analyzed, highlighting existing global inequalities in the agri-food sector.

The agri-food value chain is considered one of the longest value chains, characterized by many actors operating along it. Analyzing the different steps of the chain from production to catering, agricultural workers, producers, brokers, processing industries and catering actors are identified. However, these actors have a further differentiation. Agricultural workers are distinguished based on the type of contract (permanent and temporary workers), whereas producers are distinguished according to their legal form (single farms, cooperatives and Producer Organizations), dimension (small-, medium- and large-enterprises) and according to their farming model (plantation[3], contract farming[4] and commercial farming[5]), which involves different institutional arrangements and a different production organization (Smalley 2013: 7).

Integration into global value chains and the following transformation of production has hardly affected workers employment. In this regard Stephanie Barrientos (2007) argues that "there has

[3] Smalley (2013) highlights five core characteristics for plantations: "(1) grow one main cash crop; (2) require capital investment; (3) are larger than an average-sized holding although some land may be left uncultivated; (4) rely on hired resident or non-resident labour, often including migrant labour; and (5) are centrally managed."
[4] Contract farming is defined as a system which implies a written or verbal agreement between the producer and the supplier establishing price, delivery date and products quality (Smalley 2013: 9).
[5] Commercial farming areas, mainly present in sub-Saharan Africa, are blocks of private medium- and large-scale farms established by settlers which present patterns of agricultural investment and land use and involve both domestic and international interests (Smalley 2013: 11).

been a shift far from formal, regular employment to more flexible, informal and insecure work directly linked to global production." (Barrientos 2007: 3). This has influenced the composition of labor, which is mainly made of female workers and non-regular workers. Moreover, global production has worsened workers' employment quality conditions, since it demands more and more flexibility[6]. The agricultural sector is indeed highly affected by flexibility: many workers are employed according to work availability and in low seasons they do not receive payments[7]. Working conditions are even worse when it comes to women. Women are the ones who are present in higher numbers in the informal economy and are often prevented from entering full-time permanent employment (Barrientos 2007: 7ff). In order to contrast poor working conditions and informal work, labor standards have increased, but retailers keep pressuring suppliers to deliver products at lower prices.

Research studies argue that this has led to several employment forms, or rather mixed employment strategies: many suppliers combine regular with casual or temporary workers to meet fluctuation orders. Moreover, in countries such as Italy, Spain and Greece, an increase in piecework and "grey" labor[8] has been detected (Barrientos 2007: 11; Barrientos 2017; Terra 2021).

Moreover, especially workers and producers, are highly affected by lead firms which play a crucial role within the value chain. According to Humphrey & Memedovic (2006) the agri-food value chain steps are directly controlled and affected by TNCs, especially by two main actors, i.e. retailers and big processers, which differently influence market relations creating different types of governance (Humphrey/Memedovic 2006). Getting the advantages of coordination and control is the goal of those retailers and TNCs which always try to stay competitive, shaping new intra-firm GVC relationships as well as concentration and market power relations.

Especially big food processers, such as Unilever, A.I.A., Nestlé, Ferrero and Barilla, operate at more stages of the value chain influencing the food market and making it more globalized and more complex (Memedovic/Shepherd 2008: 17). Despite this market change has increased product demand and it has led them to an implementation of logistics and transport services, lead firms have maintained their competitive advantages for five main reasons: (1) they can

[6] Flexibility means that sometimes job functions may vary, pay arrangements could be altered and numbers of employed workers may vary due to short term contracts or third-party contractors.

[7] It is however necessary to mention that flexibility is not directly connected to informal work and informal work is not necessarily flexible. For instance, it is possible to be regularly employed with a flexible contract (Barrientos 2007: 8).

[8] It means that only part of total hours is officially recorded reducing their right to access employment benefits and social protection.

keep sourcing raw materials from different part of the world achieving competitive prices; (2) they can control the whole value chain since they manage and monitor value chain linkages; (3) they are present in many markets exploiting the benefits of global branding and getting proceeds from it; (4) they drive the R&D sector; and (5) they strengthen their market power pursuing horizontal and vertical integration (Memedovic/Shepherd 2008: 17f).

Big processers are therefore expanding their reach, developing new networks and partnerships and leading to vertical and horizontal integration in the agri-food value chain. Vertical integration has been developed by the combination of two or more production stages in one firm normally operated by separated firms; whereas horizontal integration has been achieved by acquiring companies at the same point of the value chain. These integration processes have been applied to react quickly to global changes which could undermine lead firms' role, i.e. their access to raw materials, processing facilities and markets (Memedovic/Shepherd 2008: 18).

Besides, big food processers, from the 90s food retailers play a crucial role in the agri-food value chain since food retailing has been consolidated and internationalized. Carrefour, Wal-Mart, Metro and Tesco are nowadays known as global supermarket chains because they are able to generate a high sales revenue share outside their home market and they have integrated a global strategy in their business model (Aufhausen/Reiner 2016: 248). This internationalization concerns, for instance, retail companies with international experience behind them, with sufficient financial resources and a strong branded processed food (Memedovic/Shepherd 2008: 22). Moreover, this exchange trade in the value chain has changed not only their position, but also their relationship with the other stakeholders. Retail chains do not generally buy from wholesalers or directly from producers on the "world market", but rather place production orders according to quality products, otherwise to the best bidders. Moreover, supermarkets are nowadays deeply redeemed in the local, national or regional culture in order to meet consumer needs. Therefore, they entertain crucial relations with local suppliers, above all with regards to fresh products (Aufhausen/Reiner 2016: 255ff). This new position in the value chain has led to high concentration in retailing, i.e. retailers have gained more power than producers since they have control over their suppliers and price setting.

Retailers integration into GVCs has also led to power imbalances between countries of the GN and GS, recording less leading position for the last ones (Memedovic/Shepherd 2008: 22). Despite institutions have tried to facilitate the integration of countries from the GS through many trade agreements and standards, they have recorded limited success. On the one side,

those trade standards have tried to find alternative value chains to increase upgrading opportunities. However, regional trade agreements did not appear to be effective in contrast to regional cooperation initiatives of regional products (Memedovic/Shepherd 2008: 22; Nadvi/Waeltring 2004). On the other side, standards have been promoted by many actors (from UN agencies to international NGOs, from consumers to buyers and producers) distinguished by their purpose. Nadvi & Waeltring (2004) underline four main topics around standards: (1) global standards are meant to improve efficiency in the international economy since they reduce transaction costs and they harmonize forms of codification among different actors; (2) they address social and environmental issues focusing on how products are produced and delivered; (3) global standards may increase competition between value chain actors since they require upgrading processes which not all actors may fulfill; and (4) global standards are responsible of creating new challenges thus weakening local, national and public initiatives since they are mostly promoted by private actors (Nadvi/Waeltring 2004). The implementation of standards for agribusinesses have therefore registered challenges in the global economy. It has been examined that producers from countries in the GS, face more standards which make it difficult for those countries to enter the agri-food market because more technological intensity is needed, they are characterized by a high degree of complexity and they impose high costs and barriers at multiple points in the value chain (Humphrey/Memedovic 2006: 15ff; Memedovic/Shepherd 2008: 25ff).

Governance in the agri-food GVC

In the agri-food sector, the GVC framework states that value chain governance arises for two main reasons: (1) the increased demand for non-standard products due to changes in technology, market requirements as well as customers' requests, which brings to the implementation of new service requirements; and (2) risk reduction according to new supply standards (such as quality, labor standards, environmental standards and product safety) whose damage may bring to failures along the value chain (Humphrey/Memedovic 2006: 9f).

Value chain governance can also happen under specific conditions often imposed by larger firms which govern product design, process controls and timing (Humphrey/Memedovic 2006: 9ff). As a matter of fact, in countries of both the GS and of the GN, small farmers, local companies and small and medium-sized enterprises are facing the consequences of integration in global markets. Hubert Schmitz (2004) argues that in hierarchical and quasi-hierarchical chains, especially in the American and European production networks, local companies have a smaller chance for upgrading because of firms' integration into global value chains and the

increasing competition which favor larger food suppliers. Moreover, many small and medium-sized enterprises, in order to be part of the most important chains, have been highly compromised and weakened by vertical and horizontal integration (Schmitz 2004).

2.5. Value chain initiatives

The emergence and expansion of global production networks has led to a rapid economic growth, thus creating wealth, but at the same time researchers have widely demonstrated that exploitation and pressure on labor is still existing at the bottom of those networks. Therefore, governance institutions try to offer solutions by promoting decent work through public and private policies.

This continuous need to develop new policies is the consequence of a "dynamic process of constant adjustment, in which markets respond to opportunities presented by the institutional environment, society responds by constructing new institutions to govern them, markets respond to the new institutional environment and so forth." (Mayer/Pickles 2010: 1).

It is also the consequence of a global economy which is "increasingly concentrated at the top and fragmented at the bottom", as Gereffi and Mayer (2006) argue. It records developing and developed economies competing, trying to capture high value-added activities in order to achieve maximum profits (Gereffi/Mayer 2006: 40).

Within this context, governance institutions, i. e. public and private governance, may help the national and international system to face new challenges in the global market (Gereffi/Mayer 2006: 41). Public governance encompasses laws, regulations, enforcement capacities, whereas private governance deals with non-governmental institutions and social market behaviors, standards, codes of conduct, societal conventions, collective bargaining agreements and obligations of companies towards their workers. Moreover, governance has mainly three different functions: *facilitative*, it regulates and promotes investments as well as labor relations; *regulatory*, it supervises companies' behavior to prevent workers exploitation; and *redistributive*, it mitigates inequalities redistributing the welfare through policies (Gereffi/Meyer 2006: 42; Mayer/Pickles 2010: 2).

As mentioned above, the rapid growth of the global market has affected governance, threatening the stability of the global economy and bringing about deficits in the production organization, in the limited international governance and in the limited capacity of developing countries to govern markets, thus creating asymmetries. For instance, at the local level countries try to make themselves more attractive by strengthening investment protection, making industrial policies and privatizing production, whereas at the global level strong institutions such as the

International Monetary Fund (IMF), the World Trade Organization (WTO) and the World Bank focuse more in market facilitation expanding neoliberal policies, thus worsening labor protection (Gereffi/Mayer: 47ff; Mayer/Pickles 2010: 3).

As a response to these governance deficits, many public, private, social and hybrid responses emerge.

Private governance initiatives

Private governance initiatives mostly encompass standards, policies and it may bring to a change in the structure of the supply chain. Nevertheless, they also deal with policies and voluntary agreements promoted by companies and social institutions to drive a change in the production system and improve employment and working conditions. Nowadays these standards and agreements are a key element for firms to enter the national and international market. Some examples of private governance initiatives are (Mayer/Pickles 2010: 5ff):

- Codes of Conduct and Supply Chain Monitoring, which mainly involve a certification program. In the agri-food sector examples of Codes of Conduct are the Hazard Analysis and Critical Control Point (HACCP) and the Global Good Agricultural Practice (GLOBALG.A.P.), whose objective is both to safeguard healthy food products and to guarantee food quality and crop management standards (Nadvi/Waeltring 2004). GLOBALG.A.P. may have different adds-on. One of them is the GLOBALG.A.P. Risk Assessment on Social Practice (GRASP) based on the Integrated Farm Assurance. This certification is compulsory for all aquaculture producers certified according to the Integrated Farm Assurance (IFA) standard and it is also committed to Workers' Health, Safety and Welfare (GLOBALG.A.P. 2021).
- Ethical sourcing, which aims at driving transparency and compliance through the entire supply chain and at reducing the numbers of suppliers. The Fairtrade label is an example of ethical sourcing which involves businesses and NGOs and aims at defending workers' and producers' rights, fighting against unfair working conditions and making sure working standards and wages are respected. However, it is argued that generated incomes are used to promote the Fairtrade label rather than working conditions and 90% of the premium paid is set-aside for retailers (Krasnozhon/Simpson/Block 2015: 20f).

Besides the expansion and the variety of private governance initiatives, their efficacy and impact are rather questionable (Gereffi/Mayer 2006: 54). In particular, monitoring and enforcement programs have been criticized because of their expensive costs and compliance efforts are threatened by market requirements and conditions (Mayer/Pickles 2010: 9).

Furthermore, it is widely discussed that private initiatives need to be integrated with public ones and institutions to achieve a social change and to be more representative of society as a whole (Gereffi/Mayer 2006: 54).

Public governance initiatives

Public governance responses are also increasing, at the local, national and international level and they are fostered both by businesses and Not-for-Profit organizations (Mayer/Pickles 2010: 9ff; Nadvi/Waeltring 2004).

At the international and regional level, organizations aim at enforcing core labor standards and linking social clauses to multi-lateral trade agreements in order to tackle social downgrading and improve working conditions. As a matter of fact, ILO labor standards' objective is the protection and safety of workers' rights to participate in free trade unions, to bargain collectively and to improve their working conditions. With this regard, the ILO (International Labour Organization) has ratified many labor conventions over the years, such as the "Freedom of Association and Protection of the Right to Organise Convention", the "Right to Organise and Collective Bargaining Convention" and the "Forced Labour Convention", which have been ratified by Italy (ILO n.d.; Nadvi/Waeltring 2004). Despite ILO standards importance in contrasting rights violations, they have no enforcement power thus preventing efficacy.

Another example is the European directive 2019/633 of the European Parliament and Council of 17 April 2019 "on unfair trading practices in business-to-business relationships in the agricultural and food supply chain", which aims at combating those unfair commercial practices between buyers and suppliers in the agri-food supply chain (European Union 2019).

Besides the increase in international public governance initiatives, there are still remaining challenges in the development of inter-governmental policies. For instance, many initiatives are concentrated at a national level, as a consequence of the market expansion, and aim at providing social safety nets and codes of behavior and practices. States have started adapting their institutions and developing new governance capacities to face new challenges along value chains. In particular, countries of the GS have come up with alternatives to neoliberal models of free trade (Mayer/Pickles 2010: 11).

Social governance initiatives

Social governance responses have also increased in the last years. In the agri-food sector many initiatives have been promoted by social organizations and civil society at a local, national and international level.

At a international level, European level, citizens have the chance to participate democratically at initiatives in order to help change policies at the EU level. This legally binding tool for participatory democracy is called European Citizens' Initiative (ECI) (European Citizens' Initiative). Among these initiatives, the "Save Bees and Farmers" ECI aims at transforming agriculture achieving agro-ecological principles, promoting biodiversity and securing the world's food supply (Save Bees and Farmers).

Hybrid governance initiatives

Hybrid governance responses are also widely spread. They present both public and private elements such as state-promulgated regulations which depend on the willingness of firms, NGOs, union and consumers to observe them (Mayer/Pickles 2010: 9ff). The GLOBALG.A.P. trademark, for example, needs to be locally implemented. i.e. it requires a private-public partnership as it happened in Kenya. In fact, Kenya-GAP, launched in 1996, was the first quality assurance scheme to be recognized as equivalent to the GLOBALG.A.P, as it covers the entire agri-food supply chain from production to commercialization and it aims at safeguarding product food safety standards as well as workers' rights (GLOBALG.A.P. 2014).

In short, governance initiatives are crucial to guarantee product quality, ensure decent working conditions, enhance the economic potential of businesses, promote growth, well-being and greater equity in the agri-food value chain. Moreover, according to Barrientos (2012) "more effective public-private strategies are needed to support skills upgrading of producers and workers". To achieve this, one needs to act towards value chain relations, capacity building, skills and rights and community provision, so that the value within the chain is balanced among actors (Barrientos 2012).

2.6. Critical aspects

The GVC approach shows different issues: on the one side, both the analysis and the concept of upgrading are criticized and, on the other side, it is missing some important considerations. The GVC approach, besides its focus on the world system and dynamics, is criticized because it has left the capitalistic-critical tradition of the world system approach. For instance, it tends to focus on value chains overlooking the political-economic context and the structure of global capitalism. On the contrary, it assumes a strong orientation towards the meso level of sectoral dynamics and the micro level of companies upgrading processes. Nevertheless, macro processes as well as typical characteristics of capitalism, such as competition, concentration,

wealth distribution and financialization, should be considered since they mark out global value chains (Bair 2005).

Another critical point regards the concept of upgrading which is criticized because of its comparison to the concept of development. This comparison encompasses the linear development thinking in the tradition of the modernization theory (Fischer/Reiner/Staritz 2021: 42). While in the beginning an engagement with issues related to work, workers and labor struggles were missing and it was proven that economic upgrading benefits were not reaching all the actors along the chain, which led to the introduction of the concept of social upgrading, ecological issues have so far played a secondary role in global value chains. This could represent a problem considering the ongoing ecological crisis, the poor ecological balance and the ecological and social consequences value chains have had. The concept of "environmental upgrading" could represent a way to contribute to a change and encourage companies to take action to reduce their ecological footprint (Fischer/Reiner/Staritz 2021: 46).
With regards to the agri-food sector ecological issues are crucial since they are also connected to social issues, i.e. they influence workers well-being and working conditions. In particular, agriculture, assuming forms of high intensification and large scale, is considered among those main responsible for water pollution, acidification of soils, increase in greenhouse effects and loss of species diversity and habitats. However, in doing so, agriculture does not only impact the surrounding environment, but it affects social conditions as well. As a matter of fact, chemicals implemented in agriculture place at risk workers health. Moreover, ecological issues may increase high management and maintenance costs, thus increasing the risk of abandonment and determining a job loss for many workers.

In addition, the GVC approach should take more into consideration local social elements. It should consider that local historical social conditions may influence value chains, as it happens in Italy with the *mafia* sub-system phenomenon, i. e. the phenomenon of *caporalato*. Therefore, the GVC approach should implement culture, traditions, politics, the environmental local context and the national market system in its analysis.

3. Methodological approach

This chapter gives information on the procedure and instruments used to fulfill the empirical research. The qualitative research approach was chosen in order to answer the research question and sub-questions, i.e. to get information about the agri-food sector, its value chain, actors' involvement and the Network. This section will first focus on the research design to outline the qualitative research approach and how it was carried out. In this section the interview model will be explained as well. Later, data analysis will focus on the way interviews are analyzed through the qualitative content analysis. Occurred challenges during the research process will be discussed in the end.

3.1. Research design

In order to get information about the Italian agri-food sector, the value chain and the role of the Quality Agricultural Work Network in the prevention of the phenomenon of *caporalato* a qualitative research approach was more suitable and therefore chosen. Together with the qualitative analysis of the Network, quantitative data were gathered both to analyze the sector and the involved actors and to understand how widespread the Network is. These data were essential both to deepen the knowledge on the initiative and were used as a background for the qualitative research. Especially quantitative data coming from official websites such as *INPS*, *ISTAT*, *ISMEA* and *Federdistribuzione* about the agri-food sector, the markets, the supply chain, the workers and the firms were deeply analyzed.

In order to find suitable interview partners for the research, meetings with Vincenzo Castelli have been crucial. Vincenzo Castelli is currently coordinating a national project called *Di.Agr.A.M.M.I. Nord* aiming at defending and safeguarding agricultural workers' rights, integration and fair labor. Having a long experience in this sector and getting in touch with different actors, during our meetings, we have elaborated a list of possible interview partners who Castelli first approached and asked for an interview via e-mail. Four stakeholders answered and gave their availability. Additionally, I contacted other (institutional) stakeholders via e-mail, such as *Confagricoltura*, agricultural enterprises and supermarkets, getting the chance to have an interview with them. I started contacting the different interview partners in the beginning of May. With the majority of them I was able to conduct an interview between the end of May and the beginning of June. Some actors replied later, and this is the reason why I conducted some interviews in July as well.

All the interview partners were reached via e-mail and information about the procedure were given via e-mail as well. Considering that all the contacted actors come from Italy and are located in different places within the territory and considering that in May and June I was still in Vienna, all interviews (except the last one) were conducted online. Different online programs were preferred according to the interview partner preference, such as Zoom, Skype and Microsoft Teams. The last interview with the retailer was first planned online but due to technical issues, it was then conducted in presence.

The aim of this research thesis is to understand whether the Network is able to prevent the phenomenon of *caporalato* and redistribute value within the value chain. Therefore, different actors in different positions were considered. The direction cabin of the Network and its representatives were also considered and contacted to better understand the initiative. In the end 10 interviews were conducted with people working in 10 different areas. They are mainly representatives of institutions, such as *INL* and *INPS*. *INL*, which stands for "Ispettorato Nazionale del Lavoro", in English "National Labor Inspectorate", was taken because it is one of the main responsible for labor inspections in matters of health protection and safety in the workplaces. *INPS* ("Istituto Nazionale di Previdenza Sociale") is the "National Social Security Institute", mainly responsible of the direction cabin for the Quality Agricultural Work Network. Among associations *Terra!*, *AGCI* and *Confagricoltura* were interviewed. *Terra!* is an Onlus involved in projects and initiatives of the agri-food sector. It was chosen because of its advocacy activities and published reports in matters of sustainable agriculture and *caporalato*. *AGCI* ("Associazione Generale Cooperative Italiane") is a representative association for Italian cooperatives, whereas *Confagricoltura* was chosen because it is a member of the direction cabin due to its representative role for Italian agricultural enterprises. Supermarkets and trade unions were also taken into consideration. Many supermarkets were contacted, however only two of them gave their availability (among which *COOP*). On behalf of trade unions, the *Flai-Cgil* general secretary in Emilia-Romagna was interviewed. Lastly, a farm and a processing industry, whose identity remains anonymous, were interviewed in order to better understand the whole agri-food value chain.

In the Appendix II the interview schedule is presented with more details about the interview partners, the date and how the interview was conducted. Some of them preferred to remain anonymous and this is specified through a dash (--).

3.1.1. Interviews

Both in the qualitative and in the quantitative research, interviews are one of the most important and widespread methods to gather empirical data. While in the quantitative research the aim of interviews is to make a phenomenon measurable, in the qualitative research the researcher tries to understand and evaluate the research objective. According to the research and its objective, a suitable interview was conducted (Dannecker/Vossemer 2014: 153f). For this research, as a data collection, the guided interview was conducted on the basis of a thematic guide, which is available in Appendix I.

Guided interview

The main characteristic of the guided interview is its guideline which simplifies the interviewer in conducting the interview and comparing data. The interview can be structured as a guideline interview in order to obtain relevant information for the investigation, which becomes visible by transcribing it. The questions are structured as openly as possible to give interview partners the opportunity to freely talk about their experiences without endangering their private life (Dannecker/Vossemer 2014: 158).

The guideline shows how questions were formulated. According to the area of interest, a general question was first formulated (middle column). Moreover, in order to focus on detailed information, the interview partners were asked more specific questions (third column). However, it is important to consider that this interview type allows the interviewer to lead the conversation, while the interview partners may ask understanding questions (Dannecker/Vossemer 2014: 158ff; Helfferich 2014: 565ff).

One of the advantages of the guided interview is the possibility of incorporating keywords, which in this case takes into account the topics of the research unit; the possibility to conduct many interviews in a short time and therefore to compare many results. However, the biggest advantage is the interview flexibility. For instance, it allows the interviewer to adapt the interview according to the actor field and knowledge. Therefore, the guided interview is suitable to this thesis considering that the 10 interview partners have a different background and give information from different points of view. Finally, this form of interview offers the possibility to guide the interview in case the interview partner does not elaborate on the answer. It also gives the interviewer the opportunity to focus on underrepresented and poorly formulated aspects and to broaden the research (Dannecker/Vossemer 2014: 158ff; Helfferich 2014: 565ff). The guideline was created along with the SPSS system. This system aims at achieving four

main objectives, namely collecting, checking, sorting and subsuming (Helferrich 2014: 567). Based on this system, the guiding questions will be first collected and formulated and consequently reduced and structured. Afterwards, the remaining questions and keywords will be sorted according to content aspects and finally (post-)questions are formulated if necessary (Helferrich 2014: 567).

3.2. Data analysis

This section outlines the process of data analysis, in particular it explains the qualitative method used to collect and analyze empirical results as well as other tools implemented in the research process.

Qualitative content analysis

Empirical results can be analyzed through different methods. For this research, qualitative data were analyzed following the qualitative content analysis. According to Mayring & Fenzl (2014) the qualitative content analysis represents an evaluation method implemented to analyze texts coming from the data collection in social science research projects. Through this method different kind of documents, such as transcripts of interviews, answers from surveys, observation protocols, newspaper articles and internet material, are codified and discussed (Mayring/Fenzl 2014: 543). Furthermore, Mayring (2014) argues that

> *the basic approach of qualitative content analysis is to retain the strengths of quantitative content analysis and against this background to develop techniques of systematic, qualitatively oriented text analysis. (Mayring 2014: 39)*

One of the advantages of qualitative content analysis is the fact that this method is strongly connected to communicative sciences, one of the qualitative content analysis basic principles. This means that the material is related to a particular context of communication. Moreover, this method is systematic, meaning that it is rule-oriented instead of creating free interpretations (Mayring 2014: 39; Mayring/Fenzl 2014: 546). For this reason, its nature is systematic, and its central instrument of analysis is a coding system, which can be developed either inductively or deductively. The procedure consists sometimes of two steps: in the first one, categories are developed inductively on the material or are postulated in advance by theory; in a second step, it is analyzed whether certain categories can be assigned to text passages several times (Mayring/Fenzl 2014: 544). In general, this coding system is developed in advance, according to the research question and sub-questions (Mayring/Fenzl 2014: 546). This method fits with

the data collection methodology because it can analyze a large amount of material, but the procedure still remains qualitative-interpretative (Mayring/Fenzl 2014: 543).

Mayring & Fenzl identify three main techniques: explication, the structuring qualitative content analysis and the summarizing content analysis. For this thesis the second technique was implemented. The structuring qualitative content analysis applies a category system which includes a definition, an example taken from the interviews and a coding rule. This system is first theory-based developed and further integrated and modified (Mayring/Fenzl 2014: 548).

In the end, empirical data are analyzed and discussed on the basis of the obtained coding system, contextualizing and comparing it with the existing literature.

Research process

This section outlines in details the research process, in particular how the qualitative content analysis was developed.

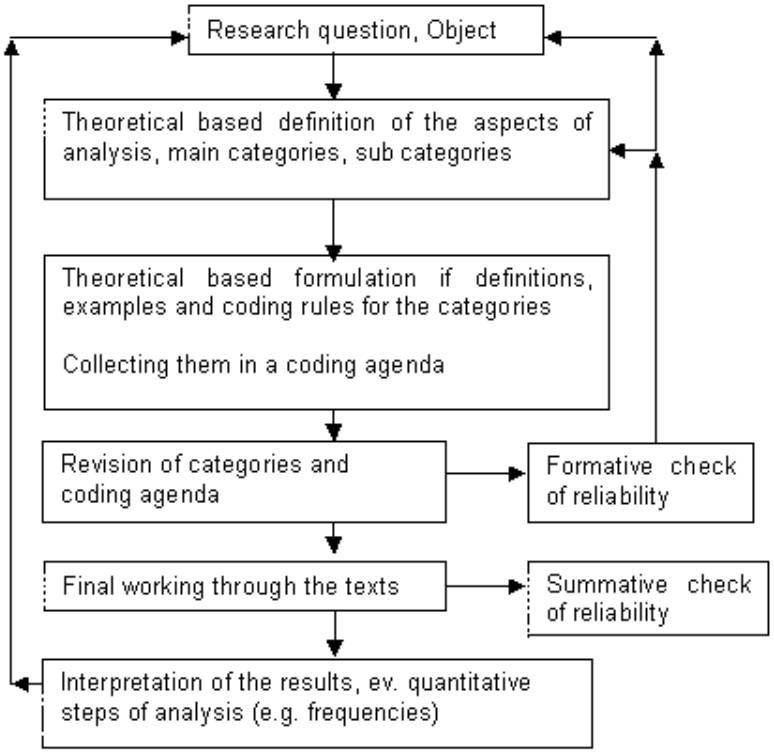
As mentioned above, between May and July 10 interviews were conducted with 11 interview partners. After conducting them and before the process of data analysis starts, they are first transcribed. This process is a very time-intensive work which has specific rules, especially with regards to the spoken language. Mayring (2014) argues that there are seven different methods a researcher can implement to transcribe an interview. Considering that the interviews were carried out in Italian, mother tongue language of the researcher, a pure verbatim protocol was implemented. According to this kind of protocol the transcription includes every single word and utterance. Moreover, dialect formulations, fillers and articulations are maintained. However, suspension points were used in case the audio did not allow to properly hear what the interview partner said (Mayring 2014: 45).

After transcribing the interviews, a deductive coding system was first developed following Mayring standards. As Mayring (2000) argues:

> *Deductive category application works with prior formulated, theoretical derived aspects of analysis, bringing them in connection with the text. The qualitative step of analysis consists in a methodological controlled assignment of the category to a passage of text. (Mayring 2000)*

Therefore, according to the research questions and asked questions, through the guided interview preliminary categories were developed. Figure 3 outlines the steps happening in a deductive category application.

Figure 3: Deductive category development



Source: Mayring 2000

The main purpose of the deductive category development is to elaborate specific codes with a definition, an example and a coding rule. Therefore, before coding every interview, a coding system was developed, as the following Table shows.

Table 1: Deductive coding agenda

CODE	CATEGORY NAME	DEFINITION	ANCHOR EXAMPLE	CODE RULE
C1	Agri-food value chain	Clear explanation of how the agri-food value chain works. It points out the steps from the production to the commercialization.	"Tu hai l'agricoltore che si rapporta con un grossista, il grossista con un altro grossista e quest'altro grossista con la grande distribuzione, ad ogni passaggio c'è sempre un incremento di costo. Per non parlare anche dell'altro elemento che sottovalutiamo del trasporto delle merci […]." (Interview 4, 177-184)	It contains specific references to the agri-food value chain, i.e. the steps of the chain from the production to the commercialization.

C1.1	Actors	Involved actors within the agri-food value chain. It specifies their role and status within the chain.	"[...] analizzando le dinamiche di formazione del prezzo e analizzando lo sbilanciamento e lo squilibrio lungo tutta quanta la filiera ci siamo resi conto che c'era una parte naturalmente che faceva profitti e c'era una parte che pagava le conseguenze di questa situazione, ovviamente i produttori e i lavoratori." (Interview 2, 23-26)	It contains specific references on the status of specific actors operating in the value chain, such as workers, farmers, supermarkets, brokers.
C1.2	Economic challenges	Within the agri-food value chain there are several economic issues which regard actors on the one hand and formal aspects on the other hand.	"[…] la sfida maggiore è quella di qualificare maggiormente il ruolo dei produttori che sono diciamo la parte debole di tutta la filiera […]." (Interview 5, 5-12)	It refers to specific economic challenges inside the value chain concerning actors as well as formal issues involving the public system.
C1.3	Social challenges	Social issues refer to all those issues present in the agri-food sector. They are caused by imbalances between actors along the value chain.	"[…] purtroppo ci sono quelle realtà che si dice si parla sul caporalato, perché è gente disperata, perché non è che lo fa per sfruttamento, la gente è disperata." (Interview 9, 110-115)	It contains references to social issues existing within the agri-food value chain and challenge actors. For example, references *caporalato and exploitation* and exploitation in the agri-food sector.
C2	2016/199 law	The 199 law, passed in 2016.	"Ora con la legge diciamo 199 a cui noi abbiamo contribuito anche insomma per l'approvazione, chiaramente è cambiato molto anche soltanto l'idea di caporalato." (Interview 2, 54-59)	It contains specific information (articles and changes from the previous law) on the 199 law.
C3	The Network	Main purpose of the Network, its organisation and assignments. It also contains information on the direction cabin.	"E' un elenco di imprese agricole virtuose tra virgolette nel senso che rispettano tutta una serie di disposizioni che il legislatore prevede […]." (Interview 1, 75-77)	Aspects of the Network: purpose, direction cabin, *white list*. Other relevant aspects have a different code.

C3.1	Enrollment	How and why an enterprise decides to be part of the Network; challenges related to the enrollment.	"[…] una grande cooperativa di prodotti ortofrutticoli, non è riuscito ad iscriversi perché aveva un proprio responsabile iscritto a questo lungo processo che durava da tempo per un infortunio mortale accaduto nel suo stabilimento." (Interview 4, 418-423)	Aspects of the enrollment: how, why, challenges.
C3.2	Auditing System	The auditing system concerns all those supervisory activities performed in the agri-food sector.	"Infatti, la norma prevede specificamente che gli organismi di vigilanza orientano l' attività di vigilanza in relazione all'iscrizione o meno delle aziende nella pista cosiddetta della Rete del lavoro agricolo di qualità, quindi nella cosiddetta lista bianca." (Interview 8, 75-87).	It contains information only on the auditing system and actors involved, such as *INPS* and *INL*.
C3.3	Benefits	Benefits regard positive aspects an agricutural enterprise may have joining the Network or on the contrary negative aspects are underlined.	"Vantaggi specifici per i produttori agricoli non ce ne sono." (Interview 6, 36)	Positive or beneficial aspects the Network might have.
C4	Social upgrading	As social upgrading are defined all the aspects that allow individuals to upgrade their social position as well as their rights. These aspects are part of initiatives empowered by territorial sections.	"[...] ci sono delle iniziative per il trasporto extracomunitario [...]" (Interview 6, 130)	Mainly aspects on transports, lodging and recruitment.
C4.1	Territorial sections	Territorial sections are sections created by the 199/2016 Law and aim at preventing the phenomenon of *caporalato*, thus improving the recruitment, transport and lodging system.	"Quindi per noi sezioni territoriali se funzionassero in maniera adeguata o se collaborassero in maniera adeguata potrebbero essere uno strumento estremamente efficace […] per la promozione del riconoscimento pieno dei diritti dei lavoratori e quindi per evitare lo sfruttamento. " (Interview 5, 111-116)	Information on the territorial sections: their fuction, advantages and disadvantages, data.

C5	Economic upgrading	As economic upgrading is meant the four types of upgrading: process, product, function and chain upgrading.	"Iscrizione alla rete consente specialmente da qualche mese a questa parte per quasi tutte le imprese della grande distribuzione di poter avere accesso alla vendita dei prodotti a marchio privato […]. " (Interview 4, 140-144)	Evident economic benefits acquired by enterprises in the value chain through the enrollment in the Network.
C6	Power relations	As power relations is meant the possible disequilibrium among involved actors of the agri-food value chain.	"Noi abbiamo una posizione molto critica rispetto a questa situazione perché si rischia di alterare, non di migliorare, ma di alterare ulteriormente i rapporti di forza all'interno della filiera […]. " (Interview 1, 170-177)	Clear references to a change in power relations due to the Network of quality agricultural work.
C7	Challenges	Challenges are all those issues related to the Network which do not bring added value to the initiative but worsen it.	"Però la Rete non ha funzionato molto. Lo dicono i numeri nel senso che, oggi non ho i dati aggiornatissimi, ma sono poche migliaia stiamo sulle mila circa aziende iscritte su una potenziale platea di 180 mila e forse anche più aziende. " (Interview 3, 84-87)	Aspects of the Network which were not taken into consideration and are part of the challenges to overcome. Clear criticism to the Network.
C8	Solutions	Ideas and strategies which underline a concrete step needed to overcome existing challenges.	"Se si vuole fare qualcosa di utile occorre intanto semplificare le modalità di iscrizione e escludere tutte quelle modalità di iscrizione che sostanzialmente non valorizzino un'azienda nelle relazioni con il mondo o il mondo del lavoro." (Interview 3, 255-257)	Specific references underlining strategies to overcome existing challenges.

Source: Author's own illustration.

In order to codify all the interviews a software program was implemented. MAXQDA gives the chance to upload all the interviews and codify them thus creating a coding agenda. MAXQDA is the second most implemented software program. It was developed in the early 1990s at the FU Berlin by Udo Kuckartz, who implemented later a quantitative content-analytical extension

as well (Mayring 2015: 118). This software program allows the researcher to spare time in the empirical research since important text sections are easily available by clicking on the code.

In the next step, according to the structuring qualitative content analysis, codes were revised and improved in case they were commonly exclusive or in case new aspects appeared. A final check was made to revise the coding agenda for a last time.

In the end, results were discussed and interpreted comparing them to the existing literature. Hence, the research question and sub-questions were answered through interviews and literature, giving the research thesis a solid scientific basis.

3.3. Challenges

During the whole research process different challenges occurred which especially deal with the empirical part of the research, i.e. interviews.

The field access is considered by many researchers one of the biggest challenges. In my case I got the opportunity to meet Vincenzo Castelli who helped me in contacting some suitable interview actors. With him we made a list of 10 possible partners, however some of them were not approachable because of work issues and lack of time. For this reason, half of the interviewed partners were directly contacted by me through contact information I found on the internet. Except some refusals, especially from supermarket chains and agricultural enterprises enrolled in the Network, I got the chance to virtually meet them and conduct an interview. However, without references, some of them were skeptical about this research thesis and asked me to be more detailed and possibly send them a document with the interview questions. For some people this level of detail is needed, while others may be afraid of negative exposure in this industry. In doing so, one of the approached interview partners did not reply anymore.

Another challenge was the interviews online mode. In some cases, especially on zoom, it was quite easy. However, in other cases, it happened that the interviews were interrupted due to connection or technical issues. This should be considered because it interrupted the dialogue, deconcentrating the interview partners. Moreover, the online mode of interviews makes you lose interaction with the interview partner since you cannot see properly the body language.

All the interviews were conducted in Italian, being my mother tongue language and the language of all the interview partners. Therefore, no issues were recorded, especially because all the interview partners spoke in a standard Italian, avoiding speaking in their regional dialect.

All the interviews, except the last one, were recorded in order to transcribe them. However, the audio was sometimes incomprehensible due to connection issues or background noises. Therefore, in some cases, some words were not transcribed, making it sometimes difficult to understand the meaning of the sentence.

3.4. Ethical aspects and reflection

This section outlines the main ethical aspects a researcher may consider once starting the research process, as well as a reflection on the position the researcher assumes and how it may be perceived by external actors.

Ethical aspects

Ethical aspects mostly deal with the capability of making the research process as transparent as possible, so the interview partners are able to understand the research they are involved in. Therefore, an informed consent was made clear before starting each interview. The interview partners gave their informed consent to be interviewed, they were aware of the purpose of the interview, the topic of the research and that their comments could be used in the research. Moreover, to all of them was given the chance to remain anonymous and to accept or refuse the recording.

Position

In the qualitative research the relationship between the researcher and the researched plays a crucial role because it can influence the whole research process. In order to not influence the research process, in the qualitative research the concept of "othering" is very well known. It describes the process through which the researcher is overshadowed by not considering own characteristics such as gender, nationality and ethnicity. Especially, it is important to listen and not to talk about others in one's own words, as Fine states (Fine 1994: 71ff).

Furthermore, the researcher needs to be careful in not taking a strong position, otherwise this may compromise the results. Ullrich (2019) states there are three different ideal types the researcher could implement to avoid it: the interested, the engaged and the distanced. During the interviews and along the research process all three types were implemented. However, I noticed the more suitable and successful were the interested and the engaged ones because they encouraged interview partners to talk more and I had the feeling they were more comfortable during the interview.

Reflecting about my role as a researcher there were not particular issues. However, in some cases it was evident that my position and personal background was far away from that of some interview partners. Hence, I personally connected the poor responsiveness from agricultural enterprises to a lack of interest, lack of time and maybe distrust in research. I justify this because of the difficulty experienced in receiving an answer from agricultural enterprises.

4. Case study country and sector

This chapter will contribute to give basic information on the agri-food sector in Europe, with a focus on Italy, and especially the "Quality Agricultural Work Network" initiative. In particular, after analyzing the European agri-food sector, the Italian agri-food value chain as well as the actors involved will be examined. Another section will be dedicated to the phenomenon of *caporalato*, which is of great importance because of its influence in the agri-food sector. Finally, the initiative will be explained in detail, in particular the latest data, its functioning and involved actors.

4.1. The agri-food sector in Europe

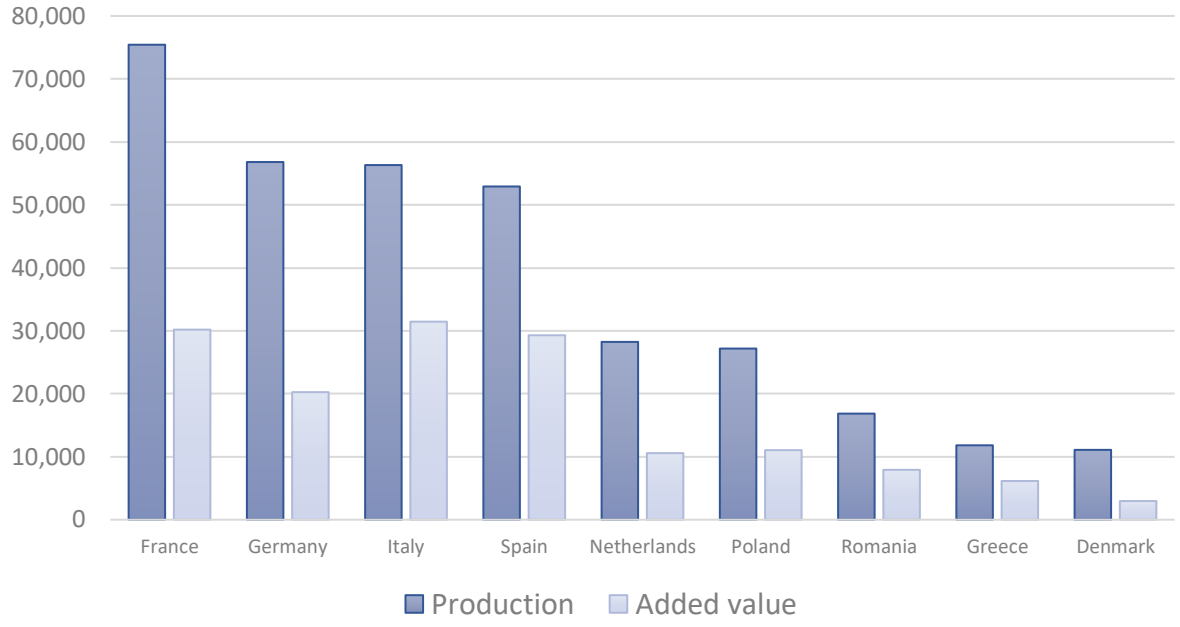
Agriculture is an activity that belongs to the primary sector of the economy. To have an idea of the importance of food and beverage processing industry and the participation of millions of small farms, we can just take into consideration that in 2020 in the European context this sector contributed 1,3% towards the overall European GDP, estimating gross added value[9] of 177,0 billion euros (Eurostat 2021). If we consider the overall production of the European agricultural industry, the added value was estimated 411,8 billion euros, half of which comes from crops[10] (52,8%) (being vegetables and horticultural plants and cereals the most valuable), two fifths from animals and animal products[11] (38,6%) and the rest from agricultural services and secondary services (8,6%) (Eurostat 2021). In this context, Italy is the first country for added value (31,4 billion euros) followed by France, Spain and Germany and the third for production after France and Germany. Considering the European overall added value, Italy has contributed to 17,8%, France to 17,1%, Spain to 16,5% and Germany to 11,4%. In terms of production, France holds the leadership with 75,4 billion euros, followed by Germany (56,8 billion euros) and Italy (ISTAT 2021: 9).

[9] Gross added value "is the difference between the value of agricultural output and the value of various input costs built up in the production process, adjusted for taxes and subsidies on products." (Eurostat 2021).

[10] The most important categories of crops are vegetables and horticultural plants, cereals, fruits, forage plants, wine, industrial plants, potatoes and olive oil (Eurostat 2021).

[11] The category "animals" mostly comprehends milk, pigs, cattle, poultry, eggs and other animals and animal products (Eurostat 2021).

Figure 4: Production and added value in the EU-27



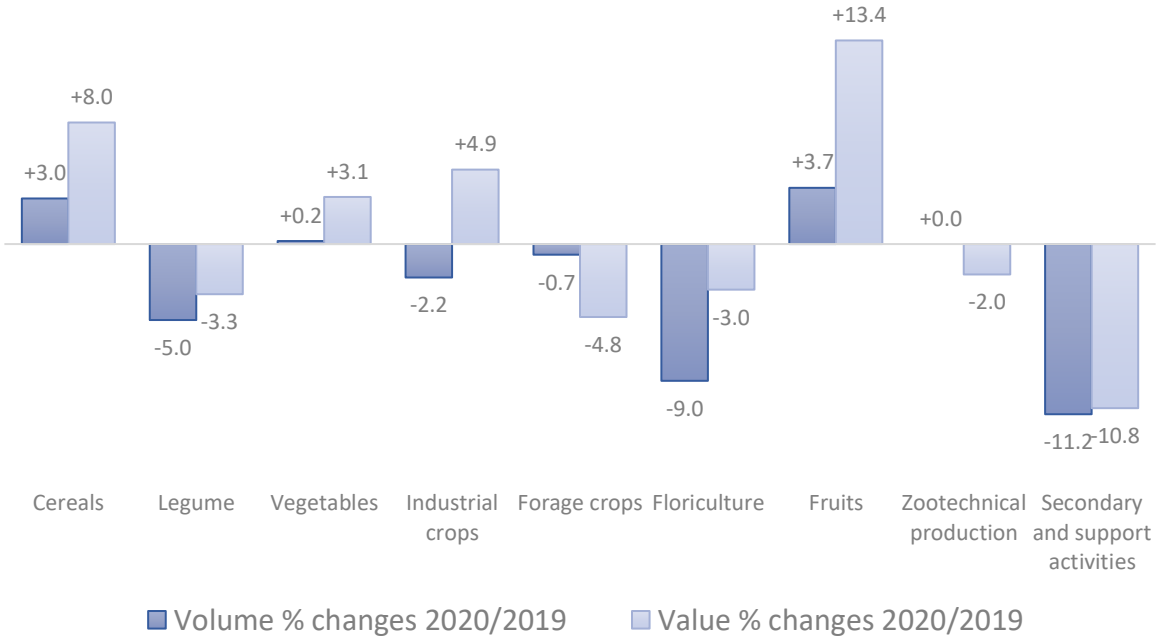
Source: Author's own illustration based on ISTAT 2021: 9

In the European context the agri-food sector is a crucial sector. For instance, as data from 2018 reveal, the EU is a key crops global producer (about 13% of the global cereals production comes from the EU) and it is the world's leading producer of sugar beet (around 111 million tons were produced in 2018, almost half of the global overall production). The contribution of European Member States varies significantly, but most of the added value of the agricultural industry comes from the "big four", i.e. France, Germany, Italy and Spain (Eurostat 2020).

The importance of the agri-food sector is evident in the Italian territory. The Italian agri-food sector is the first country's economic sector and generates a total turnover of 59,6 billion, an added value of 177 billion and it supports 3,6 million employees (18% of total employees in Italy) in 2,1 million companies. Nevertheless, in the last 20 years the economic trend has been positive, since 2000 there has been registered +39,9% turnover, +33,4% added value, +11,3% employment and +144,2% exports (ISTAT 2020: 1; The European House Ambrosetti 2019: 1). However, in 2020 the agri-food sector has recorded a decrease due to the COVID-19 pandemic. Starting in February 2020, the crisis has led the regional and national authorities to adopt several measures, thus causing a sharp drop in the agri-food production although many activities in the agri-food supply chain are considered essential and, therefore, they were not directly subjected to the restrictions. However, those activities and in particular farms were affected by the commercial channels used, the reference market, the degree of dependence on external

production factors and the areas of location (ISTAT 2021: 3). As the last ISTAT report (2021) claims, agricultural production has fallen by 3,2% and added value by 6%, while employment by 2,3%. Agricultural products have recorded different trends: while the production of fruit (+3,7%), cereals (+3%), milk (+2,7%) and vegetables (+0,2%) has increased; the production of oil was highly affected (-14,5%), together with secondary activities (-20,3%), the flower sector (-8,4%) and agricultural support services (-4,1%). Nevertheless, in the European context, Italy remains the first country for added value and the third for production value (ISTAT 2021: 1).

Figure 5: Production and added value in the EU-27



Source: Author's own illustration based on ISTAT 2021: 3

Figure 5 highlights that non-food production, such as the flower and plant sector, was more affected because of mobility restrictions and difficulties in accessing the domestic and foreign markets. In particular, non-agricultural secondary activities[12] recorded a deep decline together with the production of support services[13] due to a downsizing of primary processing activities. On the contrary, strictly agricultural production did not record particular criticalities linked to the COVID-19 pandemic as the cereal, fruits and vegetables sectors show, especially due to a significant increase in prices (ISTAT 2021: 3, 6).

[12] Productions of goods and services not specific to agriculture but related to the agricultural sector, such as agro-tourism, milk, fruit and meat processing, renewable production (ISTAT 2021: 12).
[13] It includes activities related to agricultural production but not aimed at harvesting agricultural products, such as post-harvest activities aimed at preparing agricultural products for the primary market (ISTAT 2021: 12).

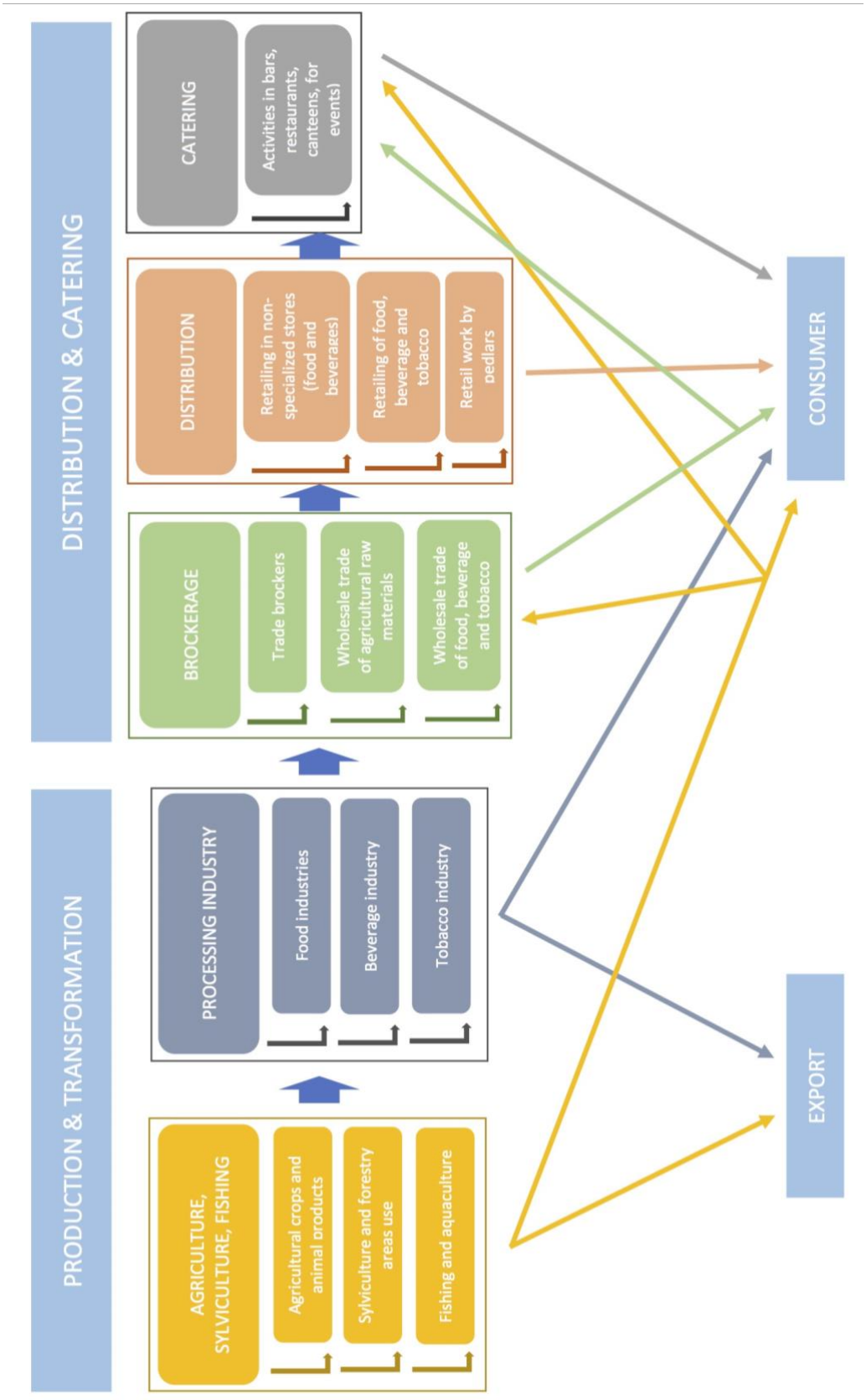
With regards to price setting, 2020 has been characterized by an increase of 0,9% in the prices of agricultural products, as a result of an increase of fruit, industrial crops, flower crops, cereals, vegetables and pulses prices and a decrease of olive oil, forage crops, animal meat and wine prices (ISTAT 2021: 7).

4.2 The agri-food value chain in Italy

In this section the Italian agri-food value chain will be illustrated and analyzed. At first the stages of the value chain and their interactions will be described and examined, then it will be discussed how value is distributed within the chain. The present thesis analyzes the agri-food value chain without any specific focus on a particular agri-food product. However, it is crucial to mention that every single product influences the value chain differently according to its processes. Nevertheless, the length of the value chain depends on the population consumption patterns (Zaghi/Bono 2011: 6).

The Italian agri-food value chain, or rather the *extended agri-food value chain*, describes the stages in the process of making a food product, from the raw material to its distribution to the final consumer. A research project of the European House – Ambrosetti (2019) has identified five main sections within the extended agri-food value chain: (1) agriculture, forestry and fishing, (2) food processing industry, (3) brokerage, (4) distribution and (5) catering, as Figure 6 shows (The European House – Ambrosetti 2019: 15ff).

Figure 6: The Italian agri-food value chain and its actors



Source: Author's own illustration based on interviews and The European House – Ambrosetti 2019

(1) The first section, i.e. agriculture, forestry and fishing or production, includes productive activities using resources from agriculture, animal husbandry, forestry and animals in breeding areas or in their natural habitats.
(2) In the food processing industry, raw materials coming from the previous stage are processed and preserved with the aim of producing food, beverages and tobacco.
(3) Brokerage, i.e. the third section, involves activities carried out by people responsible for purchasing raw materials or food products and then reselling them to wholesalers, retail traders or large consumers. Moreover, this section can be further divided into three sub-sections: agricultural, industrial and business intermediation. The first one involves agents, representatives and brokers of agricultural commodities and live animals; the second one includes agents and representatives of food products; whereas the third one encompasses companies engaged in the wholesale trade of finished food, beverages and tobacco products.
(4) The fourth section is distribution, which is made up of the retail sector, i.e. free service and traditional retail.
(5) Finally, the last section, catering, involves restaurants, canteen and bar activities.

The agri-food value chain stages are described differently by other studies. For example, Nomisma (2009) divides them into two main phases, i.e. the production and the distribution and commercial phase.

(1) The agriculture and food processing industries belong to the first stage which respectively produce and process raw materials to develop products for the final consumption (Zaghi/Bono 2011: 5).
(2) To the second stage belong wholesale trade, traditional trade or retail system, free service distribution and catering. Wholesale trade of agri-food products acts as an intermediation (brokerage) between the individual production phase and the commercial phase; tradition trade encompasses specialized and non-specialized retail system, of which supermarket chains account for 50% of sales outlets and finally the catering service is characterized by a further process of preparation and service (Nomisma 2009: 8; Zaghi/Bono 2011: 5).

As Figure 6 shows, there are different ways the agri-food value chain may be articulated. For instance, a farm can sell its products to a broker, such as the fruit and vegetable market, or directly to the retail system, having in this way a higher profit margin (Interview 9, 2021, 168, 169; 182, 183).

Food processing industries are mainly supplied by product associations, even if there are some cases where they are directly supplied by individual farms, which have decreased since, according to EU regulations, farmers have to gather in so-called Producer Organizations (POs) (see section 4.1.2, "self-employed agricultural worker") (Interview 6, 2021, 9-11).
On the contrary, the retail system often has its own value chain, as *COOP Italia*, a system of Italian consumers' cooperatives including a network of supermarkets, superstores and hypermarkets. *COOP* niche products, for example, derive from small enterprises, whereas "commodities" predominantly come from medium and large enterprises because of their production capacity (Interview 7, 2021, 155-159). Furthermore, *COOP* value chain, as well as other supermarkets' chain, is divided into branded (or private label) and non-branded products (brands). The branded products value chain is ruled in a different way as compared to the non-branded products one, i.e. *COOP* has for example a "jurisdiction" over the first one.

> *[…] I divide the world into two parts: branded* [private labels] *and non-branded products* [brands]. *I could interact with brands using force, but I cannot govern Barilla, Ferrero, Nestlé, Unilever value chains. On the contrary, branded products* [private labels] *value chains can be governed, and where I have a value chain certification or the audit service, I am able to go as far as the primary production in a systematic manner. Obviously, if I have products not falling within the value chain certification, I can only go as far as primary production if strongly necessary.*[14] *(Interview 7, 2021, 10-16, translation of the author)*

In the branded products value chain, *COOP* may go as far as the primary production, thus governing the value chain, but only with products having a value chain certification. Furthermore, *COOP* distinguishes products based on their risk level, which determines control, auditing and analysis plans: the higher the level of risk, the more frequent and stringent the controls will be (Interview 7, 2021, 33-35). Quite the opposite, in case of processing industries such as Unilever, Ferrero and Nestlé, *COOP* will only go as far as the primary production if necessary.

As a matter of fact, traceability and food safety are among the major issues when it comes to multinationals. As a result, the European Commission has provided a traceability guideline called "from farm to fork", to better ensure safety within the agri-food chain. Moreover, this initiative aims at promoting sustainable and healthy food, thus encouraging producers to

[14] "[…] divido il mondo intanto in due parti: marchio e non marchio, perché sulle marche io potrei interagire facendo un'azione di forza in alcuni casi, ma non riesco a governare le filiere nei fatti di Barilla, di Ferrero, Nestlé, Unilever ecc. Mentre le filiere dei prodotti a marchio si, poi dove ho la certificazione di filiera o di servizio di controllo nei fatti io riesco a spingermi fino alla funzione primaria e in maniera sistematica. Ovvio che se ho dei prodotti che non ricadono all'interno della certificazione di filiera mi spingo però fino alla produzione primaria solo su necessità." (Interview 7, 2021, 10-16)

provide more details on food origin and characteristics and having positive impacts on consumer diets (European Commission n.d.). However, a research from 2020, which analyzes food safety and traceability, found out that, among traceability adopters) fruit and vegetable companies are the ones adopting the traceability system. On the contrary, among traceability non-adopters, businesses dealing with cereals, derivatives and fruit and vegetables processers declared not to adopt any traceability system (Corallo et. al. 2020). For this reason, as it is the case for *COOP*, the retailer private label gives supermarkets the chance to have a jurisdiction over the value chain, thus ensuring healthy and sustainable food products.

In general, supermarket chains having their branded products decide where to provide themselves, i.e. from cooperatives, POs and farms respecting specific retailers' standards and certifications such as Global Gap, Grasp and HACCP, as the Interviewed n. 10 declared (Interview 10, 2021). For instance, the retailer may accept or refuse suppliers.

In case of most at risk value chains, such as the fruit and vegetables value chain, *COOP* demands a higher responsibility to their suppliers signing a document (part of the contract) which commits them to accepting inspections even on short notice and to carry out a risk analysis first. In this way, they aim at increasing suppliers' responsibility and proactivity (Interview 7, 2021, 59-93). In a similar way, the Interviewed n. 10 affirms that their retail company advantages suppliers having certifications, since in this way they may guarantee quality products. Furthermore, sold products are punctually checked and analyzed. With regards to the value chain, they affirm they are in favor of the short value chain, thus buying 90% of the overall agri-food products directly from farms, POs and cooperatives and integrating the 4% of them from the market (Interview 10, 2021).

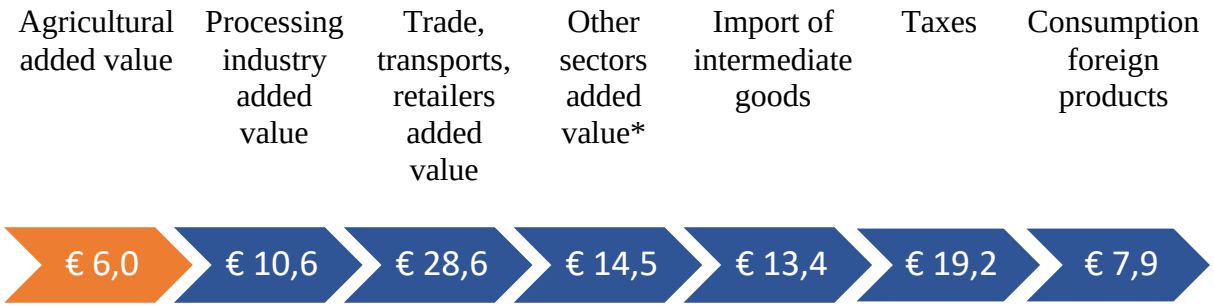
Analyzing the Italian agri-food value chain from a geographical point of view, it is visible that the value chain is unequally distributed. Dividing the country in five macro areas (North-East, North-West, Center, South, Islands) and analyzing four main aspects of the agri-food value chain, namely employees, number of enterprises, turnover and added value. Considering the number of enterprises, the chain is mainly concentrated in the South of the country (more than 35%), thus recording an increase in turnover and added value between 2011 and 2017. On the contrary, the main added value (more than 75% of the overall added value) and turnover (more than 60% of the overall turnover) coming from the processing industry is generated in the North of the country. With regards to the distribution sector, more than 44% of enterprises belonging to this sector are concentrated in the South of the sector, albeit nearly half of the overall added value is generated in the North-West. Catering is uniformly distributed, even though there are

some differences when it comes to enterprises, employees, turnover and added value (The European House – Ambrosetti 2019: 36ff).

Division of value

In 2016 ISMEA, the Institute of Services for the Agricultural Food Market, analyzed data coming from the agri-food value chain and found out an imbalance in the distribution of agri-food products among the players in the chain and between the domestic and foreign sectors. In particular, those data showed a reduced added value for farmers but also for Italian industrial producers (ISMEA 2020a: 25). Considering processed food products and beverages and calculating the distribution of value on an expenditure of 100 euros of agri-food products (subtracting foreign operators and taxes), the research study reveals that the added value for the agricultural stage is only 6 euros, while for the food processing industry is 10,6 euros compared to 28,6 euros of added value coming from the distribution and transport sector (ISMEA 2020a: 25). This unequal distribution of value (Figure 7) can be identified if we observe the costs for wages, amortization and net operating margin, which affect in particular the first stage of the value chain and favor the distribution and transport sector. Taking into consideration the net profit margin, this is very low for agricultural entrepreneurs (1,9 euros) and food processing entrepreneurs (2,3 euros), compared to the distribution and transport sector (12,6 euros). Nevertheless, added value of other sectors, such as suppliers of services, export and import reveal higher amounts. Finally, direct (such as the income tax) and indirect (such as the value added tax) taxes paid along the chain amount to around 19 euros (ISMEA 2020a: 26). Taxes in the agri-food sector are lower than the ones paid in other commercial sectors. However, one needs to consider different aspects. First of all, enterprises pay different taxes according to specific standards, such as the geographical location, the culture typology, the company legal form and the tax planning. In any case, especially in the last legislature, agricultural taxation has been subject to different interventions on land, agricultural income and on the taxation of certain activities, such as energy production coming from renewable sources. Some interventions regarded tax credits and tax relief for recruitment in agriculture (Camera dei Deputati 2021). However, the Italian agri-food value chain is one of the longest with many actors participating in it, which explains the high taxation rate.

Figure 7: Breakdown of final household expenditure of 100 euros



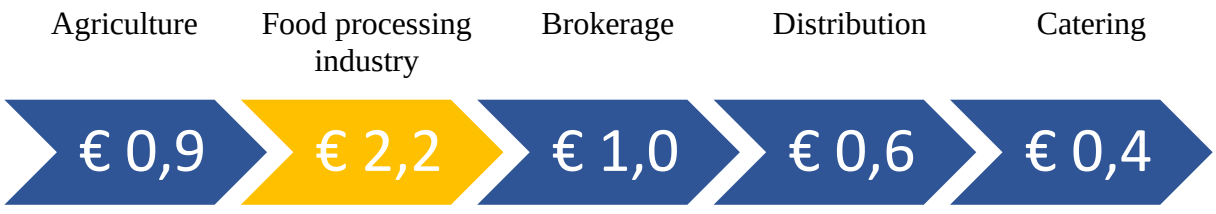
*Suppliers of goods and services

Source: Author's own illustration based on ISMEA 2020a: 27

According to ISMEA (2020a) these data are the result of a system highly dependent on foreign countries for production factors and characterized by an excessive number of actors along the chain, power asymmetries and a low competitiveness generating inefficiencies within the system.

This unequal distribution of value within the agri-food value chain was demonstrated by another research study carried out by the consulting group The European House – Ambrosetti (2019). They found out that only 5,1% of 100 euros represents the profit of the extended agri-food value chain, where the majority of it is instead intended for suppliers of logistics, transportation, packaging, energy and utilities (32,8%) and for employees (31,6%) (The European House – Ambrosetti 2019: 52). Nevertheless, this profit is distributed differently among the five sections identified by the consulting group, i.e. agriculture, food processing industry, brokerage, distribution and catering, as Figure 8 shows.

Figure 8: Profit sharing among the five players in the extended agri-food value chain



Source: Author's own illustration based on The European House Ambrosetti 2019: 53

From Figure 8 it is evident that distribution and catering are the sectors with the lowest profit share, whereas the food processing industry sector is the one with the higher profit share. This unequal distribution of profit is moreover increased, as data coming from 2011 and 2017 highlight. Even if the agri-food value chain has increased, sectors like distribution and catering

did not show an improvement unlike food processing industry and brokerage (The European House – Ambrosetti 2019: 54).

4.3 Involved actors

The Italian agri-food value chain is characterized by a high number of actors. Nomisma (2009) divides into internal and external actors.

Internal actors are actors present within the value chain who act in the different phases from production (agriculture) to distribution and commercialization (catering). Zaghi & Bono (2011) highlight the presence of power relations and asymmetries between these actors but also issues related to its structure and the high number of players, which brings about an extra charge at each step in the supply chain (Interview 4, 2021, 179). For instance, the value chain shows a high degree of concentration in the distribution and commercial phase, an extreme pulverization and fragmentation of the productive offer and it is highly dependent on foreign countries for the production of agricultural raw materials. This fragmentation results from a high presence of many small and very small family businesses as well as from the role played by the large-scale retail trade in the distribution of agri-food products to the final sector (Zaghi/Bono 2011: 6).

External actors influence the value chain, or rather price setting, as well. Among external actors there are suppliers of agricultural technical means, additives, electricity, transport, logistics, promotion, technologies and other services such as consulting and certification. Nevertheless, another crucial external actor is represented by the public administration, i.e. the set of taxes which affects the product final price. With regards to these, it is highlighted that the Italian agri-food value chain is characterized by higher costs as compared to other European countries (Zaghi/Bono 2011: 6).

Figure 8 highlights the fundamental relations between principal actors in the agri-food value chain. For instance, the agricultural product can reach the consumer directly through farm shops, retail companies and catering (short value chain), otherwise it can be taken by processing industries and later delivered through distribution to the retail company and the catering service. In some cases, the value chain is characterized by other actors, wholesalers and brokers, which lengthen the chain such as in the fresh fruit and vegetable value chain.

In this section the most important internal actors will be examined, as well as their role and position. Considering the different stages of the agri-food value chain, actors will be presented starting from the lower stage, i.e. farmers, to the upper stage, i.e. the catering system.

Nevertheless, in the end other relevant actors, such as NGOs, influencing the value chain will be presented.

Agricultural workers

Agricultural workers are employees who perform manual labor and receive payment for the cultivation of land, the raising of livestock and related activities in favor of an agricultural company or other individuals responsible for agricultural activities (INPS 2020a: 11). Agricultural employees are distinguished between employees with permanent worker and temporary worker. On the one hand, temporary workers, also known as day laborers, are hired to carry out occasional work according to the employer's needs. On the other hand, permanent employees are hired with an open-ended contract (INPS 2021: 11). The number of agricultural employees has constantly increased from 2014 to 2018, as data from ISTAT (2011) show, however since 2018 it has decreased by 1,9%, recording lower numbers in the year 2018. Analyzing the distribution of agricultural employees in the Italian territory, there is an evident asymmetry. In 2019 agricultural employees were mostly present in the Southern regions (37,0%), followed by North-east regions (23,4%), Islands (16,3%), Center (12,7%) and North-west regions (10,6%) (INPS 2021: 3).

Self-employed agricultural workers

The self-employed agricultural worker is an agricultural entrepreneur who exercises an activity connected to cultivation of the fund, forestry, breeding of animals and related activities. Moreover, we distinguish between direct cultivators, farmers and sharecroppers and professional agricultural employers (INPS 2020a: 11). Direct cultivators are owners and cultivate their funds and livestock belonging to their respective family. Farmers and sharecroppers are those who carry out agricultural activities on the basis of associative relationships. Lastly, a professional agricultural entrepreneur is a person who has professional skills and dedicates to the agricultural activity of the enterprise, directly or as a partner dedicating 50% of his*her working time and earning from it at least 50% of his*her overall income (INPS 2020a: 11).

Within the European Union, in 2019 the agricultural sector was one of the sectors with the highest number of employed people. For instance, Eurostat (2021) estimated around 8,8 million people working full-time in agriculture. However, in Italy from 2014 to 2019 the number of self-employed agricultural workers has yearly decreased, from 2018 to 2019 for example by 1,5% (ISTAT 2020: 5).

Producer Organizations and cooperatives

Besides the above-mentioned type of employers, in Italy it is possible that the employer is a PO, which have been supported by European Union policies in order to face numerous challenges in the agri-food sector, such as "limited bargaining power and reduced competitiveness" (Budiguel et al. 2016: 9). For instance, through the establishment of a common agricultural policy (CAP) and of POs[15], the European Union is trying to establish a dialogue between many actors within the chain creating benefits (Budiguel et al. 2016: 9; Ciliberti/Frascarelli/Martino 2020: 388). According to the literature, POs have different names, such as "farmer organization", "producer group", "producer and marketing group", "agricultural cooperative", "marketing group", "member- owned firms" or "producer-owned enterprises" (Ciliberti/Frascarelli/Martino 2020: 388). Besides their different legal forms, POs are established by agricultural producers, as well as they are owned and controlled by them. Moreover, they are engaged in collective marketing activities and their aim is to benefit its member farms, thus reducing transaction costs and supporting knowledge transfer (Ciliberti/Frascarelli/Martino 2020: 388).

POs and cooperative organizations play a crucial role in the Italian agri-food sector since they allow farmers to aggregate the offer, having more bargaining power and so being more competitive. For instance, these forms of aggregation may allow them to have a greater chance of participation in national and international markets (Interview 1, 31-38; Interview 4, 165-168). *Confagricoltura* plays indeed a crucial role in the increase of competition of Italian agricultural enterprises since they have long promoted the so-called "agricultural network contracts"[16], which allow agricultural companies to form a grouping to perform certain activities in common without having to establish a corporate form, a consortium or a cooperative (Interview 1, 38-47). However, the latest available data show a decrease in the number of active cooperatives during 2019 (-9,5%), already highlighted in 2018, although, considering the last 10 years, different phases of growth and decline followed one another. In any case, cooperatives are mainly concentrated in some sectors, such as fruit and vegetables (22,2%), dairy products (13,7%) and wine (10,7%) (CREA 2021: 76ff). The above-mentioned

[15] POs objectives are stipulated in Article 152 of the European Regulation N° 1308/2013. These objectives include production adaptation to market needs, suppliers and marketing members' production concentration, optimization of production costs and producer prices (European Union 2013).

[16] Agricultural network contracts aim at promoting integration of and cooperation among different agricultural enterprises pooling production factors (such as know-how, equipment and human resources) to achieve the common purpose stated in the contract. Such a contract aspires to achieving an entrepreneurial growth of participating companies in terms of innovation and competitiveness (Agenzia delle Entrate 2017: 2f, 7).

negative dynamic affecting cooperation in the agri-food system during 2019 could be justified in the increase of innovative forms of collaboration between companies, such as enterprise networks promoted through network contracts (Law 116 of 2014). These kinds of contracts aim at enhancing shared investment projects, thus contributing to the supply aggregation process and increasing companies' competitive potential (CREA 2021: 78). Finally, Italian OPs are in total 632 (MiPAAF 2021), mainly from the fruit and vegetable and olive sector. Besides the positive growth in the last two years (567 OPs in 2019), in the last years a negative trend has been recorded, especially in the olive sector (CREA 2021: 82).

Brokers

Many researches highlight the length, the fragmentation and the following inefficiency of the Italian agri-food value chain. Especially in the fresh fruits and vegetables sector, the value chain is long: more than 2,5 intermediaries between the production and the consumption stage happen, increasing the final price by 200%. Nevertheless, it is argued that around 44% of value chains in the agri-food sector have more than two steps between production and consumption and more that 15% have more than four or five intermediaries (Pezzoli 2011: 9). These brokers are usually wholesale traders, i.e. people who professionally purchase goods and resell them to other dealers, wholesale or retail, or to other professional or large users (CREA 2019: 99).

Moreover, many researches confirm that brokerage increases the final expenditure. As Figure 8 shows, brokerage represents the second actor in terms of profit sharing among the five main players. They distinguish three types of brokerages: the agricultural brokerage, the industrial brokerage and the commercial brokerage, being the last one, the most profitable one (The European House Ambrosetti 2019). However, the high brokerage profit sharing represents a loss especially for agricultural employers a loss since net profit must be divided into more actors.

Processing industries

Between 2011 and 2017, data coming from the European House – Ambrosetti (2019) reported 56.757 processing industries, down by 2,3% compared to 2011. However, turnover, export, number of employees and the average turnover per company have increased from 2011 to 2017 and demonstrate the still relevant role of the processing phase (The European House – Ambrosetti 2019: 20). Especially in terms of numbers, in 2017 the processing industry almost reached 50% of the total turnover of the entire agri-food value chain (ISTAT 2021: 17). The processing industry of agricultural products also represents an essential component of the agri-

food value chain, as it is characterized by the presence of multiple sectors, i.e. food, beverage and tobacco sector. Nevertheless, it represents an increasingly important part of the export of agri-food products, activating the following phases of the value chain (ISTAT 2021: 6).

Most of Italian main processing industries are multinationals, such as A.I.A., Barilla, Agricola Tre Valli, Gesco, Lavazza and Ferrero, which on average reach between 1.5 to 3 million euros revenue. Although multinationals are recognized for their market and bargaining power, it has however changed over the past twenty years. During the 80s and 90s, the so-called purchasing groups were established with the aim of contrasting the bargaining power of those processers towards the distribution system. Thanks to those purchasing groups, retailers could register an increase in terms of orders, acquiring more favorable purchasing conditions and the ability to compete with big processers (AGCM 2013: 85). Even if purchasing groups have contrasted multinationals bargaining power, these industries are main retailers' suppliers that are always adapting, responding to consumer needs. As a matter of fact, Covid has marked a change, i.e. it has increased the interest in regional specialties and so in local leaders and their "identity" brands. For this reason, multinationals have either created a new brand, or they have supported local brands (Soressi 2020).

Retail companies

In Italy, the distribution system constitutes historically the response of small and medium-sized retailers to the growing competition coming from distribution chains, especially from France and Germany, which entered the food distribution sector with a widespread territorial presence throughout the country. For this reason, the distribution system arose through a process of aggregation between small and medium-sized retailers, whose aim was to achieve a greater bargaining power among suppliers (AGCM 2013: 46).

In recent years, large-scale distribution, the first distribution channel, has increased its important and dominant role in the market share of food consumption, while the contribution of traditional trade has declined. Moreover, large-scale distribution system importance has been determined by the increasingly making use of its own platforms to shorten the wholesaler's commercial intermediation stage (ISTAT 2021: 6). At the same time, e-commerce has considerably increased, registering an acceleration compared to 2018, together with Discount stores, which record the most significant change (+4,5%) (CREA 2019: 89), whereas hypermarkets (> 4.500 mq) have decreased due to the economic crisis, the tendency not to stock up but to prefer speed shopping during the week and the competition of the many proximity stores and discount stores (ISMEA 2020b: 45).

Regarding structural features, over the past two years, even if unequally within Italy, the number of retail outlets as a whole has always grown by about 1%. Large-scale distribution represents 61,6% of the total market, traditional stores 25,7%, while peddlers, outlets, direct sales, e-commerce, door-to-door stores and other digital forms of sale account for 12,7% (CREA 2019: 90f). The key to the development of distribution operators seems to be linked to the implementation of concentration policies or areas upgrading. For instance, over the past ten years, distribution groups have set up large groups of companies and purchasing centers, imposing themselves with significant market shares. Data show that around 65% of market share is held by the top five purchasing groups[17], whose most important is *Esd Italia*, which includes *Aspiag/Despar* and *Selex* and holds around 18% of the market share. However, still crucial in the Italian distribution system are the cooperative systems *Coop and Conad* which in 2019 have recorded 22,9% of total sector turnover (Interview 5, 205f; CREA 2019: 94f).

Along the Italian agri-food value chain, retailers' business models and commercial practices are accused of implementing policies and strategies that do not guarantee human rights and agricultural workers rights. They aim at purchasing agri-food products at the best possible conditions to guarantee consumers low prices, forcing their suppliers and small manufacturers to reduce production costs. In a research conducted by Oxfam (2020), the five main Italian retailers (Coop, Conad, Selex, Eurospin and Esselunga) and their sustainability have been analyzed. Although a general improvement has been registered, Eurospin, leading company in the discount sector, does not show progress in terms of transparence, accountability and women employment (Oxfam 2020: 11). On the topic of agricultural workers' rights, there is an improvement since some of the most important supermarkets have shown greater attention to the topic of *caporalato* and working conditions (Oxfam 2020: 15). Also, on the topic of small-scale producers rights there are encouraging signs, especially from Coop Italia, Esselunga, Conad and Selex. These companies have demonstrated a greater awareness and commit to abstaining from unfair commercial practices such as double decrease auctions. Whereas Conad, Coop, Selex and Esselunga have spoken against, Eurospin does not make binding commitments in this regard (Oxfam 2020: 15).

[17] The top five central purchasing groups are Esd Italia, Aicube (including Carrefour, Pam Group and Vegé Group), Sisa-Sigma (including Crai and Auchan), Conad-Finiper and Coop. In 2019 these purchasing groups showed the highest market shares, registered more retail outlets and were characterized by larger sales areas (Federdistribuzione 2019: 29; CREA 2019: 95).

Catering

The catering sector is articulated in different forms, from restaurants to bars, from collective catering (such as schools and hospitals) to companies specialized in catering and company canteens. In 2017 catering services amounted to 285.316 with a turnover of 59.321 mln (ISTAT 2021: 6, 11). In the last years the catering sector has recorded some changes, influencing its structure and letting a new model of food consumption emerge. The main factors influencing the sector have been the social, work and income changes which have affected the Italian population and have influenced meal consumption outside home. Consequently, consumer needs have changed and have contributed to the creation and increase of new catering services. Catering represents an important sector for the national economy, not only because it generates added value and employment, but also because it represents a significant sales channel for Italian agri-food products (CREA 2019: 56).

NGOs

Different NGOs and associations act nationally in order to influence the existing agri-food value chain, thus creating a fairer one respecting human, social and environmental rights.

Among many associations NO CAP[18], funded in 2011 from the initiative of Yvan Sagnet, acts as a movement to fight against the phenomenon of *caporalato* in agriculture and promotes human rights as well as social and environmental rights (NO CAP 2021: 12). After analyzing the agri-food value chain, the various actors involved in it and realizing the many complications that inevitably affect labor costs and purchase price, the NO CAP association has been working hard in order to find a suitable solution capable of restoring workers to their rightful place in the labor market, contributing to the emergence of undeclared work and safeguarding farms that suffer from unfair competition (NO CAP 2021: 23). The association has therefore started re-creating a fairer value chain involving daily and seasonal workers on one side and producers on the other side with whom the selling price of their products is established by agreeing it with the point of sale (supermarkets, wholesalers or retailers). Therefore, the price takes into account the incidence of labor costs on the basis of National Collective Bargaining Agreement, services offered to laborers and maintaining sustainable costs for the consumer. In this way, the value chain may be characterized by a better balance among different actors since workers are regularly paid, producers gain more profit from their own products avoiding below-cost prices,

[18] NO CAP stands for "no caporalato", highlighting their work against the phenomenon of illegal hiring, spread all over Italy.

marketers are more conscious about products origins and consumers are able to buy products whose ethics are guaranteed. Anyhow, this model is able to combine environmental, social and economic sustainability, creating an ethical value chain (NO CAP 2021: 23f).

Another association which is dedicated to projects and campaigns on environmental issues and ecological agriculture is *Terra Onlus*. The association, operating since 2008, pursues non-profit, civic, solidarity and socially useful purposes through activities in the socio-environmental sector. These activities, highlighted in the association's charter, include for example the promotion of legislative measures, the organization and promotion of awareness, campaigns aimed at raising funds to be allocated to institutional purposes, the promotion of fair trade and solidarity economy, the support and integration of foreigners as well as the protection of human rights and it promotes the culture of legality as well as equal opportunities (Terra! 2019, Art. 2). There have been several investigations and reports published by the association, whose contribution has been and is essential to have a clearer and more comprehensive overview not only with regards to environmental issues, but also to issues related to the agri-food value chain and the many obstacles the Italian agricultural sector need to overcome to reach a more ethical and fairer value chain.

In 2016 *Ghetto out-Casa Sankara* was established. Located in San Severo (Apulia), it is a volunteer organization informally born by a group of African migrants committed to creating an alternative to the *ghetto* where at the same time they can live and plan a legal path to achieve economic and social integration. The organization is also committed to realizing local and national projects, such as *Riaccolto*[19], *FAMI*[20] and *SU.PRE.ME*[21], in partnership with institutions and representative bodies responsible for protecting workers rights (Casa Sankara).

4.4 Current challenges

This section outlines economic and social challenges existing in the agri-food value chain. The content comes from the interviews since one of the first asked questions deal with challenges, which comprehend four main areas: agricultural enterprises issues, multinationals' authority, workers' precariousness and environmental issues.

[19] *Riaccolto* is a project which regards the realization of an ethical tomato value chain.
[20] The *FAMI* project is about prevention and workers health.
[21] The *SU.PRE.ME* project aims at realizing a plan of interventions to contrast and overcome forms of labor exploitation and vulnerability of migrant workers.

Agricultural enterprises

Analyzing the economic situation of the agri-food value chain there are some contradictions which weaken workers as well as producers, as *Terra!* and *Confagricoltura* argue (Interview 2, 27; Interview 3, 18-21). *Confagricoltura* and *Flai-Cgil* argue that one of the main challenges deals with agricultural enterprises, i.e. their fragmentation, system costs and lack of vertical integration.

In the first case, without aggregation, Italian agricultural enterprises remain very fragile in the marketplace because they are not able to compete. Therefore, according to the interview partners, one step to take over is that of addressing the processing and distribution system, thus creating a more reasonable value chain (Interview 3, 22-28; Interview 4, 4-7). Moreover, this fragmentation influences the profitability of enterprises which, in this way, are not able to have enough income to maintain their employees and safeguard their workers' placement, as Franciosi argues (Interview 4, 2021, 10-12).

Concerning system costs, Postorino highly criticizes the Italian public administrative system because it increases bureaucratic and administrative costs (Interview 3, 2021, 29-34). Nevertheless, Franciosi argues that high costs along the value chain are determined by a weak and not modern transport system (Interview 4, 2021, 179-181).

Furthermore, Postorino considers the lack of vertical integration an economic challenge for all those agricultural enterprises whose activity stops at the production stage. This is influenced by a lack of modernization and introduction of new technologies (Interview 3, 2021, 35-44). Having said that, Casola argues the biggest challenge is to better qualify producers by distributing added value in a more reasonable way, since they are nowadays the weakest part of the whole value chain. For instance, producers are the ones having the smallest share of added value, in contrast to the distribution sector, getting the most out of it. The reason for this uneven distribution of added value may be found in the quality recognition system. Even if there is a system which recognizes quality products, there is still little evidence or little return on production, leading to a loss in value (Interview 5, 2021, 5-12).

Multinationals' authority

The high power of retail companies and multinationals is discussed by the Interview partner n. 6 since their strong bargaining power allows them to exercise greater decision-making power over price or to take decisions with regards to production periods. This may however coincide with the product deficiency period or the retail promotion period, lowering in this way the price paid to producers (Interview 6, 2021, 23-28).

Multinationals are also highly criticized because of unfair commercial practices. In one of their reports, *Terra!* writes about the existence of online descending price auctions, "a method through which the LOD forces price squeezes on the industry, and consequently on the farmers, making the entire value chain unsustainable" (Ciconte/Liberti 2016b: 7). This system starts when large-scale distribution actors announce an on-line auction by email and industrialists have twenty days to make a bid. These auctions are called double-bid auctions because they are characterized by two rounds. In the second round the starting price is the lowest one of the first round. According to this report, some capitalists refer, since the law forbids producers to sell below cost of production, retailers make producers change the production price in order to sell it (Ciconte/Liberti 2016: 30). For this reason, *Terra!* has long promoted the law against online descending price auctions, which has been finally approved by the Council of Ministers on the 4th of November 2021 (Interview 2, 2021, 147-149).

Workers' precariousness

All these inefficiencies and unfair practices affect in particular workers, being at the bottom of the value chain. They not only influence their economic status but also their living conditions. On one hand, their economic situation is highly dependent on harvesting seasonality which influences their contracts, as Franciosi argues.

> *[…] we are talking about 90% of workers who are all temporary workers, i.e. on call, they do not have a guarantee of days because in agriculture everything is bound by time, by harvesting seasonality […].*[22] *(Interview 4, 2021, 22-24, translated by the author)*

On the other hand, this precariousness can also be found in agricultural workers' living conditions, which is linked to three main issues, i.e. labor recruitment, transport system and accommodation (Interview 4, 2021, 29-32). The phenomenon of *caporalato*, or illegal hiring, is just the consequence of this disequilibrium within the value chain. However, according to some interview partners it has more space for action where the agri-food system is less automated because it requires more agricultural labor and it takes on a different facet especially according to the labor intensity needed (Interview 4, 2021, 36-72).

Environmental issues

Another critical issue which directly impacts the agri-food value chain are the continuous climate changes such as floods, tornadoes and hailstorms which have affected and are still

[22] […] stiamo parlando del 90 per cento di lavoratori che sono tutti a tempo determinato cioè a chiamata, non hanno la garanzia di giornate perché in agricoltura è tutto vincolato dal tempo, dalla stagionalità dei prodotti […]. (Interview 4, 2021, 22-24)

affecting the Italian territory. The fast climate change is not only making our fruits and vegetables ripen in a very short time, but it is also influencing demands for flexible and immediate workforce (Interview 4, 2021, 13-18). As a consequence, climate change is affecting the whole value chain, highly characterized by fragmentation and inequality.

4.5 The phenomenon of *caporalato*

In this section the phenomenon of *caporalato* will be deepened, analyzing its development, historical background, impacts, the local context and the legislative developments. Moreover, a last sub-section will focus on latest data, i.e. latest numbers will be discussed thus making it evident how the phenomenon is distributed and has developed in the last years.

What is caporalato?

Black market labor is one of the issues recorded specifically in the agricultural sector. In this sector black market labor is however combined with the so-called phenomenon of *caporalato* (Di Marzio 2017: IX). The phenomenon of *caporalato* - often translated as "illegal hiring" or "gangmaster" in English - is something that in the Italian political debate is almost exclusively linked to immigration in the South, but according to some researchers it is a practice that has existed in Italy since the 17th century and concerns the whole national territory, although it is stronger and more constant in the southern regions.

The technical definition of *caporalato* is illegal intermediation in the starting up of agricultural labor, which is prohibited by Article 20 of Law 83/1970 – "Rules on the placement and assessment of agricultural workers" (Scotto 2016: 80). The so-called corporals or gangmasters (in Italian, *caporali*) mediate between labor supply and demand in a given geographical area and in a given sector. Since it is an illegal intermediation it means that those people, often in the form of employment agencies or rather real *mafia* organizations, are illegally in charge of selecting the labor needed for the activities. This selection process takes place informally, is usually daily and works in this way: corporals acquire first of all the employers' labor needs, then they collect the necessary quantity of workforce. Tasks and salary are negotiated with the employers by the corporal (Di Marzio 2017: 6; Scotto 2016: 80f). Therefore, the corporal is in charge of managing labor as well as transports and housing. As a matter of fact, there are three pillars of exploitation in agriculture that are labor recruitment, transports (especially when there are huge extensions of land) and accommodation (Interview 4, 2021, 26-32).

Historical background

The phenomenon of *caporalato* is strongly connected to agricultural production because it increased at first during the second half of the nineteenth century onwards. In that period, transformations such as the affirmation of cereal cultivation and the spread of wine in Apulia, led to a growing demand on work and then to the formation of a mass labor force. In addition, the phenomenon has a strong connection to migration as well. It is well known that for decades, corporals, labor leagues and public employment offices fought over the organization of those national migratory movements, where during the 20th century many women moved every year in order to find work in the agricultural field. Migration movements were an economic source for corporals, whereas at the same time labor leagues and public employment offices were always trying to contrast illegal hiring (Perrotta 2014: 5).

It is therefore argued that *caporalato* has its origins in unevolved agricultural systems, where latifundium coexists with insufficient innovation in the production process as the example of the Apulia region proved (Di Marzio 2017: 26) and in a disorganized or almost non-existent system of staff recruitment.

Impacts

The phenomenon of *caporalato* has many impacts, which comprehends two main areas: the labor market and the agri-food market.

Analyzing the agri-food *labor market* and its components, i.e. agricultural workers and agricultural employers, it is evident that this system goes all in favor of employers because they retain the benefits of undeclared work while on the contrary, those workers don't have access to the assistance system and have to pay part of their earnings to the corporals to cover expenditure such as transport, board and lodging (Scotto 2016: 81; Sagnet/Palmisano 2015). Corporals benefit from this situation and become an essential point of reference and mediation between workers and employers. Therefore, major impacts of this phenomenon can be found among the weaker sections of the labor force. Agricultural workers victims of *caporalato* are sometimes paid around 25 euros/hour for 12 working hours, mostly live in (temporary) *ghettos* or in ruined houses lacking hygienic conditions and must pay the corporal for the transport service to the field, food and accommodation. For this reason, as Sagnet & Plamisano (2015) reported, some migrants decide to sleep in the open or in abandoned houses (Sagnet/Palmisano 2015; Bilongo et al. 2019).

Migrants, being among the most vulnerable individuals, come into this system since they are not conscious about labor rights, as well as their lack of alternative opportunities (Oxfam 2018: 3). What is more, those migrants are victims of an organized criminal system that promises

them residency permit and work even before they arrive on Italian soil (Sagnet/Palmisano 2015).

Gender dynamics must be considered because migrant women are especially vulnerable as many reports argue. Women perform labor and time intensive tasks, their employment presents worst working and life conditions since their salary is lower and most of them experience intimidation, threats, physical and sexual violence (Oxfam 2018: 3; Bilongo et al. 2019: 22; Sagnet/Palmisano 2015: 131ff).

Other major impacts are registered in the *agri-food market*. The agri-food sector has never been structured such as the industrial and commercial one and only in the last years new certifications and new standards are trying to build a more transparent and accountable value chain. However, commercial practices are deregulated, thus creating an unfair relation between retailers and producers. This unfair relation plays against producers who must find strategies to compete within the market. These market conditions together with the high labor taxation, as the interview partner n. 10 argues, bring to illegal labor conditions and *caporalato* due also to the extreme availability of unemployed migrant workers (Di Marzio 2017: 9f; Interview 10, 2021).

Local context

The phenomenon is spread all over the Italian territory, however one of the Italian regions where illegal hiring is most spread is Apulia, where *caporalato* seems to have originated.

The origin of *caporalato* and its unequal distribution within the territory lies in the development gap between the agricultural areas of the region: whereas in some agricultural areas a process of modernization and intensive cultivation started in 1950, in other areas this did not happen and consequently they remained backward and with high unemployment rates. Laborers without work in these less developed areas became a source of labor for the more developed areas, which brought commuting organized by those workers who in virtue of their experience and skills started selecting workers on behalf of landowners. Due to the increasing difficulties of employers to recruit labor, these "skilled" workers became more and more important over the years to mediate between two social categories, agricultural entrepreneurs and foreign laborers (Scotto 2016: 83).

The phenomenon shows almost the same characteristics from the North to the South: migrant workers that work up to 12 hours a day and live in temporary places or *ghettos*. The majority of them and the most popular ones are located in the South, such as San Severo (Apulia), Rignano (Apulia), Borgo Mezzanone (Apulia) and Castelvetrano (Calabria).

The major difference within the territory is registered however in terms of labor recruitment. As Franciosi asserts, while in the South the corporal is more spread, in the North the tender system hides *caporalato* contexts. Especially in the North, many agricultural enterprises rely on intermediaries through tenders in order to recruit labor. This system is especially widespread among manufacturing companies and it has been severely criticized for being used to recruit cheap labor. Taking advantage of a recruiting company through a tender, in many cases the beneficiary enterprise conceals its responsibility in case of workers' rights violation whenever the judicial authority does not prove its guilt (Interview 4, 2021, 36-72).

Legislative developments

To get a clear picture of this phenomenon, it is also important to have an insight into the Italian legislation. Since the beginning of the new century many legislative measures on immigration, such as the Bossi-Fini law of 2002, have had deep effects on the agricultural labor market since they defined the legal status of the new laborers[23]. In August 2011 another decree was introduced when the first foreign laborers strike in Nardò took place. The 2011 ordinance (then converted into decree-law nr. 138 on the 13th August 2011) introduced the criminal offence of "illegal intermediation and exploitation of labor". It stated that *caporalato* is a criminal offence and that it is punished with imprisonment from one to six years and a fine from 500 to 1.000 euros for each worker recruited. The punishment could then increase if facts are committed through violence or threats and according to the specifics of recruited workers (Gazzetta Ufficiale 2011: Art. 12).

In 2016 it was then recognized that the phenomenon is too widely spread to be ignored, so as a result of the political action promoted by the Minister of Agriculture and the Minister of Justice another law was introduced. The 199/2016 law reformulated the crime *caporalato* and widened the employer responsibility who subjects workers to exploitation and takes advantage of their state of necessity. It also provided the requisition of assets and adoption of measures in order to preserve the company operation and workers employment (Gazzetta Ufficiale 2016; Ciconte/Liberti 2016a). On the one hand this law was able to decrease the phenomenon, but on the other hand it is still ambiguous on how agricultural entrepreneurs may recruit workers in a legal and fast way. In addition, it seems that this law does not prevent the phenomenon but acts afterwards. One should act in two main directions: repression and prevention. According to

[23] The Bossi-Fini law provided expulsions, residence permits linked to an already existing work contract, increased penalties of traffickers in human beings, amnesty for cleaning ladies, assistance to elderly, sick and disabled people with a work contract of at least one year, expulsion of irregular migrants and the use of Navy ships to fight against trafficking of illegal immigrants (Gazzetta Ufficiale 2011).

Ivana Galli, CGIL confederal secretary, this law is working only from the repression point of view, but is lacking the prevention part. While labor inspectors are working in order to repress the phenomenon, i.e. discovering dramatic work and life situations, political institutions on the contrary are not succeeding in preventing the phenomenon (professional associations do not supervise or manage agricultural companies, many of them are still not certificated and not registered in the Quality Agricultural Work Network) (Lecca/Cardarelli/Prestigiacomo 2018). Another unsolved question concerns labor contracts, which, even if after the approval of the 199 law, have increased, are mostly tasks contracts and sometimes they only record part of the hours actually worked (Di Marzio 2017: 30; Terra 2021: 22).

The last measure taken by the government during the Covid-19 pandemic in favor of workers is the so-called "Dl-Rilancio" which was introduced in July 2020. This law introduces regulations to contrast undeclared work and the phenomenon of *caporalato*: it allows the drafting of a new national employment contract and the conversion of a possible "illegal employment" for EU-citizens present in the territory on March 2020 and the chance for non-EU citizens, whose residence permit was expired from the 31st of October 2019 till the 31st of January 2020, to apply for a 6 month national residency permit. Through this agreement, which does not only concern agricultural workers but also domestic workers and carers, the government confirms a temporary residence permit, excluding criminal shields for employers convicted of corporal labor or crimes such as the exploitation of prostitution and illegal immigration. Even if this law introduces some benefits for agricultural workers, the main aim of the agreement is to provide work advantages for a limited timeframe (Gazzetta Ufficiale 2020).

The phenomenon of *caporalato*, however, is linked to many issues which concern, among many, recruitment, accommodation, transports, immigration and the agri-food value chain structure. For this reason, the Ministry of Labor and Social Policy passed the new "Three-years action plan to fight labor exploitation in agriculture and against *caporalato* 2020-2022". The plan highlights strategic axes to fight and prevent the phenomenon, such as the development of an informatic system, assistance and protection services, awareness campaigns as well as it specifies priorities of intervention such as surveillance, a more equal and fairer value chain, improvement of the recruitment system, transport and accommodation system and companies enrollment in the Quality Agricultural Work Network (Ministero del Lavoro e delle Politiche Sociali 2020: 14ff).

Latest data

The 199/2016 law, as mentioned above, has modified the previous one by making the employer as well as the recruiter punishable. From this perspective, in 2018, 260 criminal cases were analyzed and made it evident that the phenomenon does not only concern South Italy but also the North, unlike what investigations have always reported in the past (Osservatorio Placido Rizzotto/FLAI-CGIL 2020b). As a matter of fact, 143 cases concerned North Italy (in particular the Lombardy and the Veneto region), whereas 117 South Italy and the Islands (in particular Calabria, Apulia and Sicily). Considering the national territory and analyzing those areas characterized by *caporalato*, it is evident that the phenomenon is almost homogeneously distributed within Italy: in the North they are 129 (North-East indicates 84 areas, whereas North-West 45), in the Center 82, in the South 123 and in the Islands 71 (Osservatorio Placido Rizzotto/FLAI-CGIL 2020b).

In the 2018/2019 biennium, the number of vulnerable people was still growing, estimating it at about 180.000. This considers all stages of the value chain: from the first stage (the agricultural one, i.e. sowing, maintenance and harvesting), passing through wholesalers, transport and logistics and to big distribution and sale to the consumer (Osservatorio Placido Rizzotto/FLAI-CGIL 2020b). Among these vulnerable people there are Italians, EU and non-EU citizens. In 2019 *INPS* (2019) found out that farm workers (with an open-ended contract or a fixed-term contract) were in total 1.070.793 (2019): the majority of them were allocated in the South of Italy and 384.281 were workers coming from others EU countries or non-EU countries. Unlike what the above numbers show, foreign agricultural workers are mostly allocated in the North, in particular North-West (INPS 2019: 16). Only 139.989 agricultural workers come from other EU countries, as the majority of foreign workers have a Romanian, Moroccan, Albanian, Indian and Senegalese nationality (INPS 2019: 32).

In order to defend those vulnerable people, the National Labor Inspectorate (INL) has significantly implemented activities to fight against *caporalato* and labor exploitation. In 2020 those activities have made it possible to refer 478 offenders to the Judicial Authority and to protect 1.850 possible victims of *caporalato* and labor exploitation, 119 of them were more vulnerable due to the absence of a regular residence permit. Most labor exploitation cases come from the agri-food sector, whose percentage stands at 18,6% (INL 2020: 27).

4.6 The Quality Agricultural Work Network

This section will outline the Quality Agricultural Work Network initiative, established in 2014 and later modified in 2016. After an introduction part explaining the Network and its functions

in detail, sub-sections will deepen the legislative part of the initiative, such as the requirements members must comply to enroll, the direction cabin and territorial sections.

The Network's functioning and objective

> *The Quality Agricultural Work Network has been established by INPS to select agricultural enterprises and other subjects indicated by the regulations in force that, upon presentation of a special application, are distinguished by their compliance with the rules on labor, social legislation, income tax and added value.*[24] *(INPS 2017, translated by the author)*

In 2014 the Quality Agricultural Work Network was introduced through the Law 116[25], thus creating a kind of "white list" of Italian "virtuous agricultural enterprises" (available on the *INPS* website) that comply with a series of requirements. In doing so, the Network's main objective is to make the agricultural labor market more transparent and accountable in order to prevent and contrast illegal forms of intermediation and labor exploitation. Moreover, due to local and national initiatives, the Network may also aim at redistributing value within the agri-food value chain thus creating a fairer value chain (Interview 2, 2021, 54-59; Interview 4, 2021, 70-72).

As said, the Network consists in a list of agricultural enterprises, cooperatives and OPs which must comply with specific requirements in order to enroll (INPS 2017).

First of all, Art. 2135 of the Civil Code specifies who can apply to the Network. (Small) agricultural enterprises, cooperatives and OPs can apply in case they exercise one of the following activities: land cultivation, livestock farming, forestry and related activities. Connected activities are those exercised by the same agricultural entrepreneur, which regard the handling, the conservation, the processing, marketing and valorization of agri-food products. All these activities come from resources of the enterprise employed in the agricultural activity (Gazzetta Ufficiale 1983: 202).

Besides agricultural enterprises, cooperatives, OPs and other parties may also join the Network through the drafting of special conventions. For instance, Article 8 argues that single information points for immigration, local institutions, employment centers and bodies set up by employers' and workers' organizations in agriculture, may be part of the Network, thus for example bringing possible improvements in the recruitment system (Gazzetta Ufficiale 2016).

[24] "La Rete del lavoro agricolo di qualità è stata istituita presso l'INPS[24] al fine di selezionare imprese agricole e altri soggetti indicati dalla normativa vigente che, su presentazione di apposita istanza, si distinguono per il rispetto delle norme in materia di lavoro, legislazione sociale, imposte sui redditi e sul valore aggiunto." (INPS 2017)

[25] The Network was established in 2014 through the Decree Law n. 91, consequently it was converted with amendments by the Law n. 116 and finally modified by Art. 8 of the Law n. 199 on the 29th of October 2016 (INPS 2017).

Secondly, all applicants must comply with five main requirements dealing with rules on labor, social legislation, income tax and added value (Gazzetta Ufficiale 2016):

- They must not have been convicted of any criminal offences related to labor and social legislation, offences against public administration, public safety, public economy, industry and trade, animal welfare, income tax and value added tax (VAT) and crimes referred to in articles 600, 601, 602 and 603-bis of the Penal Code;
- In the last three years they must not have been subject to administrative sanctions for labor and social violations and relating to taxes and duty payments;
- They are up to date with social security contributions and insurance premiums;
- They apply collective bargaining agreements[26];
- They are not controlled by or associated with parties who do not meet the legal requirements listed above.

The first requirement deals especially with *caporalato* and exploitation in the agri-food sector. Enrolled companies guarantee they have never been convicted of any criminal offenses related to physical wellbeing, working hours, wage level and employment security. Further, according to articles 600, 601, 602 and 603-bis of the Penal Code, these enterprises have never been condemned to minors employment in begging (Codice penale, Art. 600), human trafficking (Codice penale, Art. 601), purchase and sale of slaves (Codice penale, Art. 602) and illegal intermediation and labor exploitation (Codice penale, Art. 603-bis).

The direction cabin

The Network is supervised by a direction cabin which meets on a monthly basis. The direction cabin was established to mainly meet control and supervision needs (Interview 8, 2021, 74f). Analyzing the administrative side of the direction cabin, it is chaired by an *INPS* representative and is composed by a representative of the Ministry of Labor and Social Policies, the Ministry of Agricultural, Food and Forestry Policies, the Ministry of Economy and Finance and the Conference of Regions and Autonomous Provinces of Trento and Bolzano. Moreover, the committee also includes a representative of *Confagricoltura* (General Confederation Italian Agriculture), *Cia-Agricoltori Italiani* (National Confederation of Direct Farmers) and trade

[26] Agreements between one or more employers and one or more workers' organizations, aimed at establishing the minimum treatment guaranteed and working conditions that individual employment contracts must comply.

unions (*Fai-Cisl*[27], *Flai-Cgil*[28] and *Uila-Uil*[29]) (Art. 6, Law 116/2014). When in 2016 Art. 6 was modified into Art. 8, other relevant actors were added, such as one representative of the Ministry of the Interior, National Labor Inspectorate, Italian Revenue Agency, National Agency for Active Labor Policies, of the employees of agricultural cooperatives and of associations of agricultural cooperatives which are parties to collective agreements (Art. 8, Law 199/2016).

As stated in the 116/2014 and 199/2016 law, it is responsible for several activities:

- It approves applications within 30 days of submission (Art. 6 par. 4 letter a, Law 116/2014)
- It excludes from the Network enterprises that lose the requirements (Art. 6 par. 4 letter b, Law 116/2014);
- It constantly monitors the agricultural labor market performance, on a three-month basis (Art. 6 par. 4 letter c-*bis*, Law 199/2016);
- It promotes initiatives regarding active labor policies, contrasting undeclared work and tax evasion, organization and management of seasonal labor flows and assistance to foreign immigrant workers (Art. 8 par. 4 letter c-*ter*, Law 199/2016);
- It promotes convention with Points of Single Contact from immigration, local institutions and employment centers (Art. 8 par. 1-*bis*, Law 199/2016);
- It promotes the establishment of territorial sections (Art. 8 par. 4-*ter*, Law 199/2016).

Territorial sections

To address the national problem of labor recruitment, especially recorded in the agri-food sector, in 2016 the so-called "territorial sections" have been implemented. The main objective of the sections, implemented on a local basis, was to promote, in collaboration with recruitment agencies, new methods of intermediation between labor supply and demand. In addition, they are also responsible for the realization of a transport system supporting agricultural workers to reach their workplace (Gazzetta Ufficiale 2016: 3).

[27] Fai-Cisl, which stands for "Confederazione Italiana Sindacati Lavoratori", is the Italian Confederation of Workers' Trade Unions.
[28] Flai-Cgil ("Confederazione Generale Italiana del Lavoro") is the Italian General Confederation of Labor.
[29] Uila-Uil, in Italian "Unione Italiana dei lvoratori Agroalimentari", is the Italian Union of Agricultural and Food Workers, representing workers in the agriculture and food processing sectors.

Since 2016 only 18 territorial sections were implemented on the Italian territory, most of which are in South Italy, due to a greater presence of *caporalato* in these areas[30]. Dividing the existing "territorial sections" into their respective regions, data highlight that:

- 6 are in Apulia (Bari, Barletta-Andria-Trani, Brindisi, Foggia, Lecce, Taranto);
- 4 are in Lazio (Frosinone, Latina, Rieti, Viterbo);
- 4 are in Sicily (Catania, Ragusa, Caltanissetta, Siracusa)
- 1 is in Calabria (Reggio Calabria);
- 1 is in Campania (Caserta);
- 1 is in Marche (Macerata);
- 1 is in Toscana (Arezzo).

These data show that little progress has been made since 2016 and the North of Italy does not register any territorial sections besides several cases of *caporalato* in the last years.

Local initiatives

After passing the law in 2016, some regions independently took some legislative measures in order to encourage enterprises to join the list thus boosting the initiative. In the Emilia-Romagna region, for example, Article 37 and 40 of the in 2016 passed "Consolidated text for the promotion of legality and the enhancement of responsible citizenship and economy" aim at contrasting illicit activities and exploitation of labor in the agri-food sector. In particular, Paragraph 3 of Article 40 promotes enterprises enrollment in the Network through a reward mechanism (Regione Emilia-Romagna 2016: 34, 36) specified in the "Rural Development Plan (2014-2020)". Purpose of this plan is to identify strategies aimed at increasing the competitiveness of enterprises through horizontal and vertical integration within the value chain thus increasing products quality (Regione Emilia-Romagna 2017: 13, 16). Financial supports are addressed to those value chain projects which aim at developing at least one priority identified in each sector of interest (environment, innovation and quality). The plan considers various priority criteria and eligibility score, among which enterprises enrollment in the Quality Agricultural Work Network. For instance, whether enterprises are enrolled in the Network they acquire up to 2 points depending on the number of enrolled companies joining the value chain project (Regione Emilia-Romagna 2017: 28).

[30] The last data update took place on the 22nd of June, 2021. Data have been made available by Ugo Mei, person in charge of the procedure and measure of the direction cabin.

In 2019 the Lazio region, passing the "Memorandum of Understanding", has promoted strategies to prevent the phenomenon of *caporalato* and exploitation in the agri-food sector. For instance, the Memorandum promotes enterprises enrollment in the Network and the creation of those "territorial sections" on the example of Latina and Viterbo, already created and which could bring improvements in many sectors: employment, transports and lodging (Regione Lazio 2019: 2ff).

Latest data

Applications of Italian firms in the Network are updated and posted on the *INPS* official website on a regular basis[31]. The latest data[32] show that only 5097 agricultural enterprises enrolled in the Network, only registering 98 companies more than in May (INPS 2021). Nevertheless, data highlight an imbalance between regions. As Table 2 shows, the majority of enrolled enterprises are located in Emilia-Romagna (25%) and in Apulia (24,07%), recording a remarkable difference to Campania (9,77%), third ranked region. On the contrary there are regions that register a little number of enrolled enterprises, such as Liguria (8 enterprises), Molise (7 enterprises) and Valle d'Aosta with only one enterprise enrolled.

Table 2: The Quality Agricultural Work Network: number of applications and percentage (23.09.2021)

	Region	Applications	Percentage
1	**Emilia-Romagna**	**1274**	**25,00%**
2	**Apulia**	**1227**	**24,07%**
3	Campania	506	9,93%
4	Sicily	355	6,96%
5	Lazio	332	6,51%
6	Piedmont	273	5,36%
7	Calabria	268	5,26%
8	Veneto	242	4,75%
9	Lombardy	180	3,53%

[31] Applications are mainly updated every other month.
[32] The present thesis considers data from September, published on the *INPS* website on September 23rd, 2021.

10	Abruzzo	102	2,00%
11	Tuscany	101	1,98%
12	Basilicata	74	1,45%
13	Marche	55	1,08%
14	Sardinia	31	0,61%
15	Friuli-Venezia Giulia	25	0,49%
16	Umbria	19	0,37%
17	Trentino-Alto Adige	17	0,33%
18	Liguria	8	0,16%
19	Molise	7	0,14%
20	Valle D'Aosta	1	0,02%
	TOT	**5097**	**100%**

Source: Author's own quantitative study based on INPS data on July 14th, 2021 (INPS 2021)

In the agricultural statistics published in November 2020, *INPS* reports the overall number of agricultural enterprises, which are divided into enterprises that employ agricultural wage-workers (184.303) and independent farms (354.923). These statistical data, however, cannot be related to the number of regional and national applications in the Network. According to the methodological note provided by INPS, an enterprise operating in several provinces with the same fiscal code is considered as many times as the number of provinces in which it is present, thus altering the final numbers (INPS 2020b: 2).

The number of enrolled enterprises and "territorial sections" show that since 2014 the initiative has had little success and improvements. In the following chapter major results coming from the qualitative research will be presented in more detail.

5 Results of the empirical research

In this chapter the research sub-questions will be answered and discussed according to the theoretical framework introduced in the second chapter and the economic and social context displayed in the fourth chapter. This section is divided into six sub-chapters. In the first one the initiative will be further analyzed according to new findings related to the following topics: auditing system, enrollment and strategies. The second section will focus on social upgrading elements promoted by the initiative. Further, the third section has a more economic focus: possible economic upgrading elements of the initiative will be presented and discussed, followed by existing power dynamics. Lastly remaining challenges will be discussed. Analyzing and understanding challenges is extremely important in order to implement winning strategies, especially because this initiative was established around eight years ago and, as the quantitative research has demonstrated, to date it has not shown great progress. The last sub-section takes into consideration some recommendations.

5.5 Functioning of the initiative

The first research sub-question tries to understand how the Quality Agricultural Work Network functions in terms of actors' participation, strategies and auditing system. According to the ten interviews carried out, actors agree on the fact that the initiative should be reviewed, since in around eight years a few numbers of Italian agricultural enterprises are enrolled. According to Umberto Franciosi only 4% of Italian agricultural enterprises are nowadays enrolled (Interview 4, 2021, 193). As a result, two specific aspects of the Network will be analyzed and discussed: actors' participation, i.e. enrollment, and the auditing system. Further, there will be a focus on the strategies and benefits of the initiative in order to understand if these two aspects and others could lead to some advantages to enrolled enterprises.

Actors' participation

As previously discussed, in order to apply for the Network, enterprises must comply with specific requirements. First of all, they must comply with Art. 2135 of the Civil Code, which excludes all non-manufacturing companies, which could be eventually responsible for *caporalato* and exploitation. Enterprises already enrolled in the initiative are of all sizes, however the majority of them are product supply companies for cooperatives. For instance, cooperatives and POs often guarantee that their associates are enrolled in the Network as a way to ensure labor quality, otherwise it is impossible for them to stay as a member (Interview 4,

2021, 401-403). Vice versa, a cooperative or a consortium cannot enroll in case one or more agricultural enterprises do not meet the requirements.

Secondly, companies must comply with requirements dealing with labor rights and holding administrative matters. This lead many companies to not enroll because they fear penal and administrative consequences. As a matter of fact, the enrollment in the Network may register some obstacles in case the enterprise presents an overdue contribution slip payment, which may be fixed up along the procedure (Interview 4, 2021, 421f).

Many agricultural enterprises apply as a way to let the company scale up and to have priority in selling to the retailer, as the interviewed n. 9 argues. For instance, their only intention in the application, suggested by *Coldiretti*[33], was to add more value to their farm and work ethic (Interview 9, 2021, 33-36). Nevertheless, they state this Network has no value or, in other words, it gives no added value to the enrolled farms (Interview 9, 2021, 74-76). Similarly, the food processing industry enrolled as soon as the Network was established as they had the requirements and they argue they have never benefited from the enrollment (Interview 6, 2021, 29-31).

Auditing system

One of the most debated topics is the auditing system, considered by some the only benefit an enterprise could have by the enrollment. For instance, according to the 2014 law,

> *[…] the Ministry of Labor and Social Policies and INPS, despite ordinary controls on the protection of health and safety in the workplace, direct supervisory activities towards enterprises not belonging to the Quality Agricultural Work Network except in cases of call for action […].*[34] *(Gazzetta Ufficiale 2014: 49, translated by the author)*

Franciosi affirms that when the National Labor Inspectorate plans its inspection activities, for the first moment it excludes those enrolled enterprises. As the law claims, in case there are some irregularities or loss of requirements, the enterprise will have priority in the inspection (Interview 4, 2021, 130-140). The National Labor Inspectorate confirms what Franciosi affirms, arguing that the initiative was also created to support supervisory activities. However, this does not mean that the "white list" is a dogma, i.e. enterprises are supervised on a regular basis and have priority in case of violations (Interview 8a, 2021, 75-87). Moreover, the National Labor Inspectorate affirms that enterprises' fear of having more inspections is unfounded, unlike what

[33] *Coldiretti* is the National Organization of agricultural entrepreneurs.

[34] "[…] il Ministero del lavoro e delle politiche sociali e l'INPS, fermi restando gli ordinari controlli in materia di tutela della salute e della sicurezza nei luoghi di lavoro, orientano l'attività di vigilanza nei confronti delle imprese non appartenenti alla Rete del lavoro agricolo di qualità salvi i casi di richiesta di intervento […]." (Gazzetta Ufficiale 2014: 49).

Caponi argues, who states that enterprises do not enroll because they fear an increase in supervisory activities (Interview 1, 2021, 207-210). Moreover, Caponi argues that registered companies are regularly inspected by supervisory bodies (Interview 1, 2021, 207-210).
Asking directly to the interviewed food processing industry and farm whether they have noticed some changes in the auditing system before and after the enrollment, they replied in the negative. The food processing industry argues they have had usual routine inspections, except from *INPS*, and that theoretically enrolled enterprises should be exempt from scheduled inspections. Quite different is the farm's answer. They affirm to have never had supervisory activities concerning workers' regulations. Moreover, they did not know about supervisory activities measures taken in the 2014 law (Interview 9, 2021, 82f).

Concluding, it seems there is no agreement on the auditing system, however some positive and negative aspects can be outlined. On the one side, according to the National Labor Inspectorate, the law supports supervisory authorities, on the other side it seems the auditing system does not really benefit enrolled enterprises since they do not notice changes before and after the enrollment.

Strategies and benefits

The Quality Agricultural Work Network does not seem convenient and does not seem to have significant advantages for enrolled enterprises. However, some strategies and benefits are identified by the interview partners, such as commercial strategies, the auditing system, specific regional calls, territorial sections and the trademark itself.
According to Caponi the enrollment in the Network may not represent a disadvantage from a commercial point of view (Interview 1, 2021, 280-285). In the same way, Franciosi argues that, especially for some months now, many enrolled enterprises have access to the sale of retailer private label products. This is surely a crucial element since retail companies sell more than 74% of agri-food products (Interview 4, 2021, 140-144). However, this commercial strategy seems to only advantage retailers (Interview 9, 2021, 126).
Regarding the auditing system, as mentioned above, it only seems to benefit and support supervisory authorities.
Regional calls seem to be a good strategy to make enterprises apply, as it happened in Emilia-Romagna and Lazio. As already mentioned in section 4.2 (The Quality Agricultural Work Network), enrolled enterprises in Emilia-Romagna have gained a higher score in the regional call similarly. In the Lazio region, in the agricultural market of San Teodoro at Circo Massimo in Rom, the enrollment in the Network has been a mandatory requirement to sell agri-food

products in 2017 as well as in 2020 (Interview 8a, 2021, 139-156; Comune di Roma 2020: 2). The Network stands in as a benefit for its trademark, it is kind of "a quality label for the enterprise" (Interview 8b, 2021, 269).

Answering the first research sub-question, the Network registers a low number of enrolled enterprises due to requirements issues and auditing system related fears, even if it seems that cooperatives and POs could act as an aggregator for enrolled enterprises. The auditing system only seems to support supervisory activities, however regional calls and retailers' commercial initiatives could represent good strategies to boost the Network.

5.6 Social impacts of the initiative

The second research sub-question aims at understanding the impacts of the Network on the prevention of the phenomenon of *caporalato*. As a matter of fact, this initiative was established as a way to prevent and contrast the phenomenon of *caporalato* and exploitation in the agri-food sector, as the first requirement states. According to this requirement, the Network stands in as guarantor of those *measurable standards*, one of the two components of social upgrading. For instance, enrolled enterprises guarantee they have never been convicted of any criminal offences related to physical wellbeing, working hours, wage level and employment security.

While these measurable standards are easily quantifiable because they deal with the employment type and workers' wellbeing (Barrientos et al. 2011: 324f), *enabling rights* are not, since they include rights such as freedom of association, the right to collective bargaining agreements, non-discrimination and empowerment, which are of extreme importance to determine workers' wellbeing. However, they were only partially implemented. While collective bargaining agreements are included among the requirements, the Network does not make references to freedom of association, non-discrimination and empowerment. The first one is, however, one of the rights of the Italian Constitution, Art. 18 states:

> *Citizens have the right to freely associate without authorization, for purposes which are not prohibited to individuals by penal law [19, 20, 39, 49]. Secret associations and those that pursue, even indirectly, political aims through military organizations are prohibited.*[35] *(Cost., Art. 18, translated by the author)*

[35] "I cittadini hanno diritto di associarsi liberamente, senza autorizzazione, per fini che non sono vietati ai singoli dalla legge penale [19, 20, 39, 49]. Sono proibite le associazioni segrete e quelle che perseguono, anche indirettamente, scopi politici mediante organizzazioni di carattere militare." (Cost., Art. 18).

Moreover, the Workers' Statute, developed in 1970, aims at ensuring freedom of association and other trade union freedoms in Articles 14 to 18 (Gazzetta Ufficiale 1970). However, the 119/2016 Law does not ensure that enrolled enterprises guarantee these rights.
Regarding non-discrimination, in 1993 the 205 Law was passed with the aim of sanctioning and condemning phrases, gestures, actions and slogans whose purpose is to incite to hatred and violence on racial, ethnic, religious or national grounds (Gazzetta Ufficiale 1993). These *enabling rights* are however difficult to measure and quantify and should be in case guaranteed by every single enterprise on the basis of an internal code of conduct.

Concerning the phenomenon of *caporalato* itself and the effectiveness of the Network, from the establishment of the Network in 2014 and the 199/2016 law, numbers do not register an improvement. Despite data show a decrease in supervisory activities, they have registered an escalation of proven cases. Whereas in 2016/2017 confirmed vulnerable people were around 150.000, in 2018/2019 they were around 180.000. As a matter of fact, since 2014 the rate of irregularities has increased till 2019 (Osservatorio Placido Rizzotto/FLAI-CGIL 2020b). From a regional point of view, southern and central regions show an improvement, whereas the phenomenon has considerably grown in the northern ones (Osservatorio Placido Rizzotto/FLAI-CGIL 2020b).

Concluding, interview partners agree that the Network itself, i.e. the "white list", is not having an evident impact. According to some of them, it does not actually attract those manufacturing companies responsible of *caporalato* which may sell their products to big processers not considering this initiative.
Terra! argues that major results come from the whole 199/2016 Law, which has played and is playing a crucial role in the repression of the phenomenon as well as in its prevention. In their last report, they state indeed an increase in legal contracts which give good signals (Interview 2, 2021, 175-181). On the contrary, territorial sections, although to a small extent, are showing some results.

Territorial sections

The aim of the Network is not only creating a "white list" of "virtuous" enterprises, in 2016 the territorial sections were introduced. As mentioned above and as *INL* and Mei highlight, the advantage of the territorial sections is that of acting in a specific territorial context in order to find suitable measures to improve the existing social situation. As they have imagined, the territorial sections may solve the three pillars of exploitation in agriculture, i.e. labor

recruitment, transport and lodging system. Moreover, the idea was to create an institutional place at a local level to enact the law (Interview 8a, 2021, 209-212).

According to many interview partners, the territorial sections have great potential, however, they show different issues. First of all, *INPS* has registered 18 territorial sections since 2014, but in reality, the precise number is difficult to determine since many sections only had a formal constitution in the beginning but are not actually active (Interview 8b, 2021, 165-177). Moreover, most of them are in South Italy, especially in Apulia, where the phenomenon is widely spread, it is linked to organized crime and workers move rapidly from a crop to another creating slums (Interview 8a, 2021, 180-186). In the North of Italy there are no territorial sections, although there have been some intentions in Friuli-Venezia Giulia (Interview 8b, 2021, 187-190). Another issue concerns the fact that the law does not clarify which entities are responsible for the establishment of these territorial sections and how they should be organized. Moreover, the government does not promote budgetary resources addressed to these local institutions (Interview 8b, 250-253).

Some issues are also recorded at a national level, which does not help regions to improve. The National Agency for Active Labor Policies (ANPAL[36]) was put under a commissioner in May 2021 and has shown its ineffectiveness in the coordination of labor recruitment services (Interview 4, 2021, 285-303). In the same way, employment agencies have been long inefficient. In order to be effective, these agencies should be provided with integrated services capable of responding to employment needs. However, nowadays they only play a supervisory role (Mandrone/Marocco 2020). To cope with this, Franciosi argues that some virtuous initiatives were adopted in small districts, where local institutions tried to manage labor through lists (Interview 4, 2021, 314-316).

So far, the only positive experience is Foggia, where the Province and the Prefecture have been able to collaborate (Interview 3, 2021, 151-158). Moreover, the processing industry argues, in Foggia temporary guest houses for migrant workers were set up in May together with an employment center and a new transport system for non-EU citizens was tested between July and September 2021 (Interview 6, 2021, 118-131; Regione Puglia 2021; Ministero dell'Interno 2021). Although it is unclear if the territorial section is also responsible for these initiatives, Foggia would reach the territorial sections' aim.

[36] In Italian, Agenzia Nazionale Politiche Attive Lavoro. The agency promotes the right to work, coordinates national employment services and is responsible for the labor market information system.

In Latina (province of Rome) the territorial section does not appear to have implemented local initiatives until May 2021, when it has been convened in response to the new *caporalato* cases. Contrary to what the interview partner claims, who was even unaware of the territorial section (Interview 9, 2021, 100, 119), the Lazio Region has promoted new initiatives. The Fair Labor App, aiming at facilitating matching between labor supply and demand, is now available in four languages (English, French, Romanian and Punjabi). This App allows workers to subscribe to the booking list and, once hired under contract, to get free access to the transport system (Confcooperative Roma 2019).

Answering the second research sub-question, there are no tangible results, that the Network itself is preventing the phenomenon. On the contrary it can be affirmed that the 199/2016, which comprehends the Network as well, is going in this direction, thus guaranteeing measurable standards and bringing to social upgrading. Even if the "white list" method is not showing improvements, territorial sections may succeed in bettering workers' well-being and rights if they follow the Foggia model and they are able to get the different responsible entities to communicate.

5.7 Economic impacts of the initiative

The third research sub-question tries to understand if the Network affects any market requirements, price setting and value distribution. The Quality Agricultural Work Network was not established from an economic perspective, but from a social one. However, analyzing the initiative and discussing with the interview partners it is evident that it has had commercial implications, completely unrelated to the direction cabin and its initiatives, as *INL* and Mei argue (Interview 8a, 2021, 136). For this reason, this section aims at clarifying if any economic upgrading experiences have been recorded.

Economic upgrading

There are different types of economic upgrading, as mentioned in chapter two, however only three of them will be analyzed and discussed since they have shown a relationship with the Network, i.e. *product, process* and *functional upgrading*.

Product and *process upgrading*, as stated in chapter two, are not easy to differentiate, because the production of more sophisticated products is the consequence of the innovative technology applied as well as the standards and agreements adopted along the production process (Gereffi et al. 2001: 6). For this reason, they will be analyzed together in this research thesis.

Although there is no evidence that the Network has influenced the innovation and technological side of enterprises thus reshaping their production process, it has conditioned market requirements and the market access. Already in January 2020 during the conference *MarcaByBolognaFiere* in Bologna, in order to ensure environmental and social sustainability along the value chain, the Modern Distribution has made a commitment: beginning in January the 1st, all direct agricultural suppliers of retailers will be required to enroll in the Network. Private label partners will also be required to have their agricultural suppliers enrolled in the Network (Federdistribuzione 2020; Interview 10, 2021). This commitment, although unfulfilled, it has led to some changes in the market access since some retailers started favoring enrolled enterprises.

COOP has requested its most critical suppliers to enroll in the Network, whereas the other retailer also specifies that around 20 enterprises working with them are enrolled in the Network and that in general, certified enterprises are more interesting (Interview 10, 2021). Nevertheless, it could happen that enterprises are certified but do not comply with the supermarket's standards (Interview 10, 2021).

The choice of retailers to buy from enrolled enterprises is especially visible in the private label, as Franciosi and Mei argue. Franciosi maintains that *COOP*, since the approval of the law, has required the enrollment as a prerequisite for fruit and vegetable suppliers under the *COOP* private label (Interview 4, 2021, 223-228). Likewise, Mei affirms that the retail company *Selex* has accepted in its commercial chain only companies enrolled in the Network (Interview 8b, 2021, 102-109).

Concerning market advantages, *COOP* maintains that enrolled enterprises do not have priority or price advantages (Interview 7, 2021, 180-183), as the other retail company also confirms. Certifications do not influence products price, but their quality does (Interview 10, 2021). However, it is evident that these enrolled enterprises have had some commercial advantages as well as advantages in tenders as the experiences in Rom and Emilia-Romagna have shown which have also led to an increase in applications (Interview 8a, 2021, 91-99). For this reason, *INL* affirms that 90% of the enterprises enroll because they have commercial advantages with the retailer and in regional or local tenders (Interview 8a, 2021, 265-268).

From the supplier's point of view, there are different observations. Caponi and Casola report negative experiences by enterprises, which were refused by retailers because they were not enrolled in the Network (Interview 1, 2021, 280-285). Casola argues that this behavior may

lead more enterprises to enroll but many of them, virtuous as well, will be excluded (Interview 5, 2021, 227-232).

According to the interviewed farm and the processing industry, they have never benefited from this enrollment from a commercial point of view. The processing industry argues that an individual enterprise will hardly sell directly to the retail company, in this case it should join a PO or a cooperative (Interview 6, 2021, 65-72). Further, the farm states that retail companies have never asked them about the enrollment in the Network because they are interested in other certifications such as Global Gap (Interview 9, 2021, 126-130).

Functional upgrading describes the possibility of firms to improve their position within the value chain by acquiring new functions, for example when they move from production to transformation (Gibbon 2003: 16). Among interview partners, *Confagricoltura*[37], in particular Postorino, argues that the Network may be a way for agri-food enterprises to upgrade their position within the value chain. However, this upgrade could happen if enterprises aggregate, thus acquiring new functions and gaining a bargaining power that contrasts the retailer. He considers this to be the best path for enterprises to improve, especially in the fruit and vegetable sector, the most disaggregated sector.

> *It is obvious that this is the path to be encouraged because it is the only one that allows us to evolve the agricultural enterprise; you become first a processor and then a trader, so you have your own ability to assert your brand.*[38] *(Interview 3, 2021, 220-227, translated by the author)*

Horizontal and vertical integration models in cooperatives and POs are going in this direction, however in some sectors it is just close to 50%. Whereas vertical integration will help enterprises acquiring new functions thus competing with retail companies, the horizontal one helps enterprises to aggregate thus being more attractive in the market, as Postorino and Franciosi argue.

> *You try to network more individuals, so you have more bargaining power towards retail companies.*[39] *(Interview 4, 2021, 175-177, translated by the author)*

[37] Since its establishment, *Confagricoltura* believes and promotes enterprises innovation, modernization and production optimization to reduce costs (Interview 1, 2021, 18-31).

[38] "È ovvio che questo è un percorso da stimolare perché è l'unico che ci consente di fare evolvere l'impresa agricola; diventi prima trasformatore e poi commercializzatore, quindi hai una tua capacità di far valere il tuo brand." (Interview 3, 2021, 220-227)

[39] "Si cerca di mettere in rete più soggetti così si ha più potere contrattuale nei confronti della grande distribuzione organizzata." (Interview 4, 2021, 175-177)

To react to this increasing bargaining power, retailers have adopted the private label (Interview 10, 2021, 238-240). According to Postorino, there is a system of checks and balances that is developing. The relationship between big brands and the private label is certainly much more balanced because big brands know how to be competitive. Small and medium enterprises are certainly more fragile and their effort to gain commercial space is much greater (Interview 3, 2021, 243-247) as the farm confirms (Interview 9, 2021, 37-40). Therefore, the Network could help them to be more attractive to the consumer as they are able to commercialize their products, however interviews were not able to confirm this. In any case, this type of upgrading is crucial for those farms which are specialized in production activities (Humphrey/Schmitz 2002: 1020) and are the ones able to enroll in the Network.

Concluding, it is evident that the Network, although to a small extent, is influencing the market access and it may boost enterprises' bargaining power through aggregation. However, the still limited number of enrolled enterprises cannot make the Network a requirement to enter the market. On the contrary, it may be a way for enterprises to develop their potential and their skills thus acquiring new positions along the value chain and gaining more profit.

5.8 Power dynamics

The GVC analysis allows to understand if any power relations between involved actors take place. The main question discussed is: does the Network affect any power dynamics within the Italian agri-food value chain?

As discussed above, the commitment took by retail companies in Bologna would automatically exclude not-enrolled enterprises, which are virtuous enterprises as well, but maybe due to bureaucratic reasons or small administrative issues are rejected. As a matter of fact, this could economically condemn them and could modify strength relationships within the value chain, although the enrollment does not indicate an enterprise added value (Interview 1, 2021, 177-187).

Casola affirms only enterprises already in compliance with workers' contracts will enroll, whereas it does not encourage those into illegality to comply with labor regulations because they will still sell their products to big processers which are not taking the Network as a trade requirement (Interview 5, 2021, 230-232). Moreover, Postorino argues the Network is only disadvantaging Italian enterprises and not importing ones since it only applies on the Italian territory (Interview 3, 2021, 185).

Answering the research sub-question, Caponi and Postorino argue that nowadays the Network has not influenced the agri-food value chain that much, as only around 5 thousand enterprises have enrolled, so retailers cannot decide to only work with them because they will not reach the demand. However, interviews affirm that it started creating power dynamics especially with some retailers thus excluding many enterprises.

5.9 Remaining challenges

This section will focus on the challenges the Network is facing and how actors aim at improving them. Despite some good experiences recorded at a local and regional level, the Network needs to be reviewed. The challenges not only regard the Network itself, but also other factors and can be grouped in three main areas: Network's internal challenges, social challenges and public-private challenges.

Network's internal challenges

Although the Network was established in 2014, only few enterprises applied. This is due to several challenges the Network is facing and which concern its requirements, the enrollment, the auditing system and the direction cabin.

Requirements. According to many interview partners, most of the needed requirements to enroll do not comply with *caporalato* and exploitation in the agri-food sector, thus moving away from its real objective. Whether the enterprise is not complying with administrative and fiscal requirements, it may have penalties (Interview 1, 2021, 187-196). Caponi explains, if an enterprise enrolls in the Network but the application is rejected, or months after enrollment the enterprise is deleted for a breach, this irregularity is certified and it may have implications for future trade relations (Interview 1, 2021, 297-300).

Terra! affirms, there are some contradictions in the requirements. For example, enterprises responsible for environmental crimes can enroll.

> *If you release radioactive material, you can be enrolled, that is a paradox.*[40]*(Interview 8b, 2021, 340, translated by the author)*

Enrollment. After the decision taken during the conference in Bologna and after some retailers have started trading with enrolled enterprises, Caponi argues this could be extremely disadvantageous for not enrolled enterprises, thus creating power dynamics along the value

[40] "Se fa versamenti di materiale radioattivo può essere iscritta." (Interview 8b, 2021, 340)

chain. Moreover, given the non-compulsory nature of the initiative, it should not be taken as a requirement to establish trade relations (Interview 1, 2021, 334-346).

Moreover, Caponi and *Terra!* hardly criticize this initiative because the enrollment only applies to small and medium agri-food manufacturers. As a matter of fact, it does not apply to processing industries and other actors, such as marketing and transport companies, which cannot enroll and may not use the enrollment as a trade requirement.

Auditing system. As already mentioned, many enterprises do not enroll fearing more supervisory activities, as *COOP* argues (Interview 7, 2021, 190-193). According to *Terra!*, this initiative shows a typical Italian bad habit: one has to increase supervisory activities to ensure quality, rather than promote virtuous examples through public funding. According to them, the Network is a way of sanctioning, that overloads the public system (Interview 3, 2021, 380-383; 259-263).

Direction cabin. As stated in the 116/2014 and 199/2016 law, the direction cabin is responsible for several activities (see section 4.6). Among these activities, Caponi affirms that only two of them are carried out: it decides on applications and excludes enterprises that lose the requirements (Interview 1, 2021, 363-367). Ugo Mei, the main responsible for the direction cabin, confirms saying that the main tasks of the direction cabin are procedural. It is responsible for evaluating and responding to submitted requests. Further, he takes care of the "white list", updating it every other month (Interview 8b, 2021, 27-33). Therefore, it is evident that many ideas implemented by the law are not actually carried out both for economic reasons and lack of internal organization, also considering the inactivity of some institutions such as *ANPAL* and employment agencies.

Social challenges

Social challenges mainly deal with the topic of *caporalato* and the above-mentioned territorial sections, which working on the local level, seems to have more impact in the prevention and contrasting of the phenomenon. This section will focus on territorial sections and cultural issues.

Territorial sections. All interview partners agree on the fact that the Network is not succeeding because the number of enrolled enterprises and territorial sections is quite low (Interview 1, 2021, 118-123). Mei argues that one of the main issues is a financial one, since territorial sections do not have any economic funds available to achieve the expected results. The only available resources are *INPS* headquarters and its staff (Interview 8b, 2021, 311-317). However,

the territorial sections would be useful to overcome the three main issues existing in the agri-food sector: the recruitment system, transports and accommodation.

As Caponi and Postorino affirm, in Italy an effective and efficient public recruitment system does not exist, i.e. it does not function since only 2% of agricultural workers are hired through public employment offices, whereas the majority of them are hired through other ways or illegally (Interview 1, 2021, 125-133; Interview 3, 2021, 133-135). This is one of the main issues since farms need a large amount of labor in a very tight time frame, however employment offices are not able to satisfy this need, so employers address the so-called *caporali*, argues Caponi (Interview 1, 2021, 143-145).

Another big challenge is transportation because farms are often in remote locations, hard to reach. In Italy, the transport network already has its shortcomings which increase in rural areas. Moreover, agricultural workers do not have an income allowing them to move from one area to the other. In this context, services offered by the *caporale* are crucial and cover a public service lack (Interview 1, 2021, 133-141).

The last issue is accommodation, that besides some local initiatives it is still missing. Many of these workers are non-EU citizens having no accommodation. Therefore, initiatives should promote the possibility for them to reside in the company. This would reduce risks connected to transports and would avoid illegal services at the same time (Interview 1, 2021, 154-162).

Cultural issues. All these challenges could also have to do with cultural issues, as *Terra!* and Franciosi argue. *Terra!* thinks there is a great shallowness and especially in the agri-food sector, there is no training. In particular, old generations have a different mindset which allows them to hold power relations (Interview 2, 2021, 411-417).

The interview partner n. 10 argues that in an attempt to make a deal with producers to prevent *caporalato* and exploitation in agriculture, only 1 in 10 accepts this reasoning, while the other says the phenomenon does not exist in their region (regions that actually have the highest percentage). For this reason, the existing omerta does not allow sometimes to find necessary solutions (Interviewed 10, 2021).

Public-private challenges

Some challenges deal with the private and the public system. On the one side, the Network is nowadays facing competition due to other several certifications implemented by the private sector. On the other side the public system shows many deficiencies.

Certifications. Nowadays, there are many national and international certifications enterprises must comply with. For this reason, interview partners agree on the fact that another certification

such as the Network, overloads the system as well as enterprises. *Confagricoltura* argues indeed that at the international level, there are already certification bodies that certify and track the production ethic, workers safety and product quality, such as SA 8000 and GRASP (Global G.A.P. – IFA) (Confagricoltura 2019). These certifications, as *COOP*, the farm and the other retailers argue, are more restrictive and more expensive, however they are necessary to work in the agri-food sector (Interview 9, 2021, 214-222; Interview 4, 2021, 365-369; Interview 10, 2021). In addition, they are more advantageous because some of those standards are requirements in foreign trade. These standards, however, are only requirements to get access to the market because retail companies are then interested in enterprises' audits (Interview 6, 2021, 81-87).

> *Regardless of certifications, what matters is the audit. Speaking about my company, even if we are certified with high standards, our customers periodically come to the company with their audit and that's what matters, not the certification. The certification is a requirement to become a customer.*[41] *(Interview 6, 2021, 81-87, translated by the author)*

Many enterprises face other issues with retailers. Besides national and international certifications, retail companies sometimes have more restrictive measures, as Interviewed n. 10 argues (Interview 10, 2021). *COOP* and the processing industry have, for example, their own ethical code. *COOP* asks their suppliers to sign a document called "Letter of adherence to the Code of Ethics" which is integrated into the supply contract (Interview 7, 2021, 44-59). In the same way, the processing industry states they have their own ethical corporate code since they buy products they will then transform. Their ethical code deals with rules on employment, however they have not asked to enroll in the Network (Interview 6, 2021, 54-62).

According to *INL*, all these certifications have some weaknesses, especially in ex-post supervisory activities, they lose their effectiveness. For this reason, regardless of the type of certification, they cannot exclude anyone from supervisory activities (Interview 8a, 2021, 371-394).

Public system. Some of the challenges related to the Network are not directly connected to the Law but are related to external factors which influence its performance. The public system, i.e.

[41] "Indipendentemente dalle certificazioni e attestazioni delle iscrizioni che si hanno, quello che conta è sempre l'audit chi si è fatto dal cliente, quindi lo parlo per la mia azienda anche se noi siamo certificati con standard più elevati, i nostri clienti periodicamente vengono in azienda con il loro audit ed è quello che conta non la certificazione. La certificazione è un prerequisito per diventare clienti." (Interview 6, 2021, 81-87)

public institutions, is considered one of the main challenges by the interview partners. In many cases, the public system has been ineffective.

First of all, the national recruitment system is ineffective. Postorino states, this is evident since a private App called Agrijob has had more success than employment agencies and *ANPAL*. Agrijob, as well as the Fair Labor App, is an App where people can sign up declaring their willingness to work in agriculture. There is also the opportunity for enterprises to identify people more suitable to their requests. However, he affirms this success is unusual since an App works better than employment agencies and *ANPAL* (Interview 3, 2021, 137-144).

Secondly, public institutions did not succeed in keeping the promise made at the conference in Bologna, i.e. to enroll enterprises by January 2021. The retail company states, even if they have tried to involve *MiPAAF*, they have not succeeded in reducing enrollment bureaucratic complexities. Moreover, they were not able to attract small and medium enterprises because of these issues. For this reason, they have decided to find another solution, another way to certify enterprises, addressing themselves to the private sector (Interview 10, 2021).

According to Postorino, public institutions need to invest more to overcome *caporalato* and exploitation in the agri-food sector, because the only volunteer work will not properly address the existing issues (Interview 3, 2021, 163-168).

5.10 Recommendations

Although the phenomenon of *caporalato* cannot be contrasted and prevented only through the Network, the initiative represents one of needed strategies. However, the above-discussed challenges show that this initiative needs to be modified to achieve the desired results. Following, some recommendations will be provided, specifically dealing with the Network itself (enrollment, requirements and direction cabin) and the public system.

The Network

Enrollment. In order to attract more enterprises and get companies that really exploit to change their market logic, the Network needs to modify its enrollment requirements. At the moment, only agri-food manufacturers[42] can enroll in the Network (Art. 2135, Civil Code) and this means that, for example, processing industries are excluded. As a consequence, those processing industries that may buy their products from producers responsible for *caporalato* and exploitation are not taken into consideration. For this reason, big processers should take the

[42] Activities exercised by the same farmer but directed to conservation, transformation and commercialization of the product are connected.

enrollment in the Network as a trade requirement as well as the public system should ask processers to enroll in the Network and buy products only from enrolled manufacturers.
Another idea to let the Network succeed in terms of applications as well as in attracting enterprises involved in criminality is by promoting regional public funds which consider the enrollment in the Network as an added value. This can be inspired by the Emilia-Romagna model which made public funds available to all those enterprises having specific requirements (including the enrollment in the Network), aiming at increasing their competitiveness. The public funds, coming from the European Union and the Region, must be used in regional Rural Development Plans, so that the enterprise is most interested in having a competitive advantage over the funds, as Casola argues (Interview 5, 2021, 168-172).
Further, these funds would improve enterprises' development thus experiencing functional upgrading and therefore facilitating a short value chain.

Requirements. The Network's requirements are rather punitive and do not encourage enterprises to enroll in the Network. Italian agri-food enterprises must comply with many regulations (on labor, public administration, public safety, public economy, trade, animal welfare, income and value added tax), whose compliance is verified in the previous three years. However, the Network should not exclude enterprises based on past circumstances because they may have been reinstated or they may have paid their sanctions. For this reason, Article 8 paragraph 1 letter *a* and *b* (199/2016 Law) must be reviewed.

In order to facilitate enterprises enrollment in the Network, the Network's requirements may be formulated as a checklist the entity in charge will prove during supervisory activities. Moreover, the checklist could be created filling different areas of interest such as labor, trade, income and environmental regulations, which are still not included but are essential to face the existing environmental issues. This checklist may be inspired by the GLOBALG.A.P. GRASP one, which also deals with social and labor standards. Moreover, since the GRASP certification follows national regulations (where the local legislation is more restrictive) and it allows similar certifications to request a GRASP evaluation, it may be possible to establish an equivalence between GRASP and the Network.
Furthermorer, there are no references on the enrollment expiry date, although the direction cabin checks the "white list" every other month, adding new enterprises and ensuring old enterprises requirements. This overloads and slows down the whole system. On the contrary the enrollment may last for one year, at the end of which the direction cabin may check if enterprises still meet the requirements.

Direction cabin. In conclusion, these improvements cannot take place without the effort of the direction cabin. The direction cabin needs to implement suggestions coming from agricultural enterprises associations, cooperatives and workers and it must realize a more sophisticated internet portal dedicated to the Network where enterprises find information and contacts in case they need support.

Moreover, tasks and duties of the direction cabin should be reviewed since its main is to accept and refuse enterprises applications, but it has little or no impact on territorial sections as the law states. The direction cabin could act as a catalyzer for those territorial sections, i. e. it could create a territorial section model which specifies competent authorities, main areas of intervention and objectives to be achieved.

Public system

The public system must act in the three crucial areas (transports, accommodation and recruitment) through financial investments, possibly directed to the territorial sections and so promoting the creation of new ones. As a territorial section, Foggia represents a good case practice since it is actively working towards the improvement of the local transport, housing and recruitment system. The Foggia model could be implemented in those existing territorial sections which are crucial to locally eradicate the phenomenon of *caporalato* and exploitation. Regarding the recruitment system, as mentioned above, the Agrijob App, created by *Confagricoltura,* could be implemented by *ANPAL* itself and regional employment offices. The Fair Labor App in Lazio is a good example as well, however, regions should homogeneously implement a recruitment system. For this reason, the two Apps could be analyzed and characteristics of both considered to create a new functional strategy. An online service may help in having less bureaucracy and a more efficient recruitment system.

The public system must act towards the promotion and implementation of interregional projects such as the *Di.Agr.A.M.M.I Nord* project, which aims at contrasting and preventing exploitation and *caporalato* in the agri-food sector implementing many strategies. Gathering many different actors from public and private institutions, it is able to support disadvantaged actors through many capacity building activities. However, these kinds of projects must be supported by convincing legislative measures aiming at contrasting retail companies' power. The law against descending prices in the context of (online) auctions may change the existing power asymmetries in the agri-food value chain.

6 Conclusion

The aim of this thesis was to understand strengths and weaknesses of the Quality Agricultural Work Network, provided through the analysis of the agri-food sector and value chain as well as the empirical research. This section sums up the major findings.

This thesis has proven that the agri-food sector is one of the main economic sectors in Europe and it is Italy's first economic sector since it generates around 60 billion euros. However, it has also demonstrated that the Italian agri-food value chain suffers from high concentration at the top and fragmentation at the bottom. Moreover, its actors gain a different value out of the chain according to their position, increasing unfair profit and inequalities. This power asymmetry affects especially Italian manufacturers and workers: manufacturers have a limited field of action and are overruled by buyers; workers and their rights are underrepresented, being very often victims of *caporalato* and exploitation.

Beyond many initiatives and certifications to ensure workers' and manufacturers' rights, Italy passed the Quality Agricultural Work Network in 2014, a list of agricultural enterprises and other entities standing out for their compliance with labor and social regulations. The main objective of the initiative is to act against these powerful asymmetries in order to create a certified Network to especially ensure workers' rights and advantage "virtuous" agricultural enterprises. The empirical research has however demonstrated that the Network still has some strengths and many weaknesses. Following, four key findings will be discussed together with some recommendations which may help to overcome the still existing challenges.

First of all, from the quantitative research, it is evident that since 2014 the Network is making little progress in terms of increasing member firms because many agricultural manufacturers fear penalties and sanctions in case they are not complying with the requirements but not recognizing any membership benefits. It seems, they would fear the direction cabin will find misbehavior on income tax and valued added tax as well as on labor and social legislation, especially on work safety measures. This fear may be overcome in two ways. On the one side, the Network should focus on the company's situation at the time of the enrollment rather than on the previous three years; on the other side, the Network should change its strategy, elaborating a checklist and thus guiding enterprises to comply with it. Moreover, in order to ensure quality along the whole value chain, it should address other actors such as processers and brokers.

Regarding the auditing system, the quantitative and qualitative research have shown it cannot be considered an advantage as enterprises do not record any change and it rather seems to advantage supervisory bodies since they would direct supervisory activities to not enrolled enterprises.

Secondly, due to the above-mentioned issues, the qualitative research has proven there is very little evidence the Network itself is preventing the phenomenon of *caporalato*. However, the Network plays a crucial role in social upgrading because it guarantees *measurable standards*. For instance, enrolled enterprises guarantee they have never been convicted of any criminal offences related to physical wellbeing, working hours, wage level and employment security. Moreover, territorial sections may have a major impact on it, if they get access to financial investments to promote the transport, housing and recruiting system. As a matter of fact, they may improve job matching and implement local initiatives to enhance the transport and housing system for agricultural workers, which are mostly under control of corporals. Acting on a local level, they may be able to analyze the specific context and find suitable solutions. However, the direction cabin should implement an organizational model in order to decide on competent authorities and especially set objectives to be achieved.

Thirdly, the research thesis has proven that the Network, although to a small extent, is affecting economic upgrading processes. Although retailers' decision to buy products from enrolled companies may promote the initiative, some retail companies have begun using this certification as a trade requirement, it has started creating new power asymmetries along the value chain disadvantaging not enrolled enterprises.
However, the Network could also lead firms to change their position in the GVC and to reach functional upgrading in terms of vertical and horizontal integration, which in turn strengthens their power position. This may be reached as firms aggregate in cooperatives and are able to acquire a higher bargaining power compared to individual enterprises.

Fourthly and lastly, the qualitative research has proven that in order to prevent and tackle *caporalato* and create a fairer agri-food value chain three interventions should act together. Firstly, to contrast retail companies' decision power over suppliers and price setting a law against descending prices in the context of (online) auctions to decrease retailers' power must be applied. Secondly, financial investments may boost agricultural enterprises if they are implemented in the context of Regional Rural Plans. Moreover, they could promote the Network whether they recognize the enrollment as added value. Thirdly, interregional projects, such as the *Di.Agr.A.M.MI.* project, involving different stakeholders and aiming at

implementing socio-professional integration interventions are crucial to better contrast *caporalato* and exploitation. These projects may help in the context of capacity building (to contrast exploitation and *caporalato*), employment placement, inclusion, in training competent authorities and in promoting the Network.

References

AGCM (2013): Indagine conoscitiva del settore della GDO – IC43. Roma: AGCM.

Agenzia delle Entrate (2017): Consulenza giuridica – Contratto di rete agricolo – trattamento tributario ai fini dell'IVA e delle imposte dirette. Risoluzione N. 21.06.2017 75/E. Rome: Direzione Centrale Normativa https://www.agenziaentrate.gov.it/portale/documents/20143/302697/Risoluzione+n+75+del+21+giugno+2017_risoluzione+n_75+del+21-06-2017.pdf/8ce3279f-32f3-829a-937f-5a49cf3a7bd3 (Accessed 24th August 2021)

Alford, Matthew/Barrientos, Stephanie/Visser, Margareet (2017): Multi-scalar Labour Agency in Global Production Networks: Contestations and Crisis in the South African Fruit Sector. In:Development and Change 48(4). The Hague: International Institute of Social Studies, 721-745.

Armati, Silvia (2020): La Distribuzione Moderna con la "Rete del lavoro agricolo di qualità". In: Informacibo, sapere di sapori, 15.01.2020. https://www.informacibo.it/la-distribuzione-moderna-con-la-rete-del-lavoro-agricolo-di-qualita/ (Accessed 27th February 2021).

Aufhauser, Elisabeth/Reiner, Christian (2010): Die Macht der Supermarktketten. Steuerung globaler Produktionsnetze durch den Einzelhandel. In: Fischer, Karin/Reiner, Christian/Staritz, Cornelia (Hg.): „Globale Güterketten. Weltweite Arbeitsteilung und ungleiche Entwicklung". Wien: Promedia.

Bair, Jennifer (2005): Global Capitalism and Commodity Chains: Looking Back, Going Forward. In: Competition & Change, Vol. 9, No. 2, June 2005. New Haven: Yale University, 153-180.

Barrientos, Stephanie (2001): Gender, Flexibility and Global Value Chains. In: Gereffi, Gary/ Kaplinsky, Raphael (2001): The Value of Value Chains. IDS Bulletin Volume 32 No 3, 83-93. Brighton: Institute of Development Studies.

Barrientos, Stephanie (2007): Global Production Systems and Decent Work. Policy Integration Department, Working Paper No. 77. Geneva: International Labour Office.

Barrientos, Stephanie (2012): Shifting South: horticulture in a changing supermarket landscape. In: Capturing the gains. Economic and social upgrading. Summit Briefing, December 2012.

Barrientos, Stephanie/Gereffi, Gary/Rossi, Arianna (2011): Economic and social upgrading in global production networks: A new paradigma for a changing world. In: International Labour Review 150 (3-4), September 2011, 319-340.

Bernhardt, Thomas/Milberg, William (2011): Does economic uprading generate social upgrading? Insights from the horticulture, apparel, mobile phones and tourism sector. In: Capturing the gains. Working Paper 2011/07, November 2011.

Bilongo, Jean René/Cefaloni, Carlo/Gatti, Giuseppe/Mira, Toni (2019): Spezzare le catene. Un lavoro libero tra centri commerciali e caporalato. Roma: Città Nuova Editrice.

Budiguel, Luc et al. (2016): Study on agricultural interbranch organisations in the EU. Wageningen: Arcadia International, LEI.

Camera dei Deputati (2021): Fiscalità agricola, misure per i giovani e previdenza. Servizio Studi. In: XVII Legislatura, 31.07.2021. https://www.camera.it/temiap/documentazione/temi/pdf/1208657.pdf?_1591370973480 (Accessed 10th September 2021).

Ciconte, Fabio/Liberti, Stefano (2016a): La legge sul caporalato è il primo passo contro la filiera sporca del cibo. In: Internazionale, 19.10.2016. https://www.internazionale.it/opinione/fabio-ciconte/2016/10/19/caporalato-legge (Accessed 15th July 2020).

Ciconte, Fabio/Liberti, Stefano (2016b): Squeezed dry. The crisis in the tomato industry between exploitation and unsustainability. Third report of the campaign #FilieraSporca. W. p.: Terra!

Ciliberti, Stefano/Frascarelli, Angelo/Martino, Gaetano (2020): Drivers of participation in collective arrangements in the agri-food supply chain. Evidence from Italy using a transaction costs economic perspective. In: The Authors Annals of Public and Cooperative Economics 2020; 91. Università degli Studi di Perugia: Wiley, 387-409.

Comune di Roma (2020): Avviso Pubblico per la selezione di proposte progettuali finalizzate all'organizzazione e alla gestione del Mercato Agricolo Comunale a Vendita Diretta nel

Complesso dell'Ex Mercato Ebraico del Pesce ubicato in Via di San Teodoro 74. Allegato 7 Metodologia di Valutazione. Roma: Dipartimento Sviluppo Economico e Attività Produttive; Direzione Mercati e Commercio su Aree Pubbliche. Roma: Comune di Roma.

Confagricoltura (2019): Tavolo per il contrasto al caporalato – Gruppo 6. Rete del Lavoro agricolo di qualità. Osservazioni di Confagricoltura. Aprile 2019. W. p.: Confagricoltura.

Confcooperative Roma (2019): Fair Labor la nuova app contro il caporalato. 4.07.2019. http://www.roma.confcooperative.it/LINFORMAZIONE/LE-NOTIZIE/ArtMID/482/ArticleID/1035/Fair-Labor-la-nuova-app-contro-il-caporalato [Accessed 18th October 2021].

Consiglio per la ricerca in agricoltura e l'analisi dell'economia agricola (CREA) (2021): Annuario dell'agricoltura italiana 2019, Volume LXXIII. Roma: Centro di ricerca Politiche e Bio-economia.

Corallo, Angelo (et. al.) (2020): The awareness assessment of the Italian agri-food industry regarding food traceability systems. In: Trends in Food Science & Technology 101 (2020), 28-37. Elsevier Ltd.

Dannecker, Petra/ Vossemer, Christine (2014): Qualitative Interviews in der Entwicklungsforschung. Typen und Herausforderungen. In: Dannecker, P, Englert, B. (HG.): Qualitative Methoden in der Entwicklungsforschung. Wien: Mandelbaum, 153-175.

Di Marzio, Fabrizio (2017): Agricoltura senza caporalato. Roma: Donzelli editore.

D'Onghia, Madia/de Martino, Claudio (2018): Gli strumenti giuslavoristici di contrasto allo sfruttamento del lavoro in agricoltura nella legge n. 199 del 2016: ancora timide risposte a un fenomeno molto più complesso. Università di Foggia: Centre for the Study of European Labour Law (CSDLE) „Massimo D'Antona".

European Commission (n.d.): Farm to Fork strategy. In: Food safety. https://ec-europa-eu.uaccess.univie.ac.at/food/horizontal-topics/farm-fork-strategy_en (Accessed 14th October 2021).

European Union (2013): Regulation (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in

agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) no 234/79, (EC) No 1037/2001 and (EC) No 1234/2007. L 346/671. Brussels: Official Journal of the European Union.

European Union (2019): Directive (EU) 2019/633 of the European Parliament and of the Council of 17 April 2019 on unfair trading practices in business-to-business relationships in the agricultural and food supply chain. L 111/59. Strasbourg: Official Journal of the European Union.

Eurostat (2020): From farm to fork – a statistical journey. In: Eurostat, April 2020. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=From_farm_to_fork_-_a_statistical_journey (Accessed 12th June 2021).

Eurostat (2021): Performance of the agricultural sector. In: Eurostat, March 2021. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Performance_of_the_agricultural_sector&stable=1 (Accessed 11th June 2021).

Federdistribuzione (2019): Scenario economico e dinamica dei consumi. https://www.federdistribuzione.it/download/dati-2019-mappa-del-sistema-distributivo-italiano/ (Accessed 13th July 2021).

Federdistribuzione (2020): La sostenibilità e la responsabilità sociale della distribuzione moderna protagoniste al convegno di apertura di marcabybolognafiere. In: Federdistribuzione, comunicati stampa, 15.01.2020. https://www.federdistribuzione.it/la-sostenibilita-e-la-responsabilita-sociale-della-distribuzione-moderna-protagoniste-al-convegno-di-apertura-di-marcabybolognafiere/ (Accessed 2nd September 2021).

Fernandez-Stark, Karina/Bamber, Penny/Gereffi, Gary (2011): The fruit and vegetable value chain: workforce development and economic upgrading. Durham: Centre for Globalization, Governance and Competitiveness.

Fine, Michelle (1994): Working the Hyphens. Reinventing Self and Other in Qualitative Research. In: Denzin, N.K. & Y.S. Lincoln (eds.), Handbook of Qualitative Research. Thousand Oaks: Sage, 70-82.

Fischer, Karin/Reiner, Christian/Staritz, Cornelia (2021): Globale Warenketten und ungleiche Entwicklung. Arbeit, Kapital, Konsum, Natur. Wien: Mandelbaum.

Gazzetta Ufficiale della Repubblica Italiana (1930): Regio Decreto 19 ottobre 1930, n. 1398. Codice Penale. Roma: Direzione e redazione presso il Ministero di Grazia e Giustizia – Ufficio pubblicazione delle leggi. https://www.gazzettaufficiale.it/dettaglio/codici/codicePenale (Accessed 1st September 2021).

Gazzetta Ufficiale della Repubblica Italiana (1970): Legge 20 maggio 1970, n. 300. Anno 111° - Numero 131. Roma: Direzione e redazione presso il Ministero di Grazia e Giustizia – Ufficio pubblicazione delle leggi. https://www.gazzettaufficiale.it/eli/id/1970/05/27/070U0300/sg (Accessed 1st September 2021).

Gazzetta Ufficiale della Repubblica Italiana (1983): Codice Civile. Testo approvato con R. decreto 16 marzo 1942-XX, n. 262. Anno 83° - Numero 79. Roma: Direzione e redazione presso il Ministero di Grazia e Giustizia – Ufficio pubblicazione delle leggi. https://www.gazzettaufficiale.it/dettaglio/codici/codiceCivile (Accessed 30th August 2021).

Gazzetta Ufficiale della Repubblica Italiana (2011): Decreto-legge 13 agosto 2011, n. 138. Anno 152° - Numero 188. Roma: Direzione e redazione presso il Ministero di Grazia e Giustizia – Ufficio pubblicazione delle leggi. https://www.gazzettaufficiale.it/eli/id/2011/08/13/011G0185/sg (Accessed 15th July 2021).

Gazzetta Ufficiale della Repubblica Italiana (2014): Legge 11 agosto 2014, n. 116. Serie generale – n. 192. Roma: Direzione e redazione presso il Ministero di Grazia e Giustizia – Ufficio pubblicazione delle leggi. https://www.gazzettaufficiale.it/eli/id/2014/08/20/14G00128/sg (Accessed 27th February 2021).

Gazzetta Ufficiale della Repubblica Italiana (2015): Decreto 22 luglio 2015. Anno 156° - Numero 252. Roma: Direzione e redazione presso il Ministero di Grazia e Giustizia – Ufficio pubblicazione delle leggi. https://www.gazzettaufficiale.it/eli/id/2015/10/29/15A08014/sg (Accessed 31st August 2021).

Gazzetta Ufficiale della Repubblica Italiana (2016): Legge 29 ottobre 2016, n. 199. Anno 157° - Numero 257. Roma: Direzione e redazione presso il Ministero di Grazia e Giustizia – Ufficio

pubblicazione delle leggi. https://www.gazzettaufficiale.it/eli/id/2016/11/3/16G00213/sg (Accessed 26th April 2021).

Gereffi, Gary/Humphrey, John/Kaplinsky, Raphael/Sturgeon, Timothy J. (2001): Introduction: Globalisation, Value Chains and Development. In: Gereffi, Gary/ Kaplinsky, Raphael: The Value of Value Chains. IDS Bulletin Volume 32 No 3, 1-8. Brighton: Institute of Development Studies.

Gereffi, Gary/Humphrey, John/Sturgeon, Timothy (2005): The governance of global value chains. In: Review of the International Political Economy 12 (I). Online: Routledge, Taylor and Francis Group Ltd, 78-104.

Gereffi, Gary/Fernandez-Stark (2016): Global Value Chain Analysis: A Primer. Second Edition. Center on Globalization, Governance & Competitiveness. Durham: Duke University.

Gereffi, Gary/Mayer, Frederick (2006): Globalization and the demand for governance. In: Gereffi, Gary, The new offshoring of jobs and global development, 39-58. ILO Social policy Lectures. Geneva: International Institute for Labour Studies.

Gibbon, Peter (2003): Commodities, donors, value-chain analysis and upgrading. Paper prepared for UNCTAD. Copenhagen: Danish Institute for International Studies.

Gibbon, Peter/Bair, Jennifer/Ponte, Stefano (2008): Governing global value chains. In: Economy and Society 37 (3). Online: Routledge, Taylor and Francis Group Ltd, 315-338.

GLOBALG.A.P. (2014): Kenya-GAP Successfully Re-benchmarked for GLOBALG.A.P. Integrated Farm Assurance Standard Version 4. In: Globalgap.org, 22.01.2014. https://www.globalgap.org/uk_en/media-events/news/articles/Kenya-GAP-Successfully-Re-benchmarked-for-GLOBALG.A.P.-Integrated-Farm-Assurance-Standard-Version-4/ (Accessed 6th June 2021).

GLOBALG.A.P. (2021): What is GRASP. In: Globalgap.org. https://www.globalgap.org/uk_en/for-producers/globalg.a.p.-add-on/grasp/what-is-GRASP/# (Accessed 8th September 2021).

Helfferich, Cornelia (2014): Leitfaden- und Experteninterviews. In: Baur, N., J. Blasius (Hrsg.), Handbuch Methoden der empirischen Sozialforschung. Wiesbaden: Springer, 559-574

Hopkins, Terence/Wallerstein, Immanuel (1986): Commodity chains in the world economy prior to 1800. Review, Vol. 10, No. 1. New York: Research Foundation of State University of New York, 157-170.

Humphrey, John/Memedovic, Olga (2006): Global Value Chain in the Agri-food Sector. Working papers. Vienna: UNIDO.

Humphrey, John/Schmitz, Hubert (2002): How does Insertion in Global Value Chains Affect Upgrading in Industrial Clusters? In: Regional Studies 36/9, 1017-1027.

Soressi, Manuela (2020): Il cibo made in Italy "non basta più": cresce il peso dei brand locali. In: Ilsole24ore, 12 August 2020. https://www.ilsole24ore.com/art/il-cibo-made-italy-non-basta-piu-cresce-peso-brand-locali-AD8kwNh?refresh_ce=1 (15th October 2021).

INL (2020): Rapporto annuale delle attività di tutela e vigilanza in materia di lavoro e legislazione sociale. Roma: Direzione centrale tutela, sicurezza e vigilanza del lavoro.

INPS (2017): La Rete del lavoro agricolo di qualità. In: INPS, 03.04.2017. https://www.inps.it/prestazioni-servizi/la-rete-del-lavoro-agricolo-di-qualita (Accessed 19th July 2021).

INPS (2019): Gli operai agricoli in Italia secondo i dati INPS. Anno 2019. Ministero delle politiche agricole alimentari e forestali: CREA Politiche e Bioeconomia.

INPS (2020a): Statistiche in breve. Mondo agricolo, anno 2019. A cura del Coordinamento generale Statistico Attuariale. In: INPS, November 2020. https://www.inps.it/osservatoristatistici/api/getAllegato/?idAllegato=1003 (Accessed 23rd June 2021).

INPS (2020b): Osservatorio sulle aziende e gli operai agricoli dipendenti. Nota metodologica. Osservatorio realizzato dal Coordinamento Generale Statistico Attuariale. In: INPS. https://www.inps.it/osservatoristatistici/api/getAllegato/?idAllegato=1004 (Accessed 28th June 2021).

INPS (2021): Rete del lavoro agricolo di qualità. Aziende ammesse al 14 luglio 2021. In: INPS. https://www.inps.it/docallegatiNP/Mig/Prestazioni_e_servizi/Aziende_ammesse_al_14_07_2021.pdf (Accessed 20th July 2021).

International Labour Organization (ILO) (n.d.): Ratification of ILO Conventions. Ratifications by country. Ratifications for Italy. In: NORMLEX, Information System on International Labour Standards. https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:11200:0::NO::P11200_COUNTRY_ID:102709 (Accessed 5th June 2021).

ISMEA (2020a): L'industria alimentare in Italia. La performance delle imprese alla prova del Covid-19. Roma: ISMEA & Federalimentare.

ISMEA (2020b): Analisi delle potenzialità innovative delle cooperative agroalimentari di piccole e media dimensione. Sintesi dei risultati dello studio svolto nel 2019-2020 e linee guida. Roma: ISMEA Mercati.

ISTAT (2021): Andamento dell'economia Agricola | Anno 2020. Statistiche report. In: ISTAT, 25.05.2021.

Jouanjean, Marie-Agnes/Gourdon, Julien/Korinek, Jane (2017): GVC Participation and Economic Transformation: Lessons from three sectors, OECD Trade Policy Papers, N°207. Paris: OECD Publishing.

Krasnozhon, Leonid A./Simpson, David/Block, Walter E. (2015): Fair trade: its real impact on the working poor. In: The Review of Social and Economic Issues, v.1, n.2.

Lanz, Rainer/Miroudot, Sébastien (2011): Intra-Firm Trade: Patterns, Determinants and Policy Implications, OECD Trade Policy Working Papers 114. Paris: OECD Publishing.

Lecca, Tommaso/Cardarelli,Francesco/Prestigiacomo, Dario (2018): Caporalato, "la legge non funziona ed è colpa dei migranti". Ma è vero? In: Agrifoodtoday, 7.09.2018. https://www.agrifoodtoday.it/fake-fact/fakenews-caporalato-migranti.html (Accessed 15th July 2021).

Mandrone, Emiliano/Marocco,Manuel (2020): Ai centri per l'impiego manca un ruolo definite. In: La Voce, 04.08.2020. https://www.lavoce.info/archives/68882/ai-centri-per-limpiego-manca-un-ruolo-definito/ (Accessed 12th September 2021).

Mayer, Frederick/Pickles, John (2010): Re-embedding governance: global apparel value chains and decent work. In: Capturing the gains, Working Paper 1, 2010.

Mayring, Philipp (2000): Qualitative Content Analysis. Forum Qualitative social Research Sozialforschung. In: Forum: qualitative social research/ Sozialforschung, Vol. 1, No. 2, Art. 20 https://www.qualitative-research.net/index.php/fqs/article/view/1089 (Accessed 8th September 2021).

Mayring, Philipp (2014): Qualitative Content Analysis. Theoretical Foundation, Basic Procedures and Software Solution. Klagenfurt: Beltz.

Mayring, Philipp/Fenzl, Thomas (2014): Qualitative Inhaltsanalyse. In N. Baur & J. Blasius (Hrsg.), Handbuch Methoden der empirischen Sozialforschung. Wiesbaden: Springer VS.

Mayring, Philipp (2015): Qualitative Inhaltsanalyse. Grundlagen und Techniken. Weinheim: Beltz.

Memedovic, Olga/Shepherd, Andrew (2008): Agri-food value chains and poverty reduction: overview of main issues, trends and experiences. Research and statistics branch, working paper 12/2008. Vienna: UNIDO.

Milberg, William (2003): The Changing Structure of Trade Linked to Global Production Systems: What Are the Policy Implications? Background paper for the World Commission on Social Dimensions of Globalisation. New York: New School University.

Ministero delle politiche agricole alimentari e forestali (MiPAAF) (2017): Controlli, Icqrf: pubblicato report attività operativa. Nel 2016 oltre 48 mila controlli effettuati. 22.02.2017. https://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/10949 (Accessed 31st August 2021).

Ministero del Lavoro e delle Politiche Sociali (2020): Piano triennale di contrasto allo sfruttamento lavorativo in agricoltura e al caporalato (2020-2022), febbraio 2020.

Ministero delle politiche agricole alimentari e forestali (MiPAAF) (2021): Elenco nazionale delle organizzazioni di produttori ortofrutticoli riconosciute – aggiornato al 18 maggio 2021. 18.05.2021 https://www.politicheagricole.it/flex/cm/pages/ServeBLOB.php/L/IT/IDPagina/3951 (Accessed 25th June 2021).

Ministero dell'Interno (2021): Protocollo a Foggia per la riconversione del Cara di Borgo Mezzanone. 20.05.2021. https://www.interno.gov.it/it/notizie/protocollo-foggia-riconversione-cara-borgo-mezzanone (Accessed 1st September 2021).

Mitchel, Jonathan/Coles, Christopher/Keane, Jodie (2009): Upgrading along value chains: strategies for poverty reduction in Latin America. Briefing Paper December 2009. London: Copla.

Nadvi, Khalid/Waeltring, Frank (2004): Making sense of global standards. In: Schmitz, Hubert (ed): Local Enterprises in the Global Economy: Issues of Governance and Upgrading. Cheltenham: Edward Elgar Publishing, 2004.

NO CAP (2021): People before profit. Dalla protesta alla proposta. W. p.: Crea & Stampa.

Nomisma (2009): La filiera agroalimentare tra successi, aspettative e nuove mitologie. Presentation at the ANCD Conad Federalimentare conference. Rome: Nomisma.

Osservatorio Placido Rizzotto/FLAI-CGIL (2020a): Agromafie e caporalato. Quinto rapporto. Roma: Ediesse | Futura.

Osservatorio Placido Rizzotto/FLAI-CGIL (2020b): Schede grafiche. Il quadro dell'economia non osservata e del lavoro irregolare in agricoltura. In: Flai-Cgil, 31.10.2020. https://www.flai.it/osservatoriopr/osservatorio-placido-rizzotto/ (Accessed 16th July 2021).

Oxfam (2020): Diritti a scaffale. GDO e giustizia nella filiera agroalimentare: i risultati di un anno di campagna al giusto prezzo. Briefing note, Aprile 2020. Oxfam Italia.

Pezzoli, Andrea (2011): La filiera agroalimentare: i profili di rilevanza concorrenziale. In: Agriregionieuropa, Anno 7, Numero 27. Ancona: Associazione Alessandro Bartola.

Regione Emilia-Romagna (2016): Testo unico per la promozione della legalità e per la valorizzazione della cittadinanza e dell'economia responsabili. Deliberazione legislativa n. 43, 26.10.2016. Regione Emilia-Romagna: Servizio Affari legislativi e coordinamento commissioni assembleari.

Regione Emilia-Romagna (2017): Programma di sviluppo rurale 2014-2020. Bando progetti di filiera. Delibera Num. 227, 27/02/2017. Regione Emilia-Romagna: w. p.

Regione Lazio (2019): Approvazione dello schema di Protocollo D'Intesa tra la Regione Lazio e le Parti Sociali "Per un lavoro di qualità in agricoltura", 07/01/2019. Regione Lazio: Giunta regionale.

Regione Puglia (2021): Progetto sperimentale per il trasporto dei braccianti agricoli immigrati in provincia di Foggia. In: RSS Notizie regione, 17.05.2021. https://www.regione.puglia.it/rss-notizie-regione/-/asset_publisher/HM6Y7Tt9h38l/content/progetto-sperimentale-per-il-trasporto-dei-braccianti-agricoli-immigrati-in-provincia-di-foggia/46685 (Accessed 1st September 2021).

Rossi, Arianna (2011): Economic and social upgrading in global production networks: the case of the garment industry in Morocco. Dissertation, University of Sussex.

Sagnet, Yvan/Palmisano, Leonardo (2015): Ghetto Italia. I braccianti stranieri tra caporalato e sfruttamento. Roma: Fandango Libri s.r.l..

Schmitz, Hubert (Hg.) (2004): Local Enterprises in the Global Economy – Issues of Governance and Upgrading. Cheltenham: Edward Elgar Publishing.

Scotto, Angelo (2016): Between exploitation and protest: migrants and the agricultural gangmaster system in Southern Italy. In: Revista Interdisciplinar de Mobilidade Humana, Brasilia, Ano XXIV, n. 48, 79-92, set./dez. 2016.

Senato della Repubblica (2012): Costituzione della Repubblica Italiana. Roma: Senato. https://www.senato.it/documenti/repository/istituzione/costituzione.pdf (Accessed 1st September 2021).

Smalley, Rebecca (2013): Plantations, Contract Farming and Commercial Farming Areas in Africa: A Comparative Review. LACA Working Paper 055. In: Future Agricultures. PLAAS

The European House - Ambrosetti (2019): La creazione di valore lungo l filiera agroalimentare estesa in Italia. Position Paper 2019 con Federdistribuzione – ANCC COOP – ANCD CONAD e in collaborazione con ADM – Associazione Distribuzione Moderna. W. p.: Ambrosetti S.p.A..

Terra! (2019): STATUTO Associazione di promozione sociale TERRA! W. d. https://www.associazioneterra.it/wp-content/uploads/2019/11/Statuto-Terra_2019.pdf (Accessed 13th July 2021)

Terra! (2021): E(u)xploitation. Il caporalato: una questione meridionale Italia, Spagna, Grecia. Roma: Terra!.

Ullrich, Peter (2019): Protestforschung zwischen alles Stühlen. Ein Versuch über die Sozialfigur des „Protestforschers“. In: Foschungsjournal Soziale Bewegungen 32. Jg. 1.

Zaghi, Andrea/Bono, Paolo (2011): La distribuzione del valore nella filiera agroalimentare italiana. In: Agriregionieuropa, Anno 7, Numero 27. Ancona: Associazione Alessandro Bartola.

Websites

Casa Sankara: https://www.casasankara.it/

European Citizens’ Initiative: https://europa.eu/citizens-initiative/_en

Save Bees and Farmers: https://www.savebeesandfarmers.eu/eng/

Appendix I: Semi-structured interviews

Topic	General question	Specific questions
General information on interviewed	What is your company/organization about?	
Agri-food value chain	How is the agri-food value chain structured?	▪ Which actors are present in the agri-food chain and what is the relationship between them? ▪ What are the biggest economic and social challenges the company/organization encounters within the agri-food value chain?
The Quality Agricultural Work Network	How does the "Quality Agricultural Work Network" function in terms of actors' participation and auditing system?	▪ When and why did you enroll in the Network? ▪ What are the benefits of the Network? ▪ How is the auditing system functioning? ▪ What has affected the registration of enterprises in the Network?
Impacts on the phenomenon of *caporalato*	What are the impacts of the "Quality Agricultural Work Network" on the prevention of the phenomenon of *caporalato*?	▪ How many territorial sections have been implemented and how are they organized? ▪ How are the territorial sections impacting on the prevention of the phenomenon of *caporalato* with regards to labor placement? ▪ Is there a relation between the increase in legal employment contracts and the establishment of the Network?
Impacts on the agri-food value chain	Does the "Quality Agricultural Work Network" affect any market requirements and price setting?	▪ Are registered individuals benefiting from the Network? ▪ Registered individuals are able to directly sell their products to supermarkets? / Are retailers starting to buy products from individuals registered in the Network? ▪ What are your suppliers and are they enrolled in the Network? ▪ Have there been any changes in price setting since Network enrollment?
Power relations	Does the "Quality Agricultural Work Network" affect any power dynamics within the Italian agri-food value chain?	▪ Is the Network affecting any power dynamics within the value chain thus bringing to a (dis)equilibrium among involved actors?
Challenges and solutions	Which challenges is the "Quality Agricultural Work Network" still facing and how actors aim at improving them?	▪ What are the challenges the Network is facing? ▪ What are possible solutions? ▪ How do you see this initiative compared to other existing standards and initiatives?

Appendix II: Interview schedule

	Category	Organization	Interview Partner	Position	Date	Location
1	General Confederation Italian Agriculture	Confagricoltura	Roberto Caponi	Director of Labor Policies and Welfare area	26/05/2021	Zoom
2	Environmental association	Terra!	--	--	26/05/2021	Zoom
3	General Confederation Italian Agriculture	Confagricoltura	Francesco Postorino	General Director	28/05/2021	Zoom
4	Agro-industry workers union	Flai-Cgil	Umberto Franciosi	General secretary in Emilia-Romagna	31/05/2021	Zoom
5	Association of Italian Cooperatives	AGCI	Enrico Casola	Agrital Vicepresident	07/06/2021	Zoom
6	Food processing industry	--	--	--	14/06/2021	Zoom
7	Retail company	COOP	Chiara Faenza	Head of Sustainability and Value Innovation	15/06/2021	Microsoft Teams
8a	National Labor Inspectorate	INL	--	Central Directorate for Labor Protection, Safety and Supervision	22/06/2021	Microsoft Teams
8b	National Social Security Institute	INPS	Ugo Mei	Responsible for the procedure and the measure of the direction cabin	22/06/2021	Microsoft Teams
9	Farm	--	--	--	30/06/2021	Skype
10	Retail company	--	--	--	7,9/07/2021	Microsoft Teams & Office of the retail company