

Policy Brief

Employers and compliance with labour standards in agriculture. Social conditionality and incentive mechanisms in Italy

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Introduction

This Policy Brief addresses sanctioning and incentive mechanisms related to compliance with workers' rights in agriculture in Italy. As of 2024, 25% of agriculture workers were non-UE migrant workers ([Dossier Immigrazione IDOS 2025](#)).

The first section highlights existing critical issues concerning sanctioning mechanisms linked to the social conditionality of Common Agricultural Policy (CAP) funds. Subsequently, the Italian experience of the Network for Quality Work in Agriculture is presented, which in some Italian regions is additionally connected to incentive mechanisms for employers. Although

these two initiatives are independent of each other, both aim to ensure adequate working conditions for workers in the agricultural sector. The final section provides policy recommendations addressed to the EU, national and regional state bodies, regarding both mechanisms.

This policy brief is the result of reflections developed during the DignityFIRM project and further elaborated during a focus group held in October 2025, which included representatives from various employer organisations and officials from national and regional bodies involved in managing the Network for Quality Work



in Agriculture and the social conditionality of CAP funds.

Social Conditionality in the EU Common Agricultural Policy (CAP)

Italy's Early Implementation

Social conditionality for the distribution of CAP funds was introduced by EU Regulation 2021/2115 and was implemented in Italy through Legislative Decree No. 42/2023 and subsequent ministerial decrees.

Although Member States were required to apply social conditionality by 2025, Italy decided to advance its implementation from 2023.

Control and sanctioning mechanism

The sanction consists of a reduction in CAP funds benefiting agricultural enterprises: the extent of the reduction, based on a mathematical calculation, varies according to the severity, persistence, and intentionality of the violation and is determined by indices linked to the type of norms violated. The application of sanctions falls under the responsibility of the Agency for Disbursements in Agriculture (AGEA), the entity established within the Ministry of Agriculture responsible for the payment of EU funds. The determination of violations is based on information transmitted by three authorities responsible for inspections and controls: the Labour Inspectorate, the National Fire Corps, and Local Health Authorities.

Main challenges

The exclusion of severe exploitation

According to the provisions of EU Regulation 2021/2115, sanctions apply only to those areas in which the European Union has already adopted common standards through Directives, namely: transparent and predictable working conditions, workers' health and safety, and minimum requirements for the use of work equipment. More serious violations related to cases of labour exploitation are not included, as EU law has not harmonised this matter. This creates the paradox whereby, within the framework of social conditionality connected to CAP funds, enterprises can be sanctioned for minor irregularities but not for more serious cases of labour exploitation, such as undeclared work or the use of forms of violence or blackmail against workers, except when the exploitation is also related to workers' health and safety violations.

Differential treatment in sanction application

Under Italian law, social conditionality applies only when the violations have been definitively established: the Regulation's provision that conditionality applies when "control authorities" have issued a "final decision" has been translated in the Italian context by referring to the "definitive assessments" carried out in administrative or judicial proceedings, which cannot be appealed anymore. However, these can require several years, especially when the



enterprise exercises its right to appeal first-instance decisions. It is therefore possible that enterprises that decide not to appeal decisions and acknowledge their responsibility, thereby paying the pecuniary sanctions swiftly, are penalised by the quicker imposition of sanctions. Furthermore, in the case of enterprises with registered offices abroad, the provisions regarding assessments and sanctions of the EU country where the enterprise is based apply. The different application of conditionality in various European legal systems can have distortive effects on fair competition among agricultural enterprises in the EU.

The coordination amongst competent actors

As mentioned, the determination of sanctions is carried out by:

- a) National Labour Inspectorate**, with control and sanctioning competencies regarding all the above-mentioned norms;
- b) National Fire Brigade**, with control and sanctioning competencies regarding health and safety;
- c) Local Health Authorities** (depending on regions), with control and sanctioning competencies regarding health and safety and work equipment.

These agencies can carry out inspections even without a specific report from workers. The disbursing entity (AGEA) and the above-mentioned three supervisory bodies find themselves for the first time having to coordinate their actions. In this unprecedented circumstance, the development of a shared system for data

and information exchange is proving rather complicated.

The multiplication of information systems

A further critical factor concerns the multiplication of databases. Each incentive and sanctioning system related to working conditions, in the agricultural sector and beyond, provides for its own database, with the result that the same data is collected and transmitted multiple times, generally in different formats and through different operating systems. This multiplication, in addition to being redundant, increases the workload of the control and supervisory bodies involved and is not always accompanied by an adequate increase in human resources.

Incentive mechanisms for “virtuous enterprises”: the Network for Quality Work in Agriculture

Establishment of the Network and its functions

The Network for Quality Work in Agriculture, introduced by Law 116 of 2014 and subsequently amended by Law 199 of 2016, represents the first concrete initiative aimed at developing positive and incentive actions in the context of combating illegal labour intermediation and undeclared work in agriculture. In practice, it is configured as a register, managed by INPS (National Social Security Institute), of agricultural enterprises



possessing requirements of integrity and contribution regularity.

Main challenges

The lack of incentives

Over time, the number of enterprises that have joined the Network has remained limited: 10,248 registered in 2025, out of approximately 180,000 agricultural enterprises operating on the national territory. In recent years, some regions (e.g., Puglia) have witnessed the cancellation of certain enterprises.

Employer representatives tend to explain the limited participation by the absence of real incentives and concrete advantages deriving from registration in the Network, combined with the bureaucratic workload that registration entails for enterprises. For example, no preferential treatment is provided in terms of taxation or access to national and European funds supporting agricultural activity.

Good practices: Emilia Romagna and Lazio regions

The subscription to the Network has increased significantly in two Italian regions, Emilia Romagna and Lazio, which have introduced positive incentive mechanisms linked to access to funding.

Specifically, in **Emilia Romagna**, an increase in scoring on calls for the allocation of funds for agricultural competitiveness is provided for projects involving enterprises adhering to the Network for Quality Work in Agriculture. The result is that approximately one-third of Network enterprises are based in Emilia Romagna.

Furthermore, the provincial roundtables provided for by the Network, which involve all actors with competencies regarding labour and the Prefectures, are quite active in promoting projects oriented not only toward combating but also preventing the exploitation of agricultural workers, for example by offering services often provided by illegal intermediaries ("caporali"), such as transportation to reach the workplace (e.g., "Agri-bus" Service).

Similarly, in **Lazio**, the region approved a regional law (L. 18/2019) to promote the creation of working groups among different actors and linked access to certain regional economic contributions for the competitiveness of agricultural enterprises to the adherence of agricultural enterprises to the Network.



Policy recommendations

Promoting an integrated approach

The inclusion of social conditionality in the CAP, as well as any other type of sanction mechanism, can be truly effective only if incorporated into a broader intervention strategy.

It is thus essential to coordinate sanctioning interventions with both incentive measures and more general measures to combat informal work and labour exploitation in the agri-food sector. The informal work is often performed by migrant workers, living and working in precarious conditions: from this perspective, sanctions shall be accompanied by offering alternative solutions to ensure that migrant workers have concrete access to dignified working and living conditions.

Integrating information systems

It would be advisable to make the multiple databases produced within the framework of various interventions aimed at guaranteeing workers' rights interoperable. The Network for Quality Work in Agriculture itself could share information with the dataset developed by AGEA within the framework of the CAP. Dialogue between databases implies work on both content and operating systems, which are too often incompatible.

The integration of the various available databases would enable rationalisation

and optimisation of the work of the bodies involved in compilation and an increase in the effectiveness of actions, making the best use of available information. Artificial intelligence could be employed to facilitate this type of development while maintaining the need to adequately protect the privacy of the enterprises involved.

Making compliance an element of competitiveness

Compliance with regulations regarding working conditions should prove advantageous also in market dynamics. From this perspective, it would be advisable to recognise and valorise it in product branding. Moreover, it would be beneficial to work on the supply chain to ensure that compliance with the standards themselves does not translate into a penalty at the cost level and therefore in consumer prices, thereby reducing the competitiveness of virtuous enterprises.

Creating “risk indicators”

It would be useful to define “risk indicators” based on available data, for example, by verifying the proportionality between regularly employed personnel and enterprise revenue. This would enable rationalisation of resources allocated to controls, concentrating them where the probability of violation is highest.



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About DignityFIRM

Towards becoming sustainable and resilient societies we must address the structural contradictions between our societies' exclusion of migrant workers and their substantive role in producing our food.

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