



ILERA 2022
European Congress

WSI

Wirtschafts- und Sozial-
wissenschaftliches Institut

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der Hans-Böckler-Stiftung

A NEW ERA FOR THE GERMAN MEAT INDUSTRY?

**Towards Better Working Conditions
And New Labour Relations**

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13th ILERA European Congress

Industrial relations and the Green Transition;

Towards inclusive and sustainable growth

8-10 September 2022, Barcelona

Content

- 1. The specific business and labour exploitation model** of the German Meat Industry
- 2. After massive Covid-19 outbreaks in the German meat industry:**
The adoption of a new legal labour package
- 3. The impact of the new legal labour package:**
New rules of the game and opportunities for trade unions and workers' struggles

1. Neo-Liberal Policies in Germany

and its Impact for the Meat Industry

1970/1980s: **Privatisation** of former public abattoirs

1990s: **Opening of the German labour market**
for posted workers from Eastern Europe

Erosion of **sector-level collective bargaining**

Decline of **trade union representation**

2000s **EU Eastern Enlargement/**
Increasing employment of **Eastern European**
workers in the meat industry

Increasing concentration in the meat industry
and the emergence of large meat companies

Establishment of a **new business model!**

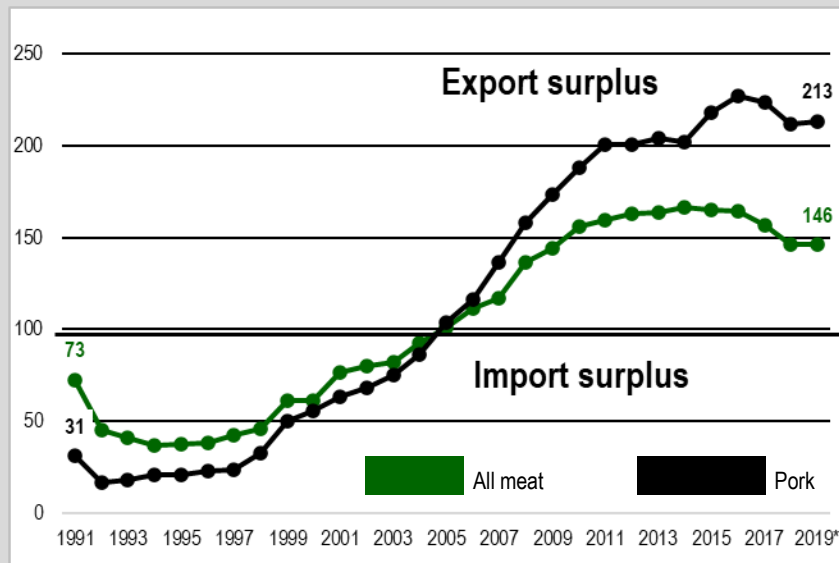
1. The New Business Model

of the German Meat Industry (since the 1990s)

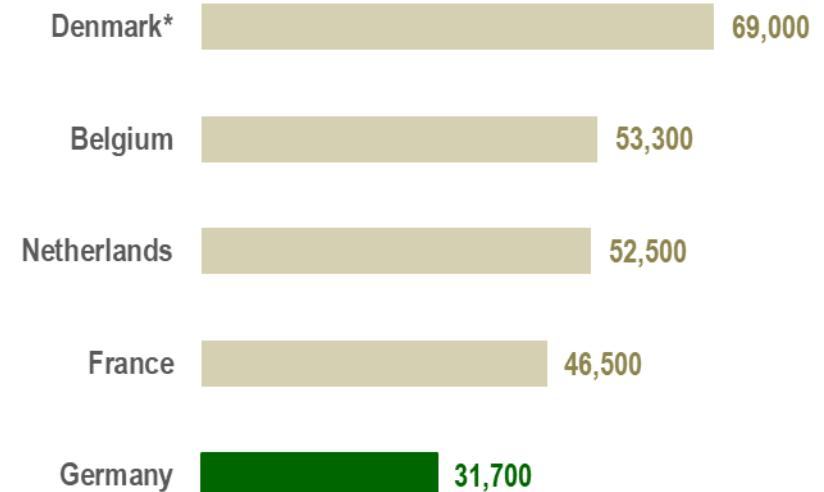
Increasing market expansion based on

- **cheap mass production**
- **strong export-orientation**
- **exploitation of cheap labour from Eastern Europe**

Trade balance of the German meat industry



Annual Labour Costs in the meat industry (2018)



1. The Specific Labour Exploitation Model

of the German Meat Industry (since the 1990s)

Extensive use of cheap workers from Eastern Europe

- hired not by the meat producer but by **sub-contracting companies**
- extremely **low wages**; not covered by **collective agreements**
- extremely **hard working conditions** and **long working hours**
- **many offences against** health and safety and other legal labour standards
- extremely poor **housing conditions**
- **no workers' representation**, as **works councils** in the meat companies have almost no representation rights regarding workers from sub-contractors

2. Massive Covid-19 Outbreaks in German Slaughterhouses (May/June 2020)

FINANCIAL TIMES

Coronavirus pandemic + Add to myFT

German slaughterhouses in spotlight after virus outbreak

Migrant workers endure conditions scientists say are prime Covid-19 incubators



GERMANY



Coronavirus: 'Modern slavery' at the heart of German slaughterhouse outbreak

Just as lockdown measures are lifting, more than 200 employees at a slaughterhouse in western Germany have contracted COVID-19. DW spoke to workers living in dilapidated, crowded conditions.



THE TIMES

CORONAVIRUS

Coronavirus: Slaughterhouse at centre of huge new German outbreak



The Guardian

This article is more than

'Exploitative conditions': Germany to reform meat industry after spate of Covid-19 cases

Ban on use of subcontractors and fines of €30,000 for slaughterhouses breaching new labour regulations a 'historic moment', say campaigners

- Coronavirus - latest updates
- See all our coronavirus coverage



2. After the Covid-19 Crisis: **A New Era for the German Meat Industry?**

Handelsblatt

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Handelsblatt > Unternehmen > Handel + Konsumgüter > Schlachtindustrie: Tönnies, Westfleisch & Co. stehen wegen Corona vor einer Wende Suchbegriff, WKN, ISIN 🔍


TÖNNIES, WESTFLEISCH UND CO.

Die Schlachtindustrie steht nach den Corona-Ausbrüchen vor einer Zeitenwende

Lasche Vorgaben haben Deutschland zu einem führenden Standort für Schweinezüchter und Schlachter gemacht. Nun droht die Politik mit „Konsequenzen“ – und lädt zum Branchentreffen.

 Katrin Terpitz  Silke Kersting

24.06.2020 • Update: 24.06.2020 - 12:23 Uhr • 2 Kommentare • 10 x geteilt



2. The New Legal Labour Package for the German Meat Industry (2021)

Occupational Safety and Health Inspection Act

(*Arbeitsschutzkontrollgesetz*)

- **Legal ban of sub-contracting** in the core areas of meat production from 1 January 2021
- **Legal ban on temporary agency work** from 1 April 2021
- Requirement of electronic recording of **working hours**
- Minimum number of **workplace inspections**
- Minimum standards for **company housing**
- **Higher financial penalties** for employers which violate labour standards
- **Changing rules of the game** for workers' representation and trade unions

3. Impact of the New Legal Labour Package in the German Meat Industry

New rules of the game:

1. **Workers councils** at companies
are in charge of the entire workforce
2. **New Opportunities for trade unions**
to organise migrant workers and
to re-regulate the sector via collective agreements
3. **Strengthening networks** between unions
and other NGOs (churches, welfare organisations etc.)
4. Better support for migrant workers through
the union-run **advisory organisation**
“Faire Mobilität”



3. Faces the German Meat Industry **a turning point since covid-pandemic?**

3 years monitoring project

- Interdisciplinary research: legal scholars, social scientists, trade union activists
- Aim: **Long-term monitoring of the process of change** that has begun in the meat industry

Case studies:

- Interviews with all relevant stakeholders: Managers, HR, works council, integration officers, employees, consultants
- Results from Interviews with **6 works councils** from different companies a.o. Tönnies, Vion, Westfleisch

3. Impact of the New Legal Labour Package in the German Meat Industry

The end of the subcontracting system?

- All approx. 35.000 former subcontracted workers **were directly employed by meat companies!!!**
- Subcontractors were still used for **recruiting** of migrant workers
- **Work organisation/hierarchies of subcontractors** were often taken over from the meat companies
- Some companies try to **bypass** the ban on subcontracting (legal cases are pending and are still not decided by courts)
- Whole new legislation is **legally contested** (has to be decided by the German Constitutional Court)

3. Impact of the New Legal Labour Package in the German Meat Industry

Improvement of conditions?

- **Working time:** Formerly extended working days (up to 16 hours) are reduced to max 10 h/day, due to digital recording and controls
- **Inspections** by state institutions were extended (but still not satisfying)
- **Working conditions** did not change substantially. Harsh, authoritarian regime inside factory continues -> supervisors of the former subcontracting firms still in charge
- **Division of workforce** (core – migrant workers) proceeds
- **Still high labour turnover rate** among unskilled migrant workers
- **Housing situation** improved, but not resolved -> still no new legal framework

Perspectives and Discussion:

From Erosion to Re-Organisation?

- New **rules of the game** and subsequent union and civil society activities started a **(social) transformation of the German Meat Industry**
- Reconstruction of collective bargaining:
 - May 2021: Sector-wide **minimum wage**
 - 2022ff.: Negotiations for collective agreement on **working conditions** beyond wage like working time, vacation etc.
 - New opportunities for **works councils**

Social transformation will need more years to gain stable improvements and to change production and business model more fundamentally ...

Many thanks for your attention!



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Further Reading:



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