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A slaughterhouse for workers

It's not Romanians spreading the virus, it's capitalism. The exploitation of workers in German meat factories has to end

While the world heaps praise on Germany's successful response to the Covid-19 pandemic, recent events have thrown a dark shadow on the shiny image. Although its political leadership, unlike that of France and the US, did not frame the pandemic discourse around a war analogy, the 'collateral damage' yielded by the German variety of capitalism during the pandemic is hard to overlook.

Eastern European workers in German food production, particularly in agriculture and the meat processing industry, in spite of being declared essential in theory, are increasingly falling victim to massive Covid-19 infection outbreaks on farms and in slaughterhouses across the country. The most recent of these outbreaks, where 1300 workers in a slaughterhouse of the Tönnies group in Rheda-Wiedenbrück tested positive for the virus, expose the harsh treatment of workers in the meat industry as a disposable human resource.

This preventable disaster, however, has been met with a reform proposal by German labour minister Hubertus Heil. It seeks to abolish subcontracting in the meat processing industry from January 2021. While the reform is hitting the nail on the head by tackling domestic outsourcing through subcontracting in the German meat industry, one might rightly ask one question: Why did it take a full-blown pandemic for a regulatory reform proposal to reach decision makers' tables? The horrific working and living conditions of slaughterhouse migrant workers that sustained cheap German meat over decades have long been well-known.

Although the infection outbreaks in meat factories are clearly not only a German problem (the US, Brazil, the Netherlands and others had similar issues), the precarious working conditions in the German meat industry that led to the outbreaks are a result of a specific legal architecture, business practice and the particular European core-periphery divide.

Contrary to the xenophobic claims that Eastern European migrant workers are responsible for the spread of the virus, we should rather question how the current structures of exploitation came into being. They directly construct the vulnerable status of the slaughterhouse workers and have been forged over the years through different layers of EU and German law and regulation.

The commodification of labour in German slaughterhouses

If the German labour market is, in fact, embedded in a relatively strong welfare state and industrial relations, we need to ask why the German meat industry offers a text book example for such abject working conditions.

In part, this certainly reflects Europe's East-West divide, particularly after the 2004 Eastern Enlargement(s). Huge gaps of material inequality between the new Eastern periphery and the old core expanded the so-called 'reserve army of labour' for many industries: workers with weaker bargaining power because of the precarious economic conditions in their countries of origin and the challenges typically faced by migrant workers.

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Although the German meat industry relied to a large extent on foreign labour from Eastern Europe based on bilateral quota agreements since the 1980s, the Eastern enlargement extended the full application of the EU legal framework of free movement of services and the posting of workers. This made labour mobility from the peripheries to the core much easier.

Crucially, the implementation of EU's Posted Workers Directive, which has recently been revised, created an exception for posted workers to work in German meat factories under working conditions as regulated in their countries of origin. Through the minimalist interpretation of workers' protection by the European Court of Justice (see the cases *Laval, Rüffert* and *Luxembourg*), the posting model could further lay the foundation for the current conditions of slaughterhouse labour. It allowed for outsourcing of almost the entire meat production of German firms to subcontractors from the peripheries.

This legal framework, together with the lack of national and let alone pan-European monitoring and enforcement possibilities, enabled the development of human supply chains that specialised in exporting 'cheap labour' from the periphery, now mostly Romania and Bulgaria. The downwards pressure that the working conditions based on the country-of-origin principle have created, together with the practices that companies developed to avoid host-state regulation, led to a gradual displacement of a large segments of the domestic workforce in the German meat industry through (false) posted labour from the Eastern periphery.

By 2013, approximately 70 per cent of the workforce in the four largest meat companies were posted workers, which in some cases enabled companies to save up to 80 per cent in labour costs. That's the difference between a posted worker and worker employed directly at the main firm under German law.

Through this model, major German meat companies (Tönnies, Wiesenhof, Vion and Danish Crown) could completely outsource any liability for the workforce carrying out the entire production process in their slaughterhouses to foreign subcontractors. It obscured essential aspects of workers' protection, such as working time documentation, pay records, accommodation conditions and prices, and enabled outright fraud and abuse of workers' rights.

Hence, German meat industry and business from the periphery directly benefitted from this model, at the expense of the workers who were falsely promised access to a higher-paying labour market in the European core. The Belgian government even filed a complaint with the European Commission in 2013, accusing Germany of unfair competition based on abuse of the posting model.

The promise of the recent reform proposal

Under pressure of trade unions, related initiatives and the media, these unsustainable working conditions in the meat industry have by now been addressed through several political and legal interventions.

First, a minimum wage through a sectoral collective agreement and contractor's liability through amendment of the German Posting law have been introduced in 2014.

The urgency to improve

Second, in 2015 the six largest German meat

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companies signed a commitment to no longer use the posting model but to only subcontract parts of the production process to local subcontracting firms. In theory, workers in the meat industry are now entitled to Germany's minimum wage of €8.75 per hour as well as working conditions based on a German employment contract.

But because of established companies' practices to circumvent the regulation and lack of monitoring and enforcement, the situation on the ground has barely changed. Research shows that many posting companies from the East have registered subsidiaries or simply founded firms in Germany, handing out German contracts to their workers, while relying on the established human supply chains for recruitment, applying old management practices and continuing established fraudulent behaviour.

The latest reform proposed by the Labour Ministry aims at addressing exactly this failure of the last self-regulation initiative by banning subcontracting in the meat industry completely, so that German slaughterhouses and meat processing companies would need to directly employ their workers. As 80 per cent of currently 128,000 workers in German meet processing industry are estimated to be migrant workers from Eastern and Southern Europe employed through subcontractors, the reform should improve the conditions of a large number of workers.

Going further in reform efforts

Although this goes in the right direction, tackling subcontracting should not be seen as a panacea that would swiftly cure the ills of the German meat industry. Since the industry entirely depends on workers from Europe's Eastern periphery, the established networks of temporary work agencies, early letter-box companies or intermediaries will likely continue to be the channels through which many workers will continue finding their way into German slaughterhouses.

The reform should, therefore, focus on avoiding another transformation, this time from subcontractors to intermediaries, or simply a replacement of subcontracting with another mode of circumventing workplace regulation, such as temporary agency work or self-employment.

Considering that work councils have been systematically repressed and union activity impeded in the dominating German meat processing firms, the reform should also address the question of structures of collective representation that would be able to effectively assert workers'

interests. Finally, any substantive reform of the present working conditions in the meat industry will essentially depend on the improvement of monitoring and control as well as overall enforcement mechanisms.

The urgency to improve the working and living conditions of meat processing workers goes without saying. The current momentum should be seized to substantively address the root causes sustaining the injustice that slaughterhouse workers have been enduring.



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