



From Werkvertrag to Permanent Employment: What Has Changed in the Meat Industry

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Since 2021, Werkverträge have been banned in the core meat industry. What the ban achieved, what the Constitutional Court says and what remains open.

Until the end of 2020, many people working in German slaughterhouses were not employed there at all. They cut up meat for one company but were under contract with another, often a subcontractor that had in turn engaged yet another one. Since 1 January 2021, this has been prohibited in the core of the industry. This article describes how this came about, what the ban has achieved and what it has not solved.

The starting point

A business model built on chains

Over the years, a model had become established in the meat industry that broke work down into chains of contracts. A slaughtering company contracted out slaughtering or cutting to another company by means of a Werkvertrag (contract for work and services). That company employed the workers or passed the contract on. A large proportion of these workers came from Eastern Europe, above all from Romania, Bulgaria and Poland.

For the slaughtering companies, the model had advantages. Legally, they bore no employer responsibility for the people on their production lines. Who worked for how long, who was paid how much, where people lived: formally, all this lay with others. For inspection authorities, it was hardly possible to establish who was responsible.

The consequences for workers

The consequences have been documented many times, by advice centres such as the Faire Mobilität project of the German Trade Union Confederation (DGB), by occupational safety

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authorities and by the statutory accident insurance institutions. They included working days that went far beyond the statutory limits, deductions from wages for tools, protective clothing or rent, and overcrowded accommodation whose rent was withheld directly from wages. The accident rate in the industry was above average.

The trigger in 2020

These conditions had been known for years. They became impossible for the public to overlook in the spring and summer of 2020. Large outbreaks of the coronavirus occurred in several slaughtering plants. In June 2020, more than 1,400 workers at a large plant in Rheda-Wiedenbrück tested positive. Production was stopped, and restrictions on public life were once again imposed for the district of Gütersloh. The crowding on the production lines and in the accommodation was not an incidental circumstance but part of the problem.

The Arbeitsschutzkontrollgesetz

What it regulates

The Bundestag responded in December 2020 with the Arbeitsschutzkontrollgesetz (Occupational Safety and Health Inspection Act). Above all, it amended the Gesetz zur Sicherung von Arbeitnehmerrechten in der Fleischwirtschaft (Act to Safeguard Workers' Rights in the Meat Industry). Since 1 January 2021, a company in the core area of the meat industry, that is, in slaughtering, cutting and meat processing, may only deploy workers within the framework of its own employment relationships. Werkverträge are prohibited there. Temporary agency work has been prohibited since 1 April 2021, with a time-limited exception on the basis of collective agreements that expired in April 2024. Small craft businesses with up to 49 employees are exempt.

Further obligations were added: working time must be recorded electronically and in a tamper-proof manner. The fines for breaches of the Arbeitszeitgesetz (Working Hours Act) were increased. For occupational safety and health as a whole, since 2026 the federal states have been required to inspect at least five per cent of establishments each year. And for shared accommodation that employers provide or arrange, minimum requirements and a documentation obligation apply under the Arbeitsstättenverordnung (Workplace Ordinance).

The challenge to the ban

A company in the industry challenged the ban before the Federal Constitutional Court. The First Senate rejected the constitutional complaint by a decision of 27 January 2026, published on 15 April 2026. The ban, it held, does interfere with the companies' occupational freedom, but this is outweighed by important interests of occupational safety and health protection. In doing so, the Senate relied on documented serious breaches of working time law and occupational safety and health law and on the above-average accident rate, as evidenced by surveys of the occupational safety authorities, the statutory accident insurance institution and the Faire Mobilität project.

What has changed

Permanent employment instead of a chain

The ban has done what it was meant to do. According to a study by the Institute of Economic and Social Research (WSI) of the Hans-Böckler-Stiftung, most of those formerly employed by subcontractors were taken on by the meat companies. The number of employees subject to social insurance contributions in the industry rose by 18 per cent to 151,500 in 2021. In the large companies alone, thousands of people were employed directly in each case.

With permanent employment, responsibilities became clear. There is once again an employer to whom workers, works councils and authorities can turn. According to the Institute's findings, electronic time recording has significantly reduced overtime and unpaid additional work. The number of inspections rose from 340 in 2019 to 683 in 2021. According to these findings, housing conditions have also improved significantly.

First collective bargaining structures

After years without a sectoral collective agreement, the Food, Beverages and Catering Union (NGG) agreed a minimum wage collective agreement for the meat industry in May 2021. It was declared generally binding and rose in stages to €12.30 from December 2023. From the beginning of 2024, the statutory minimum wage of €12.41 was higher, and the sectoral minimum wage lost its significance.

What remains unsolved

Low wages despite hard work

The study by the Institute of Economic and Social Research therefore draws mixed conclusions. Its conclusion reads: "Despite extremely demanding work requirements, the wages and working conditions of many employees in the meat industry hardly go beyond statutory minimum standards." In 2022, 46.5 per cent of full-time employees in the industry worked for a low wage, and 55.1 per cent of employees without German citizenship. Instead of a sector-wide collective agreement, there are about 50 individual company-level collective agreements.

A lesson beyond the meat industry

The example shows two things. First, a law can end a business model that is based on blurred responsibility. Since there has once again been an employer in the slaughterhouses, rights can be claimed and breaches inspected. Second, a law secures minimum standards, but not good wages. These only come about through collective agreements, and collective agreements come about where workers are organised.

The questions that the law has answered for the meat industry continue to arise in other industries: wherever work is contracted out through chains of subcontractors and in the end nobody wants to be responsible.

What this means for you

If you work in the meat industry

If you slaughter, cut or process meat in an establishment, your employer must be the establishment itself, not a subcontractor. Your working time must be recorded electronically and in a tamper-proof manner. Deductions from your wages for rent, tools or protective clothing are not permissible at will. Also write down your hours yourself, and keep your payslips and tenancy agreements.

If you work through subcontractors in another industry

Outside the meat industry, too, the following applies: in many cases the company that passed the work on to a subcontractor is also liable for the minimum wage. Collect what you know about your assignment: whom you work for, where and when.

Summary

In the meat industry, work was contracted out for years in chains of Werkverträge, often to workers from Eastern Europe, with long working hours, wage deductions and poor accommodation. After large coronavirus outbreaks in 2020, the Arbeitsschutzkontrollgesetz prohibited Werkverträge and temporary agency work in the core area of the industry from 2021 and made electronic recording of working time mandatory. The Federal Constitutional Court upheld the ban in 2026. Most workers were employed directly, and inspections and housing conditions have improved. However, wages are still often in the low-wage range, and there is no sector-wide collective agreement.

Cited as

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