

## Hungry for fairness: raising standards in the meat sector

### *EFFAT's 10 demands for action at EU level*

Adopted by the Executive Committee on 10 September 2020

#### Key message

The explanation for why meat companies became vectors for the spread of Covid-19 in Europe is to be found in the poor working and living conditions affecting thousands of the industry's workers across many countries. EFFAT is calling for a new long-term vision for the sector to be developed with the full involvement of social partners at national and EU level. EFFAT supports the demands of its affiliates at national level as well as some of the initiatives taken by national governments. In particular, EFFAT welcomes the draft bill proposed by the German government, while acknowledging the need for it still to be strengthened.

At the same time, EFFAT continues to stress that such steps will fall short in addressing the structural issues affecting the meat sector without an immediate response at EU level. The Covid-19 emergency must be a wake-up call for the EU Institutions to act and put an end to the systemic and long-standing exploitation affecting workers in the sector.

EFFAT has devised ten demands for action at EU level.

1. A comprehensive EU initiative on subcontracting focused on two main objectives: regulating the use of subcontracting in the meat sector, leading to direct employment; and instituting a system of full chain liability covering both cross-border and domestic situations. The initiative should also aim at tackling collective bargaining dumping. In addition to regulating subcontracting, actions are needed to combat bogus self-employment and regulating the use of temporary agency work in the sector.
2. A legally binding EU instrument ensuring decent housing for all mobile workers moving within the EU under the framework of the free movement of workers.
3. The urgent introduction of a European Social Security Number (ESSN) and the prompt revision of Regulation 883/2004 on social security coordination.
4. The accelerated empowerment of the European Labour Authority (ELA), in particular with respect to joint and concerted inspections and the fight against undeclared work.
5. A clear focus in the upcoming EU initiative on fair minimum wages on strengthening sectoral collective bargaining and guaranteeing respect for workers' and trade union rights, including site access and the right to organise and bargain collectively.
6. EU-OSHA and other competent authorities such as the European Centre for Disease Prevention and Control (ECDC) to assess which other factors, apart from deplorable housing and working conditions, may have contributed to the spread of Covid-19 at meat company premises.
7. The announced EU initiative on due diligence to cover both subcontracting and supply chains in its scope.
8. Effective measures to address the excessive bargaining power of retailers and to mitigate the consequences of unfair competition within the EU and at international level. In this respect, EFFAT calls on the EU Institutions to meet [EFFAT's demands](#) on the Farm to Fork Strategy.
9. Member States and the Commission to ensure compliance with the revised posting of workers Directive. EFFAT also calls for the improvement of the current EU legal framework governing regular labour migration channels to ensure full equal treatment.
10. Effective measures at EU level to tackle the use of letterbox companies.

## 1. Need for action and state of play

Meat workers have been classed as essential during the current Covid-19 pandemic. However, despite this apparent new consideration, evidence shows that conditions for meat workers remain critical in several Member States, with many employers still failing to provide workers with adequate protection from the risk of contagion.

Scores of meat workers in Europe have been – and continue to be – infected by Covid-19, as several Member States still struggle to get a grip of the situation in the sector. Some meat workers have lost their lives and many others have been hospitalised. **EFFAT will never compromise meat workers safety over the unbridled drive for profits. Workers must be treated with the utmost dignity and respect.**

The pandemic has also cast **new light on the exploitative working and living conditions experienced by a huge numbers of meat workers in Europe**. Meat plants are usually labour-intensive, with workers operating in close proximity to one another. The work environment is cold and humid, often with poor ventilation systems. Muscular strains and injuries are common, as are cuts, slips and falls. Wages are low and jobs insecure. And, on top of all this, many mobile workers are forced to live in overcrowded accommodation to reduce costs or because housing is directly linked to their work contract.

For years, EFFAT and its affiliates have been denouncing these conditions and proposing remedies. There is now no more time to waste. The sector is in need of urgent and serious reform.

Low pay and poor terms and conditions are the consequence of several factors including:

- abusive subcontracting practices, the violation of temporary agency workers' rights, bogus self-employment and, more broadly, the use of work arrangements and business practices implemented to cut costs and escape employer liability;
- 'collective bargaining dumping' through the application of less favourable collective agreements;
- job insecurity and the violation of workers' rights to organise and bargain collectively;
- shortcomings in the EU legal framework regulating the free movement of workers, social security coordination, posting, and labour migration from third countries;
- housing being coupled to work contracts and illegal wage deductions for working tools;
- the lack of sick pay;
- illegal labour intermediation and gangmaster practices;
- lack of labour inspections.

Against this backdrop, it comes as no surprise that in those countries with strong and well-functioning collective bargaining systems, working and employment conditions are decent and the number of Covid-19 outbreaks is limited, with the few cases there being managed more effectively.

Structural problems affecting the whole food chain, such as an increasing level of concentration, the excessive bargaining power of retailers, and aggressive competition at EU and international level contribute in determining a race to the bottom in terms of wages and working conditions.

Since the onset of the pandemic, EFFAT affiliates have been sharing with the Secretariat information on the number of Covid-19 clusters that have occurred in meat processing plants in their countries. This information has been collected in the Report [\*Covid-19 Outbreaks in slaughterhouses and meat processing plants – State of affairs and demands for action at EU level\*](#) which also describes the challenging working and living conditions affecting meat workers in various European countries.

## 2. A new vision for the sector: EFFAT's 10 demands for action at EU level

The issues affecting the meat sector are far from merely national. That is why EFFAT is calling for an ambitious and strong EU response.

Covid-19 outbreaks in the meat sector must be a trigger for urgent action by the EU Institutions to put an end to the systemic and long-standing exploitation of meat workers in various countries. Additional actions are needed to tackle the unfair competition that has destroyed thousands of jobs over recent years in the sector.

**An immediate EU response is specifically necessary because the critical conditions faced by meat workers are also a consequence of the loopholes, shortcomings and inconsistencies of many areas of EU law.**

**A new vision for the meat sector must be developed with the full involvement of social partners at national and EU level. It must be holistic in approach, encompassing a wide range of aspects, from social policy to responsible consumer consumption.**

EFFAT has identified the following 10 demands for action at EU level to relaunch the sector with a new sustainable vision:

1. EFFAT calls on the EU Commission to propose a **comprehensive EU initiative on subcontracting<sup>[1]</sup> that focuses on two main objectives:**
  - **The initiative must regulate the use of subcontracting in the meat sector, leading to direct employment.** Subcontracting should (by definition) be used for accessory tasks that are not part of a company's core business. However, this is not the prevailing practice in the meat sector where the meat industry's core activities (e.g. slaughtering, deboning, cutting, processing, and packing), although performed in the client (meat company) facilities, are carried out by workers who are employed by subcontracting firms and subject to highly exploitation and under-protection. Action at EU level limiting the use of subcontracting in the meat sector is further justified by the strong transnational dimension that characterises the sector today. Meat companies are greatly benefiting from the freedoms of the single market; it is now time to ensure greater fairness for workers. To this end, an EU initiative in this area should also aim at **tackling the collective bargaining and wage dumping** which gives rise to unequal treatment between workers directly employed by the client and those employed along the subcontracting chain.
  - **The initiative should also require Member States to institute a general system of joint and several (full chain) liability covering sanctions, back payments and compensation in case of non-respect of the applicable legislation.** Subcontracting full chain liability should factor in a range of different subject matters including wage floors or statutory minimum wages, (circumvention and evasions of) social security contributions and taxes, undeclared work, health and safety, and (violation of) the rights to organise and bargain collectively. At national level, subcontracting chain liability systems differ significantly in terms of sectors covered, matters (e.g. minimum wages, social security contributions), and liability coverage (e.g. only one step in the chain, joint and several liability, full chain liability). At EU level, the measures regulating subcontracting liability come into force only in specific situations (e.g. public procurement, posting of workers, employment of third-country seasonal workers, and sanctions for employers hiring undocumented workers) being in most cases only an option for Member States or are limited to one step down the subcontracting chain. Furthermore, a due

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[1] It is worth recalling that on 19 June 2020, the European Parliament adopted the [Resolution European protection of cross-border and seasonal workers in the context of the COVID-19 crisis](#) calling on the Commission to propose long-term solutions to deal with abusive subcontracting practices and to safeguard seasonal and cross-border workers employed along the subcontracting and supply chain. The resolution also acknowledges the challenges faced by temporary agency workers and "bogus self-employed workers".

diligence exception is sometimes inserted but defined at national level, not the European level. **It is now time to ensure coherence by putting forward an ambitious EU initiative that requires Member States to introduce a general full chain liability mechanism covering both cross-border and purely national situations.**

In addition to regulating subcontracting, actions are needed to tackle other business practices and work arrangements used to escape employer liability. This means in particular **combating bogus self-employment** and **regulating the use of temporary agency work.**

2. EFFAT calls **for a legally binding EU instrument ensuring decent housing for all mobile workers.** EFFAT welcomes the Commission [Guidelines](#) on *Seasonal workers in the EU in the context of the Covid-19 outbreak* issued on 16 July 2020, and calls on the Commission, the German EU Council Presidency and Member States to ensure compliance and enforcement of these Guidelines. Nevertheless, EFFAT believes the EU must go further and adopt binding measures. As also acknowledged by the Commission Guidelines, the provision of decent housing is currently missing from the applicable EU legal framework covering cross-border, seasonal and migrant workers moving across Europe within the framework of the EU free movement of workers. Despite the lack of compliance and enforcement, provisions requiring decent housing are so far only included in the legal framework regulating the posting of workers or the employment of third-country national seasonal workers. Housing conditions for all mobile workers should ensure a decent standard of living according to clear criteria. The size of the accommodation must ensure social distancing.
3. EFFAT calls on the Commission to propose the introduction of a **European Social Security Number (ESSN).** The European Commission has previously announced that a proposal for a European Social Security Number was underway. The proposal however never materialised. The European Social Security Number would make it easier for supervisory authorities and trade unions to perform checks to ensure decent pay and working conditions by containing the necessary information to combat underpayment, fraud and social benefit abuse. EFFAT is also urging Member States **to prioritise the prompt revision of Regulation 883/2004** on the coordination of social security.
4. There is a crying need to **accelerate the empowerment of the European Labour Authority (ELA),** in particular with respect to joint and concerted inspections and the fight against undeclared work. The ELA could, if adequately supported, have played a crucial role during this pandemic in monitoring compliance with EU laws on labour mobility, social security coordination and provision of services. It is now long time past to make sure the ELA runs at full speed and capacity.
5. The upcoming **EU initiative on fair minimum wages should promote sectoral collective bargaining and guarantee respect for workers' and trade union rights including site access and the right to organise and bargain collectively.** The initiative must respect national systems of industrial relations and the autonomy of social partners.
6. EFFAT calls on **EU-OSHA and other competent authorities, such as the ECDC, to determine as quickly as possible the other factors, aside from deplorable housing and working conditions, which may have contributed to meat companies becoming vectors for the spread of Covid-19.** Clear parameters should be established on **factory and workstation layout, work organisation and ventilation requirements.** The Commission has announced a long-awaited update of the **EU Strategic Framework on Health and Safety at Work.** EFFAT welcomes this commitment and encourages the Commission **to implement the enforcement commitments on Covid-19 prevention included in the compromise revision agreed between the European Commission and the European Parliament on the Biological Agents Directive,** so as to ensure that measures against the risk of contagion are enforced throughout all workplaces in Europe. EFFAT also invites the Commission to promote further [EFFAT and FoodDrinkEurope's Joint Guidelines](#) to protect the health and safety of workers in the food business during the Covid-19 outbreak. Moreover, **EFFAT demands Covid-19 is immediately recognised by the Commission as an occupational disease.**

7. The announced **EU initiative on due diligence should be binding and ambitious**. This pandemic underlines the necessity of mandatory measures to guarantee the full respect and enforcement of human rights, including workers' and trade union rights, in companies' activities, including throughout their subcontracting and supply chains and franchise systems, at national and cross-border level.
8. Long-term solutions can only be effective if they aim **to tackle the imbalances and distortions of competition affecting the meat value chain**. It is particularly important **to address the excessive bargaining power of retailers and mitigate the consequences of unfair cross-border European and international competition**. EFFAT's proposals on food labelling and responsible food consumption, alongside EFFAT's broader demands for the Farm to Fork Strategy (for full details, see here: [EN](#) | [FR](#) | [DE](#)) ought also to prove helpful in this regard, and should be taken on board by the EU Commission.
9. The meat sector depends highly on cross-border and migrant workers from within the EU and third countries. EFFAT calls on Member States **to ensure compliance with and enforcement of the new posting of workers Directive**, and calls on the EU Commission **to improve the current EU legal framework governing regular migration channels (family reunification, long-term residency, seasonal workers, Single Permit Directive) so as to guarantee uniform rights at work, equal treatment, higher protection in the labour market and adequate enforcement measures for the EU acquis**. The EU should pursue the improvement of the working and living conditions of all workers and their family members regardless of their migration status.
10. Effective measures **to tackle the use of letterbox companies** should be considered, such as direct liability in employment relationships even if they involve intermediaries, the introduction of the real seat principle in EU company law, and financial transparency in the form of public country-by-country reporting.

As in each and every Member State there are specific issues to be addressed, so initiatives at EU level must of course be accompanied by targeted national reforms.

### Next steps

**In the short-term, EFFAT calls on the European Commission to prioritise the following three proposals:**

1. Launching a comprehensive EU initiative regulating the use of subcontracting in the meat sector and providing for a general system of full chain liability in both cross-border and domestic situations. Furthermore, actions are needed to combat bogus self-employment and regulating the use of temporary agency work in the sector.
2. Ensuring Member States' compliance with the European Commission Guidelines on seasonal workers, while proposing at the same time a binding EU instrument ensuring decent housing for all mobile workers moving within the EU under the framework of the free movement of workers.
3. Proposing the introduction of a European Social Security Number (ESSN) and ensuring the prompt revision of the 883/2004 Regulation on social security coordination.

**EFFAT calls on the German EU Presidency to support and advance these demands during its semester of Presidency at the Council of the European Union.**