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Protection Gaps in Germany's Skilled Labour Migration System

Fair Recruitment as a Means of Preventing Exploitation

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In recent years, Germany has gradually reformed the Skilled Immigration Act (FEG) to make the recruitment of workers from third countries easier. Little political attention has been paid to the fact that this also entails an increased risk of exploitative working conditions – particularly since abusive practices often begin as early as the recruitment stage in the country of origin. The Federal Government should therefore complement its efforts to attract international skilled labour with an effective regulatory framework for private recruitment agencies, stronger cross-border cooperation, and a more targeted use of migration-related development cooperation in key countries of origin and transit.

Despite current economic volatility and global crises, Germany's economy will remain dependent on workers from outside the European Union (EU) in the medium to long term. Demographic change and structural shortages of skilled labour, for example in healthcare and construction, are increasingly driving international recruitment to Germany, as well as competition among industrialised countries for workers from abroad. With the Skilled Immigration Act, which entered into force in 2020 and was reformed in 2023, Germany expanded entry pathways for third-country nationals, accelerated and digitised procedures, and expanded government-led recruitment efforts. Accordingly, the number of non-EU nationals in employment is substantial: In March 2026, around 3.31 million third-country nationals were employed in Germany, significantly more than the 2.51 million EU citizens working in the country.

For many migrant workers, however, labour migration leads to precarious or exploitative working conditions, for instance in meat-processing, the construction sector, or home-based care. Labour exploitation can take many forms — ranging from pay far below the statutory minimum wage, excessively long working hours, and systematic violations of labour rights to forced labour and human trafficking.

Cases such as the appalling working conditions in the meat-processing industry during the COVID-19 pandemic have clearly demonstrated that exploitation is not a marginal phenomenon, but one that is

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structurally embedded in the German labour market. Foreign workers in the low-wage sector are particularly affected. Migrants are especially vulnerable to exploitation in several respects — for example, they may lack the language skills, resources, or legal knowledge needed to defend themselves. For a long time, those affected were primarily people from eastern EU member states such as Poland and Romania, but the number of third-country nationals affected is also rising.

The extent of these legal violations remains difficult to quantify. According to estimates, between 100,000 and 200,000 people in Germany are affected each year. Yet in 2024, only 41 preliminary investigations into labour exploitation were concluded. Many cases remain hidden, are not recognised as exploitation either by the authorities or by those affected, or are difficult to prosecute due to the complex legal framework.

Recruitment as a source of exploitation risks

In protecting workers against exploitation, Germany has so far focused largely on what happens after arrival, namely through inspections, criminal prosecution, and advisory services within the country. Apart from isolated measures in German development cooperation, fair recruitment has not yet become a systematic element of a coherent protection framework, even though exploitation often begins during recruitment in the country of origin rather than in the destination country.

The role of non-state actors

Non-state actors ("migration intermediaries") play a key role in recruitment, acting as first points of contact for prospective migrants: These actors include individuals, migrant networks, commercial recruitment agencies, trade unions, education providers, and language schools. Their services often cover the entire migration process. Before departure, they provide information on job opportunities, help with documentation, and arrange employment. Some also organise accommodation and transport during the journey, and provide support after arrival in the destination country, for example with finding housing, dealing with authorities, or taking initial steps towards integration. Employers also use these services to meet their workforce needs. Therefore, non-state recruitment actors can facilitate migration or, in some cases, make it possible in the first place. This is particularly true where advisory and training services in countries of origin are inadequate and reliable information on the immigration system and on working and living conditions in the destination country is limited.

A wide range of unfair practices

Most of these actors operate reliably. Nevertheless, private recruitment also carries substantial risks of abusive practices. Due to information asymmetries in countries of origin, non-state actors often function as gatekeepers and exert considerable control over access to employment opportunities abroad. In doing so, they can create one-sided dependencies and foster unrealistic expectations. These risks increase when recruitment practices are exploitative, for example when migrants receive misleading information about working and living conditions in the destination country or are drawn into fraudulent contractual arrangements. High recruitment fees are particularly problematic: Recent reporting on the German meat-processing industry cites fees of up to 15,000 euros. Such costs can push migrants into debt and thus increase the economic pressure to accept poor working conditions. In serious cases, recruitment practices may amount to human trafficking, for instance when migrants are blackmailed or deprived of their freedom of action by having their identity documents withheld. At the same time, recruitment is increasingly shifting to the digital sphere: Prospective workers are lured via social media or messaging services with false job offers that closely resemble legitimate ones. Artificial intelligence is making such fraud easier.

What officially counts as unfair recruitment remains politically contested. The definition used by the International Labour Organization (ILO) provides guidance: According to it, recruitment is fair when it complies with international labour standards and human rights, and is free from discrimination and exploitative conditions. Central to this is the Employer Pays Principle, under which recruitment fees and associated costs, such as for visas, documents, or travel, should not be passed on to migrant workers. In practice, however, disagreement persists over which costs are covered within the principle's scope. Furthermore, the principle is rarely implemented, not least because recruiting abroad is particularly complex and expensive for small and medium-sized enterprises.

A lucrative business model

Abusive recruitment has long since become a profitable business model. It occurs particularly where profit-driven, informal actors (such as unregistered recruitment agencies or criminal networks) are active. According to ILO estimates, transnational recruitment actors generate around 32 billion euros worldwide each year through such practices, including 27 billion from withheld wages and 5 billion from recruitment fees. The demand for private recruitment services stems largely from employers in destination countries. Particularly in the low-wage sector, companies outsource recruitment to external intermediaries, thereby transferring costs, risks, and responsibility. This often gives rise to complex recruitment chains involving subcontractors across national borders who also profit from the process. The result is fragmented accountability and increasingly opaque employment relationships.

Migration corridors and their risks

Recruitment processes and the risks associated with them vary significantly by country of origin and migration corridor, for example in terms of legal frameworks, the actors involved, fee structures, and whether migration takes place through regular or irregular channels.

Exploitation is also increasingly occurring within regular labour and educational migration. In recent months, the situation of Indian students in major German cities has moved to the forefront of public debate. The media have reported on cases in which private universities, education agencies, and recruitment agencies lure young Indians to Germany with misleading information about education and career opportunities. High tuition and recruitment fees create considerable financial pressure after arrival. As a result, many of these students end up in precarious or exploitative work, for instance in the platform economy as bicycle couriers for delivery services such as Wolt, UberEats, or Lieferando.

Similar patterns can be observed in the recruitment of Vietnamese migrants who are promised regular employment. They arrive in Germany with visas for vocational training or work, or via multi-stage migration corridors — including through Poland, where work visas are relatively easy to obtain. Once there, they sometimes end up in informal or exploitative working conditions, in nail salons, the hospitality sector, or sex work. Here, too, the reasons include excessive recruitment fees and indebtedness, as well as a lack of social protection and dependencies relating to residence status.

The migration corridor from Bangladesh via Libya to Italy is another example of complex recruitment processes. It often begins with recruitment by official recruitment agencies in Bangladesh and regular entry into Benghazi in eastern Libya on a work or visitor visa. Once migrants are in Libya, smuggling networks take over the irregular onward journey to Italy.

These examples illustrate how regular and irregular recruitment practices can intersect within the same recruitment chains, particularly when formal pathways to Europe are expensive, time-consuming, or restricted. Recruitment and smuggling networks adapt their business models quickly when border regimes change. As a result, exploitation risks do not usually disappear, but are instead displaced along the migration route or to other stages of the recruitment and migration process. Even regular migration pathways do not automatically protect migrants from exploitative working conditions. This makes recruitment practices all the more central to an effective protection framework against exploitation.

Germany's recruitment practices and their blind spots

In the National Action Plan against Labour Exploitation and Forced Labour (NAP A/Z), presented by the Federal Ministry of Labour and Social Affairs (BMAS) in early 2025, the ministry acknowledges these risks and sets out initial measures to promote fair recruitment. These include expanding information and advisory services, as well as strengthening audit and monitoring mechanisms in the recruitment processes. Nevertheless, there remain significant structural gaps in Germany's recruitment system when it comes to preventing exploitative recruitment and employment practices.

Germany relies heavily on non-state actors

Migration intermediaries play a central role in recruitment to Germany. According to initial surveys in the German care sector, around three-quarters of the foreign workers employed there came to Germany via private recruitment agencies. One reason for this is that the German labour migration model — unlike state-managed quota systems such as those in Italy and Spain — is based primarily on individual job searches and on direct or indirect matching between companies and workers, as well as trainees. Anyone wishing to migrate to Germany must therefore usually organise the preparations largely on their own, from gathering information and looking for a job to applying for a visa and securing recognition of qualifications. Because visa, recognition, and immigration procedures are so complex, the demand for support is increasing. Many migrants therefore turn to private recruitment intermediaries. Government recruitment projects do exist in selected partner countries, including programmes administered by the Federal Employment Agency (BA) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ). In numerical terms, however, they play only a minor role compared with privately organised education and labour migration.

Although recruitment in practice is largely shaped by non-state actors, the policy debate remains heavily focused on state-led skilled labour recruitment. Actors such as diaspora networks and trade unions provide information, advice, and support, thereby fulfilling important protective functions in migration and integration processes. To date, however, they have rarely been systematically involved, for example in the bilateral migration agreement with Kenya, in which social partners were not taken into account.

Even reputable recruitment agencies and companies committed to fair standards are still not sufficiently involved in the policy design of recruitment from third countries. Companies, in particular, therefore bear responsibility for ensuring fair conditions both in recruitment and in the workplace. Through their demand for labour, they influence which intermediaries are hired, which standards apply along the recruitment chain, and what costs are imposed on migrants.

Regulation of private recruitment agencies

Private recruitment agencies are subject to very few regulatory requirements, even though they play a key role in shaping the labour migration process to Germany. Germany has not yet ratified the ILO Convention No. 181 of 1997, which sets standards for the regulation of private recruitment agencies, including the Employer Pays Principle. In Germany, there is neither a comprehensive licensing or registration requirement for recruitment agencies, nor a specialised supervisory authority for international labour recruitment. In the absence of registers, it is difficult to determine how many recruitment agencies are based in Germany; this is even more true for agencies abroad that operate in Germany.

Since 2002, a simple business registration with minimal state requirements has been sufficient to recruit workers from abroad. Statutory provisions (Sections 296 — 299 of Book III of the Social Code) stipulate an upper limit of 2,000 euros for recruitment fees charged by private recruitment agencies, as well as a written placement contract designed to ensure transparency regarding the agency's remuneration and services. Since January 2026, employers have also been subject to disclosure and information obligations when recruiting third-country nationals from abroad (Section 45c of the Residence Act). Yet, without effective supervision and enforcement, violations often go unpunished. This applies in particular to recruitment agencies based outside Germany, where German law has no reach.

In addition, initiatives such as the state-supported Seal of Quality "Fair Recruitment Healthcare Germany" seek to encourage recruitment agencies and companies to commit voluntarily to fair recruitment abroad. However, voluntary instruments of this kind are often limited to agencies based in Germany and the European Economic Area, cover only specific sectors, and cannot replace binding state regulation. The largely unregulated, non-transparent market for private recruitment agencies not only hinders fair recruitment but also encourages competitive distortions at the expense of reputable providers.

At the same time, the EU has only limited regulatory competences in the area of labour migration, and there is no EU-wide framework to prevent unfair recruitment of third-country nationals. National rules therefore vary widely, ranging from statutory regulation and licensing, registration systems to voluntary commitments by private actors. Some countries, such as Romania and Bulgaria, already have more extensive regulatory mechanisms in place than Germany. Romania, for example, requires agencies to register with the state Labour Inspectorate, which monitors compliance with occupational health and safety regulations.

However, even where legal rules and binding standards exist, their effectiveness is often limited by weak capacity, insufficient cross-border cooperation, and poor information exchange between authorities. This applies not only to destination countries, but also to countries of origin such as Morocco, which has adopted comprehensive regulations for recruitment agencies. The challenge, then, is not only the lack of regulation and the limited institutional embedding of international standards on fair recruitment, but also the failure to enforce existing rules and impose sanctions.

Cross-border cooperation

The transnational character of labour recruitment makes effective monitoring of placement practices particularly difficult. Regulation and enforcement remain largely national, while private recruitment agencies exploit accountability gaps between legal systems and the limited access to information available to prospective migrants. Fair recruitment therefore depends on close cross-border cooperation, with a particular focus on setting common standards for placement, information-sharing on abusive practices, and developing joint monitoring and complaints mechanisms.

However, German authorities have few means of monitoring placement practices abroad or exchanging information across borders. Consequently, there are significant shortcomings in cooperation within the EU. Although the European Labour Authority (ELA) was established to improve cooperation between national authorities, its scope for effective interventions is limited. Furthermore, its mandate does not formally cover third-country nationals recruited and employed directly from third countries by employers in EU member states. Complex subcontracting chains further complicate monitoring and coordination. In addition, Germany's cooperation with third countries on fair recruitment is still at an early stage. So far, it has largely consisted of dialogue formats, pilot projects, and state-organised placement schemes, such as the Federal Employment Agency's (BA) cooperation with labour administrations in selected countries under the Triple-Win programme, which is based on the International Organization for Migration's standards on fair recruitment. Bilateral migration agreements, such as those with Kenya and Uzbekistan, emphasise fair recruitment and the fight against labour exploitation, forced labour, and human trafficking. But for now, this remains largely on paper. Concrete measures to regulate and monitor private recruitment agencies or to protect migrant workers are still lacking.

At the same time, some development cooperation projects offer useful models for promoting fair recruitment structures abroad. Examples include "Towards a Holistic Approach to Labour Migration Governance and Labour Mobility in North Africa" (THAMM plus) and "Partnerships for Development-oriented Training and Labour Migration" (PAM) in Ecuador, Jordan, and Vietnam. Another example is the "Shaping Development-oriented Migration" (MEG) programme. Among other things, it helps local authorities in setting up and expanding advisory services for people interested in migration and in developing standards for ethical recruitment. The Centres for Migration and Development, which are funded by the Federal Ministry for Economic Cooperation and Development (BMZ), also provide advice in several partner countries on regular migration for the purpose of work or vocational training in Germany and Europe, and refer prospective migrants to trustworthy local training and support services. Nevertheless, the potential for migration-related development cooperation to expand governance and protection capacities in countries of origin and transit is still far from being fully realised.

Possible next steps

Unfair recruitment practices cannot be prevented through law enforcement and sanctions within Germany alone. What is needed instead is a holistic approach that includes transnational preventive measures. Fair recruitment is therefore not only a core element of the protection framework against labour exploitation. It also serves key objectives of German and European external migration policy, such as meeting long-term labour needs and combating human trafficking and migrant smuggling. Regular migration channels can offer a viable alternative to dangerous irregular routes only if protection gaps are closed and exploitation risks are minimised along the entire recruitment chain. Against this background, three key areas for action stand out.

First, Germany needs a clear regulatory framework for private recruitment agencies in order to strengthen oversight and transparency in the recruitment market. This requires, first and foremost, an interministerial understanding of how fair recruitment is defined, who bears the recruitment costs, and who monitors compliance with the relevant standards. The NAP A/Z — under which not only the BMAS but also, for example, the BMZ, the Federal Foreign Office, the Federal Ministry of the Interior, and the Federal Ministry of Health are also entrusted with implementing measures in the area of fair labour recruitment — is an important basis for establishing fair recruitment from third countries as a whole-of-government policy area. The planned measures should be implemented consistently and adequately funded. Priority should be given to examining which regulatory adjustments could make the private recruitment market fairer. Rather than imposing blanket bans, Germany should consider a hybrid model combining market regulation, binding information and due diligence obligations, voluntary certification, verifiable standards, and effective sanctions.

Drawing on the experiences of other EU member states, consideration should be given to introducing a mandatory licensing and accreditation system for recruitment agencies, or to requiring agencies in third countries to work with a recruiter registered in Germany. Examples from outside Europe, such as New Zealand, also show that the recruitment sector can be made more transparent, for instance by publishing the success rates of individual recruitment agencies in the field of educational migration. This could provide an initial indication of an agency's reliability.

Second, companies and non-state actors must be held more accountable and more closely involved in shaping fair recruitment practices. The state cannot create an effective framework for fair recruitment on its own. It requires a cooperative, tripartite approach that systematically involves companies, business associations, chambers of commerce, and trade unions, including education providers and diaspora organisations. This would help to identify conflicting objectives at an early stage and to develop viable solutions jointly. The new "WE-Fair" skilled labour alliance, launched by the BMZ in collaboration with representatives of German industry, offers an initial institutional entry point. However, the alliance is still in its early stages and should be further developed across ministries and underpinned by concrete measures.

At the same time, companies and recruitment agencies that are already taking responsibility for fair standards along their recruitment chains should be supported in these efforts. The Seal of Quality "Fair Recruitment Healthcare Germany" is one of the few examples of voluntary corporate commitment backed by verifiable standards, independent certification, and complaints mechanisms. To ensure its long-term effectiveness and independence, it needs stable funding, especially from public sources. Together with business associations, chambers of commerce, and the private sector, the German government should also examine whether such a model could be transferred to other sectors. New preventive (digital) communication strategies are also needed to combat disinformation and abusive recruitment practices, for example through greater involvement of migrant networks on social media. Migrant workers, in particular, often have personal networks, language skills, local knowledge, and high levels of trust in their communities of origin. They can therefore act as multipliers, providing early information on risks, rights, and available support services.

Third, Germany should give greater weight to the transnational dimension of fair recruitment and expand international cooperation. At the European level, this means closer cooperation between EU member states. Germany could, for instance, support an extension of the ELA's competences and mandate to cover third-country nationals and help shape the planned EU Talent Pool. For the Talent Pool, Germany could appoint a national contact point to ensure trustworthy employers and registered recruitment agencies from Germany are represented on the platform. At the same time, fair recruitment should also be treated more clearly as an integral part of European and German external migration policy. Migration cooperation should not focus solely on border management and return policy, but should also promote fair recruitment and migrant protection along the route. This applies primarily to the EU's migration partnerships with transit countries, for example in the Sahel and North Africa, where security policy objectives have so far dominated.

In addition, Germany should also embed fair recruitment more firmly in bilateral cooperation with key countries of origin and transit, such as India, Morocco, and Vietnam. Bilateral migration agreements could be a suitable instrument for making fair recruitment more binding, but only if they include concrete measures, such as fair fee rules and complaints mechanisms, and are developed in dialogue with trade unions and diaspora representatives. In this regard, existing bilateral political dialogue formats on migration, such as those with Morocco, could also make a greater contribution than they have so far, particularly to improving cross-border administrative cooperation.

It is also essential to take the interests of countries of origin more carefully into account. For them, labour migration offers important opportunities, including remittances and knowledge transfer, but it also carries risks, such as the loss of highly skilled workers ("brain drain"). Consequently, countries of origin are placing an increasing emphasis on labour migration in their development strategies. The example of the Philippines illustrates how a comprehensive governance system can foster the development potential of labour migration while limiting its risks: With more than 60 bilateral labour agreements, strict regulation of private recruitment agencies, and extensive information and support structures, the country seeks to shape labour migration in a development-oriented manner. Development cooperation instruments should be used more strategically to transfer proven approaches to other key countries of origin. The GIZ's MEG programme, which has valuable experience in the field of fair recruitment, could serve as a model in this regard. In addition, development cooperation programmes in vocational training, language support, and pre-integration could help reduce the vulnerability of prospective migrants even before they leave.

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