

The Indian Society of Labour Economics

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THE INDIAN SOCIETY OF LABOUR ECONOMICS

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Daffodil Graphics #8368564419, 9313726383



A Panel Discussion during 66th ISLE Conference

Decent Work Deficits during Multiple Crises

Organised by



HWR Research Competence Centre
CHALLENGES AND RESILIENCE OF
GLOBAL SUPPLY AND VALUE CHAINS

19 January 2026 | Pune



About the Panel

Decent Work Deficits during Multiple Crises

Background

This panel brings together five contributions that explore the structural roots of persistent decent work deficits in the context of overlapping global crises. The papers examine a wide range of cases and mechanisms: from the interaction of economic and labor policies in Brazil's automotive sector, to the challenges of upgrading in the global lithium battery economy; from the potential of global value chain due diligence legislation to improve labor conditions, to the role of contract regulation and the rule of law in promoting decent work; and finally, to the lasting impact of colonial legacies on productive employment in the Global South. Together, the panel offers a multidimensional analysis of how policy frameworks, global economic structures, and historical continuities shape labor precarity today.



Programme

MONDAY, 19 JANUARY 2026

Chair : **Praveen Jha**
Professor, Centre for Economic Studies and Planning,
Jawaharlal Nehru University, New Delhi
President, 66th ISLE Conference

Presentations : **Anne Martin**
Research Associate
Berlin School of Economics and Law

: **Christina Teipen**
Professor
Berlin School of Economics and Law

Topic: *Insights from the Interaction of Economic
and Labor Policies on Work in the Brazilian
automotive sector compared to the Indian
automotive sector*

: **Petra Dünhaupt**
Researcher
Berlin School of Economics and Law

: **Hansjörg Herr**
Professor Emeritus of Supranational Integration
Berlin School of Economics and Law

Topic: *Dominance and Dependency: Why Upgrading
Fails in the Global Lithium Battery Economy*



: **Stefanie Lorenzen**

Professor of Economic Law
Berlin School of Economics and Law

Topic: *EU Corporate Sustainability Due Diligence Directive (CSDDD) – Expected Effects from Omnibus*

: **Christoph Scherrer**

Professor Emeritus and Non-Resident Senior Fellow,
Kassel Institute for Sustainability and Associate
Fellow, Global Labour University

Topic: *Lack of Productive Employment: Colonial Legacy and Post-imperialist Practices*

: **Matthias Kötter**

Professor
Berlin School of Economics and Law

Topic: *Promoting Decent Work Standards Through Rule of Law and Contract Regulation in Global Value Chains*



Abstracts of Presentations

Insights from the Interaction of Economic and Labor Policies on Work in the Brazilian Automotive Sector Compared to the Indian Automotive Sector

Anne Martin

Research Associate, Berlin School of Economics and Law

and

Christina Teipen

Professor, Berlin School of Economics and Law

In an era of multiple and compounding crises, countries across the Global South are presented with the formidable tension of responding to ever-evolving challenges posed by an unstable economic competitive environment on the basis of certain traditions that may have become embedded in socio-economic regimes. This presentation contends that while national socioeconomic regimes are undoubtedly shaped by external constraints— such as international hierarchies, power asymmetries, and complex interdependencies— their fundamental structure is determined by a country's internal political architecture. Specifically, we argue that the inclusion (or exclusion) of organized labour within a country's Dominant Social Bloc is a critical factor shaping its crisis management and policy making. Drawing on comparative evidence from Brazil, India and South Africa, this presentation demonstrates that the degree of labour's integration in the Dominant Social Bloc has the capacity to shape crisis responses at least within a certain variance.



Especially in times of crisis management, power imbalances become particularly pronounced time and again. Nevertheless, as both our analyses to date and our ongoing productive discussions with scientists from various countries in the Global South demonstrate: Different national industrial relations systems, and the representative structures historically fought for, can make a difference that is also relevant for the national populations. Beyond the fundamental inferiority of employees' ability to assert their interests when compared to companies and financial investors, and despite the imbalance between emerging economies and European countries with strong collective and institutionalized labour rights, there are also clear differences within emerging economies. Our findings from a series of interrelated research projects show that the extent to which trade unions are significantly integrated into a country's dominant social bloc can make a decisive impact for some employees in organized industry segments. This was demonstrated by our findings on the automotive industry in Brazil and South Africa and about the involvement of their trade unions in new approaches to industrial policy. The counterargument is repeatedly and "reliably" demonstrated by the example of India. Here, the exclusion and weakening of trade unions, primarily due to the quantitative oversupply of potential workers willing to work under precarious conditions, has led to subcontracting and wage suppression arrangements that have been found to increase flexibility and significantly worsen working conditions. These arrangements are being "refined" with each crisis and each new phase of restructuring, caught in a cycle of increasingly excessive demands. And, paradoxically, there is little correlation between social downgrading on the one hand and economic success criteria on the other. This is evident, for example, in the fact that despite increasingly precarious working conditions, the Indian automotive industry is experiencing an economic upswing in terms of its export and technological upgrading success, one which is certainly not economically inferior to that of the Brazilian automotive industry. Ultimately, our presentation reinforces the well-established insight that employees cannot pin their hopes for improved working conditions on economic upgrading but must continue to rely on the activation of collective and institutionally maintained power resources in the target countries of peripheral production networks.



Dominance and Dependency: Why Upgrading Fails in the Global Lithium Battery Economy

Petra Dünhaupt

Researcher, Berlin School of Economics and Law

and

Hansjörg Herr

Professor Emeritus of Supranational Integration
Berlin School of Economics and Law

Over the past decade, lithium-ion batteries have become a cornerstone of the global energy transition. They underpin the expansion of electric mobility, renewable energy storage, and a wide range of decarbonisation strategies. As demand accelerates, governments and firms have intensified their efforts to secure access to critical minerals and stabilise battery supply chains. This has generated renewed interest among resource-rich countries in Latin America, Africa, and beyond to move beyond primary extraction and capture more value through domestic processing, manufacturing, and technological development. Yet despite favourable geological conditions and rapidly growing global markets, these countries continue to occupy low-value positions in the chain. Their attempts at industrial upgrading have often met with structural obstacles, raising questions about the deeper dynamics that shape value creation in the lithium-to-battery sector.

Global value chain (GVC) theory provides an important starting point for examining these dynamics. Researchers have highlighted how inter-firm governance structures—ranging from market and modular forms to relational, captive, and hierarchical arrangements—shape the distribution of capabilities, learning opportunities, and upgrading pathways. This framework has been widely used to explain the organisation of production in manufacturing and commodity sectors. However, applying it to the lithium battery sector reveals notable limitations. The chain is characterised by complex technical interdependencies, high barriers to entry in midstream segments, rapidly shifting demand patterns, and the increasing involvement of states for strategic and geopolitical reasons. These features obscure the distinctions between classical governance categories and complicate attempts to understand how coordination occurs in practice.



Recent work has therefore moved towards more network-oriented approaches. Scholars drawing on Global Production Network (GPN) perspectives emphasise the non-linearity, geographic dispersion, and sociopolitical embeddedness of battery production. This literature draws attention to how national strategies, environmental politics, regulatory frameworks, and geopolitical alignments shape the constraints and opportunities facing firms and countries. While this work has significantly broadened the analytical lens, it often remains less explicit about the concrete mechanisms through which coordination occurs within and across segments of the chain.

This paper contributes to these debates by revisiting the question of governance in the lithium-to-battery value chain. Drawing on secondary literature and industry data, it examines how the distinctive features of the sector challenge existing conceptual tools and complicate efforts to understand upgrading dynamics. Rather than assuming that governance can be neatly categorised or that value creation follows predictable pathways, the paper analyses how technical complexity, market volatility, concentration in midstream segments, and geopolitical considerations interact to shape the organisation of production. By bringing these elements into conversation with established GVC and GPN approaches, the paper aims to advance a more nuanced understanding of coordination and power in this strategically important global industry.

The analysis is motivated by the broader question of why many resource-rich countries remain confined to low-value activities despite growing policy efforts and favourable market conditions. Examining the governance structure of the lithium-to-battery chain offers insights into the constraints and possibilities that shape their industrial strategies. The paper therefore contributes to the wider debate on the political economy of critical minerals, the reconfiguration of global production, and the challenges facing countries seeking to leverage natural resources for structural transformation.

EU Corporate Sustainability Due Diligence Directive (CSDDD) – Expected Effects from Omnibus

Stefanie Lorenzen

Professor of Economic Law, Berlin School of Economics and Law

Mandatory human rights and environmental due diligence legislation was on the rise as a legal instrument to improve labour rights and working conditions in



producing countries of Global Value Chains (GVCs). After the first national laws were passed in France (2017) and Germany (2021), obliging companies situated in their territories to assess and act on human rights/environmental risks and violations in their GVCs, in 2024 the EU adopted a similar due diligence law with a much wider coverage of companies for its whole regional entity, the EU Corporate Sustainability Due Diligence Directive (CSDDD). However, before its came into effect it is being downsized by a pursuing Directive, the so-called Omnibus I. The alterations of this Omnibus on the CSDDD are likely to affect the effect of the provisions for workers in producing countries. Drawing on compliance theory, the paper attempts a first analysis.

Lack of Productive Employment: Colonial Legacy and Post-imperialist Practices)

Christoph Scherrer

Professor Emeritus and Non-Resident Senior Fellow, Kassel Institute for Sustainability and Associate Fellow, Global Labour University

There is a lack of productive, formal employment; more than half of the global working population is only precariously employed. In view of the success of the early industrialised countries and a few economically catching-up countries (especially the PR China), the question arises as to the exact economic, social, and political reasons why the productive absorption of the working-age population is insufficient in the rather heterogeneous mass of the capitalist periphery compared to these successful countries. What specifically distinguishes the countries of the capitalist periphery from those that previously achieved a high level of formal employment?

To answer this question, we use a historical-materialist approach that takes into account the respective geopolitical contexts and the state of the productive forces of early industrialisation and later industrialisation efforts. Our theses are therefore that: (1) the colonial period casts a long shadow into the present, (2) the significantly greater productivity gap between industry and agriculture compared to the early phase of industrialisation inhibits the absorption of labour from the countryside into industry, (3) the considerably faster growth of the working population (medical progress and a narrower migration valve) exceeds the productive employment opportunities, and (4) the early capitalist centres have enforced global economic rules that make industrial catch-up more difficult.



Following the work of Gavin Kitching on the problem of absorption of the population released from agriculture, we therefore compare the conditions in the early European industrialised countries with those in today's post-colonial countries. To illustrate this, we selected two post-colonial countries that were both subject to the British Empire, but which differ greatly in terms of their initial situation, the forms of colonial exploitation and their size: Ghana and India.

This analysis adds historical materialist insights to the literature on economic informality, emphasising not only the structure of global asymmetric dependencies but also the agency of early industrialisers in limiting the possibilities of catching-up economies. The paper begins with the violent enforcement of the international division of labour, with special consideration of the consequences of the enslavement of people in Africa. This is followed by a comparison of the capacity to absorb labour in the industrialisation process of the imperial powers and the colonies that later became sovereign. It concludes with the post-imperial measures that restricted the catch-up economic development.

Promoting Decent Work Standards Through Rule of Law and Contract Regulation in Global Value Chains

Matthias Kötter

Professor, Berlin School of Economics and Law

The panel brings together five papers that explore the structural roots of persistent decent work deficits in the context of overlapping global crises. The contributions examine a wide range of cases and mechanisms, including the potential of global value chain due diligence legislation and the role of contract regulation and the rule of law in promoting decent work standards. In his contribution, Matthias will discuss the potential benefits of legal regulation of the actions of companies operating in global supply and value chains with regard to workers' rights and environmental protection in India. He will consider, on the one hand, the effects of national legal provisions, such as Indian labour and environmental law, and on the other hand, the due diligence requirements imposed by European law. The question of the legal impact is particularly relevant in light of the large informal sector, where presumably very different rules apply and where standards are difficult to enforce legally.

All in all, the panel will offer a multidimensional analysis of how policy frameworks, global economic structures, and historical continuities shape labour precarity today.



Bios of the Resource Persons

Praveen Jha

Praveen Jha is Professor and Chairperson at the Centre for Economic Studies and Planning, Jawaharlal Nehru University, where he was also the founding Chairperson of the Centre for Informal Sector and Labour Studies. He holds a PhD from JNU and has served as a Visiting Professor at several universities and as a Visiting Fellow at the International Labour Organization. His research and teaching span political economy of development, with a focus on labour, agriculture, natural resources, public finance, education, and the history of economic thought. He is a founding member of the Agrarian South Network and a founding editor of *Agrarian South: Journal of Political Economy*. His major publications include *Labour in Contemporary India* (Oxford University Press, 2016), which is widely used in labour studies and development economics.

Anne Martin

Anne Martin is a research associate and PhD candidate at the Berlin School of Economics and Law. Her research focuses on labor sociology, economic geography, and political economy, with a particular interest in the transformation of global production networks. She has contributed to international research on post-pandemic globalization in the Global South and recently published on variegated capitalism and global value chains.

Christina Teipen

Christina Teipen is Professor of Social Sciences with a focus on economic sociology at the Berlin School of Economics and Law. Her research explores global value chains, value chain restructuring, the sociology of work, and industrial



relations. She conducts cross-national comparative research in emerging and advanced economies, with a sectoral focus on the automotive, IT, and textile industries. As principal investigator, she has led several international research projects on economic and social upgrading and has published extensively on these topics. (Insights from the Interaction of Economic and Labor Policies on Work in the Brazilian Automotive Sector)

Petra Dünhaupt

Petra Dünhaupt researches industrial policy, trade agreements, and strategies for economic upgrading. She coordinates the HWR Competence Centre “Challenges and Resilience of Global Supply and Value Chains” at the Berlin School of Economics and Law, focusing on development strategies and the transformation of global industries. Her recent work centers on the political economy of raw materials—especially lithium—and examines raw material partnerships in the context of global value chains.

Hansjörg Herr

Hansjörg Herr is Professor Emeritus of Supranational Integration at the Berlin School of Economics and Law. He is a founding member of the Global Labour University and has advised international institutions including the Friedrich Ebert Foundation, the German Ministry for Economic Development and Cooperation, the International Labour Organization, and the People’s Bank of China. His research covers monetary policy, European integration, development economics, international trade, global value chains, labor markets, and minimum wages. (Dominance and Dependency: Why Upgrading Fails in the Global Lithium Battery Economy)

Stefanie Lorenzen

Stefanie Lorenzen is Professor of Economic Law with a focus on labor and social legislation at the Berlin School of Economics and Law. Her research explores human rights due diligence, compliance, social audits, co-determination in labor law, and gender equality at work. She has played an active role in shaping Germany’s policy framework on corporate accountability, including the National Action Plan on Business and Human Rights and the Supply Chain Due Diligence Act. She also contributes her expertise to advisory boards and certification



initiatives focused on sustainable and socially responsible global value chains.(Positive Effects from Global Value Chain Due Diligence Legislation for Workers?)

Christoph Scherrer

Christoph Scherrer is full professor emeritus of globalization and politics, non-resident senior fellow, Kassel Institute for Sustainability and associate fellow of the Global Labour University. He was the Executive Director of the International Center for Development and Decent Work (ICDD). His major area of research are the social dimensions of global economic governance. His recent publications include *Theoretical Perspectives on the Mission Drift of Public Sector Banks: The German Case*, in: *Competition & Change* (2025), *The Elgar Companion to Decent Work and the Sustainable Development Goals*, Edward Elgar (2025, co-edited with M. Moore and M. van der Linden), *The Selective Return of Labor Casualization in Western European Ports*, in: *Sociologia del Lavoro* (2024, co-author ID Karatepe); *Beyond the Dyad: Power Relations in Global Exploitation Chains from an Institutional and Gramscian Perspective*, in: *Notebooks: The Journal for Studies on Power* (2023). (*Lack of Productive Employment: Colonial Legacy and Post-imperialist Practices*)

Matthias Kötter

Matthias Kötter is Professor of Public Law at the Berlin School of Economics and Law. His research focuses on the legal governance of global supply chains, the rule of law, and the regulation of conflict and security. He previously worked at the WZB Berlin Social Science Center and the Collaborative Research Center on governance in areas of limited statehood. (*Promoting Decent Work Standards Through Rule of Law and Contract Regulation in Global Value Chains*)

