

Reimagining Labor Governance in Global Value Chains: Lessons from the Mathadi Model for Adapting Wage Boards to Transnational Labor Governance

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There is growing evidence that private corporate and multi-stakeholder initiatives—often termed ‘Supply Chain Solutions’—are failing to address the social and environmental challenges arising from the governance of Global Value Chains (GVCs). GVCs themselves challenge traditional labor laws and employment regulations due to their multi-tiered supply structures, the dynamics of private power, and the cross-border reach of contracting firms. These factors render traditional labor law tools largely inaccessible or irrelevant to workers in the lower tiers of GVCs. Efforts to regulate labor in GVCs, such as corporate Human Rights Due Diligence (HRDD) legislation, have fallen short. These top-down approaches, typically originating in the Global North, lack input from affected communities in the Global South, exclude meaningful worker participation, and often lack enforcement mechanisms. This raises a critical question: can labor law address the harsh working conditions created by GVC dynamics under supply chain capitalism?

This Article explores whether localized tripartite models of labor regulation—specifically wage boards that institutionalize bargaining between unions, employer associations, and state representatives to set working conditions, social security, and wages—could be scaled up to address the low labor standards in GVCs. One particularly promising model is the Mathadi Boards in Maharashtra, India, which have successfully improved the working conditions of informal workers who carry loads on their heads in markets, construction sites, industrial sites, and ports.

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This Article investigates whether the Mathadi Board model could be adapted to protect precarious workers in global and domestic value chains in the Economic South and North. It also examines which institutional features of the Mathadi Boards are most transferable to GVC labor regulation and which features are specific to the historical and social context of headload carriers in Maharashtra. The Mathadi model offers important lessons, particularly in its approach to multi-tiered bargaining. We propose adapting the Mathadi Board model into a multi-stakeholder bargaining forum. This forum would include local unions representing workers, global union confederations providing perspectives from other value chains, state representatives, and both local employers and buyers. Such multi-tiered wage boards have the potential to redistribute power and funds across different links in the supply chain. The boards would make public many issues that are currently addressed privately within supply chain solutions and provide enforcement mechanisms that are missing in most current models. Enforcement can be more robust under this model, with dedicated personnel to impose state-backed sanctions, unions wielding collective power to sanction violating employers, and buyers able to exert economic pressure on non-compliant suppliers. The model would be economically self-sustaining and autonomous, funded through levies collected from suppliers and buyers. While it may raise labor costs for suppliers, these costs would be shared by buyers, thus distributing the financial burden. Finally, one of the key strengths of the proposed model is its localization. By operating under the laws of ‘host countries,’ it avoids the pitfalls of HRDD laws currently proliferating in the OECD, which often fail to reflect local realities. This localized approach enhances the model’s relevance and effectiveness in regulating workers’ rights in GVCs. In conclusion, this Article argues that multi-tiered wage boards, modeled on the Mathadi system, offer a viable solution to addressing the inequities in GVCs, providing a more effective and equitable approach than current supply chain solutions.

I. Introduction

This Article proposes a new worker rights institution that promotes participation and bargaining across multiple tiers of supply chains, drawing on the success of the Mathadi Boards in Maharashtra, India. The proposed multilateral board structure aims to address the increasingly-documented harsh and exploitative working conditions at the lower tiers¹ of domestic and global supply chains. Growing consensus suggests that the changing patterns of supply and production that define ‘Supply Chain Capitalism’²—particularly the shift from “make” to “buy” in corporate practices, where firms move from owning the production process to contracting and purchasing components from suppliers—are contributing factors.³ The multi-tiered nature of supply chain capitalism,

1. By “lower tiers” we mean the indirect suppliers or subcontractors that serve a lead firm’s product at deeper levels in a supply chain. These may be geographically removed on a global scale, or within the same country.

2. Anna Tsing, *Supply Chains and the Human Condition*, 21 *RETHINKING MARXISM* 148 (2009).

3. Though we address Supply Chain Capitalism, here, Digital Capitalism is growing. Shelley Marshall has elsewhere shown how the transformations of supply chain capitalism

which distances lead firms and corporate actors from direct employment of the workers producing goods, combined with contractual price squeezes⁴ and tight timelines in some on-demand production industries, exacerbates workers' rights violations and allows those who profit from their labor to act with impunity.⁵ This context has prompted a search for new institutional forms of regulation of work to better protect worker rights in Global Value Chains (GVCs). This article proposes one such novel structure: localized multilateral models of labor regulation. Building on existing structures like wage boards—which institutionalize bargaining between unions, employer associations, and state representatives to set working conditions, social security, and wages—this model could be scaled up to address the dynamics leading to low labor standards in GVCs. While challenging to implement and requiring significant political will and engagement, this approach offers an opportunity to expand our institutional imagination beyond the inadequate solutions currently available for supply chain governance.

There is a pressing need to expand our conceptual framework and the toolkit for Supply Chain Solutions⁶ because traditional labor law and employment regulation are failing workers in GVCs. Labor and employment law has traditionally placed responsibility and liability for workers' rights solely on their direct employers, leaving other corporate actors, such as lead firms or key suppliers, legally distanced from any contractual or other responsibility for those rights. This gap has yet to be adequately addressed by extending liability and obligations through corporate law or supply chain governance. While there is a growing body of both “soft” (voluntary) law and “hard” (mandatory) law aimed at bridging this gap, its success has been limited thus far.⁷

In response to growing consumer pressures and increased regulatory interest in extending corporate liability to workers' rights violations, corporations began developing voluntary “soft law” measures to address workers'

form the basis for this latter development. See Shelley Marshall, *The Transition from Supply Chain Capitalism to Digital Capitalism: A Research Agenda for Brazilian Labor Courts to Respond and Prepare*, 10 JUSTICA TRABALHO E TRANFORMACAO SOCIAL 23 (2024).

4. Mark Anner, *Squeezing Workers' Rights in Global Supply Chains: Purchasing Practices in the Bangladesh Garment Export Sector in Comparative Perspective*, 27 REV. INT'L POL. ECON. 320 (2020).

5. We use the terms focal firm and lead firm interchangeably in this Article, although the two terms have somewhat divergent intellectual histories. We do not mean to suggest a unipolar value chain of the type invoked in Gereffi's 'buyer-led' value chain by using these terms. We rather mean a powerful firm that wields market and governance power in either a unipolar or multipolar value chain. Such a firm might also be a strong supplier. See Trang (Mae) Nguyen, *Hidden Power in Global Supply Chains*, 64 HARV. INT'L L.J. 35 (2023), for a discussion of supplier power.

6. We build on the discussion of “Supply Chain Solutions” as developed by LeBaron and Lister. See Genevieve LeBaron & Jane Lister, *The Hidden Costs of Global Supply Chain Solutions*, 29 REV. INT'L POL. ECON. 669 (2021) (defining supply chain solutions as an “[A]rmoury of . . . solutions to improve business practices” that range from CSR to MSIs). While the authors focus on private solutions in our discussion, here we add to these state-led supply chain solutions such as Transparency and Human Rights Due Diligence legislation.

7. POWER, PARTICIPATION, AND PRIVATE REGULATORY INITIATIVES: HUMAN RIGHTS UNDER SUPPLY CHAIN CAPITALISM (Brinks, D., Dehm, J., Engle, K. & Taylor, K, eds., Univ. Pa. Press 2021); Sarosh Kuruvilla and & Chunyun Li, C., *Freedom of Association and Collective Bargaining in Global Supply Chains: A Research Agenda*, 57 J. SUPPLY CHAIN MGMT. 43 (2021).

rights violations on their own or in collaboration with other stakeholders such as additional industry actors, civil society organizations, consumer coalitions, and unions. The literature indicates the failure of such top-down Corporate Social Responsibility (CSR) initiatives and Multi-Stakeholder Initiatives (MSIs)—which we refer to collectively here as ‘private governance initiatives.’ The evidence suggests that such initiatives mostly do not manage to effectively address the phenomenon and improve workers’ working conditions.⁸ The growing recognition of the ineffectiveness of the cascade of private governance efforts in GVCs and intense consumer and union lobbying has led to international, regional and national legislation to demand lead firm action, believing it will open up new avenues through which workers and trade unions can challenge corporate practices and secure meaningful remedies for rights violations.⁹ This development is most recently evident in the EU Corporate Sustainability Due Diligence Directive, which was adopted in May 2024,¹⁰ and in the German, French, and Norwegian mandatory Human Rights Due Diligence (mHRDD) laws that preceded it.¹¹ Yet even such new forms of regulation mostly rely on encouraging corporations to adopt private governance mechanisms and therefore allow for relatively limited enforcement mechanisms and little workers’ voice and input.¹²

Given the limitations of both traditional individual and collective labor law, as well as private and public governance mechanisms, in addressing the harsh working conditions generated by GVC dynamics, are there other labor law tools and institutions that can protect workers at the lower tiers of GVCs? This Article suggests that existing successful tripartite models of labor regulation could be adapted and scaled up to mitigate the harmful effects of GVCs on workers, in ways that most private governance initiatives and mHRDD legislation currently do not. To explore this possibility, we examine a regulatory model developed for headloaders in Maharashtra, India, and propose it as a

8. Jinsun Bae, *Has Private Regulation Improved Labor Practices in Global Supply Chains? An Empirical Examination*, in SAROSH KURUVILLA, PRIVATE REGULATION OF LABOR STANDARDS IN GLOBAL SUPPLY CHAINS: PROBLEMS, PROGRESS, AND PROSPECTS 80 (2021); LeBaron & Lister, *supra* note 6.

9. Olga Martin-Ortega, *Human Rights Due Diligence for Corporations: From Voluntary Standards to Hard Law at Last?*, 32 NETH. Q. HUM. RTS. 44 (2014).

10. Proposal for a Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence and Amending Directive (EU) 2019/1937, available at <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022PC0071> [<https://perma.cc/BB4X-5BW7>].

11. Loi 2017-399 du 27 Mars 2017 Relative au Devoir de Vigilance des Sociétés Mères et des Entreprises Donneuses D’ordre [French Duty of Vigilance Law 2017]; Act on Corporate Due Diligence in Supply Chains 2021, BGBI I at 2021, 2959, official English translation available at: https://www.bmas.de/SharedDocs/Downloads/DE/Internationales/act-corporate-due-diligence-obligations-supply-chains.pdf?__blob=publicationFile&v=3 [<https://perma.cc/NM2F-Y4ZG>]; Act Relating to Enterprises’ Transparency and Work on Fundamental Human Rights and Decent Working Conditions (Transparency Act), english translation available at <https://www.regjeringen.no/contentassets/c33c3fa340441faa7388331a735f9d9/transparency-act-english-translation.pdf> [<https://perma.cc/K6QQ-WXVD>].

12. SHELLY MARSHALL ET AL., MANDATORY HUMAN RIGHTS DUE DILIGENCE: RISKS AND OPPORTUNITIES FOR WORKERS AND UNIONS (RMIT Univ. Bus. & Hum. Rts. Ctr. et al., 2023), available at www.trafflab.org/_files/ugd/11e1f0_e1db27f1ec7f41459ac357d021f6011c.pdf [<https://perma.cc/Y57M-S8UZ>]; For a discussion of this dynamics in the UK Modern Slavery Act, see Tamar Barkay et al., *Anti-Trafficking Chains: Analyzing the Impact of Transparency Legislation in the UK Construction Sector*, LAW & SOC. INQUIRY 1 (2024).

blueprint for a multi-tiered, localized, redistributive institutional model to protect and strengthen workers' rights in both global and domestic value chains.

Wage boards were developed in the early 1900s to address exactly the types of informalized, precarious, and vulnerable labor which is again becoming a common form of wage labor across the Economic North, having never diminished in the Economic South.¹³ In their early inception, Wage Boards (also called Trade Boards) were established to address precarious and poorly paid work after extensive campaigns. First experimented with in 1896 in Victoria, Australia, and in New Zealand to set basic wages for six industries considered to pay low wages,¹⁴ and subsequently taken up in the United Kingdom in 1909, such boards soon spread around the world to address precarious labor.¹⁵

Most wage boards were dismantled in the post-war period, particularly during the liberalization and weakening of corporatist institutions in the 1980s and 1990s.¹⁶ However, India became a later, yet highly enthusiastic, adopter of such boards, continuing to experiment with their form to this day.¹⁷ Alongside wage boards, India has also implemented a variety of models, including welfare boards and welfare funds,¹⁸ employment guarantees,¹⁹ cooperatives,²⁰ and

13. ANNIE DELANEY ET AL., *HOMEWORKING WOMEN: A GENDER JUSTICE PERSPECTIVE*, ch. 3 (2018).

14. GERALD FRANK STARR, *INT'L LABOUR ORGANISATION, MINIMUM WAGE FIXING: AN INTERNATIONAL REVIEW OF PRACTICES AND PROBLEMS* (2nd ed. 1980). WALTMAN, *THE POLITICS OF THE MINIMUM WAGE* (2000).

15. Jessica S. Bean & George R. Boyer, *The Trade Boards Act of 1909 and the Alleviation of Household Poverty*, 47 *BRITISH J. INDUS. RELS.*, 240, 258 (2009); RANDOLPH S. CHURCHILL, *WINSTON S. CHURCHILL*, vol. 2, 879 (1966).

16. Sara Slinn, *Wage Boards for the 21st Century: Revisiting Sectoral Standard-Setting Mechanisms for the Workplace*, (Osgoode Hall L. Sch., Conf. Paper 8, 2019); Sara Slinn, *Workers' Boards: Sectoral Bargaining and Standard-Setting Mechanisms for the New Gilded Age*, 26 *EMP. RTS. & EMP. POL'Y J.*, 191 (2023), available at <https://ssrn.com/abstract=4429598> [<https://perma.cc/S4ZG-7YGD>].

17. K.P. Kannan, *The Kerala Experience of Welfare Funds*, in *SOCIAL DIALOGUE IN THE INFORMAL SECTOR* (A. Sivanthiran & C.S. Venkata Ratnam eds., 2003); RINA AGARWALA, *INFORMAL LABOR, FORMAL POLITICS, AND DIGNIFIED DISCONTENT IN INDIA* 73-74 (2013); Kadambari Chheda & Anuradha Patnaik, *Wage-differentials in India's Construction Industry*, 52 *INDIAN J. INDUS. RELS.* 1, 3 (2016); Abdul Nasar VP & Muhammed Basheer, *Comparison of Construction Workers' Welfare Boards in Tamil Nadu and Kerala*, 7 *INDIAN J. COM. & MGMT. STUD.* 24, 25 (2016); Sanghmitra Acharya & Sunita Reddy, *Migrant Women in Construction Work: Examining Issues and Challenges in Delhi*, 1 *AMITY J. HEALTHCARE MGMT.* 1, 1 (2016); Sakshi Khurana, *Resisting Labour Control and Optimizing Social Ties: Experiences of Women Construction Workers in Delhi*, 31 *WORK, EMP. & SOC'Y*, 921, 927-28 (2017); Agarwala, R., & Saha, S. (2018). Rina Agarwala, *The Employment Relationship and Movement Strategies among Domestic Workers in India*, 44 *CRITICAL SOCIO.* 1207 (2018).

18. For a general discussion of Indian welfare boards see Rina Agarwala, *From Work to Welfare: A New Class Movement in India*, 38 *CRITICAL ASIAN STUD.* 419 (2006); Rajeshwari Deshpande et al., *States as Laboratories: The Politics of Social Welfare Policies in India*, in *UNDERSTANDING CONTEMPORARY INDIAN FEDERALISM* 85 (Chanchal Kumar Sharma & Wilfried Swenden eds., 2018).

19. The main example being the National Rural Employment Guarantee Scheme. See Rhonda Breitzkreuz et al., *The Mahatma Gandhi National Rural Employment Guarantee Scheme: A Policy Solution to Rural Poverty in India?*, 35 *DEV. POL'Y. REV.* 397 (2017); Shylashri Shankar et al., *Information, Access and Targeting: The National Rural Employment Guarantee Scheme in India*, 39 *OXF. DEV. STUD.* 69 (2011).

20. A strong example of the impactful and innovative informal workers' modes of organizations and representation in India can be witnessed through initiatives like SEWA

worker welfare movements.²¹ This makes India an ideal site for studying the pros and cons of such boards in relation to the contemporary expression of supply chain capitalism, while accounting for India's unique dynamics.

This Article examines the Mathadi Boards of the state of Maharashtra, India, that have been highly successful in improving the working conditions of informal and precarious workers who carry loads on their heads in markets, construction sites, industrial sites, and ports, called Mathadi or Hamal workers in local languages.²² Unlike long-dismantled boards seen in other countries, they have flourished to a point where they have features that exceed those of boards elsewhere in India and the world. The boards are established by the *Mathadi, Hamal and other Manual Workers (Regulation of Employment and Welfare) Act, 1969* ('*Mathadi Act*'). The Mathadi Act not only regulates wages but also establishes Mathadi Boards as labor-hire bodies, responsible for collecting payments and levies from suppliers—commonly referred to here as labor users or traders—and distributing workers' remuneration and benefits.

We examine two contrasting local examples of Mathadi Boards in the state of Maharashtra. The Mathadi Act mandates the establishment of wage boards in each locality where such work occurs to regulate Mathadi labor on-site. For this Article, we selected two boards: the Pune Board, which is widely regarded as a great success in achieving the aims of the Act, and the Aurangabad Boards, where the outcomes have been more mixed.

We propose that such boards could serve as a new model for labor and supply chain governance aimed at protecting precarious workers in both global and domestic value chains. The contrasting case studies demonstrate that, rather than assuming the straightforward "transferability" of such boards, the way these institutions function is shaped by the specific history and social relations of the locality in Maharashtra and the headloading sector in that region. Our research is based on a detailed case study of the Mathadi Boards, incorporating interviews with various stakeholders, as well as an analysis of legal materials and secondary sources, including academic articles, government reports, and historical data. At the same time, while the Article is an exercise in learning from the past and from contemporary labor institutions in emerging

Cooperative federation of informal workers. For a detailed discussion see RENANA JHABVALA ET AL., JOINING SEWA MAKES A DIFFERENCE (2017). Cooperatives have been effective in other contexts and sectors. For the case of Kamani Tubes in Mumbai, see e.g., Sharit K. Bhowmik, *Workers Take over Kamani Tubes*, 24 ECON. POL. WKLY. 124 (1989); and for the case of Dinesh Beedi workers' cooperative in Kerala, see Babu P. Remesh, *Rise and Fall of a Workers' Cooperative: The Saga of Kerala Dinesh Beedi*, 4 LABOR FILE ONLINE (2006), available at <https://www.laborfile.com/section-detail.php?aid=307> [<https://perma.cc/ZC5D-S9MV>].

21. An interesting example, the Kerala's Kudumbashree programme, meaning prosperity of the family, also deserves recognition as it aims at poverty alleviation for rural women in cooperation with Local Self Governments. One of the largest associational networks of women in India, it advocates the generation of self-employment. See K.P. KANNAN & G. RAVEENDRAN, POVERTY, WOMEN AND CAPABILITY: A STUDY OF KERALA'S KUDUMBASHREE SYSTEM (2023). For a general discussion, see Kannan, *supra* note 17, at 179.

22. Mathadi means headloaders. Hamal translates to "back" in Urdu language. Hamal Workers—Hamali—are loading and unloading workers who use their backs to lift heavy goods. In interviews we found that the word Mathadi was more prevalent in Mumbai and the word Hamal/Hamali was used interchangeably in Pune.

economies, it is also an exercise in stretching our institutional imagination.²³ Considering the regulatory experimentalism in this field, seen in the explosion of mechanisms to improve working conditions and extend workers' rights, there appears to be considerable scope for pushing the envelope.

This Article identifies and examines five key characteristics of the Mathadi Boards, which we build on and adapt to the GVC context in our proposal for a multilateral wage board that diverges from existing global private and public governance mechanisms. These characteristics include their potential to re-distribute power among GVC actors, create a role for the state and public in supply chain regulation, offer an effective enforcement mechanism, establish an economically self-sustaining and autonomous arrangement, and, crucially, position local actors at the lower tiers of supply chains—namely national and local state representatives, suppliers, and, importantly, workers' voices—at the center of GVC governance.

First, the Mathadi Boards are multilateral, highly deliberative, and re-distribute power in ways that challenge corporate and focal firm dominance in GVC governance and operations. Genevieve LeBaron and Jane Lister contend most Supply Chain Solutions “tend to take for granted the current configuration of global production and define their scope in ways that leave fundamental global governance issues unchallenged: the soaring power, dominance, consolidation, and profitability of transnational corporations.”²⁴ We have argued elsewhere that the recent EU Corporate Sustainability Due Diligence Directive and similar legislation in OECD countries fail to fully challenge lead firm dominance.²⁵ In contrast, the Mathadi Boards, through their highly deliberative structure, have the potential to challenge focal firm dominance. They provide a space for negotiation between workers (represented by unions) and lead firms or service purchasers (referred to here as labor users, in preference to employers, due to the absence of a traditional employer/employee relationship). In the presence of the state, these parties agree on the terms and conditions of head-loading contracts, which are then applied across the sector. Moreover, the boards offer sectoral and highly localized regulation of work and welfare provision—regulation that emerges from institutionalized, ongoing negotiations between workers and labor users concerning working conditions, benefits, and the overall distribution of value—within an informal sector that would otherwise be dominated by market forces alone. If adapted to the GVC context, such boards could include multilateral bargaining between workers and their representatives, the state, suppliers (parallel to labor users), and buyers.

Second, Mathadi Boards challenge the logic of many other mechanisms by providing a central role for the state and bringing into the public realm multi-stakeholder deliberations over labor standards. This is in contrast to global private governance mechanisms that offer a privatized—often non-deliberative and non-transparent—mechanism for addressing GVC dynamics

23. Roberto Mangabeira Unger, *Legal Analysis as Institutional Imagination*, 59 *MOD. L. REV.* 1 (1996).

24. Genevieve LeBaron & Jane Lister, *The Hidden Costs of Global Supply Chain Solutions*, *REV. 29 INT'L POL. ECON.*, 669, 675 (2022).

25. Marshall, et al., *supra* note 12.

on labor. This dynamic is not challenged by current mHRDD legislation that similarly circumvents public institutions in the countries in which the work is performed. Like collective bargaining, Mathadi Boards brings aspects of the employment relationship into the public realm. Most importantly, and potentially most innovatively in the context of GVCs, one of its functions is acting as a labor hire body. Labor users pay the Mathadi Boards for the wages of the worker, with an additional levy, and workers are paid by the board. This makes the Mathadi Board constitutive of the work relationship in ways that go beyond both labor law and most private governance mechanisms. The Mathadi Boards thus reconstitute the private as public. We propose that these functions could also reconstitute work relations in other realms where large numbers of informal and/or precarious workers are engaged in conditions that are hidden and not addressed by public deliberation.

Third, Mathadi Boards introduce an effective enforcement mechanism stemming from carefully tailored standards, state appointed (and board funded) inspectors, and union involvement in enforcement. Enforcement mechanisms are considered one of the weakest points of existing private and public governance mechanisms, as well as emerging mHRDD legislation. Both lack enforcement that consistently operates on the ground, works in collaboration with local institutions, and that enjoys the workers' trust. Mathadi Boards enforce the standards created by the boards, backed by law. The state also appoints labor inspectors—at times ones with experience in doing Mathadi work or family members of workers—who enforce the standards that are determined through the board. Enforcement also occurs through union representation of workers in traditionally difficult to organize sectors. Accordingly, workplaces are inspected by local inspectors with traditional state-based enforcement tools and can also turn to union representatives to bring their grievance to the board. The Mathadi Boards, therefore, provide an enforcement mechanism that couples traditional sanction-based enforcement tools with more collaborative ones—akin to co-enforcement approaches—based on cooperation between local organizations and the state. This mechanism allows for deliberative, recursive, and reflexive regulation, as well as possible support and guidance to non-complying businesses through corrective orders. We suggest that such an approach can provide a potentially effective enforcement mechanism for the GVC context by enhancing this structure of enforcement with compliance incentives through an additional layer of buyer's engagement and the deterrence created by buyer-imposed sanctions on non-compliant suppliers, all within the context of a multi-tiered board structure.

Fourth, the boards are financially self-sustaining and autonomous. The levy paid by labor users provides the boards with both independence and financial power. In contrast to existing Supply Chain Solutions, which are often highly dependent on corporate fees or philanthropic goodwill, the boards are funded through payments made for labor services rather than fees for certification or branding, which do not reflect the value of labor. Moreover, the boards are not reliant on state funding; they control their own funds and are responsible for paying state-appointed inspectors. This financial independence grants the boards legitimacy and autonomy, protecting them from either state hostility or neglect, though important limitations exist, which we discuss in the Article.

To ensure that our proposed multi-tiered GVC governance bodies achieve similar autonomy, we propose adopting a similar model of fee collection from both suppliers and buyers.

Fifth, whereas most private and public governance mechanisms have originated in the Economic North and are vulnerable to claims of neo-colonialism,²⁶ Mathadi Boards have grown out of specific industrial relations and anti-colonial dynamics in the state of Maharashtra, India, to support localized deliberation. India is a particularly interesting site for such a study because of the large-scale prevalence of informal work, as well as its extensive experimentations with various formations of labor institutions. Given our interest in scaling up initiatives that have strong local roots for addressing the dynamics of GVCs, the attention the Mathadi Boards have attracted both in and outside of India as a solution to informalized work, along with their strong backing by local social movements, is particularly pertinent.²⁷ The GVC governance solution we propose would be similarly backed by local laws and give local players prominence over global actors.

At the end of the Article, we suggest ways in which Mathadi Boards could be adapted to address the different scales, organizational configurations, and governance of GVCs. In order to do so, we draw inspiration and use insights from scholarship on two additional supply chain initiatives that put workers at their center. We first draw on insights concerning the joint project of the International Labor Organization and the International Finance Corporation (IFC): “Better Work” and the workers’ led initiative. Second, we draw inspiration from the “Fair Food Program.” We introduce both programs and explain how and why we leverage them to complement the Mathadi Board adaptation we develop. Drawing on these two additional programs, we suggest a blueprint to adapt the Mathadi Board model to include additional stakeholders or supply chain actors that represent multiple tiers of the GVC in a form of supply chain collective bargaining. For buyers and lead firms in GVCs, the multi-tiered boards we propose would act as a certification scheme, signaling to consumers the human rights and workers’ rights commitments of firms that purchase services from suppliers who are members of such boards and providing them with preferred supplier status. For others, this can be a mode of direct engagement, involvement, and contact to guarantee workers’ rights in their value chains in different locales. We detail the suggested structure of such multilateral boards

26. See e.g.: Surya Deva, Anita Ramasastry & Florian Wettstein, *Beyond Human Rights Due Diligence: What Else Do We Need?*, 8 Bus. & Hum. Rts. J. 133, 133 (2023) (noting that “Questions are also being raised whether these laws reflect a neo-colonial shade of international rulemaking due to the exclusion of stakeholders from the Global South in the drafting process.”); Caroline Omari Lichuma, *(Laws) Made in the ‘First World’: A TWAIL Critique of the Use of Domestic Legislation to Extraterritorially Regulate Global Value Chains*, 81 ZaRV 497 (2021).

27. See e.g.: JAWAHAR VYAPAR BHAWAN, REPORT ON CONDITIONS OF WORK AND PROMOTION OF LIVELIHOODS IN THE UNORGANISED SECTOR 16, 19 (National Commission for Enterprises in the Unorganized Sector, 2007); JUDY FUDGE & DEIRDRE McCANN, UNACCEPTABLE FORMS OF WORK: A GLOBAL AND COMPARATIVE STUDY 62 (ILO, 2015); SHELLEY MARSHALL, LIVING WAGE: REGULATORY SOLUTIONS TO INFORMAL AND PRECARIOUS WORK IN GLOBAL SUPPLY CHAINS, 51-72 (2019); Manoj Jatav & Deepika Jajoria, *The Mathadi Model and Its Relevance for Empowering Unprotected Workers*, 55 ECON. & POL. WKLY., 19 (2020).

and the ways in which they can serve the interests of all stakeholders and, most importantly, enhance and protect workers' rights in GVCs.

The Article is structured as follows. In the first section, we explore the challenges of GVCs for both labor law and supply chain governance. In this section, we also introduce two additional institutional innovations in labor governance in supply chains that we draw on: ILO's Better Work and the Worker Driven Social Responsibility model, particularly as exemplified in the Fair Food Program. In the second section, we set out our methodology. The substantive section of this Article describes our case studies of the Mathadi Boards of Pune and Aurangabad, Maharashtra. The final section offers an analysis and presents the potential benefits of incorporating the Mathadi Board model, in combination with some innovations introduced by Better Work and the Fair Food Program into GVC governance, and different ways in which this could take place.

II. Challenges of GVCs for Workers' Rights

GVCs have presented a raft of challenges for the realization of workers' rights. The term 'Global Value Chains' seeks to capture the process of specialization and geographic fragmentation of supply and production, often expressed in the transfer of the labor-intensive parts of the production process to emerging economies.²⁸ While the exact scope of GVCs is difficult to measure, GVC scholars have noted that "GVCs have become the world economy's backbone and central nervous system."²⁹ However, maldistribution of power and profit along GVCs is common,³⁰ with a growing body of GVC and labor literature bringing attention to the often-exploitative working conditions in which workers operate at the lower tiers of GVCs. Cost squeezes on the supply side and exploitation of cheap labor is endemic across a range of sectors and structures of GVCs.³¹ As a result, many GVCs have created and exacerbated a range of problems for workers, particularly at the lower tiers of value chains, due to the governance challenges related to attributing liability to powerful links in the supply chain.

28. Gary Gereffi, Raphael Kaplinsky & Timothy Sturgeon, *The Value of Value Chains: Spreading the Gains from Globalisation*, 32(3) INST. DEV. STUD. BULL. 1 (2001); HANDBOOK ON GLOBAL VALUE CHAINS 1-2 (Stefano Ponte, Gary Gereffi & Gale Raj-Reichert, eds., Edward Elgar Publ'g 2019). This literature also shows how being part of GVCs can be beneficial for suppliers, especially where opportunities for upgrading exist.

29. Olivier Cattaneo, Gary Gereffi & Cornelia Staritz, , *Global Value Chains in a Post-Crisis World: A Development Perspective* 7 (World Bank Publ'ns 2010).

30. GARY GEREFFI, *GLOBAL VALUE CHAINS AND DEVELOPMENT: REDEFINING THE CONTOURS OF 21ST CENTURY CAPITALISM* (Cambridge Univ. Press 2018); Dev Nathan, *Labour in GVCs: An Analytical Framework*, in PERSPECTIVES ON NEOLIBERALISM, LABOUR AND GLOBALIZATION IN INDIA 255 (K.R. Sundar ed., Palgrave Macmillan 2019).

31. Anner, *supra* note 4; TIM BARTLEY, *RULES WITHOUT RIGHTS: LAND, LABOR, AND PRIVATE AUTHORITY IN THE GLOBAL ECONOMY* (Oxford Univ. Press 2018); Liam Campling & Christophe Quentin, *Global Inequality Chains: How Global Value Chains and Wealth Chains (Re)Produce Inequalities of Wealth*, in RETHINKING VALUE CHAINS: TACKLING THE CHALLENGE OF GLOBAL CAPITALISM 26 (Florence Palpacuer & Alistair Smith eds., Policy Press 2021).

A. Labor Law and Institutions

The labor movement, as well as labor and employment law, are widely seen to be in crisis due to changing patterns of work and employment. The “fissuring” of the workplace³² led to the rise of contractual patterns that either remove the contract outside the ambit of employment law (e.g., independent contractors and gig economy work) or turn the ultimate labor users (franchise owners, focal corporate actors, lead firms, etc.) into mere third parties to an employment contract between employees and a direct employer that is no longer directly or solely controlling their working conditions or the type of work they do, nor are they the main economic beneficiaries of their labor. The outcome of subcontracting, franchising,³³ and the expansion of gig economy³⁴ work and supply chains³⁵ has been the increasingly narrow coverage and relevance of labor and employment law to hundreds of millions of workers worldwide. Workers in such arrangements are often either unprotected or insufficiently covered by employment laws and are unable to effectively unionize, which has contributed to the decline in union membership.³⁶

An increasing number of work arrangements around the world are non-standard, informal, or on a contract basis. The search for new forms of regulation to protect the conditions of informal work and promote deliberation over standards remains urgent. The ILO estimate that six out of ten workers, and four out of five enterprises in the world are engaged in the informal economy.³⁷ The share of the informal sector has not diminished over time and is, in fact, increasing in many countries.³⁸ In India, the share of the informal sector (also known as the “unorganized sector”) is more than 90 percent,³⁹ and has persisted despite visible economic transitions that the country has witnessed in the recent decades. In this context, improving working conditions and social security in the informal economy has been a major concern for policymakers in India, as it has been across the world.⁴⁰

32. DAVID WEIL, *THE FISSURED WORKPLACE: WHY WORK BECAME SO BAD FOR SO MANY AND WHAT CAN BE DONE TO IMPROVE IT* (Harvard Univ. Press 2014).

33. Hila Shamir, *Unionizing Subcontracted Labor*, 17 *THEORETICAL INQUIRIES IN L.* 229 (2016).

34. Tonia Novitz, *Gig Work as a Manifestation of Short-Termism: Crafting a Sustainable Regulatory Agenda*, 50 *INDUS. L.J.* 636 (2021).

35. Mark Anner & Matthew Fischer-Daly, *Fissured Employment and Network Bargaining: Emerging Employment Relations Dynamics in a Contingent World of Work*, 41 *COMP. LAB. L. & POL'Y J.* 7 (2019).

36. Annika Rudman & Bradon Ellem, *Union Purpose and Power: Regulating the Fissured Workplace*, 45 *ECON. & INDUS. DEMOCRACY* 200 (2024).

37. See, *Employment Promotion: Informal Economy*, INT'L LABOUR ORG. (Mar. 2024), <https://www.ilo.org/global/topics/employment-promotion/informal-economy/lang-en/index.htm>. [https://perma.cc/X7TH-G994]; For additional estimates, see also FRANZISKA OHNSORGE & SHU YU, *THE LONG SHADOW OF INFORMALITY: CHALLENGES AND POLICIES* (2022).

38. INT'L LABOUR ORG., *WOMEN AND MEN IN THE INFORMAL ECONOMY: A STATISTICAL PICTURE 15* (2018), https://www.ilo.org/wcmsp5/groups/public/-dgreports/-dcomm/documents/publication/wcms_626831.pdf [https://perma.cc/3YA6-3BHQ].

39. Govindan Raveendran & Joann Vanek, *Informal Workers in India: A Statistical Profile*, WIEGO (Aug. 2020), https://www.wiego.org/sites/default/files/publications/file/WIEGO_Statistical_Brief_N24_India.pdf [https://perma.cc/93EY-UY8Q].

40. Diamond Ashiagbor & Kerry Rittich, *Labour and Labour Law in the Project of International Development*, in *THE OXFORD HANDBOOK OF INTERNATIONAL LAW AND DEVELOPMENT*,

The growth of non-standard work limits the coverage of employment laws. This is because work arrangements do not match the relationships the contract of employment was designed to address.⁴¹ Frequently, there is not one employer, for instance. Rather, work is conducted for multiple labor users and beneficiaries. Indeed, despite significant changes in the political economy of work, supply, and production worldwide, the broadest structures of collective bargaining, wage bargaining coordination, and centralization, have not changed significantly in the last decades.⁴² The traditional and lingering premise of labor law is based on a dyadic employer-employee structure, where the employer is the owner of capital and workers can exert collective power, receive a greater share of the pie, and improve their working conditions through negotiation and collective action with their employer.⁴³

Yet, in GVCs, these structures and legal tools have become largely irrelevant. Businesses use outsourcing and subcontracting to minimize their responsibility to workers' rights down the value chain and to capture an unequal proportion of the value produced.⁴⁴ The dyadic employer-employee structure is no longer the relevant unit for workers' struggles⁴⁵ because the employer is often a link in a long global chain of supply and production governed to varying extents by a large corporation (focal firm) that has the power to determine key elements of the work despite being legally distanced from the workers.⁴⁶ Accordingly, negotiating with or striking against the direct employer becomes a meaningless endeavor as the focal firm may respond to the resulting increase in labor costs by simply terminating its contract with the supplier.⁴⁷ The traditional tools of labor law do not provide redress against the power and ownership structures of GVCs, making its promise and protections inaccessible to hundreds of millions of GVC workers around the world.

457, 468–69 (Ruth Buchanan, Luis Eslava & Sundhya Pahuja eds., 2023); For a historical description of formalization see also: Kerry Rittich, *Historicising Labour in Development: Labour Market Formalisation through the Lens of British Colonial Administration*, in RE-IMAGINING LABOUR LAW FOR DEVELOPMENT: INFORMAL WORK IN THE GLOBAL NORTH AND SOUTH 21, 35–36 (Diamond Ashiagbor ed., 2019); Deirdre McCann, *Informalisation in International Labour Regulation Policy: Profiles of an Unravelling*, in RE-IMAGINING LABOUR LAW FOR DEVELOPMENT: INFORMAL WORK IN THE GLOBAL NORTH AND SOUTH 77 (Diamond Ashiagbor ed., 2019); Simon Deakin, Shelley Marshall & Sanjay Pinto, *Labour Laws, Informality, and Development: Comparing India and China*, in RE-IMAGINING LABOUR LAW FOR DEVELOPMENT: INFORMAL WORK IN THE GLOBAL NORTH AND SOUTH 235 (Diamond Ashiagbor ed., 2019).

41. GENDER AND THE CONTOURS OF PRECARIOUS EMPLOYMENT, (Leah F. Vosko, Martha MacDonald & Iain Campbell eds., Routledge 2009).

42. KATHLEEN THELEN, VARIETIES OF LIBERALIZATION AND THE NEW POLITICS OF SOCIAL SOLIDARITY (Cambridge Univ. Press 2014).

43. Shamir, *supra* note 33.

44. Brinks et al., *supra* note 7.

45. Marshall, *supra* note 12, at 25; See also Delaney et al., *supra* note 13.

46. CATHERINE RUCKELSHAUS ET AL., WHO'S THE BOSS: RESTORING ACCOUNTABILITY FOR LABOR STANDARDS IN OUTSOURCED WORK (Nat'l Emp. L. Project 2014), available at <https://www.nelp.org/wp-content/uploads/2015/02/Whos-the-Boss-Restoring-Accountability-Labor-Standards-Outsourced-Work-Report.pdf> [<https://perma.cc/2AZ3-NG7T>]; Anner, *supra* note 4.

47. Mark Anner, Matthew Fischer-Daly & Megan Maffie, *Fissured Employment and Network Bargaining: Emerging Employment Relations Dynamics in a Contingent World of Work*, 74 INDUS. & LAB. RELS. REV. 689 (2021).

This widespread failure of labor law and institutions to regulate work, providing insufficient power and protection to workers, particularly at the low tiers of GVCs,⁴⁸ has prompted a search for private and quasi-public GVC regulation.

B. Private and Quasi-Public GVC Regulation

The search for new solutions spans an exponentially growing number of private governance mechanisms, such as Corporate Social Responsibility (CSR) and Multi Stakeholder Initiatives (MSI), as well as consumer boycotts, torts litigation, and other attempts to regulate work on GVCs. These soft and hard regulatory attempts have so far focused on the role of focal corporate actors in the supply chain, generally located in “home countries.” With growing awareness that CSR is not leading to the required change in corporate practices, legislators at the international, national, and regional levels began enacting new laws requiring corporations to disclose their actions to protect workers’ rights down their supply chains (known as ‘transparency legislation’). Such measures were adopted in the UK (2015),⁴⁹ Australia (2018),⁵⁰ and the state of California (2010).⁵¹ Other laws require that firms implement a mHRDD process to identify, prevent, mitigate, and account for how they manage potential adverse human rights impacts in their supply chains, including protection of workers’ rights.⁵² First introduced through the UN Guiding Principles on Business and Human Rights (UNGPs) in 2011,⁵³ HRDD laws have since been legislated in France (2017), Norway (2021), and Germany (2021), and most recently in a new EU Directive (2024).⁵⁴

However, attempts to create and enhance accountability from the “top”—MNCs and focal actors—were not accompanied by efforts to adapt the basic structures and premises of employment law (individual law of work) and labor law (collective bargaining) to the power structures of GVCs so as to guarantee workers’ individual and collective power under supply chain capitalism. As has been well covered elsewhere, academic and policy circles have raised

48. Judy Fudge & Hila Shamir, *Strike Law and Workers’ Power Resources in Global Supply Chains and Platform Giants*, INT’L LAB. REV. (forthcoming).

49. Modern Slavery Act 2015, c. 30 (UK).

50. Modern Slavery Act 2018 (Cth) (Austl.).

51. California Transparency in Supply Chains Act of 2010, Cal. Civ. Code § 1714.43 (West 2010).

52. INGRID LANDAU, HUMAN RIGHTS DUE DILIGENCE AND LABOUR GOVERNANCE (Oxford Univ. Press 2023); Galit A. Sarfaty, *Translating Modern Slavery into Management Practice*, 45 LAW & SOC. INQUIRY 1027 (2020); Genevieve LeBaron & Andreas Rühmkorf, *The Domestic Politics of Corporate Accountability Legislation: Struggles over the 2015 UK Modern Slavery Act*, 17 SOCIO-ECON. REV. 709 (2019).

53. U.N. Office of the High Comm’r for Human Rights, *Guiding Principles on Business and Human Rights*, U.N. Doc. HR/PUB/11/04 (2011).

54. See *supra* notes 10–11; *The EU Commission’s Proposal for a Corporate Sustainability Due Diligence Directive: Shift’s Analysis*, SHIFT PROJECT (2022), https://shiftproject.org/wp-content/uploads/2022/03/Shift_Analysis_EU_CSDDDProposal_vMarch01.pdf [<https://perma.cc/W434-ZLRQ>] (last visited Mar. 13, 2022).

concerns over the effectiveness of such solutions to the protection of labor rights in GVCs.⁵⁵

Despite what may appear as promising developments, research so far shows that transparency and HRDD legislation, despite their potential, are insufficient to transform the working conditions of workers in GVCs.⁵⁶ Attempts to enforce voluntary corporate commitments on labor conditions via litigation have also mostly failed.⁵⁷ Moreover, research suggests that voluntary commitments by corporations have not mitigated their institutional antagonism to unionizing and collective bargaining.⁵⁸ Mounting evidence of the ineffectiveness of self-regulatory corporate mechanisms—including those induced by transparency and HRDD legislation—reveals major gaps in the regulation of labor standards in GVCs. These gaps stem from various sources, including the reluctance of corporations to effectively monitor and enforce their commitments and the insufficiency of private accreditation and enforcement mechanisms,⁵⁹ the limited power of consumers to economically sanction corporations in many contexts,⁶⁰ the unwillingness of states to supervise and enforce corporate commitments and to create state-backed sanctions mechanisms,⁶¹ the lack of workers' input in defining, enforcing and monitoring standards,⁶² and the near absence of input and participation in shaping the instruments and their agenda by stakeholders, and, specifically, unions and workers' organizations from the Global South.⁶³ As a result, concerns have been raised in academic

55. JEAN ALLAIN, ANDREW CRANE, GENEVIEVE LEBARON & LAYA BEHBAHANI, *FORCED LABOUR'S BUSINESS MODELS AND SUPPLY CHAINS* (Joseph Rowntree Found. & Queens Univ. 2013); Mark Anner, Jennifer Bair & Jeremy Blasi, *Toward Joint Liability in Global Supply Chains: Addressing the Root Causes of Labor Violations in International Subcontracting Networks*, 35 COMP. LAB. L. & POL'Y J. 1 (2013); Kuruvilla & Li, *supra* note 7.

56. Robert McCorquodale & Justine Nolan, *The Effectiveness of Human Rights Due Diligence for Preventing Business Human Rights Abuses*, 68 NETH. INT'L L. REV. 455 (2021); GENEVIEVE LEBARON, *COMBATTING MODERN SLAVERY: WHY LABOUR GOVERNANCE IS FAILING AND WHAT WE CAN DO ABOUT IT* (Polity Press 2020); Barkay et al., *supra* note 12.

57. Judy Fudge & Guy Mundlak, *Peeling the Onion: On Choices Judges Make in Transnational Labour Litigation*, in *SOCIAL JUSTICE AND THE WORLD OF WORK: POSSIBLE GLOBAL FUTURES* 249 (Brian Langille & Anne Trebilcock eds., Hart Publ'g 2023).

58. Kuruvilla & Li, *supra* note 7.

59. GENEVIEVE LEBARON, *THE GLOBAL BUSINESS OF FORCED LABOR: REPORT OF FINDINGS* (SPERI & Univ. of Sheffield 2018), <https://respect.international/wp-content/uploads/2018/06/The-Global-Business-of-Forced-Labour-Report-of-Findings-University-of-Sheffield-2018.pdf> [<https://perma.cc/QY2T-5B3Z>].

60. MICHAL CARRINGTON, ANDREAS CHATZIDAKIS & DEIRDRE SHAW, *ADDRESSING CONSUMER AWARENESS AND (IN)ACTION TOWARDS MODERN SLAVERY – RAPID RESEARCH REPORT: REVIEW OF EXISTING EVIDENCE* (Modern Slavery & Human Rights Policy & Evidence Ctr. 2021).

61. LeBaron, *supra* note 56.

62. Joonkoo Lee, *Global Supply Chain Dynamics and Labour Governance: Implications for Social Upgrading*, ILO RES. PAPER NO. 14 (2016); Seung Ho Lim & Aseem Prakash, *From Quality Control to Labor Protection: ISO 9001 and Workplace Safety, 1993–2012*, 8 GLOBAL POL'Y 66 (2017).

63. Fatima Dehbi & Olga Martin-Ortega, *Articulating Accountability for Corporate Harms Abroad via Mandatory Human Rights and Environmental Due Diligence: Through the TWAIL Looking Glass*, REGULATION & GOVERNANCE 927 (2023); Caroline Omari Lichuma, *(Laws) Made in the 'First World': A TWAIL Critique of the Use of Domestic Legislation to Extraterritorially Regulate Global Value Chains*, 81 ZAORV 497 (2021); Kevin E. Davis, Roy Germano & Lauren E. May, *Did the Global South Have Their Say on EU Supply Chain Regulation?*, N.Y.U. L. & ECON. RES. PAPER NO. 24-13 (2024).

and policy circles over the effectiveness of businesses' voluntary commitments to the protect workers' rights in GVCs. We keep the failings of these initiatives in mind as we examine the Mathadi model and propose GVC labor regulation.

Because many private mechanisms and related legislation have so far had limited impact on workers' rights, many activists and scholars have hailed an alternative, worker-led model: the worker-driven social,⁶⁴ exemplified in a domestic setting by the Fair Food Program (FFP) in the tomato fields of Florida (USA)⁶⁵ and the Milk with Dignity programme led by the organisation Migrant Justice in the dairy sector in Vermont (USA).⁶⁶ The model is further exemplified at the international level by the Bangladesh Accord on Fire and Safety a program (garment),⁶⁷ the Agreements to Prevent and Combat Gender-Based Violence and Harassment in Lesotho (garment),⁶⁸ and the Dindigul Agreement to Eliminate Gender-based Violence and Harassment (garment).⁶⁹ WSR is a supply chain governance scheme originating from workers and their communities. In WSR schemes, workers, their direct employers (suppliers), and lead firm (purchasers) negotiate agreements stipulating that lead firms will only contract with suppliers that comply with basic labor standards. The labor standards agenda is set by the workers themselves, and those standards are strictly monitored and enforced by rigorous inspection bodies that are overseen by workers and are independent of corporations and suppliers. Violations of rights lead to economic consequences, including suspension from the program and possibly even termination of contracts.⁷⁰ WSR's reliance on worker agency,

64. Fabiola Mieres & Siobhán McGrath, *Ripe to Be Heard: Workers' Voice in the Fair Food Programme*, 160 INT'L LAB. REV. 631 (2021); Greg Asbed & Steve Hitov, *Preventing Forced Labor in Corporate Supply Chains: The Fair Food Program and Worker-Driven Social Responsibility*, 52 WAKE FOREST L. REV. 497 (2017); Janice Fine & Tim Bartley, *Raising the Floor: New Directions in Public and Private Enforcement of Labor Standards in the United States*, 61 J. INDUS. REL. 252 (2019); TAMAR BARKAY & HILA SHAMIR, ANTI-TRAFFICKING CHAINS IN GVCs: CORPORATE TRANSPARENCY LEGISLATION AND WORKER-DRIVEN SOCIAL RESPONSIBILITY, IN MODERN SLAVERY AND THE GOVERNANCE OF GLOBAL VALUE CHAINS (Hila Shamir, B. Arora, S. Banerjee and T. Barkay eds., forthcoming Cambridge Univ. Press).

65. SUSAN L. MARQUIS, WORKER-DRIVEN SOCIAL RESPONSIBILITY: A NEW, PROVEN MODEL FOR DEFINING, CLAIMING, AND PROTECTING WORKERS' HUMAN RIGHTS (June 2023), https://clje.law.harvard.edu/app/uploads/2023/06/7.13.23_WSR_Report_Final.pdf [<https://perma.cc/PY6F-3YSA>].

66. Laura Frye-Levine, Sarah Janes Ugoretz and Michelle Miller, *Milk with Dignity: Worker-centered organizing for social responsibility*, CENTER FOR INTEGRATED AGRICULTURAL SYSTEM (July 2019), <https://cias.wisc.edu/wp-content/uploads/sites/194/2019/07/MWD.pdf> [<https://perma.cc/US6Z-56UJ>].

67. Jessica Champagne, *From Public Relations to Enforceable Agreements: The Bangladesh Accord as a Model for Supply Chain Accountability*, IN POWER, PARTICIPATION, AND PRIVATE REGULATORY INITIATIVES: HUMAN RIGHTS UNDER SUPPLY CHAIN CAPITALISM 154 (D. Brinks, J. Dehm, K. Engle & K. Taylor eds., Univ. of Penn. Press 2021).

68. Carolyn Butler, *Lesotho Garment Worker Program to Combat Gender-Based Violence Begins*, SOLIDARITY CENTER (Feb. 8, 2021), <https://www.solidaritycenter.org/now-live-lesotho-garment-worker-program-to-combat-gender-based-violence/> [<https://perma.cc/CBC2-SEC6>].

69. Judy Fudge and Genevieve LeBaron, *Regulatory Design and Interactions in Worker-Driven Social Responsibility Initiatives: The Dindigul Agreement* 163(4) INT'L. LAB. REVIEW 1 (2024); PAULINE JERRENTROP AND SAROH KURUVILLA, DINDIGUL AGREEMENT TO ELIMINATE GENDER-BASED VIOLENCE AND HARASSMENT YEAR 2 PROGRESS REPORT (Indus. & Lab. Rels. Glob. Lab. Ins., 2024).

70. Jennifer Bair, Mark Anner & Jeremy Blasi, *The Political Economy of Private and Public Regulation in Post-Rana Plaza Bangladesh*, 73 INDUS. & LAB. RELS. REV. 969 (2020).

and specifically its exercise through new forms of supply chain collective bargaining,⁷¹ makes it a useful model for this Article.

Despite the great promise of WSR, the major successful example of this model, the Fair Food Program (FFP) in Florida, proved very difficult to replicate and sustain in other environments.⁷² Some of the features that enabled the FFP to thrive include context specific elements, such as a concentrated market of powerful reputation-sensitive buyers,⁷³ that Florida supplies 90% of winter tomatoes in the U.S.A.,⁷⁴ and a relatively short supply chain.⁷⁵ These factors make it relatively easy to pass the wage premium down the chain, as well as to trace the links between buyers and growers, to monitor and “govern” the supply chain,⁷⁶ and to create an “imagined community” of workers and consumers through unmediated collaboration and interaction. In addition, the geographical concentration of many workers in Immokalee, Florida, made it possible to create a strong grassroots mobilization that is based on community meetings, shared life experiences, and direct and personal interaction. It may be more difficult to gain buyer and public support in sectors that are more price sensitive, have longer chains, and are more geographically dispersed.⁷⁷

Another alternative model which has gained praise for building on the tripartite basis of labor institutions is the quasi-public Better Work programs initiated by the United Nation’s International Labor Organization (ILO) and the International Finance Corporation (IFC), a member of the World Bank Group.⁷⁸ These programs bring together parties at different levels of garment

71. JENNIFER GORDON, THE PROBLEM WITH CORPORATE SOCIAL RESPONSIBILITY, WORKER-DRIVEN SOCIAL RESPONSIBILITY NETWORK (2017), <https://wsr-network.org/resource/the-problem-with-corporate-social-responsibility/> [<https://perma.cc/4KHC-LR4J>]; Manoj Dias-Abey, *Justice on Our Fields: Can Alt-Labor Organizations Improve Migrant Farm Workers’ Conditions*, 53 HARV. C.R.-C.L. L. REV. 167 (2018).

72. KATHRYN BABINEAU & JENNIFER BAIR, THE ART OF USING SUPPLY CHAINS TO DEFEND WORKER RIGHTS, IN BEYOND TRAFFICKING AND SLAVERY (Open Soc’y Found. 2020), <https://tinyurl.com/2aka25pk> [<https://perma.cc/83RR-L7VC>]; JIM BRUDNEY, REFLECTIONS ON LABOR STANDARDS IN GLOBAL SUPPLY CHAINS: INNOVATION AND SCALABILITY, IN POWER, PARTICIPATION, AND PRIVATE REGULATORY INITIATIVES: HUMAN RIGHTS UNDER SUPPLY CHAIN CAPITALISM 205 (D. Brinks, J. Dehm, K. Engle & K. Taylor eds., Univ. of Penn. Press 2021); Barkay & Shamir, *supra* note 64; Yonat Ben Ozer, *Worker Driven Social Responsibility: A Workable Model to Transform Exploitative Labor Markets or a Context-Specific Success?*, 43(1) GEOGRAPHY RESEARCH FORUM 81 (2024).

73. Fine & Bartley, *supra* note 64 at 269.

74. Steven Greenhouse, *In Florida Tomato Fields, a Penny Buys Progress*, N.Y. TIMES, (April 24, 2014) <https://www.nytimes.com/2014/04/25/business/in-florida-tomato-fields-a-penny-buys-progress.html> [<https://perma.cc/CFS9-GQG4>].

75. Ben Ozer, *supra* note 72.

76. Manoj Dias-Abey, *Using Law to Support Social Movement-Led Collective Bargaining Structures in Supply Chains*, 32 AUSTR. J. LAB. L. 123 (2019).

77. Barkay & Shamir, *supra* note 64.

78. Drusilla K. Brown, Rajeev H. Dehejia and Raymond Robertson, *The Impact of Better Work*, SSRN, (February 27, 2018) <https://ssrn.com/abstract=3130946> [<https://perma.cc/D25J-B298>]; Worker Rights Consortium (Feb. 8, 2021); Ariana Rossi, *Better Work: Lessons Learned and the Way Forward for Decent Work in the Global Garment Industry*, in DECENT WORK IN A GLOBALIZED ECONOMY: LESSONS FROM PUBLIC AND PRIVATE INITIATIVES 243 (Guillaume Delautre, Elizabeth Echeverría Manrique & Colin Fenwick eds., 2021); Kevin Kolben, *Dialogic Labor Regulation in the Global Supply Chain*, 36 MICH. J. INT’L L. 425 (2015); Kelly Pike, *Voice in Supply Chains: Does the Better Work Program Lead to Improvements in Labor Standards Compliance?*, 73 ILR REV. 913 (2020).

GVCs to improve working conditions and respect of labor rights for workers. The program has local branches in nine major garment producing countries. Better Work overlays domestic labor law institutions, providing monitoring and publicly disclosing serious non-compliance after fair notice is given to the firms to make the required improvements. The Better Work programs harness the commercial influence of leading brands and retailers who source from that country's garment industry. It provides them with the compliance assessments reports of their suppliers. It calls on commercial influence to encourage improvements from suppliers. Furthermore, 'We also get brands to stop duplicative monitoring and due diligence programmes, greatly reducing associated costs to factories.'⁷⁹ This model, too, has its critics. While it bolsters local labor laws, it in some respects competes with and displaces state labor inspectorates.⁸⁰ It is also highly dependent on the authority and funding of international organizations.

Studying the Mathadi Boards of Maharashtra, India, and the laws, movement, and institutions that create, support and implement them, we seek to build on WSR and Better Work as examples of existing, relatively successful models. We seek to uncover and analyze what we think can provide an alternative institutional vision to labor law and governance and make labor law, in this tripartite, capacious and local form, serve as a model for the challenge of workers' rights in GVCs.

III. Methodology

We deploy two methodologies in this Article: case study and institutional design. The description of the study of Mathadi Boards explores how they overcome the five categories of deficiencies of mechanisms that we identified in the introduction of this Article based on the extant literature: that they are corporate-led, privatized, non-enforceable, dependent on corporate and philanthropic funding, and neo-colonial.

We employed a comparative case study method to examine the institutions and structures facilitating representation and direct involvement of informal workers in standard setting and negotiations. There are fourteen operating boards in Maharashtra.⁸¹ We studied two boards in particular: the Pune Board and the Aurangabad Board. We used a mixture of research methods to collect data for this case study. We studied the boards through review and analysis of primary resources complemented by a thorough literature review of secondary resources. This included academic literature, newspapers, and reports to understand the formation of the boards, as well as documentation related to the current governance and running of the Boards, made available to us by personnel involved in running the boards.⁸²

79. FAQ: *What is Better Work*, BETTER WORK, <https://portal.betterwork.org/transparency/faq> [<https://perma.cc/K9XL-9ZJ7>] (last visited Oct. 10, 2024).

80. Marshall, *supra* note 29.

81. For more details, *see infra* note 100.

82. Relevant documents were collected during the field work conducted in Pune in 2022.

Further, three sets of field work inform this Article. The first was in 2011 when a small handful of interviews was conducted with interviewees who had a long-term involvement in the Mathadi Boards. In 2013, a second set of interviews was conducted in India with labor historians, sociologists, and labor lawyers to gain a better understanding of the dynamics of informality in India.

A third set of interviews were conducted in 2022 and 2023 in Maharashtra by Anjali Sharma, Chinmayi Naik, and the authors with thirty-three stakeholders including Mathadi workers, government officials, staff members of the Pune Mathadi Board, union representatives and labor users (merchants, industrialists etc.).⁸³ Interviews with differently positioned stakeholders helped us understand tripartitism from the perspectives and narratives of all the participants and its operation and impact. There were seventeen additional interviews concerning the Aurangabad Board (three Public Officials, four Labor Users, three Union Representatives and seven Mathadi workers). The field work entailed a number of challenges. For instance, we had hoped to conduct interviews in 2021, but the COVID-19 pandemic made it too dangerous to do so. Further challenges in 2022 included the range of languages spoken by interviewees.

Interview transcripts from interviews conducted in languages other than Hindi—primarily Marathi, the main language spoken in Maharashtra—were translated into English and then coded. Transcripts were initially coded deductively based on codes generated from theory. We then coded inductively, using a ground-up approach deriving codes from our interpretation of the data. Interview transcripts from interviews conducted in languages other than Hindi—primarily Marathi, the main language spoken in Maharashtra, were first translated into Hindi and then coded.

Our case studies are concerned with the institutional architecture of Mathadi Boards and the ways their embeddedness and interaction with local social relations shape its performance in differing contexts. Such social dynamics concern power within value chain, by which we mean “concrete practices, power dynamics and organizational forms” of value chains that constitute and shape work and the distribution of power between parties in the value chain.⁸⁴ However, they also concern dynamics of caste and other social hierarchies, shifting ideologies,⁸⁵ including the rise of Hindu nationalism, and party-political power.⁸⁶

The second method, concerning institutional design and transferability, treats the institution as a social system involving rules, authorities, actors,

83. This research received ethics approval from the Ethics Committee of Tel Aviv University (Approval Nos. 0002905-2, 0002905-3, dated Sep. 13, 2022) and from the Institutional Review Board of Azim Premji University (Approval No. IRB/December 22, 2022).

84. Stefano Ponte & Timothy Sturgeon, *Explaining Governance in Global Value Chains: A Modular Theory-Building Effort*, 21 REV. INT'L POL. ECON. 195, 200 (2013).

85. Diamond Ashiagbor, *Introduction: Narratives of Informality and Development*, in RE-IMAGINING LABOUR LAW FOR DEVELOPMENT: INFORMAL WORK IN THE GLOBAL NORTH AND SOUTH 235 (Diamond Ashiagbor ed., 2019).

86. Amrita Basu, *Caste and Class: The Rise of Hindu Nationalism in India*, 18 HARV. INT'L REV. 28 (1996); Mohammed Ayooob, *The Rise of Hindu Nationalism in Historical Perspective*, 19 INDIA REV. 414 (2020).

political economy dynamics and cultures.⁸⁷ Based on this understanding, we build on the insights of our study of Mathadi Boards, as well studies of other institutions and frameworks—specifically the WSR model as exemplified in the Fair Food Program (FFP) and the Better Work program—that aim to address labor conditions in GVCs. We use these studies to anticipate the types of needs, conflictual incentives, objections, and concerns that actors may have.

We also attempt to anticipate the types of variation that might be necessitated when the model we propose is transplanted into new legal contexts and cultures. On the one hand, we believe exploration of how the legal structures of a variety of nations have responded to common problems is a fruitful source of learning. It can help to identify new, useful labor law structures and innovations.⁸⁸ We thus conduct a type of institutional extrapolation, drawing on features from various institutions that we know to have been effective, with the goal of expanding the institutional toolkit and the institutional imagination to adapt labor institutions and support workers' collective power in GVCs.

Yet our approach is driven by the understanding that full “transferability” of an existing model is not always possible.⁸⁹ The appropriateness and readiness of regulation developed in one social environment for another has both technical, political economy, and value chain characteristics.⁹⁰ Laws do not develop in isolation; rather, they are the result of a complex interplay of an ensemble of social relations that include economic, cultural, historical, and political developments.⁹¹ Institutions behave in vastly different manners in different contexts.⁹²

Despite the limited possibilities for wholesale transfer, in a period of great economic and technological transformation and innovation in capital ownership and modes of supply and production, we hope to offer a parallel institutional innovation. We hold great hope in drawing the features of existing

87. Tom Tyler, *Methodology in Legal Research*, 13 *UTRECHT L. REV.* 130 (2017).

88. ANTHONY FORSYTH, *THE FUTURE OF UNIONS AND WORKER REPRESENTATION: THE DIGITAL PICKET LINE* 9–10 (Hart Publ'g 2022); TP van Reenen, *Major Theoretical Problems of Modern Comparative Legal Methodology*(2); *the Comparability of Positive Legal Phenomena*, 28 *COMPAR. INT'L L. J. S. AFR.* 407, 420–21 (1995); John C. Reitz, *How to Do Comparative Law* 46 *AM. J. COMPAR. L.* 617, 618–20 (1998). The concept of *tertium comparationis* has a long history in Western and Asian philosophy, for background see Ralph Weber, *Comparative Philosophy and the Tertium: Comparing What with What, and in What Respect?* 13 *DAO: J. COMPAR. PHIL.* 151, 162 (2014); Uwe Kischel, *Tertium Comparationis*, in *ELGAR ENCYCLOPEDIA OF COMPARATIVE LAW* 484, 486 (Jan M.Smiths et al., ed., Elgar Publishing 2023).

89. David Marsh & J.C. Sharman, *Policy Diffusion and Policy Transfer*, 30 *POL'Y STUD.* 269, 282 (2009); David Benson & Andrew Jordan, *What Have We Learned from Policy Transfer Research? Dolowitz and Marsh Revisited*, 9 *POL. STUD. REV.* 366, 372 (2011); Fabrizio Gilardi & Fabio Wasserfallen, *The Politics of Policy Diffusion*, 58 *EUR. J. POL. RSCH.* 1245, 1249 (2019).

90. Harry Arthurs, *Cross-National Legal Learning: The Uses of Comparative Labor Knowledge, Law, and Policy*, in *RETHINKING WORKPLACE REGULATION: BEYOND THE STANDARD CONTRACT OF EMPLOYMENT* 353, 356 (Katherine Stone & Harry Arthurs eds., Russell Sage Foundation 2013).

91. Vivian Grosswald Curran, *Cultural Immersion, Difference and Categories in U.S. Comparative Law*, 46 *AM. J. COMPAR. L.* 43, 51 (1998).

92. Pierre Legrand, *The Impossibility of Legal Transplants*, 4 *MAASTRICHT J. EUR. COMPAR. L.* 111, 117 (1997); Otto Kahn-Freund, *On Uses and Misuses of Comparative Law*, 37 *MOD. L. REV.* 1, 17 (1974); Anthony Forsyth, *The “Transplantability” Debate Revisited: Can European Social Partnership be Exported to Australia?*, 27 *COMPAR. LAB. L. & POL'Y J.* 305, 336 (2006).

institutions that informal workers in the Global South have benefitted from to expand our repertoire of tools and institutions to re-forged workers' power under supply chain capitalism.

IV. Case Studies of Mathadi Boards

This part of the Article examines the contemporary operation of the Pune and Aurangabad Mathadi, Hamal, and Other Manual Workers Boards as an innovative model for representing informal workers, where the organisation of work challenges the bilateral employment relationship. We identify a blueprint in this structure for an institutional model that goes beyond currently available mechanisms and holds significant potential for supporting workers' rights in GVCs.

A. Brief History of the Mathadi Act

In the 1960s, Mathadi workers mainly toiled in ports, docks, godowns, market yards, transport companies, wholesale markets, and with retail merchants. These workers packed and unpacked trucks, crates, and market stalls. There were approximately 200,000 such workers in the city of Mumbai alone in around 1974.⁹³ Workers carried backbreaking weights, mainly outside, exposed to Maharashtra's tropical and humid climate. The heat builds before the monsoon: when it rains for two to three months. Work continued regardless of the weather.

Prior to the enactment of the Mathadi Act, Mathadi workers were not protected by labor laws as the characteristics of their work were not captured by any of the various laws that aimed to protect workers. Mathadi workers formed a Hamal Organization (Hamal Panchayat) in 1955 in Pune. The Panchayat organized its first successful strike in 1968 with more than 3,000 Hamals participating.⁹⁴ This strike was organized with the assistance and guidance of Baba Adhav, a social reformer, Rashtriya Seva Dal leader (Seva Dal is the grassroots front organization of the Congress party), and physician. The strike was also organized by Annasaheb Patil, a well-known labor organizer and committed Congress party leader. Labor unrest increased each year in the 1960s and early 70s, reaching a peak in 1974 before subsiding.⁹⁵ This culminated in a contract signed between the Panchayat and the labor users represented by the 'Poona Merchant's Chamber.' The contract resulted in fifteen rules and regulations for load carrying work and fixed rates for as many as forty-six different tasks performed by Hamals. Such contracts became a regular feature of the work of the Panchayat.⁹⁶ Patil began collecting information about the problems of these

93. Shelley Marshall, *How Does Institutional Change Occur? Two Strategies for Reforming the Scope of Labour Law*, 43 *INDUS. L.J.* 286, 306 (2014) (interviewing with Baburao Ramisthe, General Secretary, Akhil Bharatiya Mathadi Transport & General Kamgar Union).

94. Rajeshwari Deshpande, *Organising the Unorganised: Case of Hamal Panchayat*, 34 *ECON. POL. WKLY.* 19, 20 (1999).

95. M. K. Singh, *Industrial Relations in Maharashtra*, 18 *INDIAN J. INDUS. RELATIONS* 549, 555 (1983).

96. Deshpande, *supra* note 96, at 20.

workers. He was armed with data about the Mathadi workers, and, against the backdrop of the ‘communist threat,’ together with the Mathadi Kamgar Union and the Hamal Panchayat, he approached the Maharashtra State Government and demanded statutory protection. Government committees then suggested a separate law rather than amending the definitions of employer and employee in existing labor laws.⁹⁷ In 1969, the legislative assembly passed the Mathadi Act, which came into force in 1974,⁹⁸ and created the Mathadi Boards that operate in different parts of the state of Maharashtra.

The Act’s purposes, as set out in the objects of the Act (Section 3(2) of Mathadi Act, 1969), are to regulate the employment of unprotected workers such as Mathadi workers; to make better provision for their terms and conditions of employment; to provide for their health, safety and welfare; to ensure an adequate supply and proper utilization of such workers, and; to prevent avoidable unemployment for these workers.⁹⁹ The Act had two additional purposes that are not listed in its objectives, but, according to interviewees, were in the minds of its drafters. The first was industrial peace. The second was a revived and expansive role for trade unions in the regulation of welfare and social security activities.

The *Mathadi Act* paved the way for the creation of dozens of local tripartite boards, that, as one interviewee explained, were “formed to prevent injustice to both parties—the workers and the traders—and to create some mechanism to provide the protection of labor law to the workers from this unorganised sector.”¹⁰⁰

Labor law traditionally sets standards and establishes institutions for enforcing compliance but minimally intervenes in market interactions of supply and demand. The tripartite Mathadi Boards not only set standards—negotiated by the social partners and, similar to sectoral collective agreements extended by extension orders, applied to the entire sector—but also function as labor hire agencies. Under the Act, both workers and labor users must register with the boards to operate in the industry. Payments are made through the boards, and levies collected from labor users fund pensions, workers’ compensation insurance, hospitals, education, and other benefits that most informal, poor workers in India rarely receive. The Act also established an inspectorate and made the boards financially independent from the state, fully funded by the levies paid by labor users.

The Mathadi Act has now been in force for half a century. The Pune Board, the longest operating board, began operation in the 1990s. The Aurangabad also began in the late 1990s, though it took a few years for it to gain members.¹⁰¹ Some union organizers report that it was not until the mid-2000s that

97. GOV’T OF INDIA MINISTRY OF LABOR & EMP., REPORT OF THE NATIONAL COMMISSION ON LABOUR 436 (1967).

98. GOV’T OF INDIA MINISTRY OF LABOR & EMP., REPORT OF THE NATIONAL COMMISSION ON LABOUR 71 (2002).

99. The Maharashtra Mathadi, Hamal and other Manual Workers (Regulation of Employment and welfare) Act, 1969, §3(2) (India).

100. Interview with Rajendra Bhosle, Inspector, Pune Mathadi Board, in Market Yard, (Mar. 17, 2022).

101. Interview with Ram Bhogale, Trader, Aurangabad Board, (June 10, 2022) (explaining that this period of establishment time did not seem long to research participants) (“It took three to four years for everyone to understand the Act. I think from 1996 or 97 I registered with Mathadi board. Maybe at the end of the last century.”).

industry accepted the Mathadi Act and the government began to publicize it in Aurangabad.¹⁰²

What can we learn from the evolution of these two boards regarding the benefits and challenges of this model, and its relevance to GVCs? In the following section, we first broadly describe the differences between the two cities in terms of the types of work conducted by Mathadi workers. We then analyze the boards' operations in relation to the five categories of deficiencies in existing mechanisms identified earlier in the Article. First, we explore how the Mathadi Boards are structured as tripartite entities designed to redistribute power while also addressing the social dynamics that challenge this intention. Next, we discuss how the boards are de-privatizing work relations. We then consider how the boards enforce norms, creating an institutional framework that publicly shapes and supports labor relations. After that, we assess the boards' financial self-sustainability and autonomy. Finally, we examine how they localize regulation, embedding themselves in and responding to local social pressures. Throughout, we explore both the successes of the boards and the forces that undermine their effectiveness.

B. Pune and Aurangabad

Pune and Aurangabad are two prominent cities in Maharashtra, India. Both cities have distinct industrial bases that shape their economic landscapes and attract different types of migrant workers, influencing the nature of Mathadi work in each city. Pune is known as the "Oxford of the East" for its many educational institutions. It has a diverse industrial base, including information technology (IT), automotive, and manufacturing sectors. As a major hub for IT companies and automotive giants, Pune has a high demand for skilled and semi-skilled workers. Mathadi workers in Pune primarily support the logistics and supply chains of these industries, handling heavy equipment, parts, and finished goods for automotive factories, IT companies, and large retail stores. They also work in the city's bustling wholesale markets, managing goods ranging from electronics to construction materials. Due to Pune's rapid urbanization and industrial growth, Mathadi workers are employed by both large companies and smaller distributors, dealing with a broad range of goods.

Aurangabad has a different industrial base shaped by its historical significance and geographic location. The city's economy revolves around textile manufacturing, agro-based industries, and a few major manufacturing units in the automotive and consumer goods sectors. Unlike Pune, Aurangabad's Mathadi workers are more concentrated in industries tied to the city's traditional economic base, such as textiles and agro-industries. The informal sector in Aurangabad is characterized by many unskilled and semi-skilled migrant workers from rural areas and nearby states, who find employment in the city's local markets, construction sites, and small workshops.

102. Interview with Chhagan Gawli, Vice President of the Marathvada Labour Union, Aurangabad Board, (June 9, 2022).

1. *Redistributive*

Mathadi Boards redistribute power and wealth between workers and labor users in ways that challenge corporate dominance and disrupt traditional legal and social hierarchies, such as those between formal and informal workers, and between employees and independent contractors. They achieve this by establishing a structure that ensures a stable platform for workers' voices and collective power, applying negotiated standards to all workers, regardless of their formal legal classification as 'employees' or otherwise.

Interviewees from all tripartite parties agreed that the wage setting function of the board ensured dignified wages that lifted workers out of poverty.¹⁰³ The legislation's comprehensive regulatory purposes are redistributive in several ways, using the levy collected from labor users to extend employment-related benefits to Mathadi workers that are virtually unheard of for most informal workers across India and elsewhere in the world. It covers a range of workers' rights and social security benefits, such as the standard pay and conditions as well as provident funds, gratuities, bonuses, leave wages, medical benefits, and compensation for injury.

Despite the large disparities in the functioning of the boards in Pune and Aurangabad, interviewees from both localities agreed that the boards had succeeded in the socio-economic betterment of registered workers. Workers registered with the Pune Board described the considerable transformation to their lives and the lives of their families who remained in villages. For example, the Pune Board president and a Hamali worker shared that:

'workers used to sleep outside the shops and take bath at the well of Hamal panchayat . . . Our expectations were very low compared to our condition at present. We used to think of building a small house in our village maybe covered with tin sheets. Now we have toilet and bathrooms.'¹⁰⁴

Workers registered with both boards described intergenerational benefits. One worker from Pune, for instance, described the transformation in terms of his ability to educate his sons because of his additional income:

'I am not educated but my sons went to English medium school and now they are graduates. My son is working on very good post and earning very good income like 2.5 lakh per month and I am extremely surprised about it. I was not able to earn that much money in my lifetime but my sons because of their education earn that much.'¹⁰⁵

Rates of pay for different forms of Mathadi work are determined in negotiations that occur every three years between the social partners, with the involvement of the state when called upon. Interviewees noted that board members generally seek to reach consensus and, when possible, avoid calling

103. Interview with Rajendra Bathiye, President of the Poona Merchants Chamber, Pune Board, (Mar. 23, 2022.)

104. Interview with Gorakh Maruti Mengde, President of the Hamal Panchayat, Pune Board, (Mar. 12, 2022.)

105. Interview with Ankush Pandhri Nath Avtade, Worker, Pune Board, (March 13, 2022.)

upon state representatives to facilitate.¹⁰⁶ The rate increases fluctuate, but on average, interviewees suggested that rates increase by 10-15 percent in each round of negotiations.¹⁰⁷ The negotiated rates and conditions then apply to the sector as a whole and are codified in two *Mathadi Rates Handbooks* that inform workers about their rights and summarize the existing standards.

The salary of workers depends on the amount of work conducted, with no minimum floor guarantee. According to the Act, the rates must be set above minimum wages in the state. Indeed, the average Mathadi salary is above the minimum wages set in Maharashtra, which is a significant improvement in relation to wages before the establishment of the boards.¹⁰⁸

The board has redistributed power between social partners. As the President of the Association of Traders in Maharashtra succinctly put it, '[t] here must be equal and common power for all, you need people, and coordination is important.'¹⁰⁹ A worker registered with the Pune Board agreed:

'Now the traders and shop owners cannot dominate us because there are rules. They are careful because we can complain in [sic] Mathadi board. And now the work is done as per the rules.'¹¹⁰

Even traders from Aurangabad who complained about the board indicated that the Act had made them improve the conditions for workers in a range of ways:¹¹¹

Interviewer: In your shop are the facilities for labor provided as per the Mathadi Board guidelines?

Trader: Yes [. . .] I have a pantry for the labor, I have a place—changing room—where they can take rest for half an hour to one hour in between the work hours, washrooms are there, drinking water is there. I even have a shade where they load and unload the trucks. They don't have work under hot sun.

Interviewees in Pune agreed that the relationship between workers and businesses has improved since the establishment of the board, and relations are extremely amicable. As one board member explained: 'During my tenure I have attended fifty-six meetings and I have not seen any major disputes or difference of opinions in the meetings.'¹¹² It therefore appears that the board

106. Interview with Rajesh Mate, Inspector, Pune Mathadi Board, in Market Yard, (Mar. 17, 2022).

107. *Id.*

108. SHELLY MARSHALL ET AL., KEY FINDINGS OF THE TRANSFERABILITY OF MATHADI BOARD'S PROJECT 2 (2023) (explaining that the range of the salaries collected from the board is from Rs.7,000 to Rs. 40,000-45,000 per month.)

109. Interview with Valchand Sancheti, Previous President of the Poona Merchants Association, Pune Board, (Mar. 17, 2022)

110. Interview with Ali Khan and Nazim Khan, Union representatives, Pune Board, (June 9, 2022).

111. Interview with Sanjay Kankariya, Trader at Juna Monda, Aurangabad Board, (June 11, 2022).

112. Interview with Sunil Shinde, worker representative on the Pune Board, (Feb. 8, 2023).

reduces tensions between workers and labor users and channels disagreements towards effective and mostly respectful negotiations.¹¹³

While interviewees from the Pune Board saw power being distributed evenly, interviewees from the Aurangabad Board had disparate views about the distribution of power. One trader involved in the Aurangabad Board thought that workers had gained too much power:

'In the beginning the labor was forcing and traders were resisting, when traders realised that they have to follow because government has passed this act, then they started passing on the burden to the farmers, once the Mathadis started earning regularly they became assertive and demanding more.'¹¹⁴

However, the success of the boards in negotiating and redistributing power in ways that challenge corporate dominance depends on the history, character, and ideological and social commitments of the social partners who are active in the boards.

The Hamal Panchayat, the main labor union for Mathadi and Hamal workers in Pune, was a key agent agitating for protective regulation for workers and the formation of the boards. The union, which emphasizes democratic participation, self-help, and worker empowerment,¹¹⁵ is led by Mathadi workers, with the exception of one its original leaders, Dr. Baba Adhav, now 94. Adhav continues to have strong influence over the running of the union and was referred to by some interviewees as the moral leader of the labor movement in Pune.

The Hamal Panchayat's operation is based on deep practices of deliberation and democratic participation. This was evident, for example, in the vibrant deliberations that took place in the union's building and courtyard, the Hamal Bhavan.¹¹⁶ Often, when we were there to conduct interviews, workers from various parts of the city were present, meeting with union representatives to discuss problems such as loss of work, unregistered workers, unsafe working conditions, or general problems related to domestic and work life. The Hamal Panchayat provides a range of services beyond representation. Speaking of this range of services, one worker said:

'Say, if someone faces an accident, there are hospitals where workers are treated. Someone wants to educate their children, they have a school. Someone needs help in meeting expenses of getting their kids married, then union members also pitch in and help in their capacity, it's like a community.'¹¹⁷

113. Interview with Vijay C. Mutha, Member of the Board of Directors and previous secretary, Poona Merchants Chamber, Pune Board, (Mar. 16, 2022).

114. Interview with Ram Bhogale, Trader, Aurangabad Board, (June 10, 2022).

115. Tamara Faylor, *Improving Services and Improving Lives: Waste-Picker Integration and Municipal Coproduction in Pune, India 22* (May 2010) (Master's project, University of North Carolina at Chapel Hill) (Carolina Digital Repository) (Hamal Panchayat is a democratic union, with elections held every five years. The union operates through local branches, each covers a small geographic area, and is led by an 11-member body that helps in negotiating, resolving and addressing the issues of Hamalis).

116. The Hamal Bhavan is the union quarters for Hamali workers and their community in Pune. It provides a space for workers to gather, receive support, and collectively address issues of concern to the union. It is also a hall that workers can use for family celebrations such as weddings.

117. Interview with Gyaneshwar Shilimkar, Worker, Pune Board, (Apr. 23, 2022).

Of similar importance to the Hamal Panchayat in assuring the success of the Pune Board is the Poona Merchant's Chamber (PMC), which represents the labor users. By 2022, the PMC had approximately 550 merchants who traded in wholesale goods.¹¹⁸ The PMC's membership extends through markets across Pune, and members tend to be actively involved.¹¹⁹ Many PMC members come from the same Maratha community as the workers and described their concern for workers' conditions as resulting from caste affiliation.¹²⁰

After initially opposing the Mathadi Board, the PMC is now a major supporter. A previous President of the PMC explained that despite initial resistance, traders gradually came to support the Mathadi Board.¹²¹ The current President of the PMC was a little more reticent, viewing the board more as a legal obligation: 'We have a responsibility that the government has given us and we understand and fulfil that responsibility.'¹²²

Traders who represent the PMC not only advocate for business interests, but also appear to see themselves as law-abiding cooperative citizens, a particularly important identity given that recent attempts to reform India's produce markets present the merchants as unruly.¹²³ Interview participants suggested that being part of the Mathadi Board scheme—and the responsibility it reflects towards the well-being of informal workers—is important to the identity of the labor users and shores up their self-identification as good citizens. The previous President of the Puna Merchants Chamber stated that, 'Everyone wants peace; if we don't provide the workers with the means to have a respectable life, how will there be peace in business and its surroundings?'¹²⁴

That said, we do not wish to overstate the extent of buy-in from social partners in Pune. Even in Pune, where the board has the support of the social partners, buy-in appears to be constantly renegotiated and tenuous.

118. Interview with Rajendra Bathiye, President of the Poon Merchant Chamber, Pune Board, (Mar. 23, 2022); Interview with Vijay C. Mutha, Member of Board of Directors of the Poona Merchants Chamber, Pune Board, (Mar. 16, 2022).

119. E.g., Interview with Vijay C. Mutha, Member of Board of Directors of the Poona Merchants Chamber, Pune Board, (Mar. 16, 2022).

120. Interview with Valchand Sancheti, Previous President of the Poona Merchants Association, Pune Board, (Mar. 24, 2022); Interview with Rajendra Bhosle, Inspector, Pune Mathadi Board, in Market Yard, (Mar. 17, 2022); Other merchants, particularly those who sell groceries and foodgrains, are *Marwadis* and *Baniyas* (dominant trading caste groups in North India) from Gujarat and Maharashtra who are a part of the business class or merchants.

121. Interview with Valchand Sancheti, Previous President of the Poona Merchants Association, Pune Board, (Mar. 24, 2022).

122. Interview with Rajendra Bathiye, President of the Poona Merchant Chamber, Pune Board, (Mar. 23, 2022).

123. For a discussion of the food supply chain and position of merchants and markets in reform attempts see: Amy J. Cohen, *Supermarkets in India: Struggles over the Organization of Agricultural Markets and Food Supply Chains*, 68 U. MIAMI L. REV. 19 (2013). For a discussion of the 2021 reforms that preoccupied research participants when we spoke to some of them see: Amy Cohen & Jason Jackson, *Paradoxes of Neoliberal Governance: How Markets Make States*, LPE BLOG (Apr. 14, 2021), <https://lpeproject.org/blog/paradoxes-of-neoliberal-governance-how-markets-make-states/> [<https://perma.cc/AE86-3F9K>].

124. Interview with Sancheti, Previous President of the Poona Merchants Chamber, Pune Board, (Mar. 24, 2022).

Some traders expressed frustration about lack of flexibility in the workforce. For example, another senior member of PMC stated:

'Nowadays, the feeling of nationalism and responsibility towards the country is missing, workers want to earn money but not work as much. Earlier the worker would pick up a 100 kg sack and earn less than what the Hamali earns today by picking a 50 kg sack of rice. I am not suggesting that they should pick 100 kg sacks, no, but maybe we could train the Hamali to multitask for the salary they earn.'

In Aurangabad, it took many years of struggle before the Mathadi Boards were recognized as legitimate, and resistance to the board is significant to this day. The Mathadi Act is begrudgingly perceived as applicable and legitimate by traders and other labor users, hampering the Board's redistributive capacity.¹²⁵

Moreover, our interviews show that the board is far weaker in Aurangabad partly because the social partners are weaker and coordinate with each other less. One reason for this is because there appears to be competition between unions for workers. Marathwada Labor Union has the greatest proportion of Mathadi worker members, yet there are many other unions that organize Mathadi workers.¹²⁶

The Mathadi Boards in Maharashtra play a key role in redistributing power and wealth between workers and employers, challenging traditional hierarchies between formal and informal labor. By ensuring negotiated standards for wages, pensions, compensation, and healthcare, the boards significantly improve the lives of informal workers. The levies collected from employers fund these benefits, which are often unavailable to most informal workers in India. Despite regional differences in effectiveness, particularly between Pune and Aurangabad, the boards provide a model for empowering workers, improving labor conditions, and redistributing wealth and power across various industries.

2. *Public*

Mathadi Boards are arenas for a state-backed social dialogue, and as such, can be said to publicly constitute work relations. Rates of pay for different forms of Mathadi work are determined in negotiations between the social partners, with the involvement of the state when called upon. While the meetings for updating rates and revision of wages take place every three years, the Pune Board meets monthly to discuss the welfare of workers and resolve disputes. Separate subcommittees meet more often. Of particular importance is the Disputes Subcommittee (*Samandvay Samiti*) that meets fortnightly. The frequency of meetings to address disputes allows for swift resolution of most clashes between workers and traders.¹²⁷

125. Interview with Chhagan Gawli, Vice President of the Marathwada Labour Union, Aurangabad Board, (June 9, 2022) ("From Mumbai to come to Aurangabad it took many years. To make the Act applicable here our leader Lomate sir had to go to the jail for many days. It is because of his efforts in 1993 the Act was made applicable in this district.").

126. Interview with Chhagan Gawli, Vice President of the Marathwada Labour Union, Aurangabad Board, (June 9, 2022).

127. Interview with Rajendra Bathiye, President of the Poona Merchants Chamber, Pune Board, (Mar. 23, 2022).

The norms that result from negotiations between the social partners receive strong state backing and become the “law of the sector,” binding all businesses that the law applies to. As such the system resembles a localized structure of corporatist negotiations.¹²⁸ However, while in various corporatist contexts the product of sectoral negotiation requires an additional regulatory step of extension through an “extension order” that applies the negotiated norm to the sector as a whole—regardless of union or employer organization membership—¹²⁹ the Mathadi Act creates an immediate extension of negotiated norms, giving the norm exclusive power and thus creating a semi-autonomous regulatory system.

While this offers a promising legal architecture, there are significant implementation challenges. Under the Act, both workers and labor users must register with the boards in order to operate in the industry. Thus, Mathadi Boards go beyond bargaining for working conditions and wages and take on the role of intermediaries, as labor hire agencies. Payment for work takes place through the boards, and the levies collected from labor users contribute to workers compensation insurance and benefits that most informal, poor workers in India will never receive. The full protections and benefits of the Mathadi board system are therefore provided to registered workers who receive payment through the boards. Although the standards are intended to apply to all labor users, unregistered users and workers are rarely protected by the board’s mechanisms. Furthermore, our research reveals that due to enforcement challenges (discussed in more detail in the next section) and exclusions, many eligible workers remain unregistered, leaving a significant portion of the workforce unprotected.

Yet the sense in which industrial relations are publicly constituted depends on the legitimacy of the boards in the eyes of those involved. While the legitimacy of the Pune Board appeared to be high in the minds of those we interviewed, in Aurangabad, it was low. Though traders generally did not reject the Mathadi Act on outright terms, they made various comments that indicated their lack of support. For example, one trader who sits on the Aurangabad Board, questioned its coverage:¹³⁰

‘The Mathadi law came to cover the labor working in unorganised sector mainly for coolies who work at ports and markets, to load and unload grains and other goods, the Mathadi Act came in picture for them and there is lot of hurdle to implement it in industry. They are just going by the definition of Mathadi work now lifting good with the help of hook is included in Mathadi work. So in industry a lot of goods that are not heavy are also lifted with the help of hooks and it is an easy task. Why they are covering the person who is just attaching the hook to the goods in Mathadi work? Actually, after attaching

128. GUY MUNDLAK, *FADING CORPORATISM: ISRAEL’S LABOR LAW AND INDUSTRIAL RELATIONS IN TRANSITION 14* (2007). For further development of this argument see: Shelley Marshall, Hila Shamir, Babu Remesh & Anjali Sharma, *Corporatism For The Informal Economy: Democratizing Potential Of The ‘Mathadi’ Tripartite Board Model* (2024) (unpublished manuscript) (on file with authors).

129. DAVID MARGOLIS, *GOVERNMENT EXTENSION OF COLLECTIVE BARGAINING AGREEMENTS* (1993) (Ph.D dissertation, Cornell University), (halshs-00354424).

130. Interview with Ram Bhogale, Trader, Aurangabad Board (June 10, 2022).

the hook the crane is lifting the goods so how that person can become Mathadi worker or coolie? It is beyond my understanding.’

Our research therefore shows that Mathadi Boards provide a central role for the state and bringing into the public realm multi-stakeholder deliberations over labor standards. Like the corporatist institution of extension orders, Mathadi Boards bring aspects of the employment relationship into the public realm. Most important of these functions is acting as a labor hire body. Labor users pay the Mathadi Boards for the wages of the worker, with an additional levy, and workers are paid by the board. This makes the Mathadi Board constitutive of the work relationship in ways that go beyond both labor law and most public and private GVC mechanisms. The state also appoints labor inspectors (as we discuss next)—at times ones with experience in doing Mathadi work or family members of workers—who enforce the standards that are determined through the board. Yet while we see the Mathadi Boards to be reconstituting the private as public, interviews from Aurangabad board show that the boundaries of the ‘public’ are constantly contested.

3. *Enforceable*

The Mathadi Act created a sector-specific inspectorate, funded by the board but appointed by government of Maharashtra. The role of inspectors is to enforce the Mathadi Act. Their primary role appears to be to interrogate labor users about the nature of the work conducted at the worksite, and if it qualifies as Mathadi work, they register the workers under the Mathadi Board and make sure they receive the full rights of workers under the board. They are also tasked with spreading awareness about the Act.

Interviewees generally agreed that the Pune Mathadi Board successfully operates the tripartite system by meeting key requirements, such as timely deposits, straightforward registration, and compensation for medical bills. Union members, labor users, and workers noted that once all registration documents are in order, the board completes worker registration within two days, and there are no delays in payments. However, some workers expressed a desire for the board to take stricter action against labor users who hire unregistered workers and to increase outreach efforts to educate and register more unregistered workers.

Compared to the Aurangabad Board, the Pune Board appears to be relatively free of corruption. Interviews with traders and workers revealed no reported cases of bribery or under-the-table dealings related to registrations. However, there were complaints about businesses seeking and occasionally receiving exemptions from board coverage, even in cases where interviewees believed they should not.

Regarding the Aurangabad Board, significant concerns about corruption were raised in nearly every aspect of its operation, though the validity of all such complaints was unclear. For example, one trader complained that board members harass traders and inflate work hours, forcing them to pay more than they owe.¹³¹ Because it was clear that the traders we interviewed

131. Interview with Sanjay Kankariya, Trader at Juna Monda, Aurangabad Board (June 11, 2022).

from Aurangabad did not accept the legitimacy of the board, many appeared to experience any act of enforcement as an act of harassment.

Both the Pune and Aurangabad Boards employ inspectors who are former Mathadi workers or children of Mathadis. Two of the three inspectors we interviewed in relation to the Pune Board, for example, were previously Mathadi workers, and, when they joined the board, they joined as clerical staff before being promoted to inspectors. The meaning ascribed to this in Pune was different from Aurangabad. Amongst interviewees in Pune, the appointment of workers as inspectors was understood as guaranteeing their deep understanding of sectoral dynamics and the plight of workers.¹³² Yet, in Aurangabad, this was understood to undermine their independence. For example, one trader believed the officers appointed by the government lack accountability: 'How much the officer collects and how he spends the money there is no accountability. And generally the government appoints political activists. They are interested in accounts but not in accountability.'¹³³

To sum up, the Mathadi Boards employ a localized, self-funded inspectorate, with inspectors often being former workers, which enhances their understanding of sector dynamics. In Pune, the system is viewed as relatively efficient, with inspectors enforcing regulations, ensuring worker registration, and handling disputes without significant corruption issues. However, the Aurangabad Board faces concerns about corruption and low registration, with complaints of harassment by inspectors and a lack of accountability undermining trust in the system's enforcement mechanisms.

4. *Economically Self-Sustaining and Autonomous*

One of the board's most important functions is acting as a labor hire body. As previously noted, labor users pay the Mathadi Boards both the workers' wages and an additional 35 percent levy, and the board pays the workers directly. The board deducts the levy from the deposited checks and transfers the remaining amount to the workers' accounts, with all transactions computerized. Every registered worker has a bank account. From the levy, 2.5 percent covers the administrative costs, allowing the board to be self-funded.¹³⁴ This economic self-sufficiency is viewed by stakeholders as a key factor in its sustainability, despite political changes in India and Maharashtra.

For some labor users in Pune, the board has increased the sustainability of their businesses. One trader described this in terms of increased reliability and decreased transaction costs:

'The board takes care of the compensation. The workers who are registered come on time, leave on time, and there is no waste of energy and resources on fighting

132. Interview with Rajendra Bhosle, Inspector, Pune Mathadi, Hamal and Other Manual Workers Board, Market Yard, (Mar. 17, 2022).

133. Interview with Ram Bhogale, Trader, Aurangabad Board (June 10, 2022).

134. The breakdown was provided in two separate interviews with Board Inspectors. First in an interview with Rajendra Bhosle, Inspector, Pune Mathadi Board, in Market Yard, (Mar. 17, 2022); and the following day in an interview with Rajesh Mate, Inspector, Pune Mathadi, Hamal and Other Manual Workers Board, Market Yard, (Mar. 17, 2022).

for an adequate wage rate daily. The worker knows they have a fixed pay according to work, and so do we.¹³⁵

This was in stark contrast to traders we interviewed in relation to the Aurangabad Board, who mainly saw it as an added costly administrative burden. For example, one ex-trader said:

‘The traders feel that their work has increased because they have to keep record of how many vehicles came how much load was there in each vehicle how many workers did that work then count the workers there working hours and then submit the check in Mathadi Board so they have to do all this and this is extra work additional work for them. There are many such Acts in our country and our work is to do business.’¹³⁶

Negotiations over wages mainly take place independently or in the shadow of the state. While the state’s role in this tripartite structure is important for extending and applying norms, its involvement in negotiations and standard-setting is minimal. Interviewees largely indicated that the social partners reach agreements on various standards and conditions through autonomous negotiations with little state interference. The state only steps in when the parties are unable to reach an agreement, which happens relatively rarely.

Despite its economic sustainability, the boards remain somewhat dependent on the state for appointments, making them politically vulnerable. At the time of interviews, there appeared to be a withdrawal of state support, highlighting tension in the boards’ semi-autonomous relationship with the state. At its peak, the Pune Board’s inspectorate had nine sector-specific labor inspectors who responded to information, conducted outreach to raise awareness of the Act among workers and labor users, and performed unannounced inspections. This is no longer the case. Despite the board’s financial independence, it remains reliant on the state to hire staff. At the time of the interviews, only two inspectors were employed.¹³⁷

In Aurangabad, union officials perceived the board to be undermined by the ineffectiveness of government-appointed inspectors:¹³⁸

“Actually, the board’s role can be 100% but they are not able to work effectively. The people appointed by the government in the board are not working properly. If they work properly, we will not need the union. The people who are appointed by the government and sitting in the board’s office, the deputy commissioner of labor is also in the committee of the board. If they work properly they can do a lot. But they don’t reach out to the workers. They don’t do anything to create awareness about the law among the workers and since there is no awareness about the law among the workers the union has to play crucial role. The union reaches to the workers and create awareness and the Mathadi board remains in the office.”

135. Interview with Vijay C. Mutha, Member of the Board of Directors and previous Secretary of the Poona Merchants Chamber, (Mar. 16, 2022).

136. Interviews with Faiyaz Khan, former trader involved in the Aurangabad Board, (June 11, 2022)).

137. Interview with Rajendra Bhosle, Inspector, Pune Mathadi, Hamal and Other Manual Workers Board, Market Yard (Mar. 17, 2022).

138. Interview with Chhagan Gawli, Vice President of the Marathvada Labour Union, Aurangabad (June 9, 2022).

Several of our interviewees believed that the state's current resistance to open such positions and hire workers, despite the availability of funds, weakens the board's ability to act effectively.¹³⁹ The semi-autonomous design of the boards creates dependency on the state and reduces the board's autonomy and flexibility. Yet such a specialized inspectorate's potential to deal with the challenge of weakened exclusivity is noteworthy as an institutional innovation of the boards.

Although the board is financially autonomous and sustainable, it has been impacted by its dependence on the state to appoint staff, on the one hand, and the policy of the state to casualize the employment of state employees on the other. Both boards have accumulated sufficient surplus over the years and receive no funds or subsidy from the state or any other party; however, this feature of the boards hampers its autonomy and success considerably.

5. Localized

The Mathadi Boards support localized deliberation and allow for board-based decisions about the amount of the levy, the wages, and the types of social security provided. The creation of Mathadi Boards arose from and reflects post-colonial dynamics. These dynamics include the migratory nature of Hamal and Mathadi workers, the power of their identity in relation to post-colonial social movements, and the vibrant labor movement that emerged in Mumbai and the state of Maharashtra.¹⁴⁰ The success of the Mathadi Boards depends on their emergence from, and reflection of, local social relations. However, this is, at times, also a hindrance.

The Act establishes thirty-four boards, and as noted above, fourteen boards currently operate. Unlike traditional tripartite corporatist structures that seek to concentrate negotiating and regulatory power in peak leadership levels, the innovation of the Mathadi Boards structures is their dispersed, localized presence.¹⁴¹

Our research suggests that although all the boards follow the same guidelines and are established under the Mathadi Act, the functioning, efficiency, and local terms (such as rates and the percentage of levy) of each Mathadi Board varies. Differences appear to depend on the relative power of the union and its relation to the labor users and their representatives, the political context, board leadership, the convictions labor users hold about the workers, caste relations, and their own role as business owners.

The Pune Board sits in a separate office named the Shramshakti Bhavan (Labor Force Hall) in the bustling food, grain, and vegetable market in Pune called the Market Yard. The governance of the Pune Board is conducted by six union representatives (of different unions), two state representatives,

139. Interview with Sunil Shinde, worker representative on the Board, 8 February 2023; Interview with Rajendra Bhosle, Inspector, Pune Mathadi, Hamal and Other Manual Workers Board, Market Yard (Mar. 17, 2022).

140. Marshall, *supra* note 27, at 54-64.

141. Marshall, Shamir et al. *supra* note 27

and six representatives of industrial and traders' associations from the Poona Merchant's Chamber. The centrality of the board's office to the offices of the social partners, and to where the work is conducted, appears to be part of its success because it allows for regular, daily interaction between parties and makes the board physically accessible to all actors. 2,500 Mathadi members work, and most traders of the Poona Merchant's Chamber (PMC) have their warehouses in this area. This proximity appears to facilitate easy communication and the building of trust between board members, as well as with the communities they serve and represent.

With local boards across Maharashtra, the boards can respond to local needs in a variety of ways. The levy charged by the boards of traders varies on account of the geographical location of the board. The location determines the cost of living in specific cities/towns. For instance, the board in Mumbai charges a 40 percent levy, whereas Pune charges 35 percent and Aurangabad, 30 percent. While both the Pune and Aurangabad boards allocate 12 percent of their respective levy to Provident Fund, the Pune board allocates a higher cut to Gratuity, Diwali Bonus and Paid Leave Wages. The Aurangabad board dedicates higher share to administrative cost.¹⁴²

The extent to which the boards reflect local dynamics is nowhere more apparent than in the degree to which unions are active, and in the relations between those unions and the boards. In Pune, in order to resolve disputes in a timely manner, a special committee, called *Samandvay Samiti* (*samandvay* means to resolve), meets at least every fifteen days. It is constituted by four members of the PMC and five members of the unions. The committee forms agreements in accordance with the rules of the board, but it also has its own guidelines. No such committee operates in Aurangabad.

In response to COVID-19-related hardship, the Pune board deposited an amount of—Rs.3,000 to all registered workers during the first wave of COVID 19—and an additional later amount of Rs.10,000 to those who applied for further financial assistance. No such assistance was provided by the Aurangabad board. These differences suggest that while the flexibility afforded to the boards is positive in many respects, it also results in variances that are at times detrimental to workers in areas where social partners are less active, and relationships are less harmonious. A potential benefit, however, is that these dynamics do not detract from all boards.

A further detrimental aspect of the localized nature of the boards is that migrant workers from other states are not covered by the boards. When the boards were initially formed, most workers were internal migrants from villages in Maharashtra. Today, however, it is possible that a majority of workers hail from other states of India. They cannot be registered with the board, and, even if they were, they would not be able to access benefits such as pensions when they return to their home states, as is normally the case.

In Aurangabad, there appears to be a significant shortage of registered workers, leading labor users to hire workers from other states. One trader who

142. Interview with Pune Board Public Official 1 (Mar. 16, 2022).

was sympathetic to workers described this shortage as resulting from the success of the boards:

'The current situation is such that there is an insufficient number of laborers, because of the very hard labor work, the new generation is not taking up this work and the new generation is interested in taking education. The new generation in our family [the trader's family] is also not interested in doing business. For running a business like this, one has two work for 18 hours. The new generation of Mathadi workers as well as the new generation of traders is not interested in this work. This creates a problem with the Mathadi Board also. They don't have a sufficient number of registered Mathadi workers. Non-availability of Mathadi workers from the Mathadi board has been a problem for traders. . . . There is no labor so the problem is there. We have to manage and get labor from elsewhere. Even if we keep on writing letters [to the Aurangabad Board], sometimes we write 50 letters but they can't provide labor because they don't have registered workers.'¹⁴³

The Mathadi Boards offer a regulatory innovation by decentralizing power and allowing localized decision-making, in contrast to national corporatist structures and typical supply chain regulatory solutions. Unlike top-down systems, these boards adjust wages, levies, and social security benefits to fit the specific needs of local contexts. This flexibility allows them to address regional differences effectively.

Our comparative case study showed that in both Pune and Aurangabad, stakeholders believed the boards had significantly benefited workers and lifted many out of poverty. Data on registrations for both boards support this view. Judged solely on this factor, both boards can be considered great successes. However, attitudes toward this achievement varied among traders involved in the two boards, reflecting vastly different levels of trust and buy-in. While traders we interviewed in relation to the Pune Board took pride in this achievement, traders in Aurangabad felt that worker empowerment had gone too far. These differences reflected the differing industrial context and social partner characteristics, despite both operating in the same state of India. Both boards have been purposefully undermined by state government 'foot-dragging' in appointing inspectors, leaving the past successes of both boards in a precarious position that belies their achievements to date.

We next lay out an argument that the Mathadi Boards offer valuable insights for developing a tripartite wage board model to regulate work in GVCs. These lessons extend beyond the formal rules of the boards, highlighting how social dynamics can either strengthen or undermine the effectiveness of tripartite wage boards.

V. Regulating Labor in GVCs: Expansion of the Wage Board Model

We propose that the contrasting experiences of the two wage boards in Maharashtra, India, which have improved the livelihoods of headload workers, could be adapted to inspire a new model of labor regulation for a range of

143. Interview with Sanjay Kankariya, Trader at Juna Monda, Aurangabad Board (June 11, 2022).

GVCs. This model would combine elements of the Fair Food Program (FFP), a worker-driven initiative, and the Better Work Program, a worker-centered one, both of which promote supply chain collective bargaining. While the wage board model currently operates at a single tier of GVCs—in markets and ports—we suggest it could be expanded to cover at least two tiers, addressing some of the unresolved challenges in many of the existing mechanisms.

The contrasting case studies we examined in the previous section show how that even the best designed systems require significant worker power and political will to come to fruition, as well as ongoing support from all social partners to enjoy continued traction. We do not see our proposal as a “cure-all” or an easy solution for policymakers to implement. Instead, we offer it as a supplement to existing institutional innovations and Supply Chain Solutions, which, as we outlined earlier, are often top-down approaches which lack input from affected communities in the Global South, meaningful worker participation, and effective enforcement mechanisms. Our comparative case study shows that the same institution can thrive in one setting and at one historical moment and face challenges related to sustainability and economic independence in another context or under changed political and market circumstances. Furthermore, studies of worker-led models, described earlier, demonstrate challenges with scalability. This proposal is an effort to expand our legal and institutional imagination by learning from local experiences and applying those insights to new contexts. Despite its aspirational nature, we attempt to imagine this solution in detail, making it as concrete as possible.

The multi-tiered wage board would function similarly to the Mathadi Boards, with workers of a particular type registering with the board and either being paid through it or following a similar levy structure. Likewise, those directly engaging workers—referred to as suppliers in GVC literature—would be required to hire workers via the board. Local unions and employer organizations, along with the state, would represent their constituents, as they do on the Mathadi Boards. However, the key advancement we propose is the inclusion of buyers (or their representatives) as part of the board. Buyers would participate in funding, negotiating, and enforcing workers’ rights, registering with the board, paying a levy, and sitting alongside local actors such as the state, workers, and employers.

Like the Fair Food Program (FFP) and Better Work Program, the wage board system could serve a certification-like function for global corporations, offering preferred buyer status to those who employ through the board. From a supplier and union standpoint, the wage board goes further by enabling localized dialogue and giving unions and suppliers a key role in setting standards. It also provides a reliable source of information on workers’ rights and conditions, addressing the gaps often cited by multinational corporations. This model, sensitive to local dynamics, has the potential to achieve the five key elements discussed in relation to the Mathadi Boards: redistribution, public backing, economic self-sustainability, effective enforcement, and localization. In this section, we compare the roles, functions, benefits, and pitfalls of this model with other alternatives.

A. Redistributive

The multi-tiered wage board redistributes both power and funds in ways that would address certain power and financial inequities in GVCs in

ways not usually achieved by supply chain solutions. They would operate as multi-stakeholder bargaining forums that bring to the table local unions representing local workers as well as the relevant global union confederation able to bring perspectives from across other value chains in the sector, with a state representative and representatives of both local employers and buyers of the goods or services. In this sense, they mirror the value of the Better Work programs, which bring all these parties together, extending tripartite models into the multipartite realities of GVCs. Yet, along the lines of the Mathadi Boards, all firms that engage workers who conduct work of a particular type would be required to register with the board, pay workers through the board, and pay a levy. Similarly, all workers—both formal and informal—will need to register with the board.

This model has more in common with sectoral collective bargaining than it does with enterprise based bargaining units. To qualify to represent workers on the board, unions or worker organizations would be required to represent the workers who do a particular job and are therefore registered with the board, not because they are working for a specific employer or because of the type of contract they have, but because of the type of work they do and their role in the process of supply or production. This is an important feature because many informal workers are not adequately represented by unions and might instead be represented by a worker organization, incorporated as an association, as long as that organization could show evidence of being representative.¹⁴⁴ Indeed, historically, wage boards have aimed to foster collective organization and representation rather than assuming that such organizing had already occurred.¹⁴⁵

On the business side, those who engage workers directly could be represented by more than one chamber of commerce or representative body that has a place at the board, in order to encapsulate the diversity of employer voices. The buyers who would be represented on the board would depend on the nature of the GVC. We envisage that the buyers would be those with a direct business relationship with a supplier who engages workers. The state representative may be central- state-based, depending on the competent authority for labor regulation. So, for example, in India, labor regulation is mainly devolved to the state level,¹⁴⁶ whereas in Australia, it currently sits at the federal level.

The boards would redistribute power, wealth and information through several important avenues.

144. Christine Bonner & Dave Spooner, *Organizing in the Informal Economy: A Challenge for Trade Unions*, 2 INT'L POL. & SOC'Y 87 (2011).

145. Delaney et al., *supra* note 13 at 56–6; Sara J. Slinn, *Workers' Boards: Sectoral Bargaining and Standard-Setting Mechanisms for the New Gilded Age* 26 EMP. RTS. & EMP. POL'Y J. 191 (2022); Keven Hince, *Wages Boards in Victoria*, 7 J. INDUS. REL. 164 (1965).

146. Under the Constitution of India, both the central and state governments can amend labor laws and at different historical moments central and state governments have been more interventionist. Bhattacharjea, Aditya. *Labour Market Flexibility in Indian Manufacturing: A Critical Survey of the Literature*, 160 INT'L LAB. REV. 197 at 199; Australia's labor code moved from the state level to the federal level with the enactment of the *Workplace Relations Act 1996 (Cth)*, however, as Bray and Waring argue, it is more accurately conceived of as a layered system: Mark Bray & Peter Waring, 'Complexity' and 'Congruence' in *Australian Labour Regulation*. 47 J. INDUS. RELS. 1 (2005).

First, it will redistribute power between labor and capital by enabling the creation of collective worker power in settings where, due to their fissured and multi-tiered structure, traditional labor institutions and bargaining strategies have often failed in the past. In this it resembles the FFP and “Better Work” but improves on both. In the FFP, while workers and their representatives are engaged in drafting the Fair Food Code of Conduct, as far as we know, there is no mechanism of ongoing negotiation that brings all actors to the table in a continuous manner.¹⁴⁷

Second, the model would redistribute power between local voices and international interests within GVCs. Unions and suppliers would have equal numbers of votes on the board, (e.g. two places, and therefore votes each) while global union and buyer representatives would have less votes (e.g. one vote each). We further discuss this aspect under the localized subsection below.

Third, it will redistribute power and wealth between different types of workers. All workers who conduct a particular kind of work would be required to register with the board and would be paid through the board. Like the Mathadi Board, the multi-tiered board would ensure that workers are paid a living wage. This would redistribute wealth amongst workers in most sectors. For example, in most garment industries around the world, while many garment workers are employed by large factories and receive the minimum wage, many others are employed by smaller workshops that conduct ‘overflow’ work for the big factories.¹⁴⁸ The workers engaged by these smaller workshops do not receive the minimum wage, and thus there is inequality between formal and informal garment workers. The board system would even out the level of pay between these workers by insisting that all workers register with the board, regardless of factory or workshop they toil in. As is evidenced by the Mathadi Boards, this would increase the well-being of all workers and their families, with intergenerational consequences, and reduce competition between workers to accept lower pay. Employers who want to offer better pay will be able to do that above and beyond the wage and benefits paid through the board.

Fourth, it will redistribute power between suppliers and buyers, providing the former with greater control over the requirements currently made by buyers through contract requirements or the accreditation schemes they impose.

The boards would also redistribute costs between suppliers and buyers. Buyers would be required to register with the board and pay a levy proportionate to the units of labor or the volume of goods or services they procure from the board’s location. The exact calculation for this levy would vary by sector and be determined through board negotiations. For instance, buyers might contribute around 30 percent of the total levy that suppliers are required to pay. This structure reflects the primary responsibility of direct employers for workers’ rights while acknowledging the role of buyers in influencing working

147. For detailed description of the FFP see Marquis *supra* note 65; FAIR FOODS STANDARDS COUNCIL, REPORT 2021 8-9 (2021) available at: https://fairfoodprogram.org/wp-content/uploads/2024/05/FFP_2021-SOTP-REPORT_ENGLISH_client_download.pdf [<https://perma.cc/3NZL-9BQD>].

148. Anner, *supra* note 4; Genevieve LeBaron, Remi Edwards, Tom Hunt, Charline Sempéré & Penelope Kyritsis, *The Ineffectiveness of CSR: Understanding Garment Company Commitments to Living Wages in Global Supply Chains*.” 27 NEW POL. ECON. 99, 100 (2022).

conditions and benefiting from workers' labor. The exact percentage paid by buyers would vary depending on the specific supply chain, tailored to factors such as the relative power of suppliers versus buyers and the complexity of the supply chain, including the number and relationships between suppliers. The board would then allocate these funds according to local needs, as discussed further below.

While this might seem like a large burden to place on buyers, buyers would benefit from the boards in several respects that are also seen in the FFP and Better Work programs. Instead of paying for individual audits, the board would conduct these audits and provide standardized data to allow suppliers to compare performance across workplaces. Furthermore, registration with the boards would act as a type of certification that suppliers could share with consumers and investors to publicize the ethical quality of their value chains.

Fifth, this structure would redistribute access to information and data, overcoming the types of asymmetries in information that normally exist between value chain actors by providing reliable information and transparency, an element that all three stakeholders often claim that they lack. The board would provide all stakeholders with comprehensive data about the number of workers, hours worked, level of pay, and additional benefits as required under local laws and the board. It would also provide this data to buyers, saving the suppliers from the constant demands of buyers for such information. In today's supplier-buyer relations, each buyer demands different forms of compliance with a code of practice, auditing and so on. This is a form of cascading of obligations by buyers onto suppliers, made possible because of the inequality of power between suppliers and buyers. The boards would lift this burden from suppliers in the same way as the Better Factories program.

Finally, as we discuss in the following sub-section, the structure will bring the state back in, granting public authorities a greater role and some say in labor governance in supply chains.

B. Public

The power of our proposed model is that it brings to the public a variety of matters that are currently conducted and determined privately. It also puts the state center stage, strengthening a state institution while also holding it to account.

At best, private governance mechanisms operate "in the shadow of" or parallel to publicly constituted processes, which often decenters the state.¹⁴⁹ In contrast, multi-tiered boards embed the state directly within their operations and are constituted by law, rather than private governance. The state would participate in the board's deliberations, though its role and voting rights may vary. Following the model of Better Work, we suggest granting the state some voting rights, though not as dominant as those of other stakeholders.

149. Youbin Kang, *The Rise, Demise and Replacement of the Bangladesh Experiment in Transnational Labour Regulation*, 160 INT'L LAB. REV. 407 (2021); Anselm Schneider, *Embracing Ambiguity – Lessons from the Study of Corporate Social Responsibility Throughout the Rise and Decline of the Modern Welfare State*, 23 BUS. ETHICS EUR. REV. 293 (2014).

But unlike the situation in many countries where state inspectorates are overburdened, lack specialized sectoral knowledge, and may be corrupt, the inspection would be conducted by inspectors appointed by the state, but who are funded and overseen by the board. The inspectors would report to the board and be required to provide evidence of effective monitoring. This would allow the board to examine the inspectors' performance and ensure that they are actively investigating workplaces. If evidence confirmed that an inspector was collecting bribes, it would be grounds for dismissal by the board, and for sanctions against the bribe-offering party.

The presence of different stakeholders on the board should incentivize inspector performance for other reasons, too. While suppliers may not want inspections to occur, buyers do, as their multi-tiered nature creates a greater incentive for active inspection. Furthermore, to overcome the problem that has arisen in the last decade with the Mathadi Boards, where the state has failed to appoint inspectors, the board would have the right to appoint an inspector if the state has not done so after a certain period of time (e.g., 60 days). The board would therefore enable multiple accountabilities not currently seen in public or private forms of regulation.

Still, it might be argued that the boards are displacing the state in some regards. For example, it might be argued that insofar as they provide services or social security normally provided by the state, they are 'letting the state off the hook.' Our argument here is twofold. First, we believe it is more crucial for workers to receive proper livelihoods than to wait for the state to develop the necessary capabilities to ensure them. Second, we do not think the responsibility for providing benefits should rest solely on the states where production is outsourced across borders. If companies are sourcing goods from poorer countries, they should contribute more than just ensuring suppliers uphold proper standards. Additionally, in contexts where an effective social security system exists, the board can still offer supplementary, tailored benefits, much like sectoral collective agreements in corporatist countries. We explore this further when discussing the board's localization. Finally, the multi-tier system aims to engage a wide range of stakeholders and cover both formal and informal workers involved in similar production processes. Even if direct employees are covered by existing social security, informal workers may not be—making the wage board an essential mechanism for providing protection and equal rights to home workers or other informal laborers contributing to the supply and production process.

C. Enforceable

A key characteristic of the proposed model is its emphasis on effective enforcement tools. The standards set by the multi-tiered board would be enforceable in various ways. Similar to the Mathadi Boards, these boards would ideally be established or at least empowered by law, making the standards legally binding. The parties would negotiate a collective agreement that derives its authority from the legislation, ensuring that these standards apply to all entities engaging workers in this type of labor. This approach, particularly at the host state level, would provide a stronger enforcement framework than private governance initiatives.

The power to monitor the standards set by the boards would lie with both the labor inspectors and the unions. Likewise, workers could complain either to the relevant union or directly to the board. Unions can serve as an intermediating body that the workers trust, passing information to inspectors and protecting workers who fear individual retaliation that often disincentivizes complaints. In this sense, the board will utilize the model of co-enforcement that has proved effective in decreasing workers' rights violations in other contexts.¹⁵⁰ Fine defines co-enforcement as a model under which "government targets specific sectors and partners with organizations that have industry expertise and relationships with vulnerable workers" and "has the potential to manage the shifting and decentralized structures of twenty-first-century production, which were explicitly designed to evade twentieth-century laws and enforcement capabilities."¹⁵¹ The board can therefore serve as a forum in which enforcement is understood as a process of negotiated interdependence between regulators, unions, suppliers and buyers.¹⁵² It will therefore operate along the lines of the worker-led monitoring system of the Fair Food Program that has been heralded in the private GVC governance literature.¹⁵³

The board would also be charged with mediating disputes between registered parties. Parties would have the ability to complain about the conduct of other stakeholders to the board. For example, a supplier might bring a complaint to the board about a buyer hampering its ability to comply with the working conditions set by the board. If a buyer set unreasonable terms, such as insisting on an unreasonably low price for an order, or failure to pay for the order within a reasonable period, the supplier would be able to make a complaint to the board, which might, in turn, negotiate a settlement or make a determination. In this sense, the multi-tiered board would act as a multistakeholder body, mediating the different interests of distinct stakeholders.

Because the board acts as labor hire as well as mediator, it would have far more leverage available to it than traditional multistakeholder organizations and even certification bodies. We envisage that there would be a scale of different sanctions available to the board. For example, the board might be able to order specific performance and require that a supplier rectify a problem after investigating and finding a breach of a standard. The inspector's expertise and knowledge of the industry will then be used to assist the supplier to conform with the board's requirements. This is in line with the enforcement model Piore and Schrank call the "Franco-Latin model" of workers' rights enforcement that

150. Janice Fine, *New Approaches to Enforcing Labor Standards: How Co-enforcement Partnerships Between Government and Civil Society Are Showing the Way Forward*, 2017 U. CHI. LEGAL F 7 (2018); Janice Fine, *Enforcing Labor Standards in Partnership with Civil Society: Can Co-enforcement Succeed Where the State Alone Has Failed?*, 45 POL. & SOC'Y 359 (2017) [hereinafter Fine (2017)];

151. Fine (2017), *supra* note 149, at 362.

152. Matthew Amengual & Janice Fine, *Co-enforcing Labor Standards: The Unique Contributions of State and Worker Organizations in Argentina and the United States*, 11 REG. & GOVERNANCE 129 (2017).

153. Sarah Kaine & Michael Rawling, *Strategic 'Co-enforcement' in Supply Chains: The Case of the Cleaning Accountability Framework*, 31 AUSTRAL. J. LAB. L. 305 (2019); Janice Fine & Tim Bartley, *Raising the Floor: New Directions in Public and Private Enforcement of Labor Standards in the United States*, 61 J. INDUS. REL. 252 (2019).

is compliance oriented rather than deterrence oriented.¹⁵⁴ Under this model, they explain “the inspectors who work for the agency are responsible not for levying sanctions per se but for bringing the enterprise into the compliance of the law, and they have considerable discretion with which to do so.”¹⁵⁵ This approach is also dominant in the worker-driven social responsibility model, where the process aims to build supplier (or in the case of the FFP, grower) capabilities. If the supplier fails to rectify the problem within a reasonable time, there may be monetary consequences in the form of a fine. If the problem is not remedied after a further period of time, the penalty would be deregistration. For a supplier, this would mean the end of business if the program was working as desired. This is a similar sanction to the Fair Food Program, where suppliers can be ousted from the system and thus lose major buyers. However, this is the sanction of last resort, given that it is not the optimal solution to all involved stakeholders, including workers who may lose their job as a result.

D. Economically Self-sustaining and Autonomous

One of the most important features of the multi-tiered boards is their economic self-sufficiency, which reduces their reliance on a single funding source and prevents undue influence. This financial independence allows administrators to focus on their tasks rather than continually seeking funding. It also sets them apart from state-based solutions, which often lack such autonomy. Private governance is frequently justified in the Global North by claims that state institutions in the Global South are weak or corrupt.¹⁵⁶ However, by funding the boards through levies collected from suppliers and buyers, they would remain independent of state politics. If political shifts result in hostility toward workers’ rights or defunding of labor institutions, the boards would remain secure. While state-appointed personnel might reflect such political shifts, the boards themselves would still be shielded from significant interference.

Economic self-sufficiency not only ensures independence from the state but also safeguards autonomy from private interests. Private mechanisms that depend heavily on corporate and philanthropic funding often face inherent limitations: when funding comes from corporate members, their ability to hold those members accountable for breaches is undermined.¹⁵⁷ Additionally, this reliance compromises the quality, scope, and nature of proposed solutions, embedding solution providers within the corporate supply chain logic instead of enabling them to counter it.¹⁵⁸ These shortcomings, frequently cited as major criticisms of multistakeholder bodies, would be addressed by the boards we propose

154. Michael J. Piore & Andrew Schrank, *Toward Managed Flexibility: The Revival of Labour Inspection in the Latin World*, 147 INT’L LAB. REV. 1 (2008)

155. MICHAEL J. PIORE & ANDREW SCHRANK, ROOT-CAUSE REGULATION: PROTECTING WORK AND WORKERS IN THE TWENTY-FIRST CENTURY, 6 (Harv. Univ. Press 2018).

156. Larry Catá Backer, *Corporate Social Responsibility in Weak Governance Zones*, 14 SANTA CLARA J. INT’L L. 297 (2016).

157. Genevieve LeBaron & Jane Lister, *supra* note 6.

158. Barkay et al. *supra* note 12; Barkay & Shamir, *supra* note 64; Siobhan McGrath & Fabiola Mieres, *The Business of Abolition: Marketizing ‘Anti-Slavery,’* 53 DEV. & CHANGE 3 (2022).

Economic self-sufficiency also grants the boards autonomy from private interests. Many private governance mechanisms rely heavily on corporate or philanthropic funding, which can compromise their ability to enforce standards, especially when corporate members are involved. This reliance may also affect the quality and scope of solutions, embedding the solution providers within the corporate supply chain logic rather than positioning them as counterforces. This is a common criticism of multistakeholder bodies which the proposed boards would overcome through their independent funding structure.

E. Localized

An important strength of the multi-tiered boards, in our view, is their localized nature. Here, we mean localized in the sense that they are located in the 'host state.' Furthermore, the boards would be constituted by 'host country' laws rather than 'home country' laws, which distinguishes them from mHRDD laws which are currently proliferating in the OECD.

They may be further localized in the sense that they could be devolved in the way that the Mathadi Boards are set up in all the areas/cities where head-load work is concentrated. So, while boards might be constituted either nationally or at a state level, we envisage that they would have local variance.

The localized nature of the boards should empower local players in the same fashion as the Fair Food and Better Work programs. We see great strengths of this multi-tiered model compared with, say, Framework Agreements that have been formed between global unions and transnational firms. Local unions have complained that, under these models, global unions usurp, rather than support, their place in negotiations over local matters involving the transnational firm.

The discretion given to boards to decide how to spend the levy collected will support the provision of public goods desired by the working population the board serves. First amongst these is living wages for workers. In much the same way as the premium in the Fair Food Program is used to pay workers a living wage, the board may decide to top up the basic wage with the levy paid by the buyers.

Second is other forms of social security. Here, the board would have significant discretion. Where the state provides adequate forms of social security, the board would not need to step in. However, where the state does not provide particular forms of social security, the levy collected by the suppliers and buyers could provide forms of social security to workers. The state provides virtually no social security to Mathadi workers, so the Mathadi Boards provide a range of protections and social insurance. In other places, workers compensation might be provided by the state, but not maternity leave. The board could, for instance, provide maternity leave or alternatively focus on other critical aspects of worker well-being, such as access to clean water, nutritious food, education stipends, pensions, and more, based on priorities identified as most urgent. A further variation for boards to determine is whether some employers are able to opt out of the labor hire arrangements and pay workers directly. This may be desirable where employment is highly formalized across an industry, and where employers can show that they are paying workers above the rates set

by the board. Such employers would still be obliged to register with the board, pay the levy, and be monitored by unions and the labor inspectors.

F Challenges

While we believe there are many benefits to the model we propose in this Article, we also foresee several challenges.

First, the model only concerns labor conditions at one nodal point in the value chain. It is not a ‘sustainability’ model which addresses a range of ethical concerns, and nor is it a ‘whole of value chain’ model of regulation. Thus, focal firms may need to be involved in other initiatives that concern the environmental aspects of production or other nodes of the value chain, necessitating a further investment in participatory oversight models. We believe this is the cost of a deliberative form of regulation that gives priority to state and local voices. Such voices will be diluted, and deliberation rendered less meaningful, if it concerns a wider range of actors and issues.

Second, we acknowledge that the model will increase costs for buyers and suppliers by raising unit-labor costs, creating a disincentive for participation that may undermine the system. Our case study shows that when a significant minority of suppliers object and opt out, the model does not function properly. Even when suppliers participate, some may resort to falsification strategies to reduce labor-unit costs, such as employing workers partly ‘on the books’ of the board and partly ‘off the books,’ as we observed in our case study. These practices undermine the purpose of the boards by eroding their integrity and effectiveness. Additionally, the increase in unit-labor costs may also result in capital flight. However, the rise in worker remuneration for suppliers could be offset by reductions in costs associated with auditing, payroll management, and social security provisions. Furthermore, if boards are implemented across multiple countries, like the ILO’s Better Work Programs, the incentive for capital flight will be significantly reduced.

Third, that the model goes beyond the traditional corporatist model and includes the board’s role as a labor hire which may seem like too significant a departure from conventional labor regulation for many and could lead to legal challenges. However, such a model is becoming far more common in many contemporary labor markets. Workers are often contracted from labor hire agents, or via platform models. The main challenge, as we see it, is that the board may be considered the employer under some legal systems. The Mathadi Act exempts both traders and boards from employer status, indicating that this is an issue to address when legislating for the multi-tiered boards.

Fourth, the cooperation between commercial entities may also be a challenge and run afoul of competition or antitrust rules in some countries. We note, however, that the boards only set a minimum wage, not a ceiling on wages, and that most countries accommodate the setting of minimum wages. Furthermore, a reason we do not consider this to be an insurmountable challenge is that it is possible to apply for exemptions to competition laws. Ethical Clothing Australia, for example, which conducts union-led monitoring, has gained such an exemption.¹⁵⁹

159. For a case study of Ethical Clothing Australia, see Marshall, *supra* note 27, pp. 73-97.

Fifth, we acknowledge that a risk posed by this model provides is the necessity for a large bureaucracy, which entails the centralization of power in boards which further risks inefficiency, corruption or capture. Scholars observed inefficiencies and corruption in other models of this type, for example, in the payment of Palestinian workers employed in Israel through the Civilian Authority's payment division.¹⁶⁰ The original idea for this system was to ensure that Palestinian workers are paid fairly, and in turn ensure that they do not undercut the cost of Israeli labor. However, it has been plagued with problems, including Israeli employers underestimating the time workers spent working. We believe this problem occurs because there is no deliberative aspect, unlike our model. We also believe that technological developments could potentially provide solutions to overcome such problems. Additionally, we note that, with the growth of the auditing industry, private forms of governance have created a costly, ineffective decentralized bureaucracy.¹⁶¹

Sixth, our comparative study highlights the importance of active, democratic, and accountable social partners that effectively represent workers, suppliers and buyers. A key factor distinguishing Pune from Aurangabad is the role unions and trader organizations play in their interaction with workers, labor hirers, and one another. Pune's board is bolstered by a strong and active major union and trader organization with trust built between them over time. In contrast, there was little trust between the competing unions that represent workers in Aurangabad and the trader organization.

Our model will no doubt present challenges for workers' organizations. Building solidarity across a supply chain or among different bargaining units, even within a localized board, is no easy task.¹⁶² As others have noted, the violation of workers' rights in GVCs poses new challenges for unions, necessitating innovation and the reinvention of strategies.¹⁶³ Such cooperation requires both union activism and establishing ground rules for collaboration and solidarity between unions. There are promising examples where unions have risen to this challenge,¹⁶⁴ using their core values to generate new "cultures of

160. Shiri Shalev, *Arab Work: Wage Payment Mechanism for Palestinians Working in Israel* (2017) (unpublished M.A. thesis, Tel Aviv University); Yael Berda, *The Bureaucracy of the Occupation: The Permit Regime in the West Bank, 2000–2006* (2012); Walid Habbas, *Palestinian Workers in the Israeli Market: The Labour Permit Brokerage System*, Background Paper, (Palestine Economic Policy Research Institute (MAS), Ramallah 2020); J. Preminger & A. S. Bondy, *Conflicting Imperatives? Ethnonationalism and Neoliberalism in Industrial Relations*, 76 *INDUS. & LAB. RELS. REV.* 646 (2023).

161. Genevieve LeBaron & Jane Lister, *Benchmarking Global Supply Chains: The Power of the 'Ethical Audit' Regime*, 41 *REV. INT'L STUD.* 905 (2015); Genevieve LeBaron, Jane Lister & Peter Dauvergne, *Governing Global Supply Chain Sustainability Through the Ethical Audit Regime*, 14 *GLOBALIZATIONS* 958 (2017); Genevieve LeBaron et. al, *supra* note 151.

162. Enrico Cairola, *Back to Fundamentals: Organizing, collective bargaining and promotion of a decent work framework in global supply chains*, 7 *INT'L J. LABOUR RESEARCH* 9, 14 (2015); Michael Fichter et al., *The Transformation of Organized Labour* 6 (2018).

163. Michael Fichter, *Organising in and along value chains – what does it mean for trade unions?* 6 (2015).

164. Alpran Birelma, *Trade Unions in Transformation, An Inspiring Case of Organizing in a Formidable Context: The Case of TUMTIS in Turkey* 12 (2017). (And see also the wider study this is part of that features two dozen case studies from around the world demonstrating how unions have transformed to get stronger, Friedrich Ebert Foundation).

solidarity.”¹⁶⁵ In cases where there is no union representation, worker committees or other forms of worker-led organizations could be established to advocate for labor rights and ensure workers’ voices are included in negotiations,¹⁶⁶ as has been the case in the Fair Food Program. Similar ‘stand in’ organizations will have to be created for supplier and buyers where no such extant organization operates in the area.

Finally, to function effectively, the boards require a normative glue. That might be ideological buy-in, such as social solidarity, or it could be pressure from particular parties. It is clear from studying the differences between the Mathadi Boards in Pune and Aurangabad that in Pune the glue consists of active unions and committed buyers. Functionally, the boards cannot stand in for the absence of active workers. Our hope is that the presence of committed global unions and buyers will strengthen that glue. Overall, we foresee a deliberative and effective system for improving the livelihoods of workers and their families, strengthening worker-power and transnational union solidarity, making it easier for suppliers to pay fair wages, and providing assurances to buyers that go far beyond private governance.

VI. Conclusion

Due to the inadequacy of traditional labor laws and private governance mechanisms in addressing the complex, fragmented nature of modern supply chains, there is a pressing need to expand our conceptual toolkit for labor governance and workers’ rights in GVCs. Current solutions often fail to engage workers in meaningful participation or to offer effective enforcement, particularly for those in lower tiers of GVCs.

To upscale the Mathadi Board model to multi-tiered GVC governance is both an exercise in institutional imagination and an effort to learn from the Global South, where non-standard work relations have long been the norm. The Mathadi model exemplifies how localized bargaining institutions can represent diverse stakeholders—including local unions, state representatives, and suppliers—in negotiating wages, social security, and other worker benefits. By expanding the Mathadi model to include more tiers of a GVC, the proposed model could redistribute power and financial resources more equitably across one node in the chain, ensuring greater protection for informal and precarious workers, and creating a participatory framework that strengthens local voices while engaging global actors.

However, this is not a one-size-fits-all solution. Several challenges must be addressed: implementation hurdles, political will, securing buy-in from key stakeholders, ensuring active, representative, and cooperative unions, and mitigating the risk of corruption. Adapting this model to a global scale will also

165. RICK FANTASIA, *CULTURES OF SOLIDARITY: CONSCIOUSNESS, ACTION, AND CONTEMPORARY AMERICAN WORKERS* 244 (1989); Sabrina Zajak et al., *Network of Labour Activism: Collective Action across Asia and Beyond. An Introduction to the Debate*, 48 *DEVELOPMENT AND CHANGE* 899, 901 (2017).

166. Webster et al., *Beyond Traditional Trade Unionism: Innovative Worker Responses in Three African Cities*, 18 *GLOBALIZATIONS* 1369-1370 (2021).

require significant adjustments to account for the complexities and diverse power dynamics present in various sectors and regions.

Despite these challenges, our case studies show that this model has significant potential. Even where Mathadi Boards are affected by corruption and mistrust between social partners—as is the case in Aurangabad—workers' conditions have improved considerably. Our proposed expansion of the Mathadi Board model addresses many of the weaknesses of current supply chain solutions. It offers a more sustainable, participatory, and locally grounded framework for labor governance, filling gaps that existing initiatives have struggled to bridge. In a world where workers' rights are increasingly precarious, such innovation represents a promising step toward addressing these challenges.