

# NAVIGATING LABOUR RIGHTS PROVISIONS IN INDIA'S FREE TRADE AGREEMENTS

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## ABSTRACT

*Trade and labour are inextricably interwoven, and as international trade has grown, so the number of Free Trade Agreements that include labour dimensions, either directly or indirectly through parallel agreements. According to findings of various reports of International Labour Organisation, the working conditions of labour in developing countries remain poor. These concerns regarding the same have increased by the rapid growth in the number of Regional and Free Trade Agreements around the globe. There has been a lot of discussion about including labour protections in trade treaties. Those who supports the inclusion of labour standards in FTAs often believe that these measures protect against the possible negative impacts of free trade while also preventing developing nations from decreasing their labour standards. Labour critics, on the other hand, think that these measures are protectionist in character and advantage developed nations that impose high labour standards on developing countries. In the recent past the labour rights provisions under India's FTAs have deviated from international & domestic standards (WTO's Regional Trade Agreements Information System (RTA-IS). This research paper explore the implications of the increase of free trade agreements (FTAs) in past years and the labour provisions under these FTAs. The paper also draw few suggestions on measures that can be taken for improving protection of individual and collective labour rights balancing along the trade interest of the state.*

**Keywords:** Free trade, Labour Standards, Labour Rights, Regional Trade Agreements, Free Trade Agreements.

## INTRODUCTION

The underlying relationship between "Trade and Labor" is a sensitive and controversial subject for most of the nations especially the developing ones. While some school of thoughts argue that there is no need to link trade and labour standards, whereas, others advocate for the inclusion of labour standards in all trade agreements (Anuradha R.V. and Nimisha Singh Dutta, n.d.). This divergence of opinion was clearly apparent during the WTO Ministerial Conferences in Singapore in 1996 and Seattle in 1999, when developing countries such as Brazil, Egypt, India, and Malaysia resisted pressure from developed countries, particularly the United States, to include labour standards within the WTO's purview. Certain developed countries, most notably Australia and the United Kingdom, as well as Germany and Switzerland, also supported the developing countries' position (T Panagariya A, 2020). While this opposition has prevented the World Trade Organisation from adopting any labour standards, labour provisions are increasingly being included in bilateral and regional preferential trade agreements signed by developed countries such as the United States, the European Union, New Zealand, and, more recently, developing countries such as Chile. At the moment, the European Union (EU) and European Free Trade Association

(EFTA) countries are primarily proponents of trade and labour integration (Anuradha R.V. and Nimisha Singh Dutta, n.d.). Foreign or transnational companies are often enticed to enter the market by dwindling labour protections and low labour costs. With the goal of luring foreign investment, national governments reduce workers protection laws under various Free Trade and Regional Trade Agreements. Lowering labour standards is frequently a subject of trade-offs and economic concerns. Many policy debates are currently centred on free trade agreements (FTAs) and regional trade agreements (RTAs), which are likely to impact economic and trade relations between the nations globally in the future years. These trade agreements are becoming more numerous and changing in nature on a regular basis. As per the world bank report 50 trade treaties were in force by 1990 and in 2017, the number grew over 280 (World Bank Regional Trade Agreements, 2023). “A Free Trade Agreement (FTA) is a bilateral trade agreement between two contracting parties, whereas, a Regional Trade Agreement (RTA), often referred to as a regional Free Trade Agreement, is a trade agreement between two or more contractual countries who share some common denomination known conceptually as region (World Bank, Bilateral and Regional Trade Agreements, n.d.).” The primary objective of such trade agreements is to strengthen trade links among the parties to these agreements. “Many trade agreements today go beyond tariffs negotiations to address several policy areas that affect trade and investment in products and services, covering behind the border regulations such as competition policy, labour regulations, government procurement rules, and intellectual property rights (World Bank, *Regional Trade Agreements*, 2023).”

It is pertinent to state that decrease in attention to standards for labour in accordance with FTAs can have both favorable and unfavorable effects. Even though it might draw in investment and spur economic progress, it might also result in labour exploitation, unfavorable working conditions, and difficulties preserving employees' rights. Currently, trade workers in many countries/regions have raised concerns that their basic rights as workers are not being adequately protected, and that more work needs to be done to establish effective systems to assure the protection of the labour rights. Human rights of the labour are violated when practices like forced work and child labour are utilized. Trade agreements can lead to labor market distortions, such as wage suppression or displacement of local workers. Whereas, when trade barriers are lowered, businesses may find it more appealing to relocate their manufacturing to countries with lower labour costs and relaxed labour laws. To achieve a balance between expanding trade and protecting workers' rights, some FTAs include labour measures designed to guarantee fair treatment of workers and adherence to international labour standards. These clauses can cover topics including minimum wage, child labour, collective bargaining rights, forced labour, and workplace safety. However, to preserve labour standards it is extremely necessary that all parties to such agreements lay down efficient enforcement procedures and are committed to the effective implementation of the same.

## **LABOUR STANDARDS AND THEIR IMPACT ON DEVELOPED AND THE DEVELOPING NATIONS**

Standardizing the labour practices is very crucial to economic growth of nations since it promotes a more equal playing field and a more competitive business climate globally. As a result, a set of labour rights known as the core standards emerged such as the ability to participate in collective bargaining as well as the right to establish unions; the elimination of child labour in all its forms; the prohibition of slavery and other forms of forced labour; and the right to a safe work environment free from discrimination. These fundamental norms are protected as human rights and exclude contentious debate over issues like minimum

wage, sick leave, and vacation time etc. International organisations such as the ILO contribute to this legal framework by developing and promoting international labour standards aimed at ensuring that economic progress and prosperity coexist with the formation of decent work. Governments, businesses, and workers all support these standards as a result of the ILO's unique tripartite framework. As a result, international labour standards provide the bare-bones social standards acknowledged by all parties involved in the global economy (International Labour Organisation, (The Benefits of International Labour Standards, n.d.).

When it comes to the developed nations, “The International Labour Organization's Fundamental Principles and Rights at Work” have been ratified by the governments of most developed nations. Six different outcome-based measures were used to assess labour standards in developed countries. Statistics such as public sector GDP share, average weekly hours worked, trade union density, and measures of labour market prosperity were analyzed, the frequency of strikes and lockouts, and the incidence of workplace injuries (World Employment and Social Outlook | Trends 2022, International Labour Organisation). Developed nations have complained that low labour standards and lax enforcement provide emerging economies an unfair competitive edge. Fears of a “race to the bottom” exist because countries may feel pressured to lower their labour standards in order to remain competitive (Artuso, Maria and Carolan McLarney, 2015). Unions in industrialised countries have expressed worry that differences in how rigidly various countries enforce their own sets of labour regulations could harm international trade. A country with lower or poorly enforced labour standards is thought to have an unfair edge in international trade. According to this school of thought from the labour standards debate, a lack of enforcement in developing countries leads to job losses and the creation of trade barriers against goods produced in those countries. These will have a negative impact on workers in wealthy countries since they contribute to lower living and working conditions in developing countries. The level of protection afforded to workers is exceptionally high in developing countries. The problem is that no current laws are being strictly enforced. Concerns on a global scale would be amplified by the fact that underdeveloped nations would have a hard time adopting labour rules as norms, even if there was fundamental coherence among them. On the other hand, developing nations, have maintained that the success of labour standards in their country will be determined by the quality of implementation. The ILO has also emphasised on various occasions that developing nations have not agreed on meaningful obligations to labour standards in agreements between them (ILO, 2009). The International employment Organisation (ILO) reports often mention that developing nations have not made any binding commitments in agreements regarding employment standards, but rather aim at “cooperation in labour matters” without clear terms of reference, which frequently focused on collaborative initiatives, information sharing, and friendly consultation (Christian Häberli et. all 2018).

## **THE ROLE OF INTERNATIONAL ORGANISATIONS IN ENSURING COMMITMENTS TO LABOUR STANDARDS**

In regional trade agreements and free trade agreements (RTA & FTAs), promises to labour standards are significantly upheld by international organisations. They play a crucial role in promoting labour rights and ensuring that labour standards are upheld by acting as monitors, facilitators of International trade and labor rights. International organisations' engagement with regional and free trade agreements help in establishing a system of accountability and support for labour standards. Firstly, these organisations are extremely vital in furthering the cause of fair and decent work in the context of global trading by cooperating with governments, employers, employees, and civil society. Secondly, In today's globalised economy, international cooperation is required to defend labour rights and accomplish the goal of decent work. Hence, the international community is addressing this challenge by developing international legal instruments in the areas of commerce, finance, the environment, labour, and human rights. International bodies such as the ILO and WTO actively promote and push for synchronised economic development that includes acceptable working conditions.

### **Role of World Trade Organization (WTO) in ensuring commitments to labour standards**

The World Trade Organisation (WTO) provides a forum for states to work out their trade issues, settle their trade disputes, and negotiate trade agreements with one another. The objective is to facilitate trade between exporters, importers, and producers of goods and services. WTO regulations and sanctions do not currently apply to labour standards. Several WTO European and North American member nations, however, believe that if the WTO and the international trading system are to gain public trust, the WTO must address the issue in some way. These member countries argue that the WTO should take into account rights such as collective bargaining, freedom of association, workplace discrimination, and workplace abuse including child slavery and forced labour (WTO - Official Ministerial Website - About the Ministerial - Labour, n.d.). It has also been suggested by several member nations that there must be a distinct working committee established to delve deeper into the interrelation of trade and standards of labour. In order to explore the subject of trade and fundamental labour standards, a working group is proposed to be established. The member nations who support these viewpoint believe that if these issues are brought under the perusal of WTO it will in turn encourage other member states to undertake adequate measure to improve labour standards. This is one of the most divisive proposals now being considered by the WTO. The majority of developing countries and many wealthy countries agree that the WTO should not address the issue of fundamental labour standards. Concerns about trade and labour standards are viewed as a pretext by these member countries to impose protectionism in developed-country markets by imposing harsh labour provisions on developing countries. Representatives from poor countries have stated that efforts to integrate labour standards in the WTO are a hoax designed to erode their comparative advantage in lower-wage developed countries. They contend that any sanctions or impositions pertaining to lower labour standard will act as an impediment on their trade and economic efficiency. They believe that developing nations already struggle with poverty and resource allocation and such stringent measure would just aggravate their concerns(WTO - Official Ministerial Website - About the Ministerial - Labour, n.d.).

Hence, the developed nations encouraged the WTO to incorporate labour norms into its charter, to ensure the effective implementation but developing nations resisted these efforts. The diverse viewpoints have impeded the World Trade Organization's (WTO) efforts to attain international uniformity in implementation of labour laws. The member nations that promote the introduction of labour provisions and minimum requirements into the WTO charter argue the same basis the idea that labour is a core component of production and the inability of governments to adhere to minimum labour standards in turn means that the actual trade between nations is distorted and based on exploitation. On the other hand it is feared by developing countries that these nations do not have adequate resources to fulfill the labour standards as required by WTO Trade Organisation (WTO). One alternative view praises the World Trade Organisation for its emphasis on preferences and incentives to help developing countries promote higher standards, which will ultimately be included into trade agreements, improve labour efficiency, and regulate the trade regime. This important debate for developing countries focuses on how competition affects the economy; it reveals that inappropriately applying core labour standards typically reduces competitiveness through distortions, whereas in developed nations, doing so boosts efficiency and results in the decrease of the real costs of contracting labours (Keith E. Maskus 2001).

### **Role of International Labour Organisation (ILO) in ensuring commitments to labour standards**

The ILO is a United Nations specialised agency dedicated “to promoting social justice and internationally recognised human and labour rights, pursuing its founding mission that social justice is necessary to ensure universal and lasting peace” (Mission and Impact of the ILO). It plays a significant role in advocating for labor rights and ensuring that labor standards are respected in the context of trade agreements. The International Labour Organisation is the only tripartite U.N. organisation collaborating with the governments, employers, and labours. Since 1919, the ILO actively worked on aiding closed to 187 nations, governments, employers, and workers. ILO has played a crucial role in establishing labour standards, legal frameworks that help implementation and execution of the those standards(Mission and Impact of the ILO, n.d.). The International Labour Organisation (ILO) is in charge of developing and regulating global minimum wage and working conditions standards. It facilitates dialogue between government agencies and two key groups i.e. labour unions and employer groups to address fundamental problems in the labour market (ILO, n.d.). Ultimately, ILO envisages better protections for workers, greater job prospects, stronger social safeguards, and more open communication about workplace difficulties. The International Labour Organization's principal objective is to ensure that all people, especially women and young people, have access to gainful employment and dignified labour. “The International Labour Organization's Fundamental Principles and Rights at Work” include an outright prohibition on all forms of forced labour, the ability to organise and bargain collectively, the elimination of bias in employment practises, and the abolition of child labour (International Law Documents, 2016). In addition to these primary core criteria, the ILO also promoted additional labour standards such a fair minimum pay, time limits on working days, and workplace safety and health regulations. Hence, the International Labour Organisation now recognizes this as one of its fundamental norms. First and foremost, by advancing these standards and ideals, the ILO hopes to ensure that labour rights are upheld, safeguarded, and advanced in the framework of regional trade agreements and free trade. Second, its programmes contribute to the advancement of equitable labour practices, social justice, and comfortable working circumstances for all workers worldwide.

Thirdly, it guarantees the following values: freedom of association, worker protection, a minimum wage, and respect for human rights in the workplace. Overall, it emphasises enabling rights, which provide individuals with the ability to be fairly compensated and completely realise their full human potential (International Law Documents, 2016).

### **ROLE OF LABOUR UNIONS IN ENSURING COMMITMENTS TO LABOUR STANDARDS**

Labor Unions play a crucial role in setting labor standards in the international trade by advocating for the protection of labour rights, influencing policy decisions, and participating in global labor initiatives. These organisations, which are more often known as trade unions, provide support to workers and labours so that they can be provided with a level playing field. They are critical to the establishment of mechanisms through which workers can enter into reasonable agreements regarding their wages and working conditions ensuring them the basis human rights, as well as aiding in the collecting and dissemination of data necessary to achieve equilibrium at the national, regional, and international levels. It is generally agreed that the government plays the role of providing information and facilitating voting, while labour unions are responsible for carrying out the policies that are ultimately approved by citizens (Raess et al., 2018). The Labour Unions make it possible to vote in ways that entail simultaneous information exchange with all the labours involed. These Unions frequently assert that declining employment in developed nations is due to laxity in the implementation of labour laws in other jurisdictions (Bakhshi, 2018). Hence, protecting workers' rights and ensuring their equality in every country is an issue of paramount importance to the human populace as a whole in order to ensure adequate employment opportunities around the globe.

### **IMPACT OF INCLUSION OF LABOUR STANDARDS ON REGIONAL TRADE AND FREE TRADE AGREEMENTS**

When it comes to labour standards and provisions, different groups have different preferences for including or referencing them in RTAs. Labour clauses are typically inserted in trade treaties as obligations to protect and improve workers' rights, including through various types of cooperation and dialogue among trade unions, business organisations, and the general public. Labour provisions were included in over half of recent trade agreements (2011-2020), compared to only 22% from 2001 to 2010 (ILO Launches New Online Database on Trade Agreements That Include Labour Provisions, 2022). "The WTO's Regional Trade Agreements Information System (RTA-IS)" database is used by the Labour Provisions in "Trade Agreements Hub (LP Hub)," which covers all trade agreements that are notified so far to the World Trade Organisation since 1948 (International Labour Organization, 2022). It defines labour provisions in the following terms:

- a) "Any principle, standard, or rule (including international labour standards) that addresses labour relations, minimum working conditions, employment terms, and/or other labour issues;
- b) Any framework that promotes standard compliance through cooperative activities, dispute, and/or monitoring of labour issues; and/or
- c) Any system for ensuring compliance with standards, whether established by national legislation or in a trade agreement."

RTAs oversee more than half of all international trade, and they work in concert with the World Trade Organization's global multilateral agreements. According to the OECD,

these agreements are crucial and important because it is easier for a group of adjacent nations with similar challenges and cultures to agree on market access in a specific area through such a compact framework than it would be through a bigger forum such as the World Trade Organisation. They provide alternative methods of rulemaking and pave the path for the implementation of multilateral accords. While labour elements are being included more frequently and with greater specificity in RTAs, their current legal position is unclear. To ensure greater adherence to ILO and international standards, certain references to domestic labour norms should always be included and made in RTAs. These strategies all have the same overarching goal of fostering economic growth: they promise to work towards raising the bar at home, to not lower the bar at home in an effort to avoid a "race to the bottom," and to largely implement the current set of rules in order to maintain structure (The Benefits of International Labour Standards, n.d.). It is conceivable that high-income countries will find it useful to make promises not to decrease their current domestic labour standards. Developed countries have treaty obligations, and each trading partner commits to strive to ensure higher worker standards, so they cannot lower their own. Conversely, agreements between developed and developing nations either make no mention of domestic labour standards or promise improvements to norms that aren't clearly defined. Most RTAs allow parties to set their own labour standards, given the degree of latitude that can be exercised in enforcing such provisions. Whereas, concerns have been raised about developed nations trying to sidestep WTO rules through the use of RTAs. There is a growing sense of impatience among countries, especially those in developed countries. They are leveraging a variety of bilateral trade agreements in order to penetrate new markets. Since the establishment of the WTO, 511 RTAs have been signed (WTO | Regional Trade Agreements - Negotiations on RTAs, n.d.). The existing World Trade Organisation Agreement does not include any provisions for labour standards. In spite of this, it has been brought up on numerous occasions, most notably in the Singapore Ministerial Declaration, which urged against the politicisation of employment standards in the name of protectionism. Many developing countries, including Brazil, Egypt, India, and Malaysia, resisted European Union and United States (EU and US) efforts to incorporate WTO labour standards at the WTO Ministerial Conferences in Singapore (1996) and Seattle (1999) (ILO Declaration on Fundamental Principles and Rights at Work (DECLARATION)). It remains a major issue to consider which countries have a comparative advantage, especially developing nations.

On the other hand, Free Trade Agreements, most commonly abbreviated as FTAs, are common practise among developed countries. These agreements have consistently shown to be one of the most effective means of gaining access to new international markets. According to the International Trade Administration, removing barriers to international trade and creating a more secure and open trading and investment environment, make it comparatively easier and less expensive for firms to export goods and services to the markets of the trading partner (WTO, Free Trade Agreement Overview, n.d.). Changing norms in international trade can be traced back to rising expectations for items made under fair working conditions among consumers, investors, and multinational corporations. The majority of free trade agreements (FTAs) currently have labour standard clauses, the degree to which these rules can be enforced differing greatly. These trade agreements cover the majority of the International Labour Organization's key labour standards, such as freedom of association, the ability to organise unions and engage in collective bargaining, restrictions on child labour, and the abolition of forced labour. Furthermore, some of these agreements include minimum salary, hourly, and workplace health and safety rules (International Labour Standards on Freedom of Association). Many treaties make casual mention to the International Labour Organization's basic labour standards, however this usually denotes aspirations rather than

enforced regulations. Furthermore, there is a responsibility to ensure that fundamental social rights, the “International Labour Organization's (ILO) core labour standards”, the abolition of discrimination in employment and occupation, and the successful abolition of child labour are all upheld. There is often no provision in free trade agreements (FTAs) that stops a party from enacting laws, rules, and entry requirements, as long as they are not applied in such a way that nullifies the benefits of the entire agreement (Anuradha R.V and Nimish Singh Dutta). This is because free trade agreements (FTAs) are typically designed to encourage free trade.

As a result, the current legal status of labour provisions in these regional and free trade agreements is quite questionable; despite more frequent and targeted provisions, stringent references remain relatively unusual, and entirely non-existent in most regional and free trade agreements involving developing nations (Christian Häberli et. all 2018).

### **LABOUR RIGHTS PROVISIONS IN INDIA UNDER FREE TRADE AND REGIONAL TRADE AGREEMENTS**

According to findings of various reports of International Labour Organisation, the working conditions of labour in developing countries remain poor. These concerns regarding the same have increased by the rapid growth in the number of Regional and Free Trade Agreements around the globe since the 2000s. To address the same, governments have started to include labour provisions in the FTAs in order to ensure certain basic labour standards. Whereas, In terms of Obligations towards Labour Force, these labour clauses in these Free Trade and Regional Trade agreements list minimum commitments for the protection of labour rights. Most RTAs, With the exception of references to the ILO, specifically reserve the Parties' authority to define their own employment standards and omit universal requirements applicable to each signatory's domestic labour policy. One of the key feature in various trade agreements is the express understanding that the application of labour standards requires a large amount of discretion, which does not have a trade-distorting effect in itself (Christian Häberli et. all 2018). Talking about India, among the eight fundamental ILO Labour Conventions, India has ratified four: those dealing with fair pay, discrimination, and forced labour. The Core ILO Conventions 87, 98, 138, and 182 have yet to be ratified by India (International Labour Organisation, Ratifications for India). It is not a signatory to the fundamental treaties protecting workers' rights to organise freely, engage in collective bargaining, end the worst types of child exploitation, or get a living wage (8.Freedom of Association and Collective Bargaining (Decent Work for Sustainable Development (DW4SD) Resource Platform). Although recently a lot of measures have been taken to safeguard labour rights and some improvements have been made, the situation has not improved much since laws are not being enforced well and punishments are not severe enough (Ratnam, C. S. Venkata, 2000). Surprisingly, the majority of RTAs concluded in the Asia-Pacific area contain no substantial employment provisions (Christian Häberli et. all 2018). Most of these regional trade agreements entered between Association of South East Asian Nations does not contains specific provisions on labour. For example, ASEAN-Australia - New Zeland FTA & EIA (2010), ASEAN - China PSA & EIA (2005, 2007), ASEAN - India FTA (2010)

AEEAN - KOREA (2010, 2009) and ASEAN Free Trade Agreement AFTA (1992),



none of these contains specific provisions for Labour rights enforcement (WTO | Regional Trade Agreements, Database). Recently, In 2022, India - United Arab Emirates entered into Bilateral Regional Trade Agreement which has no Labour provisions. The Bilateral Regional Trade Agreement between India and Mauritius entered in 2021 also does not provide for any labour provision and so on (ILO Labour Provisions in Trade Agreements Hub, n.d.). As per the ILO reports there are around 18 RTA without Labour provisions in India (ILO Labour Provisions in Trade Agreements Hub, n.d.). (Please refer to the below mentioned table). (Table 1)

<b>S. No.</b>	<b>Trade agreement</b>	<b>Year of entry into force</b>	<b>Trade partner</b>	<b>RTA composition</b>	<b>Labour provision</b>
1	India - United Arab Emirates	2022	India; United Arab Emirates	Bilateral	No
2	India- Mauritius	2021	Mauritius; India	Bilateral	No
3	India - Japan	2011	Japan; India	Bilateral	No
4	India- Malaysia	2011	India; Malaysia	Bilateral	No
5	Korea, Republic of -India	2010	India; Republic of Korea	Bilateral	No
6	ASEAN-India	2010	India; Association of Southeast Asian Nations (ASEAN)	Bilateral; One Party is RTA	No
7	India - Nepal	2009	Nepal; India	Bilateral	No
8	“Southern Common Market (MERCOSUR) - India”	2009	India; “Southern Common Market(MERCOSUR)”	Bilateral; One Party is an RTA	No
9	Chile - India	2007	Chile; India	Bilateral	No
10	South Asian Free Trade Agreement (SAFTA)	2006	Afghanistan; Sri Lanka; Nepal; Pakistan; Bangladesh; Maldives;	Plurilateral	No
11	India - Bhutan	2006	Bhutan; India	Bilateral	No
12	India- Singapore	2005	India; Singapore	Bilateral	No
13	India - Thailand	2004	India; Thailand	Bilateral	No
14	India - Afghanistan	2003	India; Afghanistan	Bilateral	No
15	India - Sri Lanka	2001	India; Sri Lanka	Bilateral	No
16	South Asian Preferential Trade Arrangement (SAPTA)	1995	Bhutan; Maldives; India; Bangladesh; Sri Lanka; Pakistan;	Plurilateral	No
17	Global System of Trade Preferences among Developing	1989	Bangladesh; Chile; Cuba; Benin; Mexico; Nicaragua; Philippines; Trinidad and Tobago; Ghana; Guinea; “Venezuela (Bolivarian Republic of); Korea, Democratic People's Republic of”; Peru; Singapore; Sudan; Algeria; India; Republic of Korea; Bolivia (Plurinational State of); Myanmar;	Plurilateral	No

			Colombia; Indonesia; Iraq; Mozambique; Thailand; Brazil; Sri Lanka; Malaysia; Viet Nam; Tunisia; Egypt; Argentina; Cameroon; Guyana; Libya; Zimbabwe; United Republic of Tanzania; Morocco; Ecuador; Iran (Islamic Republic of); Nigeria; Pakistan		
18	Asia Pacific Trade Agreement (APTA)	1976	“Bangladesh; Sri Lanka; China; Republic of Korea; Lao People's Democratic Republic; India”	Plurilateral	No

Source : *WTO's Regional Trade Agreements Information System (RTA-IS)*, *The Labour Provisions in Trade Agreements Hub (LP Hub)*, *International Labour Organisation*, <https://www.ilo.org/LPhub/#>

The ILO has also noted on numerous occasions that developing nations have not agreed on genuine commitments to inculcate labour provisions in the free trade and regional trade agreements (ILO, 2009). Most of these RTAs instead seek for "labour cooperation" without explicit terms of reference to labour provisions, and typically include joint projects, friendly dialogue and information exchange as examples of such cooperation. According to the ILO, ASEAN FTAs and RTAs cited in the ILO Report agreed by most Asian nations include labour clauses that encourage trade or investment by undermining labour laws (ILO, 2009). Labour laws can be significantly impacted by free trade agreements (FTAs), hence it is imperative that governments take proactive steps to safeguard workers' rights and make sure that labour laws comply with international norms.

## CONCLUSION AND SUGGESTIONS

The connection between free trade and decent working conditions is a contentious topic that has been the subject of heated discussion for a significant amount of time. It remains a topic of debate amongst nations around the world, both developing and developed. There are those who are in favour of this discourse as well as those who are opposed to it. Labour standards will likely continue to decline as a result of "race to the bottom" concerns as countries attempt to remain competitive in global marketplaces. Standardised codes of conduct and minimum requirements for employment have been set to ensure that all businesses can compete fairly. The disparities in these labour standards are what drive the various international trade patterns. International institutions, Governments and labour unions dealing with trade norms between states all play critical roles in putting labour provisions into practise, enforcing foreign policy, and enabling and enforcing these inclusions. The long existing question of whether or not to incorporate labour standards in trade agreements has social, technological, economic, and political repercussions. Enacting economic reform and the process of policies requiring change has been found to be more effective in improving the lives of employees and economies than adding labour provisions in trade agreements.

The authors argue that include labour standards in regional and free trade agreements would help both national and international trade agreements. International economic governance can help enhance labour standards by establishing a level playing field through trade agreements that incorporate labour standards, codes of conduct, and fundamental labour principles. The effectiveness of the integration and linking depends on its being enforced and on the establishment of minimal standards as opposed to maximum standards, which would impede either progress or implementation. A country's own economic and social growth are what bring about improvements in labour standards, not foreign enforcement. To put it another way, in order to end poverty, governments in low-income nations as well as in India need to adopt effective growth strategies and targeted policies. Developed countries' governments can help raise demand for commodities produced in developing countries by

lowering barriers to imports from these countries. When people in developed nations buy more goods made without the use of child labour or sweatshops, it puts pressure on companies in other countries to improve their working conditions. The wealthy nations of the world have a responsibility to their workforces to ensure they are aware of the opportunities presented by globalisation. Flexibility and adaptability in the face of a constantly shifting global economy should be the primary goals of all parties involved in the relationship between trade and labour standards.

The authors suggest that in order for the integration and linking of labour standards in these regional and free trade agreements to be effective, it must be firmly enforced, and minimal criteria should be established rather than maximal standards, which would inhibit development and rollout. The International Labour Organisation, World Trade Organisation, and labour unions must keep open lines of contact and must not object to any party's application of labour standards. At times when trade agreements fail to adequately address labour concerns and protect labour rights, the human rights clauses in turn should be strengthened enough through the implementation of trade sanctions and fines. Regional trade agreements may include labour chapters or side agreements that address labour issues in order to reduce violations of labour standards and promote fair trade. These clauses could be designed to preserve global labour standards, enhance working conditions, and protect workers' rights. However, the efficacy of these clauses depends on their application and the shared commitment of all parties to safeguarding the interests of workers. Governments, labour unions, and civil society organisations must monitor and advocate for labour standards as trade agreements change for the purpose of ensuring that these principles are upheld throughout the trade agreement.

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**Received:** 08-Mar-2024, Manuscript No. JLERI-24-14680; **Editor assigned:** 09-Mar-2024, Pre QC No. JLERI-24-14680 (PQ); **Reviewed:** 23-Mar-2024, QC No. JLERI-24-14680; **Revised:** 28-Mar-2024, Manuscript No. JLERI-24-14680(R); **Published:** 04-Apr-2024