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**Free Trade Agreements And Labor Protections: Analyzing The Impact An Indian Legal Perspective**

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***Abstract***

*This paper examines the impact of Free Trade Agreements (FTAs) on labour protections from an Indian legal perspective. While FTAs promote economic growth, foreign investment, export expansion, and employment generation, they also create challenges relating to wage suppression, contractual employment, informalization of labour, weakened trade unions, and occupational insecurity. The study analyses the constitutional framework, labour legislations, Labour Codes, and significant judicial decisions governing labour welfare in India. It highlights the tension between economic liberalization and workers' rights, particularly in labour-intensive and export-oriented industries. The paper further evaluates the role of the judiciary in safeguarding labour dignity and proposes policy reforms to ensure that trade liberalization aligns with constitutional principles of social justice, equality, and humane working conditions. The study concludes that sustainable economic development can only be achieved through a balanced approach that protects labour rights alongside international trade expansion.*

**Keywords:** *Free Trade Agreements, Labour Protections, Globalization, Labour Rights, Trade Liberalization, Constitutional Law, Labour Codes, Social Justice, Employment Security, Trade Unions, Informal Labour, Wage Protection, Occupational Safety, Indian Labour Law, Economic Liberalization*

## **Introduction**

The rapid growth of globalization has significantly transformed international trade relations, economic policies, and labour standards across the world. One of the most influential developments in global commerce has been the emergence of Free Trade Agreements (FTAs), which are treaties entered into between two or more nations for the purpose of reducing trade barriers, increasing market access, and promoting economic integration. In India, Free Trade Agreements have gained considerable significance due to the country's increasing participation in global trade networks and its objective of accelerating economic growth through foreign investment and international cooperation. While FTAs create substantial opportunities for industrial expansion, employment generation, and export growth, they simultaneously raise serious concerns regarding labour protections, workers' rights, employment security, wages, occupational safety, and social welfare. The relationship between trade liberalization and labour standards remains one of the most debated issues in labour jurisprudence and economic governance.

In India, labour protections are deeply embedded within constitutional philosophy and statutory enactments aimed at safeguarding workers from exploitation. The Indian Constitution envisions a welfare state wherein social and economic justice are guaranteed to all citizens, including workers employed in organized and unorganized sectors. However, increased integration into global trade through FTAs often creates competitive pressures that may compel industries to reduce labour costs, adopt contractual employment mechanisms, and weaken labour standards in order to maintain international competitiveness. Consequently, there exists an inherent tension between economic liberalization and labour welfare.

Free Trade Agreements are economic treaties entered into by countries to reduce tariffs, eliminate trade restrictions, facilitate investment, and encourage the movement of goods and services across national borders. Unlike multilateral trade arrangements under the World Trade Organization (WTO), FTAs operate on a bilateral or regional basis and establish preferential trading relationships between participating states. India has entered into numerous FTAs including the India-ASEAN Free Trade Agreement, the Comprehensive Economic Partnership Agreement (CEPA) with Japan, South Korea, and the United Arab Emirates, as well as ongoing negotiations with countries such as the United Kingdom and the European Union. These agreements seek to enhance India's export competitiveness and integrate Indian industries into global supply chains.

Although FTAs primarily focus on economic objectives, their indirect consequences on labour protections are substantial. Increased foreign competition often leads industries to prioritize efficiency and cost reduction, which may adversely impact labour rights. Employers may seek to minimize expenses through contractual employment, outsourcing, temporary labour, and wage suppression. This can result in deteriorating working conditions, weakened trade unions, and increased informalization of labour. On the other hand, proponents argue that FTAs stimulate industrial growth, create employment opportunities, attract foreign direct investment, and improve productivity, thereby indirectly benefiting workers. Thus, the impact of FTAs on labour protections is multidimensional and requires comprehensive legal examination.

The constitutional framework of India establishes a robust foundation for labour welfare. Fundamental Rights and Directive Principles of State Policy collectively ensure labour protection and socio-economic justice.

Article 14 guarantees equality before law and equal protection of laws, thereby prohibiting discriminatory employment practices<sup>1</sup>. Article 19(1)(c) guarantees freedom of association, including the right of workers to form trade unions for collective bargaining and protection of employment interests<sup>2</sup>. Article 21 guarantees protection of life and personal liberty, which judicial interpretation has expanded to include the right to livelihood, humane working conditions, and dignified employment<sup>3</sup>. Further, Articles 23 and 24 prohibit forced labour, bonded labour, and child labour in hazardous employment<sup>4</sup>. Directive Principles such as Article 38 direct the State to promote social welfare and minimize inequalities. Article 39 mandates adequate means of livelihood and equal pay for equal work, while Articles 41, 42, and 43 emphasize humane working conditions, maternity relief, living wages, and social security for workers<sup>5</sup>. Article 43A further promotes worker participation in industrial management<sup>6</sup>. These constitutional safeguards illustrate India's commitment toward balancing economic development with labour welfare.

The Supreme Court of India has repeatedly emphasized the importance of labour rights as integral to constitutional governance. In *People's Union for Democratic Rights v. Union of India*<sup>7</sup>, the Supreme Court held that non-payment of minimum wages amounts to forced labour prohibited under Article 23 of the Constitution. The Court recognized labour welfare as a constitutional obligation rather than a mere policy choice. Similarly, in *Bandhua Mukti Morcha v. Union of India*<sup>8</sup>, the Court expanded constitutional protections for vulnerable labourers and held that the State has a duty to ensure humane working conditions and prevent exploitation.

The introduction of FTAs has intensified discussions regarding the adequacy of labour laws in protecting workers from adverse market consequences. Labour-intensive industries such as textiles, manufacturing, agriculture, leather production, and information technology frequently face pressures arising from international competition. For example, under trade liberalization regimes, industries may relocate production to jurisdictions with lower labour costs, resulting in employment instability and wage suppression. Employers increasingly rely on contractual labour to reduce operational costs and avoid statutory obligations relating to permanent employment.

The legal framework regulating labour protections in India has undergone substantial reforms, particularly through the consolidation of labour laws into four Labour Codes. The Code on Wages, 2019 consolidates legislation concerning minimum wages, payment of wages, and bonus entitlements. Section 3 of the Code empowers the Central Government to fix minimum wages, thereby ensuring income protection for workers. The Occupational Safety, Health and Working Conditions Code, 2020 establishes statutory safeguards regarding workplace safety, health standards, welfare facilities, and employment conditions. Similarly, the

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<sup>1</sup> INDIA CONST. art. 14

<sup>2</sup> INDIA CONST. art. 19(1)(c)

<sup>3</sup> INDIA CONST. art. 21.

<sup>4</sup> INDIA CONST. arts. 23–24.

<sup>5</sup> INDIA CONST. arts. 38, 39, 41, 42, 43.

<sup>6</sup> INDIA CONST. art. 43A.

<sup>7</sup> *People's Union for Democratic Rights v. Union of India*\*, (1982) 3 SCC 235

<sup>8</sup> *Bandhua Mukti Morcha v. Union of India*\*, (1984) 3 SCC 161.

Industrial Relations Code, 2020 regulates industrial disputes, trade unions, layoffs, retrenchment, and collective bargaining mechanisms. The Code on Social Security, 2020 expands social protection measures for workers, including gig workers and platform workers who increasingly constitute a significant portion of India's labour force.

The Supreme Court has repeatedly upheld the principle of social justice in labour relations. In *Olga Tellis v. Bombay Municipal Corporation*, the Court recognized livelihood as an essential component of the right to life under Article 21<sup>9</sup>. This judgment has significant implications in evaluating labour consequences arising from trade liberalization and industrial restructuring under FTAs. Similarly, in *Consumer Education & Research Centre v. Union of India*<sup>10</sup>, the Court emphasized occupational health and worker safety as constitutional rights protected under Article 21.

One major consequence of Free Trade Agreements in India is the informalization of labour. As industries compete internationally, employers increasingly engage workers through informal arrangements to avoid statutory labour obligations. Informal labour lacks employment security, social security benefits, paid leave, and healthcare protections. The absence of formal employment contracts makes workers highly vulnerable to exploitation. This challenge becomes particularly evident in export-oriented industries such as garments, footwear, and electronics manufacturing, where global competition pressures employers to reduce labour expenses.

In *Dharangadhara Chemical Works Ltd. v. State of Saurashtra*<sup>11</sup>, the Supreme Court emphasized the necessity of determining employer-employee relationships based on actual control and supervision rather than formal contractual arrangements. This case remains relevant in addressing disguised employment relationships emerging due to trade liberalization and outsourcing practices.

Another important issue concerns wage suppression. While FTAs may stimulate industrial growth, employers often prioritize competitiveness over fair compensation. Labour-intensive sectors may experience stagnant wages despite increased productivity and exports. The doctrine of "equal pay for equal work" has been reinforced by Indian courts to combat wage discrimination. In *Randhir Singh v. Union of India*, the Supreme Court held that equal pay for equal work is a constitutional goal derived from Articles 14 and 39(d)<sup>12</sup>. Women workers are particularly vulnerable in the context of FTAs<sup>13</sup>. Increased export-oriented production often results in the feminization of labour, wherein women are employed in precarious, low-paid positions lacking social security protections. Despite greater employment opportunities, women workers frequently encounter unsafe working environments, unequal wages, and limited career advancement. The Equal Remuneration Act, 1976, now integrated under the Code on Wages, 2019, seeks to eliminate gender discrimination in employment and remuneration.

The judiciary has strongly condemned exploitative labour practices affecting women workers. In *Vishaka v.*

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<sup>9</sup> *Olga Tellis v. Bombay Municipal Corporation* (1985) 3 SCC 545

<sup>10</sup> *Consumer Education & Research Centre v. Union of India*<sup>10\*</sup>, (1995) 3 SCC 42.

<sup>11</sup> *Dharangadhara Chemical Works Ltd. v. State of Saurashtra*\*, AIR 1957 SC 264.

<sup>12</sup> *Randhir Singh v. Union of India*, (1982) 1 SCC 618.

<sup>13</sup> *Randhir Singh v. Union of India*, (1982) 1 SCC 618.

State of Rajasthan, the Supreme Court recognized workplace safety and dignity as fundamental rights under Articles 14, 19, and 21<sup>14</sup>. Although not directly related to FTAs, this judgment highlights the necessity of maintaining labour protections amidst increasing industrial expansion driven by global trade.

### **Impact of Free Trade Agreements on Employment and Labour Protections in India**

Free Trade Agreements have generated both positive and negative consequences for employment opportunities in India. On one hand, FTAs promote export expansion, industrial growth, foreign direct investment, and technological advancement, which may create new employment opportunities. Sectors such as automobile manufacturing, pharmaceuticals, information technology, textiles, and electronics have benefited from increased market access due to trade liberalization. The India–ASEAN Free Trade Agreement and trade partnerships with countries such as Japan, South Korea, and the United Arab Emirates have opened avenues for export-led employment generation. However, despite economic expansion, employment growth has not always translated into decent working conditions or adequate labour protections.

One of the major concerns associated with FTAs is job displacement resulting from foreign competition. Domestic industries unable to compete with imported goods may experience financial distress, leading to retrenchment, layoffs, and factory closures. Labour-intensive sectors often become vulnerable to market fluctuations created by global competition. Workers in small-scale industries may particularly suffer because multinational corporations possess superior technological and financial capabilities. Consequently, labour protections become essential to prevent exploitation and economic insecurity among displaced workers.

The Industrial Relations Code, 2020 plays a significant role in safeguarding workers from arbitrary termination and industrial disputes. Section 67 of the Industrial Relations Code regulates layoffs, retrenchment, and closure in industrial establishments, requiring employers to comply with statutory obligations before terminating workers. The Code further recognizes trade unions and collective bargaining mechanisms aimed at preserving industrial harmony. However, critics argue that recent labour reforms prioritize industrial flexibility and investment attractiveness at the cost of worker protections, especially in sectors influenced by international trade agreements.

The Supreme Court has consistently recognized employment security as an essential component of labour welfare. In *Delhi Transport Corporation v. D.T.C. Mazdoor Congress*<sup>15</sup>, the Court held that arbitrary termination of employment violates constitutional principles of fairness and reasonableness. This case highlights the judiciary's insistence on balancing managerial discretion with labour protections.

Trade union rights also face significant challenges in the context of Free Trade Agreements. Increased privatization and globalization have weakened collective bargaining mechanisms in many industries. Employers frequently discourage unionization to maintain production efficiency and avoid labour disputes that may affect international competitiveness. As multinational corporations establish operations in India, labour flexibility often becomes a preferred strategy, resulting in reduced bargaining power for workers.

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<sup>14</sup> *Vishaka v. State of Rajasthan*, (1997) 6 SCC 241.

<sup>15</sup> *Delhi Transport Corporation v. D.T.C. Mazdoor Congress*, 1991 Supp. (1) SCC 600

Article 19(1)(c) of the Constitution guarantees freedom of association and recognizes the right of workers to organize trade unions. The Trade Unions Act, 1926, now subsumed within the Industrial Relations Code, protects workers' rights to collective representation. In *All India Bank Employees' Ass'n v. National Industrial Tribunal*<sup>16</sup>, the Supreme Court acknowledged the importance of trade unions in protecting labour interests while clarifying that the right to strike is not an absolute fundamental right. Global competition arising from FTAs has further accelerated the growth of contractual and temporary employment arrangements. Employers increasingly rely on contract labour to minimize operational expenses and avoid obligations related to permanent employment benefits. Contract workers often receive lower wages, lack social security benefits, and face employment insecurity despite performing identical work to regular employees. The Contract Labour (Regulation and Abolition) Act, 1970 attempted to regulate exploitative practices by imposing registration and welfare requirements upon employers and contractors.

In *Air India Statutory Corporation v. United Labour Union*<sup>17</sup>, the Supreme Court initially adopted a worker-friendly approach and emphasized labour welfare principles while addressing contract labour issues. However, later judicial developments in *Steel Authority of India Ltd. v. National Union Waterfront Workers*<sup>18</sup> restricted automatic absorption of contract labour into permanent employment. These cases reveal the judiciary's evolving stance regarding labour flexibility and industrial competitiveness.

The emergence of gig and platform-based employment has further complicated labour protections in the context of globalization and digital trade. Companies engaged in food delivery, logistics, e-commerce, and transportation increasingly rely upon gig workers operating outside traditional employment frameworks. Although FTAs primarily address goods and services trade, globalization indirectly contributes to the growth of platform economies. Gig workers often lack minimum wage guarantees, healthcare benefits, insurance protections, and collective bargaining rights

Recognizing these challenges, the Code on Social Security, 2020 introduced statutory recognition for gig workers and platform workers under Sections 2(35) and 2(61). This represents a progressive step toward extending labour protections to emerging employment categories influenced by global economic integration. However, implementation remains uncertain, and many gig workers continue to function in precarious working environments without meaningful legal safeguards.

Occupational safety and health constitute another critical labour issue affected by Free Trade Agreements. Competitive market pressures may incentivize employers to compromise workplace safety in pursuit of reduced production costs and enhanced productivity. Export-oriented industries frequently demand intensive labour, long working hours, and strict production targets, sometimes resulting in hazardous employment conditions.

The Occupational Safety, Health and Working Conditions Code, 2020 consolidates workplace safety laws and imposes obligations upon employers regarding sanitation, ventilation, health standards, welfare measures, and

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<sup>16</sup> *All India Bank Employees' Ass'n v. National Industrial Tribunal*, AIR 1962 SC 171.

<sup>17</sup> *Air India Statutory Corporation v. United Labour Union*, (1997) 9 SCC 377.

<sup>18</sup> *Steel Authority of India Ltd. v. National Union Waterfront Workers*, (2001) 7 SCC 1.

accident prevention. Section 6 of the Code mandates employers to ensure a workplace free from hazards affecting workers' health and safety. Despite statutory safeguards, enforcement remains inconsistent, particularly in unorganized and export-oriented sectors.

The Supreme Court in *Consumer Education & Research Centre v. Union of India*<sup>19</sup> emphasized occupational health as a fundamental right under Article 21 and held that workers possess a constitutional entitlement to safe working conditions. The Court recognized medical care and workplace safety as inseparable components of labour dignity.

Similarly, in *M.C. Mehta v. State of Tamil Nadu*<sup>20</sup>, the Supreme Court addressed child labour in hazardous industries and directed stricter regulatory enforcement to protect vulnerable workers. In the context of Free Trade Agreements, industries aiming to maximize competitiveness must not compromise fundamental labour protections concerning workplace safety and child labour prevention.

Another critical issue concerns wage inequality and labour exploitation. Trade liberalization often intensifies competition among industries, encouraging employers to suppress wages to reduce operational costs. Although increased foreign investment may enhance productivity, workers frequently fail to receive proportional benefits through improved remuneration. Labour market flexibility often results in income disparities between permanent employees and contract labourers.

The Code on Wages, 2019 consolidates wage-related legislation and empowers governments to establish statutory minimum wages for workers. Section 6 authorizes minimum wage fixation, while Section 13 addresses payment procedures and wage periods. These provisions aim to ensure fair compensation regardless of industrial pressures arising from international trade.

Judicial interpretation has strongly reinforced wage justice principles. In *Sanjit Roy v. State of Rajasthan*<sup>21</sup>, the Supreme Court held that payment below minimum wage constitutes forced labour prohibited under Article 23. Similarly, in *Women workers face unique challenges within industries shaped by FTAs and globalization*. Export-oriented sectors such as textiles, electronics, and food processing frequently employ large numbers of women workers under precarious conditions. Although employment opportunities increase, women often encounter wage discrimination, sexual harassment, poor maternity protections, and unsafe working environments.

The Maternity Benefit Act, 1961 and provisions under the Code on Social Security, 2020 attempt to ensure workplace equality and welfare for women employees. Article 42 of the Constitution specifically directs the State to provide humane working conditions and maternity relief<sup>22</sup>. In *Municipal Corporation of Delhi v. Female Workers (Muster Roll)*,<sup>23</sup> the Supreme Court expanded maternity benefits to daily wage workers and emphasized social justice principles. This judgment demonstrates judicial willingness to strengthen labour protections amidst evolving employment structures.

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<sup>19</sup> *Consumer Education & Research Centre v. Union of India*, (1995) 3 SCC 42.

<sup>20</sup> *M.C. Mehta v. State of Tamil Nadu*, (1996) 6 SCC 756.

<sup>21</sup> *Sanjit Roy v. State of Rajasthan*, (1983) 1 SCC 525.

<sup>22</sup> INDIA CONST. art. 42.

<sup>23</sup> *Municipal Corporation of Delhi v. Female Workers (Muster Roll)*, (2000) 3 SCC 224.

Furthermore, workplace dignity remains essential in labour jurisprudence. In *Vishaka v. State of Rajasthan*<sup>24</sup>, the Supreme Court formulated legally binding guidelines against workplace sexual harassment and emphasized dignity, equality, and safety for women workers. Increased globalization and industrial expansion under FTAs make workplace protection mechanisms increasingly important.

### **Challenges and Criticism of Free Trade Agreements in Relation to Labour Protections**

Despite the economic advantages associated with Free Trade Agreements, significant criticisms remain regarding their impact on labour protections in India. One of the foremost criticisms concerns the absence of enforceable labour clauses in several trade agreements. Unlike some international agreements that explicitly incorporate labour rights obligations, many Free Trade Agreements entered into by India prioritize tariff reduction, market access, and investment facilitation without establishing binding mechanisms for labour protection. As a result, industries may benefit economically while workers continue to experience exploitative working conditions, wage suppression, and weakened collective bargaining rights.

The phenomenon commonly referred to as the “race to the bottom” presents another major concern. Under conditions of global competition, industries may seek to attract foreign investment by lowering labour costs and reducing regulatory compliance. Employers may increasingly rely upon contractual labour, temporary employment, outsourcing, and automation to remain competitive in international markets. Consequently, workers may face declining job security and limited access to welfare protections. This issue becomes especially problematic in labour-intensive sectors such as textiles, leather manufacturing, agriculture, mining, and electronics production.

The informalization of labour continues to represent one of India’s most serious labour challenges. A substantial proportion of India’s workforce operates within the unorganized sector, where labour protections remain minimal despite statutory safeguards. Increased economic integration under FTAs often benefits larger corporations while informal workers struggle with unstable employment conditions. Workers employed informally frequently lack social security, healthcare benefits, pensions, accident insurance, and maternity protections. This imbalance raises concerns regarding distributive justice and equitable economic development.

The judiciary has repeatedly intervened to protect vulnerable workers from exploitation. In *Bandhua Mukti Morcha v. Union of India*<sup>25</sup>, the Supreme Court reaffirmed the State’s constitutional responsibility to prevent labour exploitation and protect bonded labourers from inhumane conditions. The Court emphasized that labour dignity constitutes an essential aspect of constitutional governance and social justice. Similarly, in *Neeraja Chaudhary v. State of Madhya Pradesh*<sup>26</sup>, the Court stressed the obligation of governments to rehabilitate labourers subjected to exploitative employment systems. Another challenge concerns the weakening of trade unions in export-oriented industries. Global competition frequently discourages collective

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<sup>24</sup> *Vishaka v. State of Rajasthan*, (1997) 6 SCC 241.

<sup>25</sup> *Bandhua Mukti Morcha v. Union of India*, (1984) 3 SCC 161.

<sup>26</sup> *Neeraja Chaudhary v. State of Madhya Pradesh*, (1984) 3 SCC 243.

labour action due to concerns regarding production disruptions and reduced competitiveness. Employers may discourage union formation to maintain uninterrupted productivity and cost efficiency. The decline of unionization significantly affects workers' bargaining power concerning wages, workplace conditions, and job security.

In *B.R. Singh v. Union of India*<sup>27</sup>, the Supreme Court recognized strikes and collective bargaining as important components of industrial democracy, although subject to reasonable regulation. While industrial peace remains essential for economic development, worker participation in employment negotiations remains equally necessary to preserve labour justice.

Furthermore, labour law enforcement continues to suffer from administrative weaknesses. Although India possesses an extensive legislative framework governing labour right, enforcement mechanisms frequently remain inadequate due to insufficient labour inspections, bureaucratic inefficiency, corruption, and procedural delays. Employers may violate statutory obligations concerning minimum wages, workplace safety, social security contributions, and employment benefits without meaningful consequences. Trade liberalization cannot function equitably unless labour protections are effectively implemented.

Judicial observations in *Occupational Health & Safety Ass'n v. Union of India* reinforced the significance of labour welfare and employer accountability in ensuring workplace dignity and safety. Although statutory reforms continue to evolve, implementation challenges persist, especially in sectors affected by global economic pressures.

### **Policy Recommendations and Legal Reforms**

The relationship between Free Trade Agreements and labour protections requires balanced legal and policy interventions aimed at harmonizing economic growth with social justice. India must adopt a rights-based framework ensuring that trade liberalization does not undermine constitutional labour protections. A comprehensive approach integrating labour welfare into economic policy is essential for achieving sustainable development.

First, India should incorporate enforceable labour standards within future Free Trade Agreements. Labour clauses addressing wages, occupational safety, child labour prevention, forced labour prohibition, gender equality, and trade union rights should be expressly included in trade negotiations. Such clauses would ensure that economic competitiveness does not occur at the expense of labour dignity.

Second, labour law enforcement mechanisms require substantial strengthening. Labour inspectorates should receive greater institutional support to monitor compliance with wage laws, workplace safety regulations, maternity protections, and social security obligations. Technological monitoring systems may improve transparency and accountability in labour-intensive industries participating in global trade.

Third, social security protections should be expanded for informal, gig, and contractual workers. The Code on Social Security, 2020 represents an important legislative development, but its effective implementation

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<sup>27</sup> *B.R. Singh v. Union of India*, (1990) 4 SCC 598.

remains crucial. Workers employed through digital platforms and export-oriented supply chains should receive access to healthcare, insurance, pension schemes, and accident compensation.

Fourth, trade unions should be empowered to participate in labour policy discussions concerning Free Trade Agreements. Worker representation within trade negotiations would improve labour-sensitive policymaking and reduce conflicts between industrial growth and labour welfare. Collective bargaining mechanisms should be strengthened rather than weakened under globalization.

Fifth, women workers employed in export-oriented sectors require stronger workplace protections. Gender-sensitive labour regulations concerning equal pay, maternity relief, workplace safety, childcare support, and anti-harassment measures must receive stricter enforcement. Increased economic participation of women should correspond with enhanced labour dignity and legal safeguards.

The Supreme Court has consistently emphasized that labour rights must remain central to constitutional governance. In *Francis Coralie Mullin v. Administrator, Union Territory of Delhi*<sup>28</sup>, the Court interpreted Article 21 broadly to include the right to live with dignity and humane conditions. This interpretation reinforces the argument that labour protections cannot be sacrificed in pursuit of economic efficiency.

Likewise, in *Olga Tellis v. Bombay Municipal Corporation*, the Court recognized livelihood as inseparable from the constitutional right to life. Trade liberalization policies, therefore, must prioritize employment security and livelihood protection alongside economic expansion.

## **Conclusion**

Free Trade Agreements represent an important mechanism for economic growth, industrial development, and international cooperation. India's participation in global trade has generated substantial opportunities concerning exports, foreign direct investment, technological advancement, and employment generation. However, the expansion of international trade has simultaneously intensified concerns regarding labour protections, wage justice, employment security, workplace safety, and trade union rights. The impact of FTAs upon labour protections remains complex, involving both opportunities and risks.

India's constitutional framework strongly supports labour welfare through Fundamental Rights and Directive Principles aimed at ensuring dignity, equality, humane working conditions, and social justice. Articles 14, 19, 21, 23, 24, 38, 39, 41, 42, 43, and 43A collectively establish a welfare-oriented legal foundation protecting workers from exploitation. Labour statutes and newly consolidated Labour Codes further reinforce these protections through wage regulation, occupational safety standards, social security measures, and industrial relations mechanisms.

Nevertheless, globalization and Free Trade Agreements create pressures encouraging labour flexibility, contractual employment, wage suppression, and weakened unionization. Informal labour, gig work, precarious employment, and occupational vulnerabilities continue to challenge India's labour governance framework. Judicial interventions by the Supreme Court have consistently protected workers' rights through expansive

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<sup>28</sup> *Francis Coralie Mullin v. Administrator, Union Territory of Delhi*, (1981) 1 SCC 608.

constitutional interpretation, emphasizing dignity, livelihood, fair wages, and humane employment conditions. Ultimately, India must pursue a balanced approach wherein economic liberalization and labour protections coexist harmoniously. Free Trade Agreements should not merely prioritize trade efficiency but must also advance social justice and labour dignity. Sustainable economic development can only be achieved when workers, who constitute the backbone of industrial productivity, receive adequate legal protection, fair wages, secure employment, and safe working environments. A labour-sensitive approach to international trade policy remains indispensable for achieving inclusive and equitable economic growth in India.