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The Legal Paradox of Export Processing Zones: How WTO Trade Liberalisation Undermines Core Labour Standards in Developing Nations' Special Economic Zones, Focusing on Textile and Garment Manufacturing

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ABSTRACT

The paper analyses the legal paradox created by WTO trade liberalisation policies that encourage the establishment of Export Processing Zones (EPZs) while also compromising fundamental labour standards in developing countries' textile manufacturing industries. By examining WTO agreements, ILO conventions and case studies from Bangladesh, Honduras and India, this study shows how institutional flaws and regulatory arbitrage allow for the systematic circumvention of basic worker protections. According to the study, EPZs, especially those involved in the garment and textile sectors, function under labour laws that have been modified to limit freedom of association, allow for excessive working hours and provide insufficient protection for workforces that are predominantly female. Enforcement gaps continue despite global efforts such as corporate social responsibility frameworks and ILO programmes. The paper concludes that, in order to stop this race to the bottom in protections for workers, significant changes are needed, which necessitates concerted action that links trade agreements to enforceable labour standards and strengthens domestic regulatory capacity by establishing binding international compliance mechanisms.

Keywords: *export processing zones, textile industry, freedom of association, labour exploitation*

I. INTRODUCTION

Export Processing Zones, also known as Free Trade Zones (FTZs) or Special Economic Zones (SEZs), are central to the integration of developing countries into global value chains. Tax exemptions, simplified regulations and, most importantly, modified labour laws that frequently

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suspend or compromise fundamental worker protections are among the preferential treatment that these designated areas provide to foreign investors. The textile and garment industry globally employs approximately 75 million workers,[1] a significant number of whom are employed in EPZs. In 2013 the Rana Plaza building in Savar, near Dhaka, Bangladesh, collapsed, killing 1,134 people and injuring approximately 2,500 others; the disaster exposed the consequences of labour rights violations in the country's export garment sector.[2] This tragedy indicates that the structure of international trade incentivises the erosion of worker protections in the pursuit of competitive advantage.

This paper investigates the legal paradox associated with contemporary trade policy, where WTO trade liberalisation policy promotes economic development and provides incentives for developing nations to establish EPZs that circumvent the core labour standards established globally by the International Labour Organization (ILO). This paradox is particularly noticeable in the textile and garment manufacturing industry, where fierce price competition and footloose capital, combined with a vast and increasing number of employment opportunities, create a "race to the bottom" in labour protections.[3] This tension between trade liberalisation and the protection of labour rights is not merely theoretical, as it is expressed in legal frameworks that put commercial interests ahead of worker welfare. WTO agreements, and particularly the Agreement on Textiles and Clothing (ATC)[4] and the subsequent arrangements after its expiry, have restructured production in textile industries globally without enforceable labour standards. As a result, developing nations offer a permissive regulatory environment within EPZs to attract and compete for foreign investment,[5] creating "regulatory arbitrage" opportunities for multinational corporations (MNCs).[6]

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[1] *Garment / Textile Archives*, GLOBAL LIVING WAGE COALITION, https://www.globallivingwage.org/industries/garment-textile/ (last visited Sept. 16, 2025).

[2] *Whoever Raises Their Head Suffers the Most: Workers' Rights in Bangladesh's Garment Factories*, HUMAN RIGHTS WATCH (Apr. 22, 2015), https://www.hrw.org/report/2015/04/22/whoever-raises-their-head-suffers-most/workers-rights-bangladeshs-garment (last visited Sept. 16, 2025); *Written Evidence from the International Centre for Trade Union Rights (ICTUR) and Professor Keith Ewing* (HRB0042), at 3, https://committees.parliament.uk/writtenevidence/70501/pdf/ (last visited Sept. 16, 2025).

[3] Ronald B. Davies & Krishna Chaitanya Vadlamannati, *A Race to the Bottom in Labor Standards? An Empirical Investigation*, 103 JOURNAL OF DEVELOPMENT ECONOMICS 1, 13 (2013).

[4] *Agreement on Textiles and Clothing*, Marrakesh Agreement Establishing the World Trade Organization, Annex 1A, https://www.wto.org/english/docs_e/legal_e/16-tex_e.htm (last visited Sept. 17, 2025).

[5] Drusilla K. Brown, *Labor Standards: Where Do They Belong on the International Trade Agenda?*, 15 JOURNAL OF ECONOMIC PERSPECTIVES 89, 102 (2001).

[6] Frank Partnoy, *Financial Derivatives and the Costs of Regulatory Arbitrage*, at 227 ("Regulatory arbitrage consists of those financial transactions designed specifically to reduce costs or capture profit opportunities created by differential regulations or laws."), https://lawcat.berkeley.edu/record/1116087?ln=en&v=pdf (last visited Sept. 17, 2025).

II. Research Questions and Methodology

The following research question is addressed in this paper: how do WTO arrangements and principles of trade liberalisation provide legal frameworks that consistently undermine fundamental labour standards in developing countries' textile EPZs?

The main thesis argues that the legal paradox created by WTO trade liberalisation policies, which facilitate the establishment of EPZs by providing incentives that undermine labour standards in the textile manufacturing industry, leads to a "race to the bottom" in worker protections. This operates through two interconnected mechanisms: first, the structural separation of trade and labour law in international trade governance, together with the weakness of enforcement mechanisms for existing labour standards; and second, the competition between developing countries to attract foreign investment through regulatory relaxation. To that end, developing nations tend to dilute domestic labour protection laws, relax tax structures and reduce tariffs and other import and export duties, as a result of which the establishments concerned, generally MNCs, attain higher productivity and earn greater profits than they would in comparison with other nations. This competition between developing countries to attract investment results in the exploitation of workers by circumventing core labour standards.

This research employs a comparative legal analysis methodology, examining the intersection of international trade law and labour standards through detailed case studies of textile EPZs in Bangladesh, Honduras and India. The analysis draws on primary sources including WTO agreements, ILO conventions and national EPZ legislation, supplemented by empirical studies of labour conditions and documented violations. The paper proceeds as follows: Section III analyses the legal architecture governing EPZs, examining both WTO trade rules and ILO labour standards. Section IV presents detailed case studies documenting labour violations in textile EPZs.

III. Legal and Policy Framework Analysis

A. WTO Trade Architecture and the Textile Industry

The Agreement on Textiles and Clothing (ATC), which was in effect from 1995 to 2005, represented the WTO's procedure for integrating the textile industry into the general rules of trade under the GATT.[7] In order to achieve full liberalisation by January 2005, the ATC mandated the progressive elimination of Multifibre Arrangement (MFA) quotas in stages. This shift drastically altered the dynamics of the textile industry globally by eliminating the artificial

[7] *Agreement on Textiles and Clothing*, *supra* note 4, art. 2.

dispersion of production that those quotas had created. After the ATC ceased to exist, textile trade operated under the general WTO principles of Most Favoured Nation (MFN) treatment and National Treatment (NT) under the GATT 1994, and under arrangements such as the Generalized System of Preferences (GSP)[8] and regional trade agreements.[9]

The absence of a textile specific framework leads to cost minimisation in order to attain competitive advantage, and particularly to the minimisation of labour costs. According to an ILO report on the Asian garment sector, the two largest cost components are the cost of imported materials, which is usually beyond the manufacturer's control, and labour costs, which can be controlled. Since manufacturers have no control over the product's price, their profitability depends entirely on their costs, which comes at the expense of labour costs.[10]

WTO practice maintains that trade and labour issues are strictly separated. The Singapore Ministerial Declaration of 1996 clearly rejected the use of labour standards for protectionist purposes.[11] The declaration stated:

> We believe that economic growth and development fostered by increased trade and further trade liberalization contribute to the promotion of these standards. We reject the use of labour standards for protectionist purposes, and agree that the comparative advantage of countries, particularly low-wage developing countries, must in no way be put into question.[12]

Apart from a general exception to GATT commitments under Article XX(e), which permits countries to depart from GATT obligations with regard to the products of prison labour, the WTO agreements do not explicitly mention labour related standards. It is also important to remember that, at the Havana Charter discussions, the idea of applying Article XX(d) on "measures necessary to secure compliance with laws or regulations not inconsistent with the GATT" to labour standards was considered but ultimately rejected.[13]

B. EPZ Legal Structures

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[8] *Generalized System of Preferences*, UN TRADE AND DEVELOPMENT (UNCTAD), https://unctad.org/topic/trade-agreements/generalized-system-of-preferences (last visited Sept. 17, 2025).

[9] *Textiles: Back in the Mainstream*, WORLD TRADE ORGANIZATION, Understanding the WTO, https://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm5_e.htm (last visited Sept. 17, 2025).

[10] INTERNATIONAL LABOUR ORGANIZATION, *Employment, Wages and Productivity in the Asian Garment Sector: Taking Stock of Recent Trends*, at 22 (June 24, 2022), https://www.ilo.org/publications/employment-wages-and-productivity-asian-garment-sector-taking-stock-recent (last visited Sept. 17, 2025).

[11] Anuradha R.V. & Nimisha Singh Dutta, *Trade and Labour: An Assessment of Recent Trends*, Clarus Law Associates, at 14-15, https://wtocentre.iift.ac.in/Papers/Trade%20Labour%20Study.pdf (last visited Sept. 18, 2025).

[12] *Singapore Ministerial Declaration*, WORLD TRADE ORGANIZATION, para. 4 (Dec. 13, 1996), https://www.wto.org/english/thewto_e/minist_e/min96_e/wtodec_e.htm (last visited Sept. 18, 2025).

[13] Anuradha R.V. & Nimisha Singh Dutta, *supra* note 11, at 15.

Export Processing Zone legislation typically establishes parallel legal regimes that modify or suspend generally applicable laws. A World Bank report on SEZs states that zones suppress basic labour rights.[14] This often results in restrictions on union activities, the extension of working hours and the reduction of employer obligations, among other consequences. Analysis of EPZ legislation across textile producing countries reveals a systematic pattern of labour law modification.

According to the rules of Bangladesh's EPZ Authority and the Bangladesh Economic Zone Authority, there is no scope for workers to form trade unions or to call strikes in the establishments concerned. The labour rights of the roughly 458,000 workers in the EPZs are governed by a separate legal framework administered by the Bangladesh Export Processing Zones Authority (BEPZA). Worker Welfare Associations (WWAs) elected by the employees are granted limited associational and negotiating powers under EPZ law, including the ability to negotiate collectively and to defend their members in disputes, and unions are forbidden by law in EPZs.[15] According to the INTERNATIONAL TRADE UNION CONFEDERATION (ITUC), Bangladesh is among the ten worst countries in the world for working people and is among those that most severely restrict trade union rights.[16] Although the Bangladesh government decided in 2023 to permit trade unions to operate in the economic zones, the EPZs are exempted owing to commitments made to foreign investors by the government.[17]

Honduras's Organic Law of the Zones for Employment and Economic Development (ZEDE), Decreto No. 120-2013 (repealed by the National Congress of Honduras in April 2022, Decreto No. 32-2022), created "Zones for Employment and Economic Development" with reduced labour protections. The ZEDE legal framework safeguards Honduran sovereignty over the ZEDEs primarily through the national laws that it explicitly applies within them, namely articles 10-13, 15 and 19 of the Constitution and those laws listed in Article 41 of the ZEDE Organic Law.[18] Although the Constitution of Honduras guarantees equal or better constitutional

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[14] Gokhan Akinci & James Crittle, *Special Economic Zones: Performance, Lessons Learned, and Implications for Zone Development*, WORLD BANK, at 32, box 7, https://documents.worldbank.org/en/publication/documents-reports/documentdetail/343901468330977533 (last visited Sept. 19, 2025).

[15] INTERNATIONAL TRADE UNION CONFEDERATION, *Legal Information: Bangladesh*, https://www.ituc-csi.org/spip.php?page=legal_info&cc=BGD&lang=en (last visited Sept. 19, 2025).

[16] *Workers in Bangladesh Are Denied the Right to Strike*, FUF.se, https://fuf.se/en/magasin/arbetare-i-bangladesh-nekas-ratten-till-att-strejka/ (last visited Sept. 19, 2025); INTERNATIONAL TRADE UNION CONFEDERATION, *2020 ITUC Global Rights Index: The World's Worst Countries for Workers* (2020), https://www.ituc-csi.org/IMG/pdf/ituc_globalrightsindex_2020_en.pdf.

[17] *Govt Allows Trade Unions in Economic Zones*, THE BUSINESS STANDARD, https://www.tbsnews.net/economy/govt-allows-trade-unions-economic-zones-708534 (last visited Sept. 19, 2025).

[18] Michael Castle Miller & L. Grant Shubin, *Fostering Justice and Stability: Rights Protection and National Sovereignty in the Honduran Zones for Employment and Economic Development*, 20 A&C - REVISTA DE DIREITO ADMINISTRATIVO & CONSTITUCIONAL 49, 67 (2020).

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principles for the protection of human rights, this phrase is more general than the specific constitutional articles, with the result that those articles prevail. Honduras follows the monist system, which makes international and national law part of the same legal order. Importantly, Honduras is a party to all of the international human rights treaties, the major regional human rights treaties and the ILO's fundamental conventions. The protections and obligations embedded in these instruments extend to the ZEDEs and their populations as well.[19]

Article 34 requires these zones to create their own policy at all levels and prohibits licensing or mandatory association, but allows for accreditation requirements for certain professions (Decreto No. 120-2013, Ch. V, Art. 34). This article also does more work in advancing the ideas of a market-oriented system by prohibiting licensing systems or mandatory membership in a professional or labour association. It also promotes standards for professionals by allowing zones to implement accreditation requirements for certain professions.[20] Honduras therefore has *de jure* human rights protections in existence, but its administrative institutions have failed to enforce them.

These modifications operate through various mechanisms, such as explicit exemptions from labour laws, the creation of separate labour codes for EPZs, the delegation of regulatory authority to EPZ management, and the non-enforcement of existing provisions for the protection of workers. The paradox emerges from the intersection between binding trade obligations and non-binding labour standards. WTO agreements create enforceable obligations backed by dispute settlement mechanisms and trade sanctions, whereas ILO conventions lack enforcement machinery and rely on voluntary implementation. This results in penalties for violating trade rules but minimal repercussions for labour violations.

Regulatory arbitrage operates when MNCs exploit regulatory differences across jurisdictions, and in the textile industry this takes the form of footloose production that relocates in response to permissiveness. When a state enacts stringent labour laws that provide multiple protections to workers, the cost of production increases and profits fall, and investors tend to set up their production units in a state where the regulations are comparatively relaxed. Nations often relax laws to attract foreign direct investment, and there thus exists, on the empirical evidence, a negative correlation between labour protections and trade openness that results in a race to the bottom.[21]

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[19] *Id.* at 77.
[20] Jeffrey Mason & Carl Peterson, *The Honduran ZEDE Law, from Ideation to Action*, CHARTER CITIES INSTITUTE (May 11, 2021), https://chartercitiesinstitute.org/research/the-honduran-zede-law-from-ideation-to-action/ (last visited Sept. 23, 2025).
[21] Davies & Vadlamannati, *supra* note 3.

IV. Case Studies: Textile EPZs and Labour Standards Violations

A. Bangladesh EPZs

The Bangladesh Export Processing Zones Authority Act of 1980 was aimed at boosting industrialisation and creating jobs by promoting trade and investment, and it has had some success. The Act established the semi-autonomous Bangladesh Export Processing Zones Authority (BEPZA), which leases serviced land to industrial tenants in eight export processing zones across the country, primarily focused on the garment sector.[22] Chattogram (CEPZ) is the country's first and largest zone; it hosts around 500 industrial plots and employs approximately 200,000 workers.[23] The zone operates under the BEPZA Act, which creates a parallel legal framework that supersedes national labour laws.

Under the EPZ Workers Welfare Association and Industrial Relations Act, the labour law which applies in the zones, EPZ workers are prohibited from forming unions and may instead form only Worker Welfare Associations. An amendment to the EPZ labour law was passed in early 2019; the Export Processing Zones Labour Act 2019 failed to address major concerns, as it still does not provide the right to form trade unions, instead mandating Worker Welfare Associations with limited bargaining power, and it also affords inadequate protection against acts of anti-union discrimination.[24] Worker Welfare Associations are not allowed to maintain any link with any NGO or union outside the EPZ.

It remains challenging for independent unions to register with the Joint Director of Labour, especially in Narayanganj and Chattogram. Over the last eight years, roughly 45 per cent of all union registration applications have been denied.[25] Workers who attempt to form and join unions have faced threats from employers, physical violence and mass dismissals, made easier by the abundance of available workers.[26] Even when workers succeed in forming a trade union, registrations are rejected arbitrarily by the authorities. Only about 10 per cent of Bangladesh's

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[22] World Bank, Open Knowledge Repository, https://openknowledge.worldbank.org/entities/publication/5412cd71-c658-50c9-a3e8-96833e7eb7a4 (last visited Oct. 3, 2025).

[23] Bangladesh Export Processing Zones Authority, *Chattogram EPZ*, https://bepza.gov.bd/pages/chattogram-epz (last visited Oct. 3, 2025).

[24] Rafi Masud, *Overview of Export Processing Zones Labour Act 2019*, AS & Associates, Lexology (Apr. 20, 2022), https://www.lexology.com/library/detail.aspx?g=89c23bd7-d03f-47e6-8ace-a6814b239b8a; *No Trade Union: Workers' Welfare Associations at EPZ*, Stein & Partners, https://www.steinandpartners.com/textile-garments/no-trade-union-workers-welfare-associations-at-epz/ (last visited Oct. 4, 2025).

[25] International Trade Union Confederation, *Report for the World Trade Organization (WTO) General Council Review of the Trade Policies of Bangladesh 2019*, at 4, https://www.ituc-csi.org/IMG/pdf/2019-03_wto_tpr_bangladesh.pdf.

[26] *Whoever Raises Their Head Suffers the Most*, *supra* note 2.

more than 4,500 garment factories have registered unions.[27] Working conditions in EPZ textile factories violate international standards. Violations of workers' rights in the ready-made garment sector include violence and harassment, discrimination in wages and benefits, and unpaid overtime, among others.[28] Safety violations have contributed to major industrial disasters, including the Rana Plaza collapse, which led to the Accord on Fire and Building Safety in Bangladesh.

B. Honduras ZEDEs

Honduras emerged as one of the major textile exporters after the Caribbean Basin Initiative (1983) and the Central America Free Trade Agreement (CAFTA-DR, 2004). The 2013 ZEDE law provided for these zones to operate autonomously with modified labour laws. The textile and garment industry in Honduras provides employment to 146,000 workers directly and around 500,000 indirectly.[29]

Compared to other Central American nations, Honduran labour laws have permitted the development of collective bargaining and union consolidation, despite not meeting ILO requirements. For instance, Article 472 of the law forbids the establishment of multiple trade unions within the same business, which has decreased union fragmentation. However, the law stipulates that a strike must be approved by a two-thirds majority of an organisation's union and non-union workers (Article 563). Additionally, the law places further limitations that make legally sanctioned strikes extremely uncommon. Because every workplace is restricted to having one collective contract, employers have used collective "pacts", or contracts with non-unionised workers, to stop unionisation and collective bargaining.[30]

Labour organising in Honduran EPZs faces repression, and there are instances in which union leaders have been murdered, with textile organisers being targeted disproportionately. Being a trade unionist implies serious risks, as several trade union leaders have been confronted with death threats.[31] In 2020, the ILO's Committee of Experts on the Application of Conventions and Recommendations expressed concern at the large number of reported cases of anti-union

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[27] *Bangladesh: Garment Workers' Union Rights Bleak*, HUMAN RIGHTS WATCH (Apr. 21, 2016), https://www.hrw.org/news/2016/04/21/bangladesh-garment-workers-union-rights-bleak (last visited Oct. 4, 2025).

[28] INTERNATIONAL TRADE UNION CONFEDERATION, *We Need a Better Bangladesh*, https://www.ituc-csi.org/IMG/pdf/camcom220205_bangladesh_en-2.pdf (last visited Oct. 4, 2025).

[29] *Apparel Manufacturing*, ASOCIACIÓN HONDUREÑA DE MAQUILADORES (May 19, 2016).

[30] *Bargaining for Decent Work and Beyond: Transforming Work and Lives through Collective Bargaining Agreements in the Honduran Maquila Sector*, at 9-10, https://ler.la.psu.edu/wp-content/uploads/sites/4/2022/06/Honduras-maquila-report.pdf (last visited Oct. 11, 2025).

[31] INTERNATIONAL TRADE UNION CONFEDERATION, *2011 Annual Survey of Violations of Trade Union Rights: Honduras*, Refworld, https://www.refworld.org/reference/annualreport/ituc/2011/en/83238 (last visited Oct. 11, 2025).

violence, in particular the murder of 14 members of the trade union movement, and also expressed concern about the low wages being paid to workers.[32] One of the most recent instances is the murder of trade unionists in 2023, in which 13 people were killed when gunmen opened fire, including four union representatives.[33] Impunity prevailed owing to the failure of the Government to provide protection to unionists. Furthermore, employers use union busting practices which result in the circumvention of workers' rights, such as the rights to collective bargaining and representation. The gap between formal standards and actual practice shows the limitations of private governance approaches.

C. Indian EPZs

India is the world's second largest producer in the textile and garment industry and the third largest exporter of apparel, home textiles and technical textile products. Employment in the sector is over 45 million, and about 22,000 million garments are produced annually.[34] As of 2025 there are 276 operational SEZs in India, covering pharmaceuticals, textiles and apparel, leather manufacturing, food processing and other sectors.[35] They are governed by the Special Economic Zones Act, 2005, along with the Special Economic Zones Rules, 2006.

The SEZs are subject to central laws such as the Industrial Disputes Act, 1947 and the Minimum Wages Act, 1948, but these Acts are implemented with some modifications, and only if the SEZs offer better working conditions. However, their implementation remains a major point of concern, as enforcement powers are often transferred to the development commissioners, which reduces the role of the regular labour departments in SEZs and results in a self-regulatory environment. Although the Contract Labour (Regulation and Abolition) Act, 1970 is still in place, its execution is compromised, which leads to easy hiring and firing by employing workers on a temporary or contractual basis and depriving them of the benefits and welfare provided to permanent workers. There are many instances in which states have modified or exempted provisions of labour laws; for example, Madhya Pradesh, Uttar Pradesh and several other states have exempted SEZs from the Contract Labour (Regulation and Abolition) Act, and contract

[32] INTERNATIONAL LABOUR ORGANIZATION, *2020 Report on the Application of International Labour Standards*, at 153, 468 (Feb. 13, 2020), https://www.ilo.org/resource/conference-paper/ilc/109/2020-report-application-international-labour-standards (last visited Oct. 11, 2025).

[33] *Honduras: Four Trade Unionists Murdered*, INTERNATIONAL TRADE UNION CONFEDERATION (June 26, 2023), https://www.ituc-csi.org/Honduras-Four-trade-unionists-murdered (last visited Oct. 11, 2025).

[34] *Indian Textiles and Apparel Industry Analysis Presentation*, INDIA BRAND EQUITY FOUNDATION, https://www.ibef.org/industry/indian-textiles-and-apparel-industry-analysis-presentation (last visited Oct. 13, 2025).

[35] *List of Operational SEZs in India*, Special Economic Zones in India, https://sezindia.gov.in/sites/default/files/operational_SEZ/Operational%20SEZs%20in%20India%20276.pdf (last visited Oct. 13, 2025).

workers therefore have no status in labour law.[36] Section 23 of the SEZ Act[37] curtails the power of the labour courts, as they do not have jurisdiction in matters arising in the SEZs, by establishing designated courts.

In the garment sector, piece rate wages are common in SEZs, but the amount of wages remains hidden. Even though working hours in India are restricted to 48 hours per week, 60 to 72 hours of work is the practice in SEZs, and overtime is not documented or recorded in the payment of wages, thus depriving workers of their rights by not paying the minimum wage.[38] The Sumangali scheme, a form of forced labour in India, operates in the garment industry of Tirupur and its surrounding areas, which employ young girls as a large part of their workforce.[39] The Tirupur textile cluster in Tamil Nadu, a major export-oriented knitwear and garment hub, illustrates systematic labour violations in the Indian textile export sector. The Centre for Research on Multinational Corporations (SOMO) and the India Committee of the Netherlands found that women and girls who work in the spinning mills of Tamil Nadu are as young as 15 and are made to work long hours while still being given low wages.[40] Girls and young women were lured from their villages by false promises and were forced to work under appalling conditions.[41] Furthermore, the right of workers to strike is curtailed by declaring SEZ units to be a "public utility service" under the Industrial Disputes Act, 1947, as provided in the SEZ policy of the Government of Karnataka.[42]

V. CONCLUSION

The legal paradox of EPZs represents a contradiction in the global economy. While trade laws create binding obligations, labour protections remain voluntary, which creates systematic incentives for exploitation. The textile and garment industry exemplifies this, with millions of workers being subjected to conditions that violate human dignity. The case studies of Bangladesh, Honduras and India illustrate that these violations are the outcomes of current policy choices. To resolve this paradox, the relationship between trade, development and human

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[36] INTERNATIONAL LABOUR ORGANIZATION, *Trade Unions and Special Economic Zones in India*, at 18-20 (June 11, 2012), https://www.ilo.org/publications/trade-unions-and-special-economic-zones-india (last visited Oct. 13, 2025).

[37] The Special Economic Zones Act, 2005, No. 28, Acts of Parliament, 2005, § 23 (India).

[38] Sazzad Parwez, *Labour and Labour Welfare in Special Economic Zones in India with Special Reference to Gujarat*, 23 SOUTH ASIAN SURVEY 135, 139 (2016).

[39] *FWF Guidance on Sumangali*, FAIR WEAR FOUNDATION (2015), https://www.fairwear.org/resources/fwf-guidance-on-sumangali-2015 (last visited Oct. 13, 2025).

[40] *Exploitation Is Widespread in India's Textile Industry*, INTERNATIONAL TRADE UNION CONFEDERATION (Nov. 18, 2014), https://www.ituc-csi.org/exploitation-is-widespread-in (last visited Oct. 13, 2025).

[41] *Flawed Fabrics: The Abuse of Girls and Women Workers in the South Indian Textile Industry*, SOMO & INDIA COMMITTEE OF THE NETHERLANDS (Oct. 2014), https://www.somo.nl/flawed-fabrics/ (last visited Oct. 13, 2025).

[42] GOVERNMENT OF KARNATAKA, *Policy on Special Economic Zones*, https://csez.com/php/lawka08.php?linkid=4 (last visited Oct. 13, 2025).

rights has to be reimagined. Countries have to prioritise the interests and rights of their own people, which are being exploited, and capital has to be kept in check through restrictions that protect the marginalised. The main question is whether developing countries will prioritise people over production, and fundamental human rights over the interests of corporations in developed countries.

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