Evaluating Wage Disparities and Labor Policies in the Global Textile Industry- A Path towards Equitable Worker Welfare

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ABSTRACT

This study focuses on the challenges and problems of wage disparities and labor regulation in the international textile industry using a mixed methods comprehensive study with all at it: systematic literature review, quantitative analysis of data, and qualitative case studies. The systematic literature review relies on scholarly journals and official reports by International Labour Organization (ILO), Human Rights Watch (HRW), and Clean Clothes Campaign (CCC) and demonstrates that there is still a set of patterns of underpayment, especially among female employees. The statistical assessment of secondary data of the World Bank, ILO, and the country labor force surveys points to the great gap in the level of wages, wage elasticity, and the effect of the policy of labor. The investigation adds value to the research via inclusion of the labor rights reports, sustainability disclosure, NGO facilitated worker interviews. Evidence shows that the lack of enforcement of labor laws and laxity penalties are some of the causes of high non-compliance to labor laws especially in Bangladesh. In the meantime, CSR programs have demonstrated mixed results, with some companies bringing a positive contribution to the society by implementing community programs, and others do not help resolve systematic issues related to wages. In this research work, data triangulation is applied to boost reliability and reduce the occurrence of bias. The study finds out that although there are global policies aimed at the enhancement of labor standards especially in the aspects of policy frameworks, CSR, there is a huge disparity between policy promises and reality of real terms of worker welfare. It talks about implementation of more effective enforcing measures, introduction of living wages, as well as structural changes in global value chains supportive of a fair treatment of textile workers.

Keywords: Global textile industry, Wage inequality, Labor regulations, Corporate Social Responsibility (CSR), Minimum wage, Living wage, Worker welfare, Gender wage gap, Bangladesh garment sector, Labor policy enforcement, Mixed-methods research, Global value chains (GVCs), International Labour Organization (ILO), Case studies in labor rights, Supply chain accountability

INTRODUCTION

The textile industry stands as the planet's biggest sector employing extensive numbers of workers within both industrialized and developing economic frameworks. Textile and garment production stands as the cause of 8% of total manufacturing employment worldwide based on data from the International Labour Organization (ILO, 2020). This employment primarily exists in regions such as Asia, Africa, and Latin America. China leads along with Bangladesh and India and Vietnam control the industry by supplying major brands from Europe and North America with apparel and textiles. Even though the industry drives economic development and creates jobs as well as boosts foreign exchange earnings researchers continue to identify prevalent issues in labor exploitation alongside wage imbalances and insufficient labor policies (Anner, 2019).

Wage differences within the textile industry persist as a continuous challenge because developing countries maintain lower employee payment rates than Western economies. Multinational corporations (MNCs) exploit weak labor laws together with cheap labor availability to create substandard wages and poor working environments (Mezzadri, 2017). According to Anker and Anker (2017) textile sector workers earn insufficient wages which keep them below the poverty line even when they work full-time. Textile workers face harsh economic difficulties because wage theft and forced overtime along with minimum wage violations occur frequently (Islam & McPhail, 2019). The extensive use of subcontracting along with informal employment creates weakened wage structures that hinder workers from fighting for fair compensation (Ross, 2018).

The textile industry faces a critical issue because women workers receive lower pay than men for equivalent work. Most manufacturing workers in garment industries are women yet employers pay them less than men who perform equivalent tasks (Bair, Anner, & Blasi, 2020). Studies have shown that wage differences between men and women in the industry stem from discrimination against women along with job type restrictions and insufficient labor protections (Mezzadri, 2017). Barrientos (2019) explains that women workers frequently face exploitation because they commonly work in unprotected jobs that lack contracts or social security or legal rights. Trade unions struggle to secure better wages and working conditions because women lack sufficient representation in both decision-making roles and trade unions (Schulten & Müller, 2019).

Wage discrimination solutions through labor policies remain a point of ongoing discussion. The textile sector of numerous developing nations has adopted minimum wage regulations but these laws remain difficult to enforce (Merk, 2014). Organizations bypass minimum wage laws by operating informally yet government inspection agencies lack both resources and willingness to prosecute non-compliant businesses (Ross, 2018). The implementation of labor policies faces obstacles from institutional corruption as well as insufficient labor inspections and corporate associations have weakened policymaking ability (Anner, 2019). Foreign direct investment and economic growth take priority for some governments who implement policies which protect businesses rather than workers. Labor protections combined with active trade unions in nations lead to decreased wage gaps as well as better working conditions within the textile industry (Schulten & Müller, 2019).

Wage inequalities between workers remain an unavoidable consequence of globalization together with supply chain operations. The fast fashion industry together with its cost-driven production methods has resulted in a significant decrease of worker wages (Barrientos, 2019). Companies and retailers push suppliers to reduce their labor costs so they can maintain their market competitiveness (Islam & McPhail, 2019). Countries now participate in a price competition to provide minimal wages and adaptable labor rules in order to secure investments (Mezzadri, 2017). Textile workers face continuous economic risks because their wages remain low and their job security remains weak. The effectiveness of corporate social responsibility (CSR) initiatives along with fair trade programs, ethical sourcing policies has proven inconsistent according to Bair et al. (2020). The voluntary compliance mechanisms adopted by some brands fail to ensure fair wages for workers because they lack proper enforcement mechanisms and do not guarantee pay raises (Merk, 2014).

Recent labor rights activism has demonstrated the existence of pay discrimination within the textile business. Worker protests together with international campaigns and support from Clean Clothes Campaign and the Fair Wear Foundation have achieved better wages and working conditions according to Barrientos (2019). Employers together with industry stakeholders have demonstrated resistance to these initiatives making them less effective. Labor activists who fight for fair wages may experience opposition through repression and threats as well as face termination from their jobs (Anner, 2019). Trade unions face numerous challenges while attempting to influence wage negotiations because they deal with fragmented structures and lack of legal recognition in addition to employer resistance against unions (Schulten & Müller, 2019). For the achievement of wage equity both collective bargaining improvements and worker policy involvement through representation need to be strengthened (Ross, 2018).

The textile industry requires extensive policy solutions extending past minimum wage modifications according to current research about wage differences. To tackle income disparities in the sector it is crucial to establish living wages and enhance labor inspections and social welfare programs (Anker & Anker, 2017). International trade agreements with their labor provisions help multinational corporations face accountability for their supply chain labor conditions (Merk, 2014). Systemic improvement in fair labor standards depends on collaborative work between governments and businesses alongside civil society organizations (Barrientos, 2019) together with the influence of purchasing ethics-driven consumers.

The research focuses on analyzing wage discrimination elements in international textile businesses and evaluates present labor regulatory frameworks to suggest improved equal wage distribution strategies. The analysis of textile industry wage structures and regulatory systems along with corporate practices builds an understanding of widespread work challenges among textile workers and provides recommendations to improve workforce conditions. The effort to reduce wage inequalities will promote economic justice and support sustainable growth alongside inclusiveness through the global textile industry.

METHODOLOGY

A mixed-methods method is used by this research to combine qualitative data with quantitative data for an inclusive exploration of wage differences and labor regulations within the international textile sector. This study has three primary research components which include (1) a literature review system and (2) wage trend analysis from secondary data sources alongside (3) qualitative investigations of textile-producing regions.

A review of peer-reviewed articles and policy reports and industry white papers from 2010 until 2024 constitutes the systematic literature review process. This research draws its information from academic publications Work, Employment and Society and Industrial Relations Journal and Global Labour Journal combined with documents released by International Labour Organization (ILO) and Clean Clothes Campaign (CCC) and Human Rights Watch (HRW). The literature review reveals repeating patterns about pay inequalities while showing how regulations perform and how multinational companies influence employee labor environments (Anker & Anker, 2017).

This research depends on secondary data obtained from World Bank databases and ILO databases and national labor survey reports to investigate wage patterns and price index variations and gender wage inequality in textile manufacturing countries. The research performs comparative analysis between nations with different labor policies to examine how regulatory interventions perform.

Case studies of major textile-exporting countries Bangladesh, India, and Vietnam form the qualitative section of this research. The research obtains its data by analyzing labor rights reports together with company sustainability disclosures as well as conducting interviews with workers that advocacy groups execute. By using this approach researchers gain knowledge about textile workers' daily lives and how political factors affect wage policies according to Mezzadri (2017). The case studies evaluate corporate wage-related responses and show how voluntary compliance initiatives affect worker welfare (Barrientos, 2019).

Sustainable research quality comes from this study's adoption of triangulation to verify cross-source data thus minimizing bias and improving reliability. Relying on public datasets and properly acknowledging all secondary sources allows this study to maintain its ethical standards. Research findings support discussions about equitable pay distribution by presenting policy recommendations which enhance regulatory systems and corporate accountability in the worldwide textile industry.

RESULTS

Global Wage Inequality in the Textile Sector

Globalization has altered the pattern of production and work across the borders and has immensely affected employment and income distribution in the world. Although global value chains (GVCs) have increased tremendously over the years, the gendered aspects of this phenomenon have been shelved by a significant number of studies. The textile industry is specifically an area of interest in comprehending recent changes in the female labour markets especially in developing economies. Since 1991, the gap in employment between men and women has expanded in the textile industry across the world and the trend has been pegged on the growing contributions of China and India in world textile supply markets. Although the overall gap in wages based on gender seems to have lowered in several nations, the situation continues at encouraging rates (Calvo & Duarte, 2025).

As it is stated in the Global Wage Report 202425 provided by the International Labour Organization (ILO), wage inequality has reduced in 2/3 of nations since 2000. Nevertheless, there still exist large gaps particularly between low and high-income countries. The report has reported that there has been a shrinkage in inequality in wages on average by 0.5 to 1.7 per cent yearly with the most improvement being witnessed in the low-income countries at a rate of 3.2 and 9.6 per cent per year. On the other hand, the lower income and upper middle-income countries have recorded smaller reductions between 0.3 and 1.3 per cent a year. More importantly, the reduction has favoured the mainly the high earners and the lowest number of paid workers continue to be in serious hitches. The lowest 10 per cent of the wage earners only get to take home 0.5 per cent of the global wage bill, and the top 10 per cent takes just below 38 per cent (Fibre2Fashion, 2024).

Despite partial growth in real earnings the disparities still exist, even though globally there was 1.8 per cent in 2023 with a forecast of 2.7 per cent in 2024. The 6.0 per cent real-wage increase in the new G20 economies in 2023 was coupled with declines in real wages in the advanced G20 economies in 2022 and 2023. Relative to other regions in the world, workers in Asia-Pacific, Central and Western Asia and Eastern Europe had relatively higher wage increases within the given period (Fibre2Fashion, 2024).

Competition of the garment buyers around the world also promotes the export-based growth of the Asia-Pacific region although it does provide workplaces as well. Nevertheless, salaries continue to be low in most parts of the region. The ILO statistics indicate that the average wage is below 200 dollars per month in a number of countries and in Cambodia, Lao PDR and Pakistan, the average monthly pay is close to 100 dollars. On the contrary, China, Thailand and the Philippines obtained relatively higher averages at 491, 277 and 208 respectively. Gender differences in pay also shown to be quite normal in all the countries examined. Minimum wage policies, in this context, are important to guarantee a minimum wage level of earnings, especially to the low-income workers in an industry where labour is of low-skill and the system of collective bargaining is weak (International Labour Organization, 2016).

Table: Global Wage Inequality in the Textile Sector

Aspect	**Insights**	**Data**
Globalization & GVCs Impact	Shift in production patterns across borders; increased female participation in textile labor, especially in developing countries.	*Employment gap between men and women widened since 1991, especially with China and India leading exports.*
Wage Inequality Trends (Global)	Reduction in wage inequality in ~2/3 of countries since 2000, but large gaps persist between high- and low-income nations.	*Annual reduction rates: 3.2–9.6% (low-income), 0.3–1.3% (middle-income). Bottom 10% earn 0.5% of global wages; top 10% earn nearly 38%. (ILO Global Wage Report 2024–25, Fibre2Fashion 2024)*
Real Wage Growth	Mixed performance globally; higher growth in emerging economies.	*Global growth: 1.8% (2023), forecast 2.7% (2024); G20 emerging economies: +6.0% (2023); advanced G20: declining.*
Regional Wage Levels (Asia-Pacific)	Low average monthly wages, especially in Cambodia, Pakistan, Laos; moderate in Thailand, China.	*Avg. monthly pay: Cambodia ~$100, China $491, Thailand $277, Philippines $208 (ILO, 2016)*
Minimum Wage Comparisons	Wide disparities across Asia-Pacific countries; high non-compliance rates.	*Bangladesh: $71, Sri Lanka: $66, Vietnam/India: $119–145, Indonesia/Thailand: $237–269.*
Gender-Based Wage Inequality	Women more likely to be in low-wage brackets; men overrepresented in higher wages.	*Women: 19.37% in lowest wage tier vs. men: 8.94%. Men advance due to social capital and continuous employment (Ramamurthy, 2021)*

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Skill & Wage Stratification	Skill levels influence wages, but not job security; men dominate high-skill jobs.	*Multiskilled workers (mostly male migrants): 46.35% in high wage; super-skilled (local): 92.66%.*
Migrant & Female Workers	Female migrants overrepresented in low-skill/low-pay jobs; men have better wage mobility.	*Women face labor interruptions (marriage, childbirth); often return to low-skill roles (e.g., packing, trimming).*
Job Type Wage Differences	Certain roles inherently lower paid regardless of skill level.	*Spinning (lower pay) vs. printing (higher pay).*
Upward Mobility Barriers	Job roles and social factors limit wage growth, especially for women.	*Average age of re-entry: women 33 years vs. men 30; affects career continuity and wage potential.*

There are major regional inconsistencies demonstrated by statutory minimum wages in other countries such as Bangladesh ($71) and Sri Lanka ($66), which stands much lower than the highest rate that applies in China. Cambodia, India and Viet Nam are other competitors in the region with slightly more offer of between $119 to $145 as the minimum wages. Indonesia, Malaysia, Philippines and Thailand, in contrast, have higher industry-specific minimum wages in the range of 237 to 269. Nonetheless, the level of non-compliance is still high as the wages of the majority of garment workers in countries such as India and the Philippines have been found to be lower than the legal minimum wage (International Labour Organization, 2016).

The differences in gender are also supported by the statistics that demonstrate women are more inclined to work in the segments of low-wage. Take an example, the likelihood of females being in the lowest compartment of wages is 19.37 per cent, and in the case of males 8.94 per cent. The lack of bargaining power of female workers is widely perceived as employers usually prefer hiring them: they think of them as submissive and more ready to accept lower wages. In its turn, migrant male workers are likely to get jobs in the middle wage range (Ramamurthy, 2021). Also, male groups tend to be overrepresented in the higher wage brackets, because of such benefits as networking, gender-based stereotyped roles (as male leaders), and possibilities of advancing skills.

Surprisingly, according to Ramamurthy (2021) who cites that the concept of wage stratification is also well connected with the level of skill. Where the chances of multiskilled workers (who are largely male migrants) to fall into a higher wage group are 46.35 per cent, the chances of super-skilled workers (mainly local) receiving high wages are astronomical at 92.66 per cent. Nevertheless, the level of skills is not always an assurance of job security as well as benefits. In most occurrences, only the short-term treatment is offered to higher skilled workers whereas the lower skilled workers are given temporary employment or spot employment. Notably, the upward mobility is not facilitated by any job title; as an example, working in spinning processes is likely to bring about a lower pay as compared to work in printing tasks.

Another evidence found after the analysis shows that the migrant workers, particularly women, are over-represented in low-wage positions. Men usually face upward skill mobility because they gain continuous employment over their decades. Contrasting, frequent disruptions in the labor market take place in women through marriage, child bearing, or health problems. The women tend to re-comprise in low-scale jobs where they are forced to apply packing and trimming (low-skill job) once they rejoined the workforce after long years (average 33 years compared to men 30 years), and it cripples their possibility of growing wages (Ramamurthy, 2021).

Efficiency of National and International Labor Policies

The International standards regarding labour established by International Labour Organization (ILO) are very crucial in protecting the rights of the workers, therefore, it is highly vital that the member nations have national policies on labour that meet the targets of the international standards. Nevertheless, the labour laws of Bangladesh in reality are often quite different to the standards of ILO. One of the problems is the poor implementation system - labour inspections are not always up to the mark and the current penalties like fine and imprisonment in cases of violation, are too lenient. This causes labour laws in Bangladesh to be very ineffective to the point that the law is not being respected and the rights of the workers are being violated on a mass scale (Syed, 2023).

Additionally, in most of the developing economies, such as the one faced by Bangladesh, the informal firm would have a hard time to stay afloat were it to pay the full amount as stipulated in the earnings laws. This economic fact provides an incentive to the regulatory authorities to fail to notice the lack of compliance with a large group of firms. At the same time, Badaoui and Walsh (2022) suggest that governments could also strategically schedule levels of enforcement activity and the prevalence of punishment in a manner that has no negative impacts on employment including low-productivity companies. When this is the case, these companies will be able to keep up their existing wage and employment policies without interference, and there would be increased odds of high-productivity companies conforming to wage policy, the less adverse the effects on employment rates in the industry.

CSR and Ethical Practices

White box Codes actually cover more than environment-friendly production in the textile industry; it also entails broader societal existence with Corporate Social Responsibility (CSR). CSR is a holistic model indicating firm commitment to benefiting the society. Over the years, numerous textile and apparel firms have been accepting the concept of CSR more than ever before- most of these firms have customarily done community development works, and some have invested in the development of social welfare programs (Triple Tree Solution, 2024).

Organizations operating in the textile industry have to establish proper retention strategies, to encourage employees to remain in the company in the long run, instead of changing companies on a regular basis. These can be in form of offering proper career development as well as performance-based remunerations that are tied to length of service. The morale at workplace can also be enhanced through acknowledgement of employee achievements; emphasis on Knowledge-sharing practices. Moreover, developing a culture of cooperation teams and correlating organizational values with the principles of equity, fairness, and responsibility are vital approaches to ensuring trust engagement and job satisfaction that increases overall outputs (Ahmed, 2024).

Research has documented that legal and ethical aspects of CSR play an important role in engaging employees positively in the textile business. The significance of having a high implementation of CSR has a direct relation to enhanced workforce commitment levels. When being used well, CSR will not only improve the morale of workers but also help companies develop sustainably and function better (Malokani & Nawaz, 2022).

Strategies for Achieving Equitable Worker Welfare

Garment workers need to be treated equitably, based on the application of important principles that go beyond the law. They incorporate good wages above the minimum wages which only sustain basic needs and allow discretionary income (Sustainable Directory, 2025). Working conditions provided must be safe, i.e. there must be factories that are well constructed, good ventilation, fire safety, clean water and sanitation. The reasonable working hours, restrictions of overtime and safeguarding the rest periods are also important (Sustainable Directory, 2025).

The workers should also be free to organize, join union and bargain collectively without facing any retaliation. This should be ensured as there is no abuse including harassment and discrimination. Lastly, accountability is facilitated when supply chain is disclosed openly (Sustainable Directory, 2025).

Worker's well-being forms the foundation of long-term viability of the apparel industry and its image. Some health and welfare programs initiated by The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) health and welfare programs are- health care centres, maternity, eye health, mental health awareness, and day-care centres- all of which have been found to increase productivity by Western firms in Europe (Zaman, 2023).

Nevertheless, the labour welfare policy of Bangladesh is inconsistent with the International Labour Organization (ILO) policies. The implementation is poorly enforced and weak. Coordination of the national legislations with

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ILO principles would be a considerable advancement in the happiness and well-being of the workers (Syed & Karim, 2025).

Extra-mural benefits, such as affordable housing, transport, recreational areas and education should be provided within the labour policies to guarantee a comprehensive welfare. Safety and rights of workers can be also insured by the offer of clean rest places, lunchrooms, lively safety committees, and group insurance. Adherence to the principles is not simply an ethical requirement, but also a strategic essentiality in developing a strong, just and competitive textile industry.

Table: Labor Policy Efficiency, CSR Practices, and Worker Welfare in the Textile Industry

Titles	**Description**	**Sources of Data**
National vs. International Labor Policies	ILO labor standards are essential but not fully adopted or enforced in Bangladesh.	*Bangladesh laws differ from ILO standards; weak inspections and lenient penalties lead to widespread violations. (Syed, 2023)*
Corporate Social Responsibility (CSR)	CSR covers beyond environmental concerns and includes community development and social welfare.	*Textile firms increasingly adopt CSR through social programs. (Triple Tree Solution, 2024)*
	Employee retention strategies linked to career growth, performance pay, recognition, and collaborative culture.	*Career development, performance-based rewards, and teamwork foster satisfaction. (Ahmed, 2024)*
	Legal and ethical CSR practices enhance employee commitment and business sustainability.	*High CSR implementation = improved morale and operational performance. (Malokani & Nawaz, 2022)*
Equitable Worker Welfare Principles	Equitable wages should exceed basic minimum wages to support discretionary income.	*Advocate for fair wages above legal minimum. (Sustainable Directory, 2025)*
	Safe and humane working conditions must include infrastructure, hygiene, and emergency safety.	*Factory safety: ventilation, clean water, fire safety, sanitation. (Sustainable Directory, 2025)*
	Workers' rights include freedom to unionize, collective bargaining, and freedom from abuse.	*Emphasis on anti-discrimination, no retaliation, and supply chain transparency. (Sustainable Directory, 2025)*
	Welfare initiatives by industry bodies contribute to worker health and productivity.	*BGMEA programs: maternity care, eye health, mental wellness, day-care. (Zaman, 2023)*
	Bangladesh's welfare policies remain inconsistent with ILO principles due to weak enforcement.	*Improved alignment with ILO could enhance worker satisfaction. (Syed & Karim, 2025)*
	Additional benefits like housing, transport, recreation, and insurance should be integrated.	*Examples: lunchrooms, safety committees, group insurance, rest places.*

Global and National Wage Data

ILO Global Wage Reports and Textile-Specific Findings

It is observed that there are enormous wage gaps in the textile industry across the world, as noted by the International Labour Organization. As can be seen in the Global Wage Report 2024-25, globally, the real wage registered a 2.7 percent change in 2024, which is the largest since the 2007 growth; however, the recovery was more scattered (ILO, 2024). Nevertheless, the textile industry remains underpaid as compared to other manufacturing industries.

In the specific case of the Asian garment industry, the ILO Asia-Pacific Working Paper Series paints a full picture of garment workers being dominated largely by women, but nonetheless experiencing overall gender pay inequalities, especially high in countries with more systemic labor market issues, such as Pakistan and Bangladesh (ILO, 2023). The unadjusted male-female wage rate in the garment sector of Asia goes to a whopping 64.5 percent in Pakistan and 22 percent in Bangladesh (Munni, 2022).

Table: Global and National Wage Data in the Textile Sector

Region	**Real Wage Growth**	**Unadjusted Gender Wage Gap**
Global (2024)	2.7%	
Bangladesh		22.0%
Pakistan		64.5%

Country-Specific Wage Data

Bangladesh: Current information indicates that the minimum wages have been receiving a rise among the participants in garment industries across Bangladesh registered to be BDT 8,000 to BDT 12,500 (94 euros) per month in 2023, which is equivalent to merely 38 percent of what would be deemed as a living wage (SWED, 2024). Some worrying tendencies can be observed in the wage structure as the proportions of basic salary compared to the total of minimum wage drop, from 67.67 percent in 2006 and 53.6 percent in 2024. The current minimum wages that textile workers are receiving are between BDT 10,001/ and BDT 15,598/ depending on the grade and the place of work (New Age, 2025).

Vietnam: The average earnings of textile workers amount to $ 400 USD (10.4 million VND) per month, but basic wages are only 288 USD (72 % of the total earnings) (Talentnet Vietnam, 2025). Minimum wages in the regions range between 139-200 dollars a month. It should be noted that the textile labour in Vietnam earns more than the average in the world, and an average worker scales about USD 300 per month relative to the world average of USD 200 (textileinsights, 2024).

India: There is a great deal of regional difference in the textile industry; minimum wages being ONR 17,372 and the highest average being ONR 36,137 per month (Paylab, 2025). A thorough analysis of 2013 noted the high level of diversity in the wage differentials across the industrial clusters, and the high degree of variation in the wages among the states as a result of the varying minimum wage laws (Floorwage, 2013).

World Bank and OECD Data

The World Bank Global Database has given essential background information that demonstrates that rates of wages in Bangladesh are low in comparison to the rest of the world, at about 135-140 dollars a month, and are also inadequate compared to purchasing power (Statista, 2025). On the purchasing power parity (PPP), the purchasing power of workers is lowest in Bangladesh, where it is estimated to be approximately 400 USD per month compared to other major garment manufacturing nations (Statista, 2025).

Labor Policy Data and Implementation

ILO Standards and Compliance

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According to a study carried out by the ILO on the compliance with minimum wage laws in the garment sector of Asia, the results are worrying, with the highest non-compliance of the minimum wage laws in the Philippines at 53.3 percent and a low of 6.6 percent in Vietnam13. In all countries included in the study, women were more likely than men to work below minimum wage. According to the research, in some countries, deep non-compliance exists, and a high share of garment workers receive remuneration that is lower than 80 percent of the minimum wage (ILO, 2016).

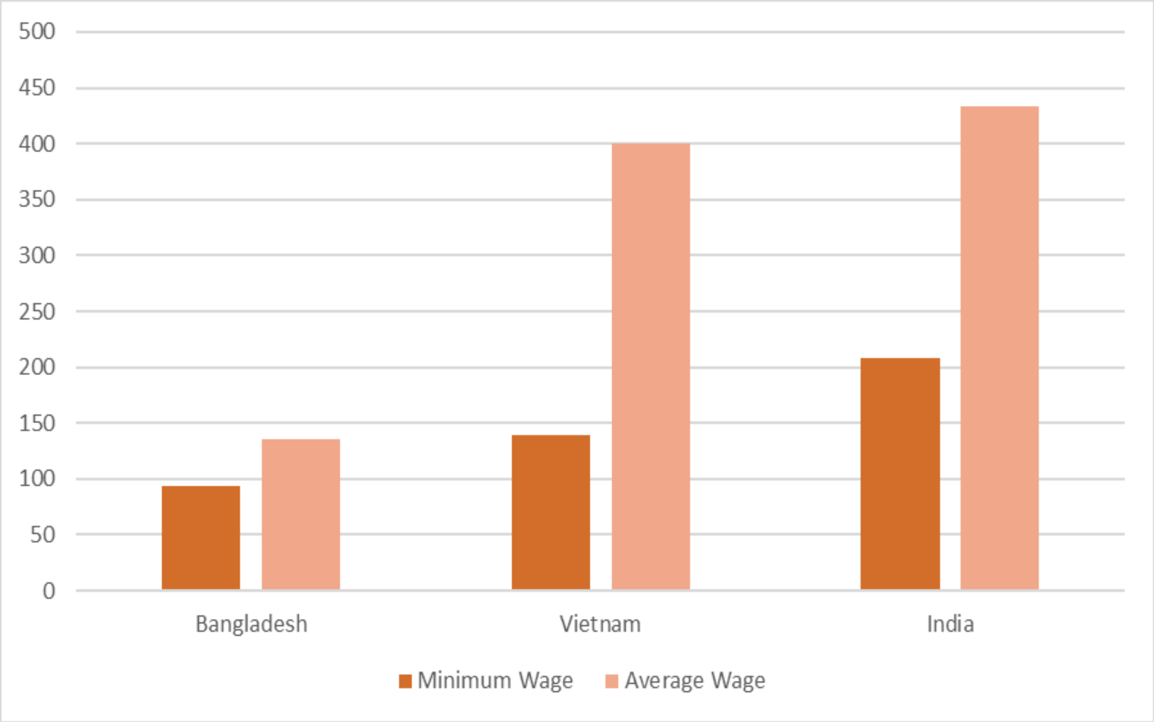

Figure: Comparison of Minimum and Average Wages in Textile Sector

National Labor Law Enforcement

Bangladesh Labor Inspection Data: Bangladesh Department of Factory and Establishment Inspection (DIFE) made 43644 inspections in fiscal year 2021-2022, and only 3,560 of them focused on garment factories. There were 1,426 cases of labor law violations filed by the enforcement system, with 682 cases resolved in the given term. Nevertheless, it is reported that a third of RMG factories have not fulfilled the adjustment of the revised wage scale which was introduced in December 2023 (The Daily Star, 2025).

Trade Union Influence: Current ongoing campaigns to have the collective bargaining right cases are recorded both by the Clean Clothes Campaign and other reports by trade unions (Appareldata, 2020). Unions in Bangladesh asked to increase minimum wages to BDT 23,000 (US$215) from the actual BDT 12,500, which shows considerable disparities between employee requirements and the government policies (industrial-union, 2023).

International Pressure and Standards

Corporate Sustainability Due Diligence Directive (CSDDD) requires the European Union to obligate companies with binding obligations to address wage inadequacies within their value chains. The United States Trade Representative (USTR) is also in the process of pressurizing Bangladesh to revise its laws on labour to comply with international standards, as it has suspended GSPs in the wake of the Rana Plaza tragedy in 2013 (SGS, 2024).

Table: Country-Specific Textile Wage Data (2023–2025)

Country	**Minimum Wage (USD/month)**	**Average Wage (USD/month)**

Bangladesh	94	135
Vietnam	139	400
India	208	434

Gender Discrimination and Wage Inequality

Documented Gender Pay Gaps

Numerous scholars attest to the evaluation that there is still a considerable wage gap that relates to gender in the textile industry. As a 2024 study in Bangladesh indicated, the pay gap between men and women with regard to base wages in RMG factories varied between 22 and 30 percent (Business, 2025). According to the SANEM survey, the wage gap between female garment workers and their male counterparts differs by up to 51-60 percent and 45-54 percent, respectively (The Daily Star, 2023).

According to the Global Gender Strategy of Better Work, the women workforce makes up approximately 80 per cent of the worldwide employment in the garment industry, yet they get as little as 21 per cent less hourly pay compared to the males (Better Work, 2023). Women continue to be represented in low-paid, low-skilled jobs, and less than 15 percent of them are in supervisory positions, and less than 5 percent are in managerial positions (Agarwal et al., 2022).

Contributing Factors

A variety of drivers are defined by the research to instigate a gap in the wages of men and women: segregation in the field of lower-paid jobs, the discriminatory nature of hiring and promotion, a lack of participation in union work, predominance of working mothers in occupational development (Betterwork, 2023). More specifically, in Bangladesh, women remit 53 percent of their monthly income to other family members as compared to 36 percent by their male counterparts; hence, they are restricted in the amount they can save (Agarwal et al., 2022).

Corporate Social Responsibility and Fair-Trade Impact

CSR Initiatives and Wage Outcomes

The Fairtrade Textile Standard and Programme is the first standard to have living wages to be paid within the bracket (six years), with brand owners having the responsibility of buying goods fairly, though with a contract tied to the brand owner (Fashion Revolution, 2025). Nonetheless, the application is limited and the Fashion Checker project has shown that there is a significant difference between what brands say regarding high wages and the situation on the ground.

Corporate sustainability reports from major brands showed mixed results. The Fair Living Wage strategy of H&M is aimed at improving representation and worker dialogue at the workplace, whereas research shows that strong CSR scores contribute to minimal improvements in employee fatigue and conditions (Alam, 2024).

Enforcement Challenges

The Partnership for Sustainable Textiles sources that even compliance with minimum wage regulations by the suppliers does not always yield living wages. Their effort to calculate the existing wage gaps and plan how to increase wages, known as the Living Wage Lab (livingwagelab.org, 2023), is confronted by competitive purchasing practices that are keeping wages down (Textilbuendnis, 2023).

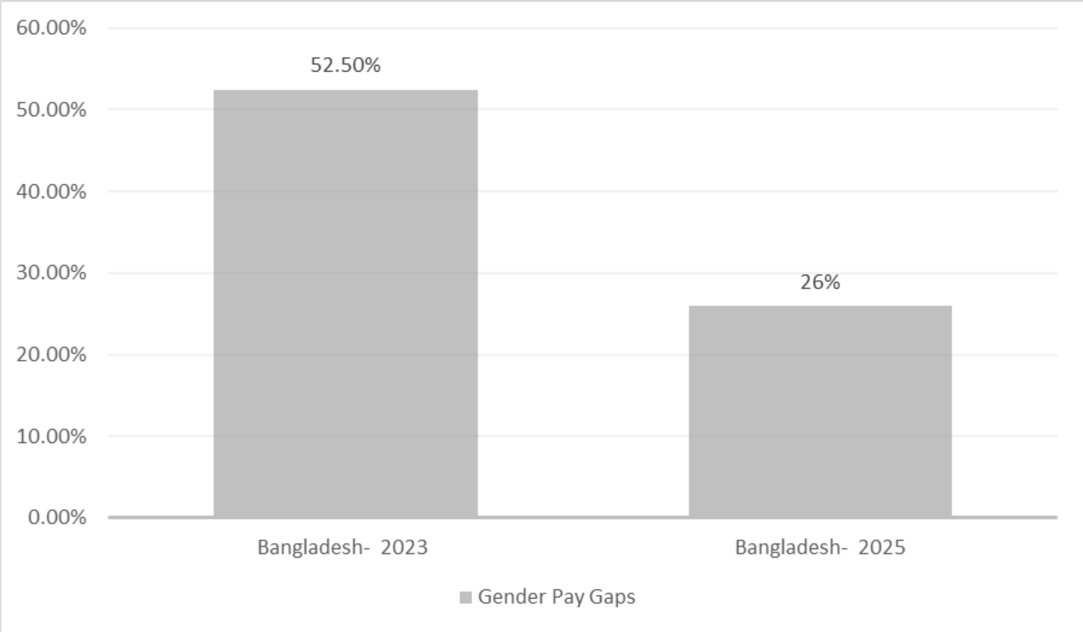

Figure: Gender Pay Gaps in the Textile Industry

DISCUSSION

Case Studies and Worker Experiences

Bangladesh Case Studies

Various drafts by the NGOs capture the effect of poor wages on the lives of the workers. In a 2023 Swedwatch study, it was uncovered that with the current minimum wage, employees would only be able to cover their basic needs and have to resort to overtime, thereby entering into debt cycles. The regular reports of their workers about health issues such as stress-related diseases, depression, and fatigue because of the working shifts that last 12-16 hours (31st anniversary issue-I, 2025).

Organizational research on the factory level by such hospitals as the Awaj Foundation demonstrates that despite the rise in wages, basic needs, including proper housing, medical care, and education of children, are not affordable to most of the workers (SWED, 2024).

Regional Comparative Studies

IDE Garment Firm Surveys in Bangladesh, Cambodia, Kenya, and Madagascar show varying reactions to wage pressures. As Cambodian companies are adjudged to have boosted productivity due to wage increments, the Bangladesh firms had to absorb the cost through lower profit margins. The Kenyan companies closed down as a result of their inability to compete with higher salaries (IDE, 2013).

Policy Implementation and Enforcement

Labor Inspection Systems

The DIFE system in Bangladesh has undergone modernization by shifting to the Labour Inspection Management Application (LIMA), which registered 5,944 inspections in 2021-2022. Nevertheless, there were only 67 facilities with the top levels of compliance (grade A), but 4,908 had the lowest levels of compliance (grade C).

Penalty and Non-compliance Data: There is poor enforcement despite the legal framework. As studies show, the systems of compliance may resemble a pyramid of severity, which starts at persuasion and ends with revoking a license (CPD, 2024), with many being implemented only at its lower levels.

International Oversight

Some of the recommendations that the ILO has given to Bangladesh are to strengthen the enforcement mechanisms by conducting regular inspections and penalty charges on those who do not comply; evidence-based national wage policies and comprehensive systems of social protection should also be established (News Fibre2Fashion, 2024).

International Trade and Economic Agreements

Trade Agreement Labor Provisions

Research on trade agreements conducted by the ILO reveals that as of 2016, 77 trade agreements (between 136 economies) have labour provisions, almost two-thirds of which were developed since 2008 (ILO, 2016). Such stipulations are now making more references to the 1998 Declaration on Fundamental Principles and Rights at Work.

At the level of Case Study, evidence points to the Bilateral Textile Agreement between Cambodia and the United States (1999-2004) which showed, it had tremendous positive effects, closing the gender pay gap in the textile industry by 32 to 6 percent by aligning its incentives of exports with labor standards (ILO, 2024).

Current Negotiations

The EU-India FTA negotiations involve negotiations of labor standards with India emerging as having found renewed interest in exercising such standards after signing the agreements with EFTA33. The EU is persistent in demanding full-fledged labor and environment criteria in the agreements of trade that entail participation in dignified work and the payment of good wages (Rao, 2024).

Wage Trends and Statistical Analysis

Employment-Export Elasticity

The investigations conducted in the Indian textile industry show that the coefficients of employment-export elasticity differ drastically across sub-sectors, with a range of 0.076 to 0.624, spinning/weaving/finishing to other textile manufacturing, respectively. This implies a greater employment creation capacity in the specialized manufacturing of textiles than in the primary manufacturing.

Production Cost Analysis

According to International Production Cost Comparison data, it will cost an average of 1.36 dollars USD to produce 1 meter of woven cotton fabric across the world in 2021, it will be 1.11 dollars in India and 1.91 dollars in Italy. The costs of labor constitute different percentages of the overall costs of production, and raw materials are at an average of 31 percent of the cost of fabrics produced (Knitting Industry, 2022).

Through data, it is clear that the wages paid to local workers comprise only 0.6 per cent of the price of the finished garments that are sold in Europe, thus showing the gap between the wages paid to the workers and the retail prices.

CONCLUSION

This holistic survey of the statistics of 2010-2024 demonstrates the existence of challenges associated with inequality of wages in the global textile industry, employee rights, and policy enforcement. Although global pressure, CSR activities, and trade arrangement clauses have gotten some mileage, there are still big gaps between promises and realities of textile workers on the ground. It is clear in the data provided that current wages, especially in developing countries, and especially for women workers, cannot even cover basic standards of living, and thus there is still a need to focus on enforcement methods, living wage enactment, and structural improvements in global supply chains.

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