

Gender pay gaps in the garment, textile and footwear sector in developing Asia

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I. Introduction

As identified in the ILO's Global Wage Report 2018-19, the weighted global gender pay gap stands at around 16 per cent.¹ Meanwhile, the Sustainable Development Goals (SDGs) set a global target to achieve "equal pay for work of equal value" by 2030,² and propose as a main indicator to compare "average hourly earnings of female and male employees" (indicator 8.5.1). Equal pay for equal work is a key principle of international labour standards.³

In the specific context of the garment, textile and footwear (GTF) sector in developing Asia,⁴ this research note finds that the average raw gender pay gap is higher than the global average, at more than 18 per cent. Persistent gender pay gaps⁵ in the garment, textile and footwear sector in Asia continue to pose a significant barrier to achieving equality between women and men in the labour force, especially given that, in some countries in the region, the majority of workers in the sector are women. Individual observable characteristics such as age, education, experience, etc., are shown to have limited explanatory value in accounting for observed gendered wage differentials within the GTF sector in developing Asia. Thus, a large proportion of the observed gender pay gap is likely to be attributable to gender-based wage discrimination.

This research note provides recent estimates of gender pay gaps in the GTF sector in nine countries of developing Asia, and assesses the extent to which the observed gaps may be attributed to differences in individual observable characteristics, or to gender-based discrimination. The analysis presented herein is based on a previous ILO working paper and associated research note on gender pay

gaps in the GTF sector in Asia (Huynh, 2016).⁶ The interest for updating the previous study stems from the availability of several recently conducted Labour Force Surveys (LFS) undertaken by these garment, textile and footwear producing countries in the region since the release of the 2016 study.

I.1. Methodology

The countries covered by the analysis in this research note include the major GTF producers in developing Asia, namely: Bangladesh, Cambodia, India, Indonesia, Lao People's Democratic Republic, Pakistan, the Philippines, Thailand and Viet Nam. The analysis presented in this research note is based on nationally representative LFS, which were conducted by the national statistical offices of the respective countries. The LFS methodology allow for data to be disaggregated by sex and industrial sector which allows for an appropriate classification.

Sectoral disaggregation is done using the International Standard Industrial Classification (ISIC) codes, these being: 13, 14 and 15. Standardized variables were applied for reasonable comparability across countries as regards to educational attainment, work experience, job category and industry. Where countries provide wage figures per calendar month rather than per hour worked, the dependent variable of the natural log of hourly wages was constructed by: Multiplying the wage by 12 (being the number of calendar months in one year), dividing the result by 52 (weeks per year) to obtain the weekly wage, and dividing this figure by the number of hours worked by the individual in their main job in the reference week, as indicated in the LFS data. In the case of India, the natural log of daily wage was used, for the reason that data on hours worked were not available.

The workers that are included in the final sample are individuals over the age of 15, classified as employed according to the LFS data and working in the GTF sector as paid employees. Not included in the final sample, therefore are persons that are: Unemployed, self-employed, under the age of 15 or outside of the labour force. In the calculation of wages, outliers, which are defined as data

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¹ This global estimation is based on average (mean) hourly wages, as suggested in SDG indicator 8.5.1 ("average hourly earnings of female and male employees"), based on data for 73 countries that collectively cover about 80 per cent of the world's employees. See further: https://www.ilo.org/global/publications/books/WCMS_650553/lang-en/index.htm, page xv, [accessed 10 Dec. 2018].

² Further information regarding the SDG thematic areas can be found here: https://www.ilo.org/global/topics/dw4sd/theme-by-sdg-targets/WCMS_558153/lang-en/index.htm, [accessed 10 Dec. 2018].

³ See, in particular the Equal Remuneration Convention, 1951 (No. 100). Available at:

https://www.ilo.org/dyn/normlex/en/?p=NORMLEXPUB:12100:0::NO::PI2100_ILO_CODE:C100, [accessed 07 Dec. 2018].

⁴ For the purposes of this research note, the term 'developing Asia' refers to the sample of nine countries selected for inclusion in the study.

⁵ The term gender pay gap in this report refers to the difference in the natural log of hourly earnings between men and women as measured by the respective methodologies addressed in the research note.

⁶P. Huynh (2016): *Assessing the gender pay gap in Asia's garment sector*, Asia-Pacific Working Paper Series, (Bangkok, ILO); https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_466268.pdf, [accessed 01 Oct. 2018]; and P. Huynh (2016): *Gender pay gaps persist in Asia's garment and footwear sector*, Asia-Pacific Garment and Footwear Sector Research Note, Issue 4 (Bangkok, ILO); https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_467449.pdf, [accessed 01 Oct. 2018].

points that are more than three times the standard deviation from the mean, were removed from the sample. Additional results for the adjusted pay gap are presented in Annex I for further comparison between the full sample and the sample with outliers removed. What the comparative datasets in Annex I show is that the general results regarding the gender pay gap are consistent for both the GTF sector and that of all industries as a whole, across the various different methods applied.

The raw gender pay gap was obtained by running a simple linear regression with the categorical gender variable; the coefficient obtained for this variable is interpreted as the mean effect on hourly wages from being a woman as compared to the reference category of men. The results for the adjusted pay gap were obtained by running a wage regression while controlling for observable factors that could potentially explain wage differences between men and women, including: Age, education, geographical location, industry, marital status, occupational category, urban versus rural residence and work experience.

The Blinder-Oaxaca⁷ decomposition between men and women is based on the natural log of hourly wages and includes the same variables as the adjusted pay gap. The categorical variables were normalized so that the result from these indicator variables are invariant to the chosen reference category, and the pooled model was used as the reference wage structure. All analyses were conducted using the national sample weights.

1.2. Sector overview

The GTF sector continues to play an important role in the lives of millions of workers in Asia, both in terms of providing jobs, as well as driving economic growth. Developing Asia accounts for roughly 60 per cent of global garment exports and employs around 40 million workers.⁸ The majority of workers in most of the GTF producing countries in the region are women. The aggregate proportion of women in the GTF sector among the sample countries is approximately 56.5 per cent.⁹ Thus, the GTF sector in developing Asia continues to provide many women workers with an income and the potential to benefit from greater agency and autonomy in their lives.

⁷A.S. Blinder (1973): Wage discrimination: Reduced form and structural estimates, in *Journal of Human Resources*, Vol. 8, No. 4, autumn (Madison, WI, University of Wisconsin Press), pp. 436-455.
R. Oaxaca (1973): Male-female wage differentials in urban labor markets, in *International Economic Review*, Vol. 14, No. 3, October (Philadelphia, PA, Economics department of the University of Pennsylvania), pp. 693-709.
B. Jann (2008): The Blinder-Oaxaca decomposition for linear regression models, in *The Stata Journal*, Vol. 8, No. 4, May (College Station, TX), pp. 453-479.

⁸ILO (2016): *Wages and productivity in the garment sector in Asia and the Pacific and the Arab States*, Brief prepared for the 16th Asia and the Pacific Regional Meeting, Bali, Indonesia, 6 – 9 Dec 2016; https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_534289.pdf, [accessed 02 Nov. 2018].

⁹ Calculations using Labour Force Surveys (LFS) for the sample of nine countries under study.

It has been shown that in developing countries when women have higher incomes, benefits and improvements in child education, health and family outcomes follow due to differences in spending patterns as compared to men.¹⁰ This provides a compelling policy rationale for increasing the economic empowerment of women. The GTF sector in developing Asia presents opportunities to achieve this. However, these opportunities remain constrained by persistent gender pay gaps, amongst other decent work deficits. For example, Cowgill and Huynh (2016)¹¹ drew attention to low rates of minimum wage compliance in the sector in the region.

Working conditions in the GTF sector in developing Asia are characterized by long working hours and low pay, as shown in figure 1. As a consequence of low rates of pay, workers within the GTF sector often need to work long hours to attain a decent standard of living for themselves and their families. Based on the findings of the most recently available LFSs,¹² it is calculated that for Indonesia in 2016 and Bangladesh in 2017, mean hourly earnings in the GTF sector were around United States Dollar (US\$) 1.6 and US\$ 1.4 respectively, at Purchasing Power Parity (PPP)¹³ 2016 prices. In 2012, workers in the GTF sector in Cambodia earned on average around US\$ 1.0 per hour worked at PPP, based on the most recently available LFS.¹⁴

In 2017, workers in the GTF sector in Thailand earned on average around US\$ 3.5 per hour at PPP. This is followed by the Philippines and Viet Nam, for which mean hourly earnings of around US\$ 2.9 and US\$ 2.7 are calculated, respectively, at PPP. These significant differences in hourly earnings in the GTF sector between countries could potentially be pull-factors which attract women and men migrants from neighbouring countries seeking higher pay.

In terms of working hours, based on LFS data, it is calculated that the average (mean) working hours in the GTF sector in the region approached 50 hours per week. This finding is in line with previous research by Hult (2016) that found that working hours in Malaysia, the Philippines, Thailand and Viet Nam were amongst the highest among

¹⁰ When women control greater household resources, either through own earnings or cash transfers there are enhanced growth opportunities for the country due to the change in spending patterns. Studies from various countries have shown that children benefit as a result from increased spending in food and education. See: World Bank (2011): *World Development Report 2012: Gender equality and development* (Washington, D.C.).

¹¹ M. Cowgill and P. Huynh (2016): *Weak minimum wage compliance in Asia's garment industry*, Asia-Pacific Garment and Footwear Sector Research Note, Issue 5 (Bangkok, ILO); https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_509532.pdf, [accessed 09 Oct. 2018].

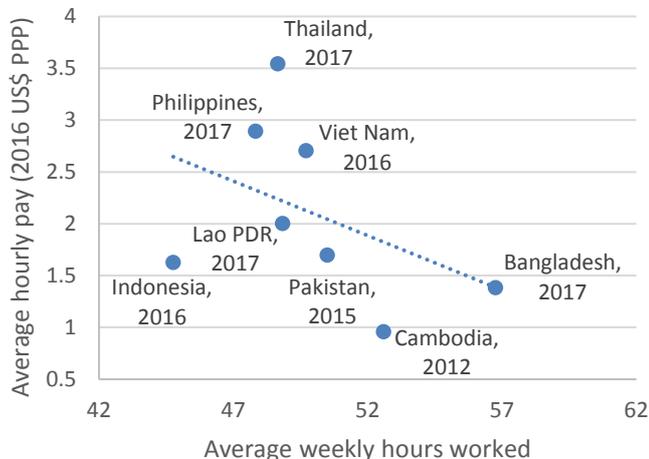
¹² A Labour Force Survey is a standard household-based survey of work-related statistics. See: <https://www.ilo.org/dyn/lfsurvey/lfsurvey.home>, [accessed 05 Dec. 2018].

¹³ Purchasing power parity is defined by the OECD as: "the rates of currency conversion that equalise the purchasing power of different currencies by eliminating the differences in price levels between countries". See further: <https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm>, [accessed 06 Dec. 2018].

¹⁴ The actual current figure may be higher than this, given increases in the statutory minimum wage applicable to the garment sector in Cambodia since 2012 when the most recent LFS was conducted.

garment producing countries worldwide, at approximately 2,300 hours per year.¹⁵

Figure 1. Average hourly pay (at PPP) and hours worked in the GTF sector, all workers, selected years



Note: Author's calculations from national labour force surveys. Average hours worked in main job within the GTF sector. Average hourly pay is converted to US\$ at PPP, 2016 for comparison, using Local Currency Units (LCU).¹⁶

Source: Estimates based on national labour force surveys (various years).

2. Gender pay gap

The average raw gender pay gap within the GTF sector among the nine countries in developing Asia analyzed is approximately 18.5 per cent. At the extremes, India and Pakistan have raw gender pay gaps of around 42.2 and 57.3 per cent, respectively (Figure 2, Panel A). Explaining these large gender pay gaps, Khan (2017)¹⁷ emphasizes that women in Pakistan face barriers in gaining access to jobs, including cultural stereotypes as well as a lack of access to education, childcare services, and safe public transport. Such deep-seated discriminatory attitudes contribute to over-representation of women in jobs characterized by poor working conditions, including low pay. At a sub-regional level, it is hypothesized that similar factors could also explain the high pay gaps found in Southern Asia as a whole, including the gender pay gap reported here for India. In contrast, countries in developing Asia that have the lowest raw gender pay gap in the GTF sector are Cambodia

¹⁵ L. Hult (2016): *Working hours in the global garment industry*, Labour standards in global supply chains: A programme of action for Asia and the garment sector, Research Note, Jan. (Bangkok, ILO); https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/publication/wcms_444449.pdf, [accessed 29 Nov. 2018].

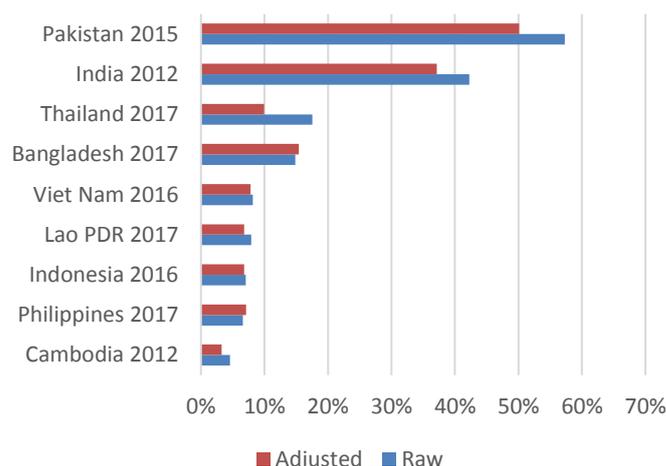
¹⁶ The local currency units per international dollar, is a PPP conversion factor. Data for the LCU is obtained from UN Data for private consumption and can be found at the following address: <http://data.un.org/>, [accessed 16 Nov. 2018].

¹⁷ F. Khan (2017): *Barriers to pay equality in Pakistan - The gender pay gap in the garment sector* (Islamabad, ILO); https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/---ilo-islamabad/documents/publication/wcms_554791.pdf, [accessed 27 Nov. 2018].

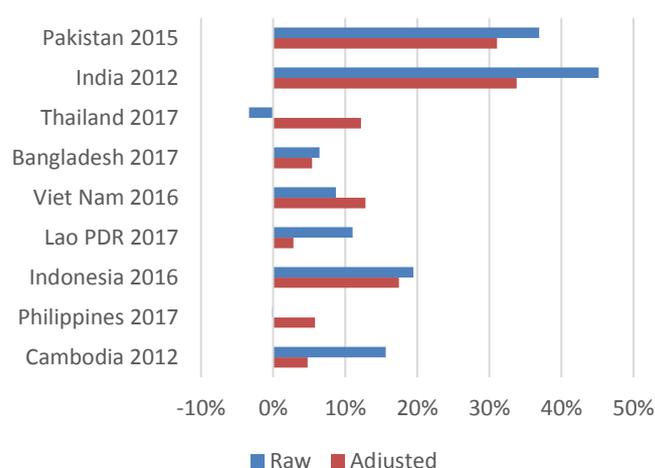
and Indonesia, at 4.5 per cent and 6.8 per cent, respectively.

It is worth mentioning that studies such as that of Khan (2017) has found a gender pay gap in the garment sector of Pakistan of 33 per cent. This large difference with the results presented in this research note is likely due to the fact that their study – as many others – focus solely on ISIC code 14 which is representative of the garment sector only. If the same was to be done in this research note, by excluding the textile and footwear sectors, the result would be much lower and comparable at around 39.6 per cent.

Figure 2. Gender pay gap, latest year, raw and unadjusted (%)
Panel A. Garments, textiles and footwear sector only



Panel B. All industries



Note: Raw gap indicates the difference in estimated natural log of hourly earnings of employees (aged 15 years and above) while controlling for only sex, and adjusted gap controls for all independent variables including sex, age, marital status, education, experience, sub-national area, economic sector and occupation. A positive gap value indicates higher earnings for men relative to women. India figures are based on the natural log of estimated daily earnings.

Source: Estimates based on national Labour Force Surveys (various years).

The adjusted gender pay gap (which controls for individual observable characteristics such as education, experience, location, industry and occupation) is, in most cases, lower than the raw gender pay gap. This is to be expected given that such characteristics may partly explain the observed wage differences. However, when controlling for these observable characteristics, the adjusted pay gap remains high, especially in India and Pakistan. In the case of Pakistan, women’s hourly wages in the GTF sector are still 50 per cent of those that men receive for equivalent work, even when adjusted for observable characteristics.

When comparing the results of the GTF sector to that of all industries as a whole, it can be seen that the mean raw and adjusted gender pay gaps for all industries is marginally lower than the GTF sector. This difference is largely due to the contributions of Thailand and the Philippines, where women were earning more than men in the aggregate (all industries), which can be seen by the negative raw pay gap in panel B of figure 2 for the two countries. However, when looking at the adjusted pay gap for all industries, we can see that Thailand and the Philippines now exhibit a positive gender pay gap. This is possibly due to trends in some industries where women are able to earn higher wages than men. Thus, when controlling for industry and occupational category in the adjusted wage regression, the benefit to women working in these specific sectors and occupations is removed to reveal the general pay gap trends among all industries. For example, when looking at the LFS data for Thailand in 2017, in occupational categories such as “Human health and social work activities”, the mean hourly wage for men in the sample is 101 Thai Baht (THB) as compared to THB121 for women.

3. Gender pay gaps over time

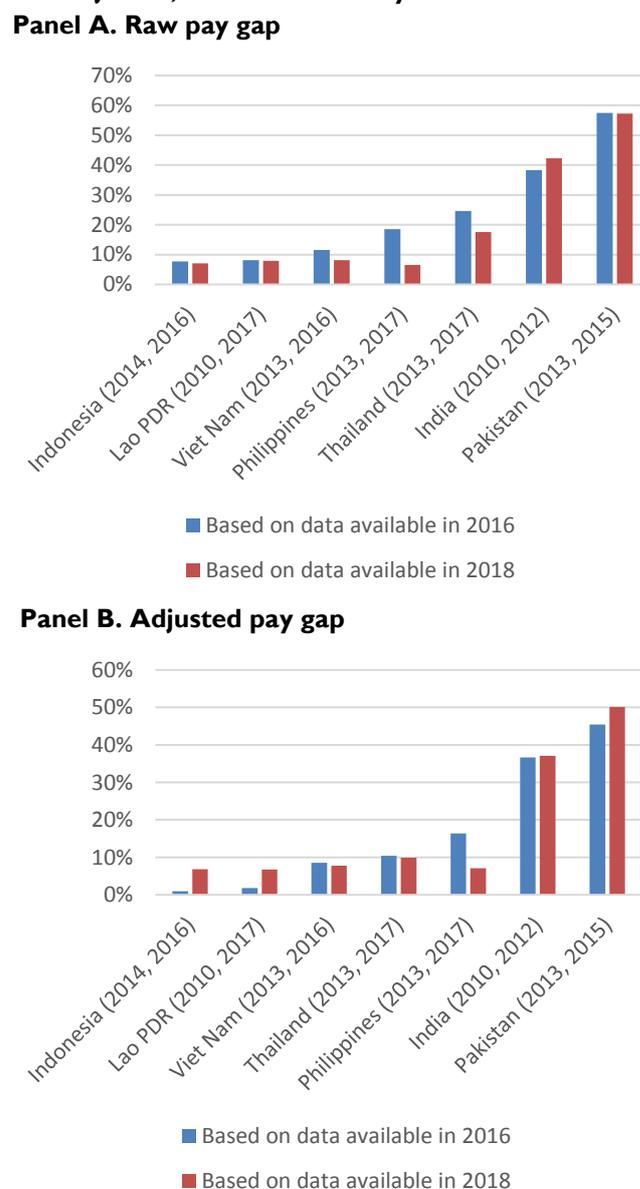
Figure 3 shows the gender pay gap trends in the GTF sector in developing Asia. To assess trends, a consistent analysis and methodology (as described in section 2, above) was applied over two different time periods for each country, thus resulting in comparable results. The first period chosen is the same as that assessed by Huynh (2016), and the second time period chosen reflects that of the most recent available LFS as discussed in the previous section.

As shown in Panel A of figure 3, the raw gender pay gap for the sample countries has fallen by an average of approximately 2.8 percentage points between the two periods of time. All countries witnessed reductions to some degree except for that of India, which saw an increase in the gender pay gap of 3.9 percentage points over the two periods under review. The observed overall improvement in the raw pay gap in the GTF sector in the region was largely driven by the Philippines, Thailand and Viet Nam, which have all shown notable improvements of approximately 12.0, 3.4 and 7.1 percentage points respectively.

When looking at the trends of the adjusted gender pay gap, the average change observed is an increase of approximately 0.8 percentage points over the two periods.

Countries such as Indonesia, Lao People’s Democratic Republic and Pakistan were seen to be driving the mean result, with increases in the adjusted pay gap of 5.8, 5.0 and 4.7 percentage points respectively. The Philippines witnessed a reduction in the adjusted pay gap of around 9.3 percentage points over the two periods under review. This reduction is less than the decrease in the raw pay gap for the Philippines – of 12.0 per cent – and is possibly due to other observable characteristics in the adjusted wage regression which explains part of the raw gender pay gap such as experience, location or occupational category.

Figure 3. Gender pay gaps in the GTF sector, raw and adjusted, earlier and later year



Note: Raw gap indicates the difference in estimated natural log of hourly earnings of employees (aged 15 and above) while controlling for only sex, and adjusted gap controls for all independent variables including sex, age, marital status, education, experience, sub-national area, economic sector and occupation. A positive value indicates higher earnings for men relative to women. India figures are based on the natural log of estimated daily earnings.

Source: Estimates based on national Labour Force Surveys (various years).

4. Decomposition results

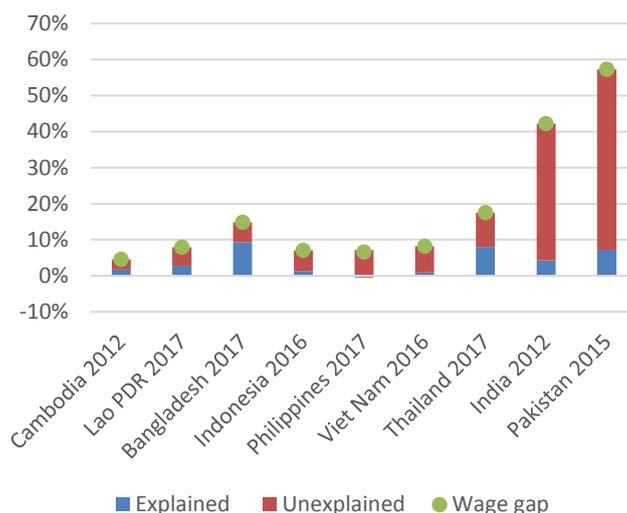
Figure 4 displays the Blinder-Oaxaca decomposition results for all countries in the sample. The observed difference in the natural log of hourly wages is separated into two components: An explained component, which is the portion of the pay gap that can be explained due to differences in relative endowments – otherwise known as the observable characteristics as detailed in the methodology section – and an unexplained component that cannot be explained by these endowments. The unexplained component is attributed to unobserved group differences, which is generally referred to in gender pay gap literature as the discrimination component.⁷ At the same time, it is acknowledged that limitations arising from the survey data that constitute the primary source for this analysis do not allow us to account for unobserved variables such as motivation, skills, or time away from the labour market, which could potentially be included in this unexplained component.

As can be seen from figure 4, in most countries, the unexplained component of the pay gap is significant, indicating a substantial discrimination component to the gender pay gap across the GTF sector for all countries in the sample. The result from the Blinder-Oaxaca decomposition is an average gender pay gap of around 18.5 per cent in the GTF sector across the sample countries. The mean unexplained component is around 14.5 per cent, while the mean explained proportion is around only 4.0 per cent. In other words, the majority of the pay gap for most countries is due to unobserved group differences that may be attributed to gender wage discrimination.

In Pakistan, of the 57.3 per cent pay gap measured in the GTF sector, around 50.1 per cent is due to unexplained factors while only 7.2 per cent is attributable to differences in observable endowments. In Viet Nam, only approximately 1.0 per cent of the measured gap of around 8.2 per cent is attributable to difference in observable characteristics.

In the case of the Philippines, interestingly, there is a small negative explained component to the gender pay gap (approximately 0.5 per cent), implying that endowments for women are on average better than men. This should lead us to expect that, overall, wages for women would be higher than those for men. However, this is not the case: Women in the GTF sector in the Philippines are paid around 6.5 per cent less than men, on average (see figure 3). This implies that even when women attain similar or better endowments than men with respect to characteristics such as education or work experience, they still receive lower wages for work of equal value due to gender-based discrimination.

Figure 4: Blinder-Oaxaca decomposition results of gender pay gap, GTF sector, latest years



Note: Results of Blinder-Oaxaca decomposition by sex on the natural log of hourly earnings, except India (natural log of daily earnings) for the garment, textile and footwear industry. Standardized categorical variables, pooled model used as the reference wage structure.

Source: Estimates based on national Labour Force Surveys (various years).

5. Trends in the gender pay gap composition

As shown in section 4, the Blinder-Oaxaca decomposition separates the observed gender pay gap into an explained and unexplained component. Another way of looking at the unexplained component is in terms of differences in relative returns to observable characteristics, such as different returns on similar educational attainments for women and men.

What is particularly interesting to consider, however, are the *trends* in the composition of the pay gap: Are observable endowments such as education increasingly or decreasingly able to be explain the measured pay gap, compared with earlier time periods? Are we moving towards a more equitable pay structure where differences in wages earned by women and men are explainable by differences in observable endowments, or is the trend moving towards a wage structure that is increasingly based on unobservable group differences that may imply increasing gender pay discrimination?

When looking into these questions, we find that, while there has been a marginal decrease in some countries in the sample with respect to overall gender pay gaps, the composition of the pay gap has indeed changed. In particular, for most countries in the sample, the unexplained component has become more predominant. This implies that unobserved factors that may be attributed to gender-based discrimination are playing an increasingly stronger role in contributing to persistent gender pay gaps in the GTF sector in developing Asia.

In the case of Thailand, a substantial portion of the observed gender pay gap can be explained by differences in relative endowments. However, we can see a trend that the proportion of the pay gap that can be explained by endowments has declined from around 58.2 per cent in 2013 to around 45.7 per cent in 2017. This implies that there is a decreasing trend in the composition of the pay gap – even though a substantial portion can still be explained by observable characteristics in Thailand – in which it increasingly could be due to gender based discrimination.

Panel A of figure 5 shows that the explained proportion of the gender pay gap – that which can be explained by relative endowments – is quite low for both Pakistan and Viet Nam, and that nearly all countries have declining trends. For Cambodia, due to limitations in available data, it was not possible to assess trends in the composition of that country's gender pay gap. What can be said on the basis of the data that are available for Cambodia is that only around 38.2 per cent of the observed pay gap can be explained by relative endowments. The remainder of the gap, according to the data that are available, may be attributable to gender wage discrimination.

With regards to India, the explained component of the gender pay gap marginally increased by around 1.8 per cent during the period between 2010 and 2012, the most recent years for which data are available. However, some 89.8 per cent of the gender pay gap in India in 2012 remained unexplained by observable characteristics alone, implying that the observed gender pay gap at that time was almost entirely due to non-observable characteristics. This may imply significant gender based discrimination in wages in India's GTF sector.

Within Indonesia in 2014, gender pay gaps were largely explicable in terms of differential endowments, which accounted for around 88.3 per cent of the gap. However, when looking at the latest available data, we can see that the persisting gender pay gap in Indonesia is now mostly due to unobservable group differences (around 18.1 per cent).

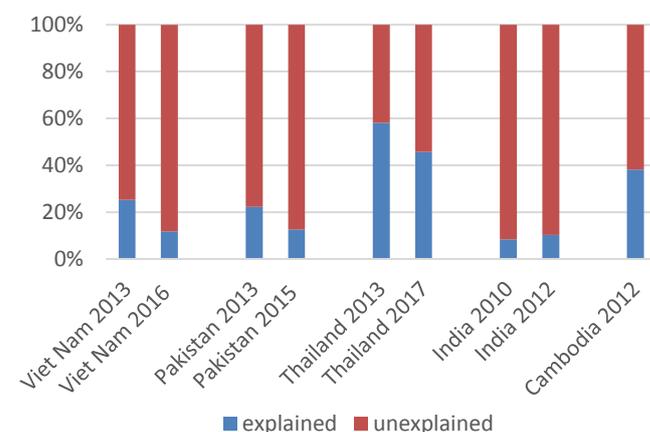
In the case of Lao People's Democratic Republic in 2010, where the explained component of the gender pay gap was greater than 100 per cent (126.6 per cent), this indicated that the gender pay gap was mostly due to differences in relative endowments, and that there should perhaps have been a larger overall gender pay gap in the GTF sector than was actually observed in the data. However, the data for 2017 reveal that there has been a declining trend: Observable endowments are less-and-less able to explain the observed pay gaps in Lao People's Democratic Republic, accounting for only around 35.0 per cent of the overall gap by 2017, as seen in Panel A.

There is a trend in almost all countries in the sample that the persisting pay gaps in the GTF sector are less-and-less explicable in terms of observable productive characteristics, and more-and-more attributable to unobserved factors that may include gender-based wage discrimination. The notable

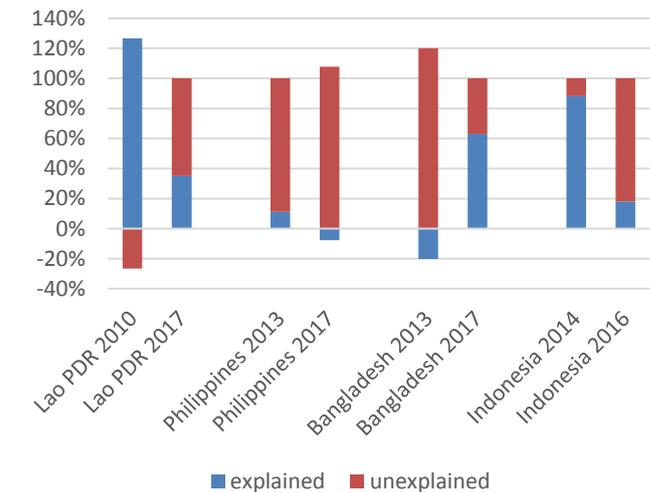
exception here is Bangladesh, where observed characteristics are able to explain approximately 63.0 per cent of the observed gender pay gap – the largest proportion out of any country in the sample. In this context, policies that focus on improving endowments for women in Bangladesh could potentially be effective in tackling a large proportion of the observed pay gap. This could include, for example, increasing targeted investments in education for women and girls.

Figure 5. Composition trends in the gender pay gap, GTF sector, earlier and later years

Panel A



Panel B



Note: Results are from the Blinder-Oaxaca decomposition, displaying the composition of the pay gap for the GTF sector – this being the proportion of the explained or unexplained part as a proportion of the total measured pay gap.

Source: Estimates based on national labour force surveys (various years).

By contrast, in the case of Pakistan, where relative observable endowments do not account for the majority of the observed gender pay gap, policies that aim to address imbalances in endowments may be beneficially complemented by policies that are aimed at ensuring that women are not excluded from higher-paying occupations because of their gender and by tackling discriminatory attitudes in the world of work – those that result in

persistent “glass ceilings” and “sticky floors”.¹⁸ Effective policy responses in this context could include those that seek to address an over-representation of women in part-time work and unpaid home and childcare responsibilities outside of the workforce (see further, broader discussion on implications for policy responses, in the Conclusion, below). For example, the incidence of part-time employment – defined as an individual who works less than 35 hours per week – for Pakistan in 2016 was 13.7 per cent among the working population. There exists a differential of more than 30 percentage points in the incidence rate between the sexes (6.4 per cent for men and 37.7 per cent for women).¹⁹

In summary, wage differentials in the GTF sector in developing Asia remain predominantly composed of unexplained factors that may indicate gender-based discrimination. This result is in line with the findings from the latest ILO Global Wage Report, which likewise found that, globally, much of the gender pay gap could not be explained by observable characteristics.²⁰

6. Gender gaps in workers earning low pay

Gender gaps also exist in terms of the rate of workers that receive low pay in the GTF sector in developing Asia. Overwhelmingly, whether looking at the GTF sector alone, or across all industries as a whole, the majority of workers that receive low pay in developing Asia are women.²¹ Unsurprisingly, the countries with the largest proportion of women working in the GTF sector earning low pay are the same countries that have the largest gender pay gaps, these being Pakistan and India, where more than 50 per cent of women workers are classified as low pay earners.

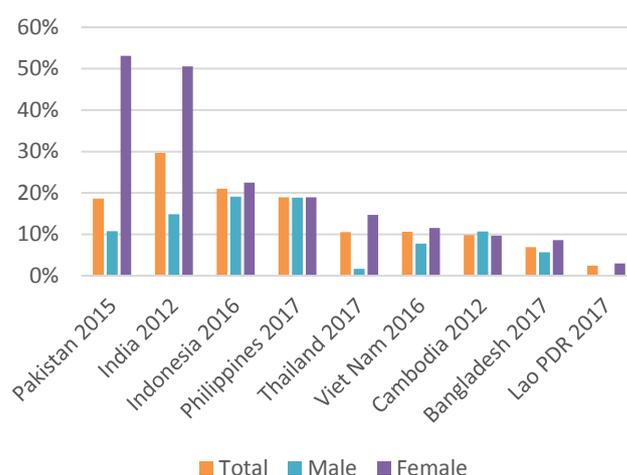
Panel B of figure 6 shows rates of low pay work for all industries for the countries under study. Here we can see that, in general, the overall share of low pay workers is higher for all industries as a whole when compared with the GTF sector alone: The mean low pay rate for all industries (22.5 per cent) is 8.2 percentage points higher than that of the GTF sector (14.3 per cent). This finding suggests that there are other sectors in which the incidence of low pay work is more prevalent than that of the GTF sector. This result is similar when looking at the average (mean) prevalence of low pay work for women workers in particular. In this case, the difference is 9.1 percentage points. India for example, it was found that 60.4 per cent of women workers in all industries categorized as low pay

earners, while the share for women workers in the GTF sector was 50.6 per cent.

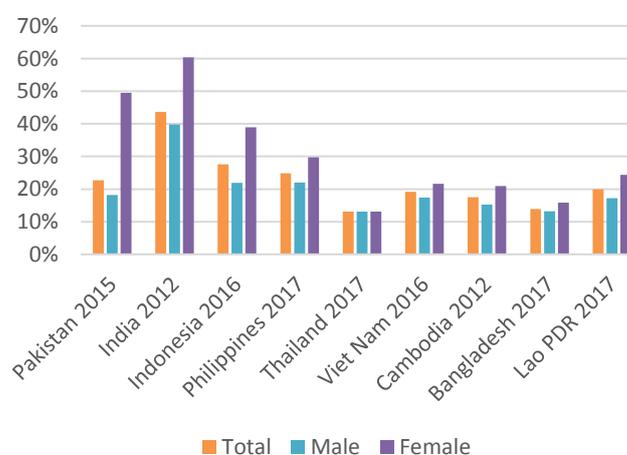
For Thailand, the share of low pay work for all industries was nearly equivalent for men and women at around 13.1 per cent, whereas in the GTF sector in Thailand there were larger differences, a larger proportion of women than men were low pay earners – 14.7 per cent for women as compared to 1.7 per cent for men. In Indonesia, approximately 22.5 per cent of women workers in the GTF sector earned low pay, while a high rate in-and-of-itself, this is nevertheless a substantially lower incidence of low pay than the 38.9 per cent found for women workers in all industries.

Figure 6: Share of low pay workers, by sex, latest years

Panel A: GTF sector



Panel B: All industries



Note: Low pay is defined as less than two thirds of median hourly earnings. Except for the case of India, which uses daily earnings due to data limitations.

Source: Estimates based on national labour force surveys (various years).

Finally, in Bangladesh, the proportion of women workers in the GTF sector that earned low pay was 8.6 per cent, significantly lower than the incidence rate of 15.9 per cent for women among all industries.

¹⁸ The European Institute for Gender Equality defines a ‘sticky floor’ as discriminant employment patterns which aims to keep women in the lower ranks of the job scale. The ‘glass ceiling’ is termed as invisible barriers which prevent women from accessing top decision-making and managerial positions.

¹⁹ Source: ILOSTAT, Incidence of part-time employment by sex – Common definition (%), [accessed 04 Dec. 2018].

²⁰ ILO (2018): *Global Wage Report 2018/2019 – What lies behind gender pay gaps* (Geneva).

²¹ The international definition of “low pay” is defined as an individual who earns less than two thirds of median hourly earnings within the country. More information can be found on Eurostat, See further: https://ec.europa.eu/eurostat/statistics-explained/index.php/Earnings_statistics#Low-wage_earners, [accessed 03 Dec. 2018].

7. Conclusion

This research note has aimed to contribute to a broader understanding of the most recent gender pay gap trends within the GTF sector in countries within developing Asia for which relevant comparable data are available. Gender pay gaps, including gaps not explained by observable differences (i.e. those that may be explained by gender-based wage discrimination), persist in the GTF sector in developing Asia. Particularly large gender pay gaps persist in the sector in the South Asia sub-region.

The persisting gender wages gaps in the GTF sector compound challenges associated with overall low wages in the sector, which in turn are a driver of long working hours for many women workers seeking to secure a decent standard of living for themselves and their families. Moreover, the overall higher shares of women than men in low pay work in the GTF sector in developing Asia are clearly visible from the most recent data. However, it is notable that in the countries studied, the incidence of low pay work among women in the GTF sector is lower than the incidence rate of low pay work for all industries considered as a whole. This implies that there are other industries where the prevalence of low pay is of even greater concern.

Many factors could aid future research not only within the GTF sector in Asia, but also in a broader global perspective, such as the availability of regularly collected and up-to-date LFS data which will be necessary to guide effective policy responses to the issue of persisting gender pay gaps. New Labour Force Surveys in Cambodia and India would be especially welcome in this regard.

The priority of closing gender gaps in opportunity and treatment at work between men and women was a key element of the Bali Declaration adopted by ILO constituents at the 16th Asia and the Pacific Regional Meeting in 2016.²² The Bali Declaration addresses the major regional challenges hindering sustainable and inclusive growth by providing goals and policy recommendations to regional policy makers. With regards to closing gender gaps, the Bali Declaration specifies that specific actions are to be taken to: Break down barriers to women's labour force participation; promote equal pay for work of equal value; extend maternity protection measures; and enable women and men to balance work and care responsibilities.

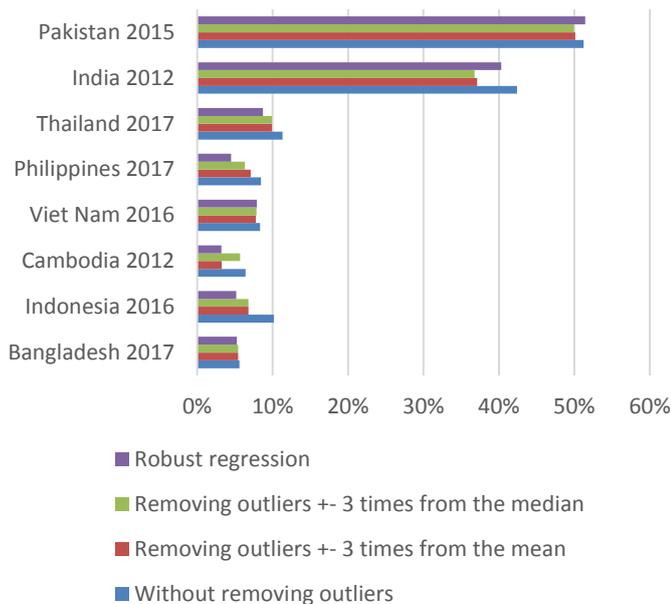
Strengthening mechanisms of collective bargaining could play a role in promoting equal pay in the GTF sector. Programmes such as Better Work, which has an important presence in several of these countries (Bangladesh, Cambodia, Viet Nam as well as Indonesia), offer another effective means of building national capacity toward improvements in working conditions in the garment industry, including enforcement of fair wages for both men and women. This research note confirms that even in the

GTF sector, which has opened up so many opportunities for women to earn an income outside of the home in the region, gender pay gaps persist, including significant gaps that are not explained by observable characteristics and that may therefore be attributable to gender-based discrimination. Stepping up action towards equality of pay in the GTF sector in Asia would thus be a good place to focus policy attention if garment producing countries in the region are to make progress towards achieving SDG 8, and especially its target 8.5 on equal pay for equal work for all women and men.

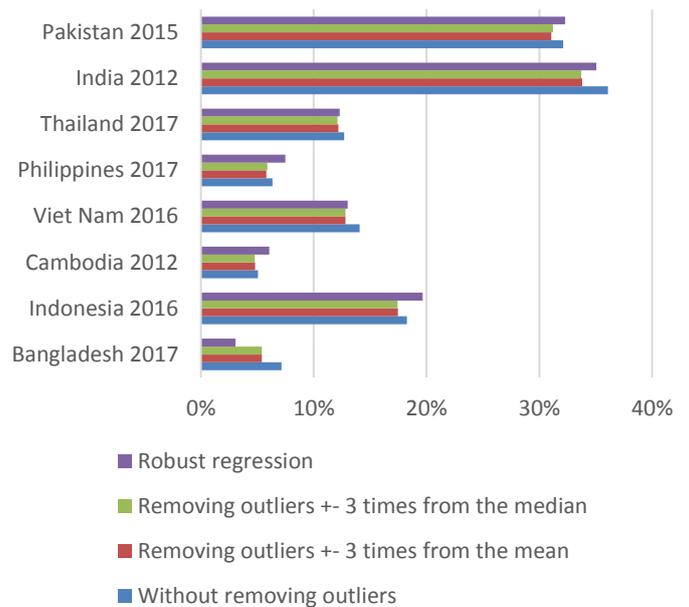
²² ILO (2017): Bali Declaration Policy Brief No. 1, Bangkok; https://www.ilo.org/wcmsp5/groups/public/---asia/---ro-bangkok/documents/briefingnote/wcms_613497.pdf, [accessed 23 Nov. 2018].

Annex I. Comparison of adjusted gender pay gap results, latest years

Panel A: GTF sector



Panel B: All industries



Source: Author's calculations from national labour force surveys on the adjusted pay gap which controls for observable productive characteristics as outlined in the methodology section.

Source: Estimates based on national labour force surveys (various years).



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