

# Global Living Wage Priorities: Union-Led Solutions



## Report on the Living Wage Roundtable





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The Asia Floor Wage Alliance (AFWA) was founded in 2007 as an Asian labor-led global labour and social alliance across garmentproducing countries (such as Bangladesh, Cambodia, India, Indonesia, Myanmar, Pakistan, Sri Lanka) and consumer regions (USA and Europe) for addressing poverty-level wages, gender discrimination, and freedom of association in global garment production networks.

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# Introduction

On 21–22 August 2025, trade union leaders and worker organisations from Asia, Africa and Latin America convened at the Nemuru Grand Suites in Jakarta, Indonesia for the roundtable *Global Living Wage Priorities: Union-Led Solutions*. Organised by Asia Floor Wage Alliance (AFWA), the meeting was held in direct response to the ILO’s historic decision in 2024 to operationalise living wages. Participants came together to build a shared analysis and forge a worker-led strategy for advancing living wages with a focus on the global garment supply chain. The roundtable brought together representatives from Bangladesh, Cambodia, India, Indonesia, Pakistan, Sri Lanka, Morocco, Honduras, and Mexico.

The roundtable focused on the global garment, textile, and footwear supply chain—which is an emblematic labour-intensive sector employing at least 70-75 million workers globally, the vast majority of whom are based in the Global South. Women constitute 70-80 percent of this workforce, concentrated in the lowest-paid, least secure, and most highly exploited segments of production. Garment production is driven by brand-controlled global value chains and structured around outsourced, low-wage labour. It has long functioned as a laboratory for corporate power: aggressive price squeezing, relocation threats, short-term contracts, and fragmented production systems. Because of its scale, feminised workforce, and centrality to export economies, the garment sector offers both a stark illustration of systemic wage suppression and a strategic front for shaping binding, transnational solutions that can influence other industries.

Lessons, demands, and strategies emerging from this sector hold direct relevance for workers in other industries where capital relies on undervalued and precarious labour. The ILO's 2024 tripartite mandate on operationalising living wages—recognising wages that cover food, housing, health care, education, and other essential household needs—affirms living wages as a universal right that applies to all workers, regardless of industry. Rooting the discussion in garment allowed participants to ground this broader agenda in concrete realities while advancing strategies that can shape policy, bargaining, and regulation across sectors.

Over two days of intensive discussions, participants shared testimonies on wage levels, job insecurity, and the impact of trade agreements and brand practices in different national contexts. They spoke about lost livelihoods, exploitative shift systems, household debt, minimum wages far below basic survival needs, informality, lack of social protection, fragmented supply chains, and anti-democratic union practices. Together, these experiences demonstrated that while contexts differ, the underlying dynamics of wage suppression are systemic and global.

However, the event was not only a space for documenting injustice but also for articulating collective strategies. Participants underscored that decades of appeals to governments and employers have not secured adequate wages; instead, the path forward requires building a united Global South agenda grounded in union power, international solidarity, and enforceable obligations on brands.

# The ILO and the Historic Struggle for Wage Justice



Since its founding, the ILO has held that wages should provide an adequate living and ensure a dignified standard of life for workers and their families. Emerging from worker struggle and post-war reconstruction, the Treaty of Versailles asserted that every worker is entitled to an income adequate for a dignified standard of living in their own national context. At its core, this vision rejected the treatment of labour as a disposable commodity.

Over the decades, the ILO's approach to wages diverged from its founding principles. As minimum wage systems expanded in the Global South, they were framed not as guarantees of dignity but as poverty-alleviation tools. In many developing countries, minimum wages emerged as a substitute for collective bargaining, unlike in much of Europe where strong union frameworks made statutory wage floors less central. At the same time, global economic policy shifts encouraged governments and employers to treat minimum wages as the ceiling rather than the floor of labour standards.

As a result, the original distinction between a living wage and a minimum wage became less clear in practice. Wage benchmarks shifted from adequacy to subsistence levels - enabling states, employers, and global brands to justify poverty wages in the name of “competitiveness” rather than justice.

Roundtable participants highlighted that 2024 marked a critical turning point. At the ILO Meeting of Experts on Wage Policies in February, governments, employers, and workers reached the first-ever tripartite agreement on operationalising living wages. The agreement affirmed that a living wage must cover more than basic needs—it must include housing, health care, education, and care responsibilities, and must be earned within normal working hours. This represents a substantive shift in global labour policy and a critical point of leverage for movements.

However, participants were clear: this breakthrough is only a starting point. Without binding obligations on brands operating in global supply chains and without enforcement by governments, the ILO’s commitments will remain aspirational rather than transformative. In the garment sector especially—where global brands dictate pricing, production timelines, and wage floors through their supply chains—implementation must be driven by workers and unions if it is to have real force. The agreement opens political space, but it is worker movements that will determine whether it becomes an enforceable reality.



# Country-level trends

The country inputs shared at the roundtable made clear that wage crises are not national anomalies but systemic outcomes of a global production model. Across Asia, Africa, and Latin America, participants described how minimum wages are set far below the cost of living, with inflation, debt, and unpaid care work erasing even nominal increases. Brand purchasing practices—including price squeezing, short-term contracts, and relocation threats—were identified as the central force driving wage suppression across regions, regardless of national wage laws or economic growth.



Rather than presenting isolated national cases, participants emphasised recurring patterns: forced and excessive overtime, erosion of social protection, subcontracting chains that hide employer responsibility, and inflation that outpaces wages. Across regions, workers reported that even where official figures suggest wage increases, household income still fails to cover essential costs such as food, housing, health care, and education.

Participants stressed that these trends disproportionately impact women workers, who carry the burden of wage gaps, unpaid care, and heightened exposure to GBVH. The data shared at the roundtable was not presented as static economic markers but as living evidence of a transnational pattern in which wages are structurally held below the cost of reproduction of labour. This underscores the need for convergence across production countries to resist being played against one another and to set enforceable wage floors above survival thresholds.



# Minimum wage and GNI

The comparison of minimum wages in garment to Gross National Income (GNI) per capita further illustrates this structural suppression. In Bangladesh, the minimum wage of USD 113/month represents only 0.48 of GNI, despite the sector generating 80% of export earnings. India's ratio is 0.54, with minimum wages stuck at USD 130/month despite a GNI of USD 10,030. In Pakistan, the ratio is higher at 1.12, showing the textile and garment industry's leading role in the country's path to industrialisation; but real wages of USD 122/month remain inadequate against soaring household needs. Sri Lanka's ratio is the lowest in South Asia at 0.27, reflecting wages of just USD 42/month against a GNI of nearly USD 14,000.

In Cambodia, the ratio is 1.21, showing the prominence of the garment industry in its industrialisation efforts. But with wages of garment workers at USD 208/month, families remain unable to meet basic consumption needs. Indonesia's ratio of 0.63 reflects regional wage disparities within the country and brand-driven relocation to low-wage provinces. Myanmar's ratio is 0.51, with minimum wages of USD 97/month failing to cover even subsistence needs. Vietnam's ratio is also 0.51, with a minimum wage of USD 167/month, much below AFWA's living wage benchmark of VND 12.4 million (USD 469).

In Honduras, the ratio is the strongest (1.40), showing the importance of low-wage industries; these low wages again fail to meet household needs. Mexico's ratio is 0.38, with USD 240/month wages far below expenditure levels. In Morocco, the ratio of 0.93 is undermined by widespread informality and underpayment. The Global South data demonstrates that the problem is not a lack of economic capacity, but a deliberate suppression of wages through brand pricing and supply chain strategies.

Country	Currency	PPP		Minimum Wage		GNI		Ratio MW and GNI per Capita
		(\$)	Year	Local Currency	PPP\$	PPP (\$)	Year	
Bangladesh	BDT	3.299	2024	12,500.00	37.890	9,43	2023	48
India	INR	1.990	2024	9,000.00	45.226	10,03	2023	54
Pakistan	PKR	6.486	2024	37,000.00	57.046	6,11	2023	112
Sri Lanka	LKR	8.749	2024	27,500.00	31.432	13,99	2023	27
				Average SA	42.899			
Cambodia	KHR	1,509.19	2023	833,664.00	55.239	5,46	2023	121
Indonesia	IDR	5,143.39	2023	3,315,728.00	64.466	15,21	2023	51
Myanmar	MMK	49.970	2021	195,000.00	39.023	5,8	2023	81
Vietnam	VND	7,160.71	2024	4,410,000.00	61.586	14,4	2023	51
				Average SEA	55.079			
				(Average: ASIA)	48.312			
Honduras	HNL	1.239	2024	10,457.00	84.399	7,211	2023	140
Mexico	MXN	1.099	2024	8,364.00	76.106	24,17	2023	38
				Average	80.252			
Morocco	MAD	404	2024	3,010.00	74.505	9,6	2023	93

# Gender and Living Wage

Across all regions represented at the roundtable, participants underscored that the struggle for a living wage cannot be separated from the gendered nature of global supply chains. Women make up the majority of the garment workforce, yet they remain concentrated in the lowest-paid, most insecure, and least protected roles. Testimonies from all regions showed that women's wages fall far below household needs, forcing families to rely on unpaid care work and informal income sources to survive. Participants emphasised that women's earnings do not meet even the most basic subsistence thresholds, deepening poverty and economic dependence.

These wage gaps are reinforced by structural conditions such as forced overtime, excessive working hours, and informal or subcontracted employment arrangements.

Women reported that long shifts and mandatory overtime increase exposure to gender-based violence and harassment, both inside factories and during commutes, while weak protections for pregnant workers and caregivers further entrench precarity.



At the same time, pervasive barriers to freedom of association—including intimidation, retaliation, union-busting tactics, and the limited inclusion of women in union leadership—undermine collective bargaining power and block pathways to higher wages. Participants stressed that these dynamics are not incidental, but deliberately sustained features of a supply-chain model built on cheap, feminised labour.

The consensus was clear: achieving a living wage requires confronting the gendered foundations of wage repression. Any credible wage framework must account for the cost of sustaining women workers and their dependents, guarantee protections from GBVH, and ensure that organising spaces are accessible, representative, and enforceable. Gender justice is not an add-on to the wage agenda—it is a precondition for making living wages real.



# ILO Methodology

The ILO defines a living wage as income sufficient to meet a family's needs within normal working hours—meaning workers should not have to rely on overtime to achieve a basic standard of living. Unlike minimum wages or poverty thresholds, the ILO frames living wages as a matter of dignity, adequacy, and social protection rather than survival.

Its methodology follows a three-step process based on national income and expenditure data. First, it calculates the per-person cost of four core components. Food is costed using WHO and FAO dietary standards, while housing costs draw on UN-Habitat guidelines. Health care, education, and other essential needs are then estimated using the relative shares of median household expenditure at the national level.

Second, these costs are scaled to reflect household realities using the rounded national average family size and equivalence scales. The methodology incorporates an Adult Equivalent Energy Intake (AEEI) of 2,950 kcal for an adult male and applies the OECD/Oxford scale to account for household economies of scale.

Third, the total household cost is divided by the assumed number of full-time earners—typically one, one-and-a-half, or two—depending on labour market conditions and gendered employment patterns. The aim is to arrive at a wage level that sustains a household without requiring multiple jobs or excessive working hours.

In terms of implementation, the ILO emphasises that “one size does not fit all,” and insists that living wages should be anchored in social dialogue, particularly through collective bargaining in bipartite or tripartite settings. The framework assumes that productivity gains can translate into wage growth only when labour institutions are sufficiently strong.

Roundtable participants welcomed the use of clear, evidence-based criteria for food and non-food needs, stressing that alignment with real household requirements enhances both legitimacy and comparability across countries. Participants also expressed explicit support for the 2,950-kcal benchmark, underscoring that caloric adequacy is fundamental to calculating the true cost of a dignified life and preventing wage-setting practices that normalise malnutrition or underconsumption.

At the same time, participants underscored the framework's limitations when applied to global supply chains. The methodology does not address the structural power of multinational brands, does not ensure the pass-through of increased labour costs to supplier countries, and offers no mechanisms for transnational enforcement. As a result, while the ILO approach sets an important baseline of adequacy, transparency, and legitimacy, it cannot deliver transformative change on its own. Participants emphasised that union-led, cross-border strategies are essential not only to activate the ILO framework but to extend it towards binding, enforceable wage justice.



# AFWA Methodology

AFWA advances a living-wage methodology rooted in regionalism, gender justice, and worker participation. At the roundtable, it was presented as a concrete example of convergence across Asian garment-producing countries—offering a model that could be expanded through intercontinental coordination among production countries seeking to establish shared living-wage standards. Since 2009, AFWA has produced cross-border wage benchmarks designed to counter brand relocation threats and prevent countries from being pitted against one another. Unlike institutional or poverty-based models, AFWA’s calculations are based on workers’ actual consumption needs and are intended for bargaining, campaigning, and enforceable agreements—not merely as technical indicators.

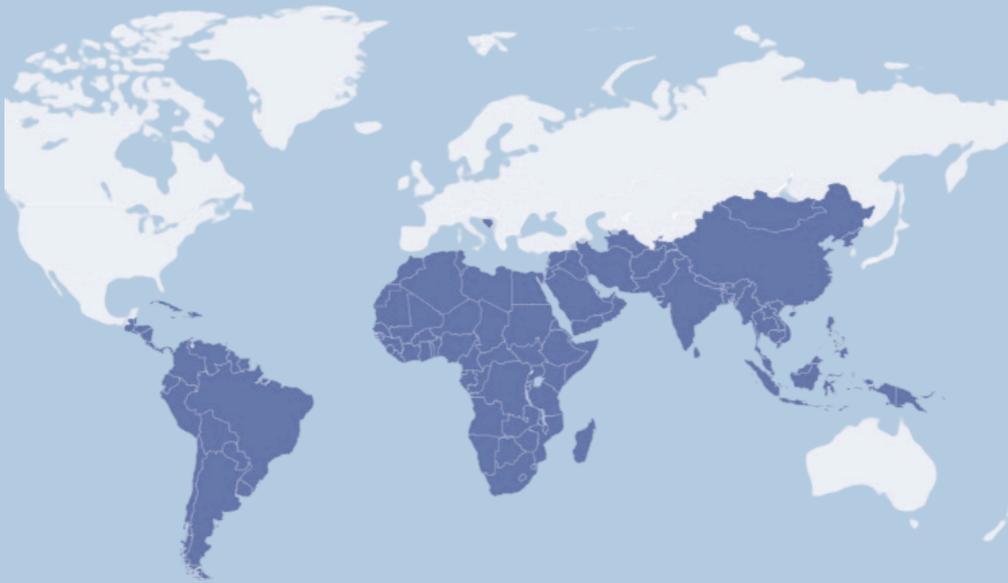


The approach is anchored in three core criteria: a 3,000-kilocalorie benchmark per adult, a reference household of three consumption units, and a 1:3 income earner-dependent ratio, meaning one full-time wage must sustain three consumption units without overtime. In practical terms, 1 consumption unit equals 1 adult, and 0.5 consumption unit equals 1 child. Therefore, households can be varied such as two adults and two children or one adult and four children, or four adults (such as elders living with their children) depending on national demographics. The 1:3 ratio assumes that only one person in the household is earning a wage, while the others—most often women, children, and elders—are dependents engaged in unpaid care, schooling, or informal work. These parameters translate into a household-level wage benchmark that reflects real nutritional, social, and care and reproductive needs within normal working hours.

AFWA also applies a 45:55 food-to-non-food cost ratio, revised from the earlier 50:50 split to reflect rising expenses in housing, transport, health care, childcare, communication, and education. Country-level data are gathered through regional consumption surveys, and in 2013 AFWA introduced a regional CPI to ensure comparability across borders. In 2022, costs related to housing, health care, and education were further embedded into the non-food component to reflect actual household expenditure patterns.

Because women make up the majority of the garment workforce and absorb the greatest burden of insecurity and unpaid care, AFWA's methodology is explicitly women centred. It rejects wage formulas based on individual survival and instead centres the cost of sustaining families, communities, and the labour force as a whole. The result is a benchmark built not for subsistence, but for negotiation for a dignified wage—linking purchasing practices, collective bargaining, and enforceable brand commitments to the real cost of a dignified life.

# Shared Struggles Across the Global South



The roundtable highlighted a striking convergence of conditions across Asia, Africa, and Latin America. Common criteria include: wages consistently below basic living costs; widespread informality, casualisation, and precarious contracts; forced overtime and excessive working hours; systemic exclusion from social security and health care; gender-based violence and harassment at the workplace; and lack of enforcement of existing laws. Workers from every region testified to structural patterns of wage suppression driven by global brands' pricing practices and the race to the bottom in trade regimes. Gender-based violence and harassment remain systemic, with women concentrated in the lowest-paid and most insecure roles - underscoring the exploitation of women workers as the backbone of global supply chains.



## ILO Conventions as a Goal

The participants of the roundtable noted that existing ILO instruments although essential are insufficient for ensuring living wage. The living-wage principle first articulated in 1919 continues to give legitimacy to wage demands, and Convention 131 remains a central reference for minimum-wage fixing based on workers' needs and the cost of living. Participants also cited Conventions 87 and 98 on freedom of association and collective bargaining as foundational to any wage progress. Equally, there was strong emphasis on the need for full ratification and enforcement of Convention 190 on gender-based violence and harassment, as women—who make up the majority of garment workers—remain the most exposed to violence, retaliation, and wage repression.

At the same time, participants were clear that existing ILO conventions would not be enough to ensure living wage. A key outcome of the roundtable was the shared position that an ILO Convention on Living Wage is needed. Participants argued that while living wages are referenced in existing instruments, they remain fragmented, non-binding, undefined and vulnerable to interpretation.

A standalone convention would define and establish living wages as a universal right, require governments to adopt enabling legislation, and create new accountability pathways across supply chains.



The consensus was that ILO conventions should function as a floor—not the ceiling. For conventions to deliver real impact, they must be translated into binding and enforceable commitments within global supply chains. That means brand-supplier agreements that guarantee wage pass-through, align purchasing practices with living-wage costs, and embed union-led monitoring and grievance mechanisms capable of delivering remedy. Without these mechanisms—and without legal tools grounded in workers’ lived realities, especially those of women—conventions risk remaining symbolic rather than transformative.

# Alliance Building for Global Impact



**The Global Living Wage Priorities: Union-Led Solutions roundtable concluded with four shared commitments across Asia, Africa, and Latin America:**

**Adopt a Common Living-Wage Criteria (Globally)**

Participants agreed on the need for a shared criteria for living wage and committed to work towards convergence on common criteria. Rather than relying on fragmented national formulas, unions and worker organisations will collaborate to develop a household-based adequacy standard—earned within normal hours and covering workers’ essential needs—that can be used across countries for bargaining, advocacy, and accountability.

**Establish 2,950 Kcal as the Minimum Nutritional Baseline**

As part of this convergence, participants welcomed the 2,950-kilocalorie benchmark referenced by the ILO as a baseline for living-wage calculations. They agreed that any shared methodology must not fall below 2,950 kcal per adult equivalent, and that national adaptations should only raise—not dilute—the adequacy threshold.

**Advocate for a Dedicated ILO Convention on Living Wage**

Participants reached consensus on the need to move beyond voluntary guidance and committed to jointly advocate for a new ILO Convention on Living Wage. The aim is to establish enforceable global standards that guarantee living wages in line with agreed adequacy criteria.

**Sustain Inter-Regional Coordination**

To carry this agenda forward, participants committed to continued coordination among unions and worker organisations across Asia, Africa, and Latin America to align demands, share strategies, and prevent divide-and-rule dynamics in wage setting and bargaining. Central to this consensus was the commitment that women workers' experiences—as the majority of the garment workforce—must shape both strategy and collective negotiation.