

Chile

Overview



Commodities

Dashboard

Context

Wages

What's happening

4%

Population below international poverty line

€374

per month

National minimum wage

€714

per month

Urban living wage

9%

Agricultural workforce

4%

Agriculture share of GDP

4

high

Risk to workers' rights

Context

Chile has a population of roughly 19 million people.^[1] The country is highly urbanized, with 88% of its population living in urban areas.^[2] The agricultural sector employs 9% of the workforce,^[3] and accounts for 4% of the country's GDP.^[4]

Chile is one of the leading agricultural producers in Latin America and an important player in the global agri-food landscape.^[5] The country's agricultural sector is highly diversified, as it specialises in a wide variety of products, including wine production and food processing. The sector is divided in two types of agriculture, one of family farming supporting the domestic market and another of high-tech commercial farming focussing on the export market. Especially during the harvest seasons agriculture is a significant source of employment. As for self-employed smallholder farmers, 43% of them own plots of less than 5 hectares. Given agriculture's significance for the country, Chile's high climate change vulnerability is alarming. More droughts, desertification and a greater presence of pests are expected, which are all factors capable of degrading agricultural production.^[6]

The top produced commodities in Chile are grapes, apples, wheat, sugar beet and milk.^[7] Similarly, Chile's top export commodities in terms of quantity are wine, apples, grapes, prepared fruit and cherries.^[8]

Wages

Minimum wage

The minimum wage in Chile is set by law at 326,500 Chilean pesos (374 EUR) per month for workers between 18 and 65 years. Below the age of 18 and above 65 years old, the minimum wage is set at 243,561 Chilean pesos (279 EUR) per month.^[9] Although labour laws are properly enforced in the formal sector, the government has an insufficient number of labour inspectors to ensure enforcement throughout the whole country. In the informal economy, workers are not guaranteed adequate wages. Most minimum wage violations occur in the retail and the real estate sector. Furthermore, the most vulnerable social group to labour exploitation are immigrant workers in the agricultural sector.^[10]

Living wage

The **Global Living Wage Coalition**, has developed a Living Wage Reference Value study for non-metropolitan urban Chile based on the Anker methodology.

The Anker Living Wage Reference Value for non-metropolitan urban Chile is estimated at 623,057 Chilean pesos (714 EUR) per month. This is the wage workers need to afford a basic but decent standard of living in non-metropolitan urban Chile. The estimated living wage is almost double the national minimum wage (for workers between 18 and 65 years) and approximately twice the average wage for agricultural workers.^[11]

What's happening

RESOURCE

[Living Wage Reference Value, Non-Metropolitan Urban Chile](#) ↗

Living wage estimate for workers to be able to afford a basic but decent living standard for non-metropolitan urban Chile.

RESOURCE

[Formalization: The case of Chile](#) ↗

This ILO report shares practices to address informal labour in Chile with the aim of influencing policy.

RESOURCE

[Female Employment and Household Income in Chile](#) ↗

This scientific article focuses on the impact of the development of the Chilean fruit sector for women and household income.

Footnotes

1. World Bank (2019). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=CL>
2. World Bank (2019). <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=CL>
3. World Bank (2019). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=CL>
4. World Bank (2019). <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=CL>
5. World Bank. (2011). *Towards a Vision for Agricultural Innovation in Chile in 2030*. <https://openknowledge.worldbank.org/handle/10986/2780>

6. UNEP (2016). A Sustainability Standard for Chile's Agriculture Sector. Geneva: UNEP.
https://wedocs.unep.org/bitstream/handle/20.500.11822/22761/Sustainability_Chile.pdf?sequence=1
7. FAOSTAT (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country
8. FAOSTAT (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country_exports
9. Wage Indicator Foundation (2021). Minimum Wage-Chile.
<https://wageindicator.org/salary/minimum-wage/chile>
10. U.S. Department of State. 2019 Country Reports on Human Rights Practices: Chile.
<https://www.state.gov/reports/2019-country-reports-on-human-rights-practices/chile/>
11. Global Living Wage Coalition (2020). Anker Living Wage Reference Value: Non-Metropolitan Urban Chile 2020. https://www.globallivingwage.org/wp-content/uploads/2020/12/LW-Reference-Value_Chile.pdf