

Costa Rica

Overview

Commodities

Dashboard

Context

Wages

Working conditions

What's happening

11%

Population below international poverty line

variable

National minimum wage

€595

per month

Rural living wage

12%

Agricultural workforce

4%

Agriculture share of GDP

2

low

Risk to workers' rights

Context

Costa Rica has a population of roughly 5 million people^[1] with 19% living in rural areas^[2] and 81% living in urban^[3] settings. Approximately 12% of the workforce is in the agricultural sector.^[4] Agriculture, forestry and fishing represent roughly 4.3% of Costa Rica's GDP.^[5]

Costa Rica has experienced a rapid urbanization process. In 1990 half of the population lived in rural areas. By 2019 that number had decreased to 20% of the population. Even so, agriculture plays an important role in rural areas where it is the largest employer and poverty rates remain high.^[6] The agricultural sector in Costa Rica has a dual structure that includes an established export sector, dominated by large-scale industrial scale farms, and a more traditional sector characterized by small-scale farms.^[7]

Costa Rica's primary products by quantity are sugar cane, pineapples, bananas, fresh cow milk and palm oil fruit.^[8] The top export commodities in terms of quantity are bananas, pineapples, prepared fruit, palm oil and raw sugar.^[9]

Wages

Minimum wage

The minimum wage in Costa Rica is set by law and varies by skill and education level. The minimum wage applies to all workers, both Costa Rican and migrants. The minimum wage rate varies from a low of 317,915 Costa Rican Colóns (424 EUR) per month for generic unskilled workers to a high of 682,607 Costa Rican Colóns (910 EUR) per month for university graduates.^[10]

The law sets workday hours, overtime remuneration, days of rest, and annual vacation rights, but some of these rules exclude the agricultural sector. When there's imminent risk of harming the harvests and work cannot be suspended or workers substituted, these employees can work for more than 12 hours with no resting day. Systematic violations of labor rights and provisions concerning working conditions, overtime, and wages in the export-processing zones were reported by labor unions, and the Labor Ministry publicly recognized that many workers, including in the formal sector, received less than the minimum wage, mainly in the agricultural sector.^[11]

Living wage

The **Global Living Wage Coalition** has developed a Living Wage benchmark for rural Costa Rica, based on the Anker methodology, for the provinces of Limón and Heredia.

The gross living wage estimate is set at 446,085 Costa Rican Colóns (595 EUR) per month,^[12] meaning that generic workers fall short of a living wage. In addition, many workers, including those in the formal sector, earn less than minimum wage, especially in rural areas, where monitoring of compliance rates is less stringent.^[11]

Working conditions

Agricultural employment is vulnerable due to variability in production and exports, and the informality of the sector. Informal labour is estimated at 60% of all agricultural employment in 2014.^[13]

Migrant workers

Costa Rica's agricultural sector employs many migrant workers, who represent a significant share of the informal labour in the sector.^[14] Most of the migrants come from Nicaragua to work on the plantations and face the highest risk of insecure working conditions. In the pineapple industry, it is estimated that approximately 70% of workers are Nicaraguan migrants.^[15]

Migrants are often hired on short-term contracts and paid less than the minimum wage. In addition to low pay, migrants often lack a residency card and the protections that come with it. These workers may be subject to exploitative employment terms, lack access to social security or health services, and often work in unsafe conditions.^[16]

Health risks

Agricultural workers often work in unsafe and harsh conditions, especially in the pineapple, banana and sugarcane sectors. Exposure to chemicals without proper training is common, with the pineapple and banana plantations using high volumes of hazardous pesticides. Workers and communities near plantations have higher rates of disabilities, miscarriages and cancer than average.^[17] Among sugarcane cutters, insufficient access to drinking water and shade breaks often lead to heat stress and dehydration.^[18]

Child labour and labour issues

There are strong indications that worst forms of forced child labour occur in the agricultural sector of Costa Rica, mainly in the coffee sector.^[19] Child labour primarily occurs in the informal sector and most often involves indigenous children and the children of seasonal workers.^[14]

The **ITUC Global Rights Index**, which assesses workers' rights violations, gives Costa Rica a score of 2 out of 5, based on systematic violations of labour rights. The government and/or companies have frequently undermined the struggle for better working conditions.^[20] For example, the right to

freedom of association is systematically violated in the Costa Rican pineapple and banana industries.^[17]^[21] Similarly, the right to sick leave has been threatened.^[22]

Labour laws are set on a national level to protect workers' rights and assign employers' obligations and responsibilities. To better understand labour, social security and human rights legislation in Costa Rica, visit **NATLEX**, a database developed by the International Labour Organization. Similarly, the **WageIndicator Foundation** provides detailed information about **Costa Rica's labour law** and examples of **collective bargaining agreements** used by different corporations in Costa Rica.

What's happening

RESOURCE

[Updated Living Wage, Rural Costa Rica](#)

Update in the living wage estimate for rural Costa Rica in Limón and Heredia Provinces, focussing on the banana industry.

RESOURCE

[Living Wage Benchmark, Rural Costa Rica](#)

Living wage estimate for rural Costa Rica in Limón and Heredia Provinces, focussing on the banana industry.

INITIATIVE

[Bananas in Costa Rica and Belize](#)

Project to calculate living wages in banana producing areas in Costa Rica and Belize, by IDH and international and local partners.

RESOURCE

[Sweet Fruit, Bitter Truth](#)

This report by Oxfam explores the responsibility of German retailers for the unethical conditions prevailing in the Pineapple and Banana industries of Costa Rica and Ecuador.

RESOURCE

[Banana Value Chains in Europe](#)

This report by Make Fruit Fair elaborates upon the trading practices for farmers and workers in the main countries exporting bananas to the European Union.

Footnotes

1. World Bank. (2020). <https://data.worldbank.org/country/costa-rica>
2. World Bank. (2020) <https://data.worldbank.org/indicator/SP.RUR.TOTL?locations=CR>
3. World Bank. (2020) <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=CR>
4. World Bank. (2019). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=CR>
5. World Bank. (2020) <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=CR>
6. OECD. (2019) *Agricultural Policies in Costa Rica*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264269125-en>
7. OECD. (2019). *Agricultural Policies in Costa Rica*, OECD Publishing, Paris. <http://dx.doi.org/10.1787/9789264269125-en>
8. FAOSTAT (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country
9. FAOSTAT (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country_exports

10. WageIndicator Foundation. (2020). <https://wageindicator.org/salary/minimum-wage/costa-rica>
11. U.S. Department of State. (2020). Country Reports on Human Rights Practices: Costa Rica. <https://www.state.gov/reports/2020-country-reports-on-human-rights-practices/costa-rica/>
12. Global Living Wage Coalition. (2021) https://www.globallivingwage.org/wp-content/uploads/2021/09/Updatereport_Costa-Rica_May2021_13Sept2021-FINAL.pdf
13. OECD. (2017). Agricultural Policies in Costa Rica, OECD Publishing, Paris <http://dx.doi.org/10.1787/9789264269125-en>
14. U.S. Department of State. (2018). Country Reports on Human Rights Practices: Costa Rica. <https://www.state.gov/reports/2018-country-reports-on-human-rights-practices/costa-rica/>
15. Banana Link. (2020). <https://www.bananalink.org.uk/why-pineapples-matter/>
16. U.S. Department of State. (2018). Country Reports on Human Rights Practices: Costa Rica. <https://www.state.gov/reports/2018-country-reports-on-human-rights-practices/costa-rica/>
17. Humbert, F., & Braßel, F. (2016). Sweet Fruit, Bitter Truth. Oxfam Germany. <https://www.oxfam.de/system/files/20160531-oxfam-sweet-fruit-bitter-truth-en.pdf>
18. Fairfood International. (2014). Sugarcane & Rum report. https://www.cnvinternationaal.nl/_Resources/Persistent/dc37494044d649e70aa77d9693610027f7e5e0c3/CNV-0035_Sugarcane-Rum-report_Mid_Am_ENG-1.0_20150714.pdf
19. U.S. Department of Labor. (2018). Findings on the Worst Forms of Child Labor. https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2018/Costa%20Rica.pdf
20. ITUC Global Rights Index. (2019) <https://www.ituc-csi.org/IMG/pdf/2019-06-ituc-global-rights-index-2019-report-en-2.pdf>
21. Banana Link. (2020). <http://www.bananalink.org.uk/the-problem-with-bananas>
22. ITUC Global Rights Index. (2019). <https://survey.ituc-csi.org/Costa-Rica.html#tabs-3>