

Costa Rica

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14%

Population below international poverty line

variable

National minimum wage

€629

per month

Rural living wage

17%

Agricultural workforce

5%

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 17% of the workforce is in the agricultural sector.^[4] Agriculture, forestry and fishing represent roughly 4.5% of Costa Rica's GDP.^[5]

Costa Rica has experienced a rapid urbanisation 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 characterised 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 352,165 Costa Rican Colóns (567 EUR) per month for generic unskilled workers to a high of 752,220 Costa Rican Colóns (1211 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 labour rights and provisions concerning working conditions, overtime, and wages in the export-processing zones were reported by labour unions, and the Labour Ministry publicly recognised 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 489,147 Costa Rican Colóns (788 EUR) per month,^{[12][13]} 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]

What's happening

RESOURCE

[Updated Living Wage, 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. (2021). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=CR>
2. World Bank. (2021) <https://data.worldbank.org/indicator/SP.RUR.TOTL?locations=CR>
3. World Bank. (2021) <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=CR>
4. World Bank. (2021). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=CR>
5. World Bank. (2021) <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 (2021). http://www.fao.org/faostat/en/#rankings/commodities_by_country
9. FAOSTAT (2021). http://www.fao.org/faostat/en/#rankings/commodities_by_country_exports
10. WageIndicator Foundation. (2023). <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. (2022) <https://www.globallivingwage.org/living-wage-benchmarks/rural-costa-rica-limon-and-heredia-provinces/>
13. Global Living Wage Coalition. (2021) https://www.globallivingwage.org/wp-content/uploads/2021/09/Updaterreport_Costa-Rica_May2021_13Sept2021-FINAL.pdf