

Ecuador

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32%

Population below international poverty line

€375

per month

National minimum wage

€452

per month

Rural living wage

32%

Agricultural workforce

9%

Agriculture share of GDP

5

very high

Risk to workers' rights

Context

The population of Ecuador is roughly 18 million people,^[1] with nearly 64% of the population^[2] living in urban areas. The agricultural sector employs 32% of the population,^[3] and constitutes just about 9% of the nation's GDP.^[4]

Smallholders account for roughly 75% of farmers in the country, yet only hold roughly 17% of all agricultural land in Ecuador. In addition, smallholders provide nearly 60% of the basic food basket of Ecuador, greatly contributing to local food security for millions of Ecuadorians in both rural and urban areas.^[5] Following the global trend, issues of land grabbing and unequal land distribution are prominent in Ecuador and are a significant threat to the livelihoods of many smallholder farmers.^[6] Ecuador is the number one exporter of bananas in the world,^[7] making banana production very important to Ecuador's national economy and a core commodity for income generation.^[8]

The top produced commodities in Ecuador are sugar cane, bananas, fresh cow milk, palm oil fruit and maize.^[9] As for the top export commodities in terms of quantity, these are bananas, cocoa beans, plantains, palm oil and prepared fruit.^[10]

Wages

Minimum wage

The official minimum wage for unskilled labor in Ecuador is 400 USD (375 EUR) per month.^[11] Agricultural labour in banana, coffee and cocoa plantations and other tropical fruit is largely paid per piece.^[12] Approximately half of the workers in Ecuador are employed in the informal sector, where minimum wages and social protections are not effectively enforced.^[13]

Living wage

The **Global Living Wage Coalition** has developed a living wage benchmark based on the Anker methodology, which focuses on the banana sector of the Southern Coastal region of Ecuador.

According to the benchmark, the living wage for a worker in the Southern Coastal Region of Ecuador is 482 USD (452 EUR) per month^[14]. This calculation focuses on the rural areas of the main banana growing regions and it is based on a family of 4 with 1.61 workers. In Ecuador, workers with formal contracts who are part of the National Social Security System (IESS) receive the nationally enforced minimum wage plus 13th and 14th month bonuses. Because many banana plantation workers are informally employed, the estimated living wage from the Global Living Wage Coalition benchmark was developed considering the lack of additional bonus payments.^[15]

What's happening

WHATSHAPPENING-LABEL-

Living Wage Update: Rural Ecuador, Southern Coastal Region ↗

Update in the living wage estimate for the southern coastal region of Ecuador, focussing on banana workers. Global Living Wage Coalition.

INITIATIVE

Living Wage Advocacy Initiative ↗

Pilot project in Ecuador and Ghana to establish living wage benchmarks to improve wage negotiations for banana workers.

RESOURCE

Living Wage Benchmark, rural Ecuador ↗

Living wage estimate for the southern coastal region of Ecuador, focussing on banana workers. Global Living Wage Coalition.

RESOURCE

Tracking living and minimum wages in the banana sector ↗

A report commissioned by the World Banana Forum in May 2015 with information for 9 banana producing countries.

RESOURCE

Sweet fruit, bitter truth ↗

Report on the working conditions in the banana and pineapple sectors in Costa Rica and Ecuador. Oxfam Germany, 2016.

Footnotes

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2. World Bank. (2021). <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=EC>
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4. World Bank. (2021). <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=EC>
5. FAO. Family Farming Knowledge Platform. <http://www.fao.org/family-farming/countries/ecu/en/>
6. Córdova, R., Hogarth, N.J., and Kanninen, M. (2018). Sustainability of Smallholder Livelihoods in the Ecuadorian Highlands: A Comparison of Agroforestry and Conventional Agriculture Systems in the Indigenous Territory of Kayambi People. <https://ideas.repec.org/a/gam/jlands/v7y2018i2p45-d140451.html>
7. FAOSTAT. (2018). <http://www.fao.org/faostat/en/#rankings>
8. Global Living Wage Coalition. (2019). Bananas in Ghana and Ecuador. <https://www.globallivingwage.org/case-studies/ghana-and-ecuador/>
9. FAOSTAT (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country
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12. WageIndicator Foundation. (2023). <https://wageindicator.org/salary/minimum-wage/ecuador/3854-agriculture-and-plantations>
13. U.S. Department of State. (2019). <https://www.state.gov/reports/2019-country-reports-on-human-rights-practices/ecuador/>
14. Global Living Wage Update Rural Ecuador. (2022) <https://www.globallivingwage.org/living-wage-benchmarks/living-wage-for-rural-ecuador/>
15. Global Living Wage Coalition (2016). Living Wage Report Rural Ecuador. https://www.globallivingwage.org/wp-content/uploads/2020/07/LW-Report_Ecuador_2016_en.pdf