

# El Salvador



## Overview

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What's happening

6%

Population below international poverty line

variable

National minimum wage

€292  
per month

Rural living wage

16%

Agricultural workforce

5%

Agriculture share of GDP

3

medium

Risk to workers' rights

## Context

El Salvador has a population of roughly 6.4 million people.<sup>[1]</sup> The country is highly urbanized with 73% of the population living in urban areas<sup>[2]</sup> and the remaining 27% in its rural regions.<sup>[3]</sup> Agriculture employs 16% of the workforce,<sup>[4]</sup> and contributes 5% to El Salvador's GDP.<sup>[5]</sup>

El Salvador's economy has moved from an agrarian model to one of services, non-traditional agricultural and industrial exports. Nevertheless, a significant part of the country still lives in rural areas, where many live in poverty.<sup>[6]</sup> Agriculture in El Salvador has a dual character; with commercial farms specializing in exports or the food industry and smallholder farms trying to survive on subsistence farming. In many cases, this subsistence economy does not provide families with a sufficient income, denying them the ability to afford food or cover their basic needs. This is concerning since the country's agricultural community is dominated by small scale farmers (82%) who farm on less than 3 hectares.<sup>[7]</sup>

The top produced commodities of El Salvador are sugar cane, maize and cow milk,<sup>[8]</sup> similarly the main exported food products are raw sugar, non-alcoholic beverages, molasses and maize flour.<sup>[9]</sup>

## Wages

## Minimum wage

The minimum wage in El Salvador varies greatly by sector. The agricultural sector has the lowest minimum wage and it also varies by commodity and activity.<sup>[10]</sup>

Although the minimum wage rates are above the poverty income levels, their enforcement is not always effective, especially in the informal sector. The informal economy represents around 75% of the economy in El Salvador. As a result, minimum wage and overtime violations are present in many sectors. In addition, women workers, especially in the export-processing sector, suffer exploitation, verbal and sexual abuse. The high crime rate that characterises the country has undermined work conditions, affecting workers both physically and psychologically.<sup>[11]</sup>

## Living wage

The **Global Living Wage Coalition** has developed a Living Wage Reference Value study for rural El Salvador based on the Anker methodology.

The Anker Living Wage Reference Value for rural El Salvador is estimated at 3,136 Salvadoran colón (292 EUR) per month. This estimate accounts for the wage required by rural workers to afford a basic but decent standard of living in a typical rural area of El Salvador. The estimated value consists of a net living wage of 2,815 Salvadoran colón (262 EUR) per month, plus 321 Salvadoran colón (30 EUR) to pay the State Welfare Fund and a private pension. The living wage estimate is 70 to 80% higher than both the agricultural minimum wage and the average wage for agricultural workers.<sup>[12]</sup>

## What's happening

### RESOURCE

#### [Living Wage Reference Value, Rural El Salvador](#)

Living wage estimate for workers to be able to afford a basic but decent living standard in a typical rural area of El Salvador. Global Living Wage Coalition, 2020.

### RESOURCE

#### [Impact of coffee rust on livelihoods](#)

This Oxfam report explores the effects of the coffee rust outbreak in El Salvador on food security and farmers' income.

### RESOURCE

#### [Coffee Market System](#)

As part of a 5-year initiative to improve farmers' livelihoods, this report focuses on the opportunities of El Salvador's coffee market system to support renovation and rehabilitation.

### RESOURCE

#### [El Salvador's coffee sector](#)

A data sheet by the Sustainable Coffee Challenge drawing a picture of the coffee sector in El Salvador.

## Footnotes

1. World Bank (2019). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=SV>
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4. World Bank (2020). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=SV>
5. World Bank (2019). <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=SV>

6. IFAD. El Salvador. [https://www.ifad.org/en/web/operations/country/id/el\\_salvador?inheritRedirect=true](https://www.ifad.org/en/web/operations/country/id/el_salvador?inheritRedirect=true)
7. FAO. FAO and Family Farming: The case of El Salvador. <http://www.fao.org/3/a-as175e.pdf>
8. FAOSTAT (2019). [http://www.fao.org/faostat/en/#rankings/commodities\\_by\\_country](http://www.fao.org/faostat/en/#rankings/commodities_by_country)
9. FAOSTAT (2019). [http://www.fao.org/faostat/en/#rankings/commodities\\_by\\_country\\_exports](http://www.fao.org/faostat/en/#rankings/commodities_by_country_exports)
10. WageIndicator Foundation (2020). Minimum Wage-El Salvador. <https://wageindicator.org/salary/minimum-wage/elsalvador>
11. U.S. Department of State (2019). Country Reports on Human Rights Practices: El Salvador. <https://www.state.gov/reports/2019-country-reports-on-human-rights-practices/el-salvador/>
12. Global Living Wage Coalition (2020). Anker Living Wage Reference Value: Rural El Salvador 2020. <https://www.globallivingwage.org/wp-content/uploads/2020/11/Rural-El-Salvador-LW-Reference-Value-FINAL.pdf>