

El Salvador



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9%

Population below international poverty line

variable

National minimum wage

€229

per month

Agriculture minimum wage

€346

per month

Rural living wage

€458

per month

Urban 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.^[1] The country is highly urbanised with 74% of the population living in urban areas^[2] and the remaining 26% in its rural regions.^[3] Agriculture employs 16% of the workforce,^[4] and contributes 5% to El Salvador's GDP.^[5]

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.^[6] Agriculture in El Salvador has a dual character; with commercial farms specialising 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.^[7]

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

Wages

Minimum wage

El Salvador has been a dollarized economy since 2001, when the US Dollar replaced the Salvadorian Colon (SVC) as the official currency. The minimum wage in El Salvador varies greatly by sector, and the agricultural sector has the lowest value: 8 USD (7 EUR) per worker per day, or 243.46 (229 EUR) per month. It can also vary by commodity and activity.^[10]

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.^[11]

Living wage

The **Global Living Wage Coalition** has developed 2 Living Wage Reference Value study for rural and urban areas of El Salvador based on the Anker methodology.

The Anker Living Wage Reference Value for rural El Salvador is estimated at 369 USD (346 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.^[12]

For the urban region of El Salvador, the estimate value is 519 USD (487 EUR) per month. The Reference Value is comprised of a net living wage (i.e., take-home pay) of USD 466 (437 EUR) per month plus an estimated USD 53 (50 EUR) which would need to be paid by law as contribution to State Welfare Fund and in private pension contribution on the living wage.^[13]

What's happening

RESOURCE

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

Living wage estimate for workers to be able to afford a basic but decent living standard in the urban area of El Salvador. Global Living Wage Coalition, 2022.

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 (2021). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=SV>
2. World Bank (2021). <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=SV>
3. World Bank (2021). <https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=SV>
4. World Bank (2021). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=SV>
5. World Bank (2021). <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
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
9. FAOSTAT (2019). http://www.fao.org/faostat/en/#rankings/commodities_by_country_exports
10. WageIndicator Foundation (2023). 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 (2022). Anker Living Wage Reference Value: Rural El Salvador. <https://www.globallivingwage.org/living-wage-reference-value-rural-el-salvador/>
13. Global Living Wage Coalition (2022). Anker Living Wage Reference Value: Urban El Salvador. <https://www.globallivingwage.org/living-wage-reference-value-urban-el-salvador/>