

Guatemala

Overview



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Wages

What's happening

49%

Population below international poverty line

variable

National minimum wage

€287

per month

Agriculture minimum wage

€339

per month

Rural living wage

31%

Agricultural workforce

9%

Agriculture share of GDP

5

very high

Risk to workers' rights

Context

The population of Guatemala is just below 17 million people,^[1] with an almost equal distribution of rural (49%)^[2] and urban (51%)^[3] populations. Just under one third of the population (31.5%)^[4] is employed by the agricultural sector, a sector that makes up 10% of the nation's GDP.^[5]

Nearly 82% of agricultural holdings are in the hands of smallholder farmers, however they only occupy one sixth of Guatemala's arable land, with most of the land owned by large cash crop farms. In Guatemala, the average smallholder farm is 0.6 hectares, from which a large percentage of Guatemala's small family farms are unable to support themselves financially.^[6] It is estimated that around 75% of smallholder farmers live below the national poverty line. The average smallholder farmer has to supplement 40% of their income with off-farm employment. In addition, agriculture in Guatemala is male-dominated with the vast majority (85%) of the small family farms headed by men.^[7]

The top produced crops in Guatemala are sugar cane, bananas, palm oil fruit, maize and melons.^[8] Guatemala's top export commodities in terms of quantity are bananas, raw sugar, refined sugar, palm oil and molasses.^[9]

Wages

Minimum wage

The Government of Guatemala has established independent, legal minimum wages in the agricultural, non-agricultural and garment sectors. As of January 2020, the agricultural minimum wage is set at 2,742 Guatemalan Quetzals (287 EUR) per month.^[10] The Ministry of Labour has attempted to monitor compliance with minimum wages, however they often lack the resources to enforce such laws, especially within agricultural and informal sectors, where noncompliance is widespread.^[11] Many employers in the agricultural sector make minimum wage payments conditional on excessive production quotas. In many cases this forces workers to work beyond the maximum hours allowed by law and therefore encourages workers to engage family members, including children, in work tasks.^[11]

Living wage

The estimated living wage for the central rural areas of Guatemala is 3,242 Guatemalan Quetzals (339 EUR) per month. This calculation is based on a family of 5, with 1.53 workers, as of September 2019.^[12] The **living wage benchmark** authored by the Global Living Wage Coalition focuses on agricultural livelihoods, and specifically provides context within the coffee sector, as the rural areas of Guatemala's Central Departments provide almost half of Guatemala's total coffee production. Although Guatemala's legal minimum wage for agricultural work is similar to the estimated living wage for agricultural workers, it is common for agricultural workers to be paid based on the quantity they harvest, which often results in most workers earning less than the legal minimum wage.^[13]

What's happening

RESOURCE

[Living Wage Update, Rural Guatemala](#)

Update in the living wage estimate for Central Valley Area in Guatemala with a focus on the coffee sector. Global Living Wage Coalition, 2021.

INITIATIVE

[Women in Sustainable Coffee Cultivation](#)

Project focussing on gender inclusiveness and women's empowerment to raise incomes and productivity in a Guatemalan coffee cooperative. Rainforest Alliance, 2018.

RESOURCE

[Living Wage Benchmark, Rural Guatemala](#)

Living wage estimate for Central Valley Area in Guatemala with a focus on the coffee sector. Global Living Wage Coalition, 2019.

INITIATIVE

[Banana Link & SITRABI](#)

Project with a banana workers union in Guatemala to empower banana plantation workers, improve working conditions and set decent wages.

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.

Footnotes

1. World Bank (2020). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=GT>
2. World Bank. (2020). <https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=GT>
3. World Bank. (2020). <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=GT>
4. World Bank. (2019). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=GT>
5. World Bank. (2020). <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=GT>
6. FAO (2018). <http://www.fao.org/3/I8357EN/i8357en.pdf>
7. FAO (2018). Small Family Farms Country Factsheet: Guatemala. <http://www.fao.org/3/I8357EN/i8357en.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. (2020). <https://wageindicator.org/salary/minimum-wage/guatemala>
11. US Department of State. (2019). <https://www.state.gov/reports/2019-country-reports-on-human-rights-practices/guatemala/>
12. Global Living Wage Coalition. (2021). https://www.globallivingwage.org/wp-content/uploads/2021/06/Updatereport_Guatemala_June2021_14Sep2021-FINAL.pdf
13. Global Living Wage Coalition. (2019). <https://www.globallivingwage.org/living-wage-benchmarks/rural-guatemala/>