

# Guatemala

## Overview



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What's happening

55%

Population below international poverty line

variable

National minimum wage

€398

per month

Agriculture minimum wage

€417

per month

Rural living wage

31%

Agricultural workforce

10%

Agriculture share of GDP

5

very high

Risk to workers' rights

## Context

The population of Guatemala is just above 17 million people,<sup>[1]</sup> with an almost equal distribution of rural (48%)<sup>[2]</sup> and urban (52%)<sup>[3]</sup> populations. Just under one third of the population (39%)<sup>[4]</sup> is employed by the agricultural sector, a sector that makes up 9.4% of the nation's GDP.<sup>[5]</sup>

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.<sup>[6]</sup> 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.<sup>[7]</sup>

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

## 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 3,323.60 Guatemalan Quetzals (398 EUR) per month.<sup>[10]</sup> 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. 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.<sup>[11]</sup>

## Living wage

The estimated living wage for the central rural areas of Guatemala is 3,487 Guatemalan Quetzals (417 EUR) per month. This calculation is based on a family of 5, with 1.53 workers, and was updated in 2022. 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.<sup>[12]</sup>

## What's happening

### RESOURCE

#### [Living Wage Update, Rural Guatemala](#)

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

### 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 (2021). <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=GT>
2. World Bank. (2021). <https://data.worldbank.org/indicator/SP.RUR.TOTL.ZS?locations=GT>
3. World Bank. (2021). <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS?locations=GT>
4. World Bank. (2021). <https://data.worldbank.org/indicator/SL.AGR.EMPL.ZS?locations=GT>
5. World Bank. (2021). <https://data.worldbank.org/indicator/NV.AGR.TOTL.ZS?locations=GT>
6. FAO (2021). <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 (2021). [http://www.fao.org/faostat/en/#rankings/commodities\\_by\\_country](http://www.fao.org/faostat/en/#rankings/commodities_by_country)
9. FAOSTAT (2021). [https://www.fao.org/faostat/en/#rankings/commodities\\_by\\_country\\_exports](https://www.fao.org/faostat/en/#rankings/commodities_by_country_exports)
10. WageIndicator Foundation. (2023). <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. (2019). <https://www.globallivingwage.org/living-wage-benchmarks/rural-guatemala/>