

WBF wage ladder data

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I. Cameroon

World Bank 2005 PPP (see PovCalNet)	US\$ 1 (2005 PPP) = XAF 294.4969
Current exchange rate – www.xe.com (accessed at 13 Jan 2012)	US\$ 1 = XAF 517.336

OVERVIEW

- Production is focused in Haut Penja and Limbé – two distinct geographical and linguistic districts.
- Two large companies (PHP-Compagnie Fruitière and Cameroon Development Corporation) manage groups of plantations as large single blocs and export to multinational brands i.e. Dole and Del Monte. One smaller national company is also present with some foreign capital.
- A local trade union in Cameroon estimates that average plantation wages are around one third of what might be considered to be a living wage (Banana Link, n.d.); while a West Africa Mission Report by Banana Link and Peoples Solidaires (2011) proposes that a minimum living wage would be XAF 66,200 (c€100) / month.
- The informal economy accounts for c.90% of the employed labour force; ‘invisible underemployment’ – which comprises waged workers earning less than the minimum wage (SMIG) – accounts for 64.8% of the active population (GESP, 2009).

I.1. Assumptions

HOUSEHOLD SIZE, NO. OF DEPENDENTS AND NO. OF EARNERS

	NOTES	VALUE
Average Family Size Of Typical Banana Worker	<ul style="list-style-type: none"> · On average, households had six members (2007 Cameroon Household Consumption Survey (ECAM III), cited in Baye and Epo, 2011). Average household size of 7 for vegetable farmers (Bime and Mbanasor, 2011) · Poor households generally have more members (6 at least for poor households as against 3 for rich households) (IMF, 2010) 	6 members
Typical Number Of Wage Earners / Household	<ul style="list-style-type: none"> · On average, one-fifth of household members were active and working (2007 Cameroon Household Consumption Survey (ECAM III), cited in Baye and Epo, 2011) · 1.2 members / household (<i>calculation: 0.2 x 6 members</i>) 	1.2 earners
Typical Number Of Dependents Covered By Wage	<ul style="list-style-type: none"> · 46.5% of the population is under 15 or over 65 years of age (INS Report, 2003 ECAM 2001) 	

DAILY, WEEKLY AND MONTHLY WAGES

	NOTES	VALUE
Most Common	<ul style="list-style-type: none"> · Minimum wage figures are set on a monthly basis 	Monthly

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Period Used For Wages		
Number Of Working Days / Month	<p>Working hours</p> <ul style="list-style-type: none"> There are no statutory daily hour limit, however section 80 of the Labour Code places a general limit of 40 hours per week (ss3,10 of the Decree on Deviations of Legal Working Hours stipulates that under no circumstances may a duration of 60 hours be exceeded). Agricultural workers fall under special categories and are permitted to work up to 2,400 hours per year and 48 hours per week (s80 of the LC, and s3 of the Decree on Deviations of Legal Working Hours) <p>Rest periods</p> <ul style="list-style-type: none"> Section 88 of the Labour Code requires a minimum of 24 consecutive hours as weekly rest periods (which must include Sundays – weekly rest cannot be replaced by compensatory allowance) 	<p>6 days per week</p> <p>26 per month (calculation: 6 x 52 weeks / 12 months)</p>
Holiday Leave	<p>Annual leave</p> <ul style="list-style-type: none"> 1.5 days of annual leave for every month of service after one year (ss89,92 of the LC) – increase in annual leave for mothers for each child under six years of age (s90 of the LC), <p>Public holidays</p> <ul style="list-style-type: none"> 10 public holidays (ss2,3 of the Act Regulating Public Holidays in the United Kingdom of Cameroon) 	<p>18 days per year</p> <p>10 public holidays</p>

STATUTORY EMPLOYEE CONTRIBUTIONS

	NOTES	MINIMUM THRESHOLD	RATE/S (%)	IMPLICATIONS FOR WAGE DATA?
Income tax (payable by employees)	Impôt sur le revenu des personnes physiques (IRPP)	Personal annual allowance of XAF 500,000	(After personal allowance) <ul style="list-style-type: none"> From XAF 0 to XAF 2m – 10% From XAF 2m to XAF 3m – 15% From XAF 3m to XAF 5m – 25% Over XAF 5m – 35% 	No – banana workers' wage unlikely to reach level of annual income allowance (XAF 500,000)
Social security (payable by employees)	Caisse Nationale de Prévoyance Sociale (CNPS)	Social security contributions are only due on wages above the level of the national minimum wage (SMIG – i.e. XAF 28,216) (CNPS: <i>Le plancher et le plafond des cotisations</i>)	Only employee contribution is 2.8% toward pension funds (<i>assurance pension de vieillesse d'invalidité et de décès</i>); employers are liable for all other social security contributions	No – given contribution floor set at national minimum wage

1.2. Benchmark data

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
National minimum wage (NMW)	<p>Current wage rates</p> <ul style="list-style-type: none"> From June 2008, the minimum wage is set at XAF 28,216 per month in all sectors including agriculture (Decree No. 2008/2115/PM) <p>Legal treatment of in kind allowances / fringe benefits</p> <ul style="list-style-type: none"> The employer shall provide a regular supply of food to every worker housed with his/her family by the employer, where the worker cannot afford this with his/her own means. This service shall be reimbursed (s66 of the LC) See also CNPS <i>évaluation des avantages en nature</i> – valuing in-kind benefits for social security purposes: e.g. value of employer-provided accommodation valued at one hour's minimum wage / day (CNPS: <i>Calcul des cotisations sociales</i>) <p>Defining, fixing and uprating the minimum wage</p> <ul style="list-style-type: none"> A decree, enacted upon consultation with the National Consultative Commission of the worker, shall establish an inter-professional minimum wage (s62(1) of the LC) Professional categories and their respective salaries shall be established by a collective agreement or enterprise agreements foreseen at the Title 3 of the present Code (s62(2) of the LC) 	XAF 28,216 per month	Pre-tax (gross)	XAF 28,216
Collectively-agreed wage for banana sector (CAW)	<p>Cameroon Development Cooperation (CDC – Del Monte) CBA</p> <ul style="list-style-type: none"> The remuneration terms of the CDC CBA are based on the 2009 national sectoral agreement for agriculture (<i>Convention Collective Nationale de l'Agriculture et des Activités Connexes du 13 mai 2009</i>) Salary scale in Annex: Category I, Echelon A Basic rate is XAF 30,947 / month and XAF 154.73 / hour Wages calculated hourly for workers of categories 1 to 6 and monthly for workers of categories 7 to 12 (article 45) – monthly wage calculated on basis of 25-day working month Workers eligible for regular attendance bonuses (2 days / 16 hours of wages if no absenteeism during one month – half this for one day's absenteeism) (article 49) Wages to be paid in legal currency only, not in-kind Lodging and transportation covered by statutory provisions (employer may provide housing) – the employer shall endeavour, where necessary, to provide transportation to 	XAF 30,947 per month (Cat. A, Echelon I – ie basic rate)	Pre-tax (gross)	XAF 30,947

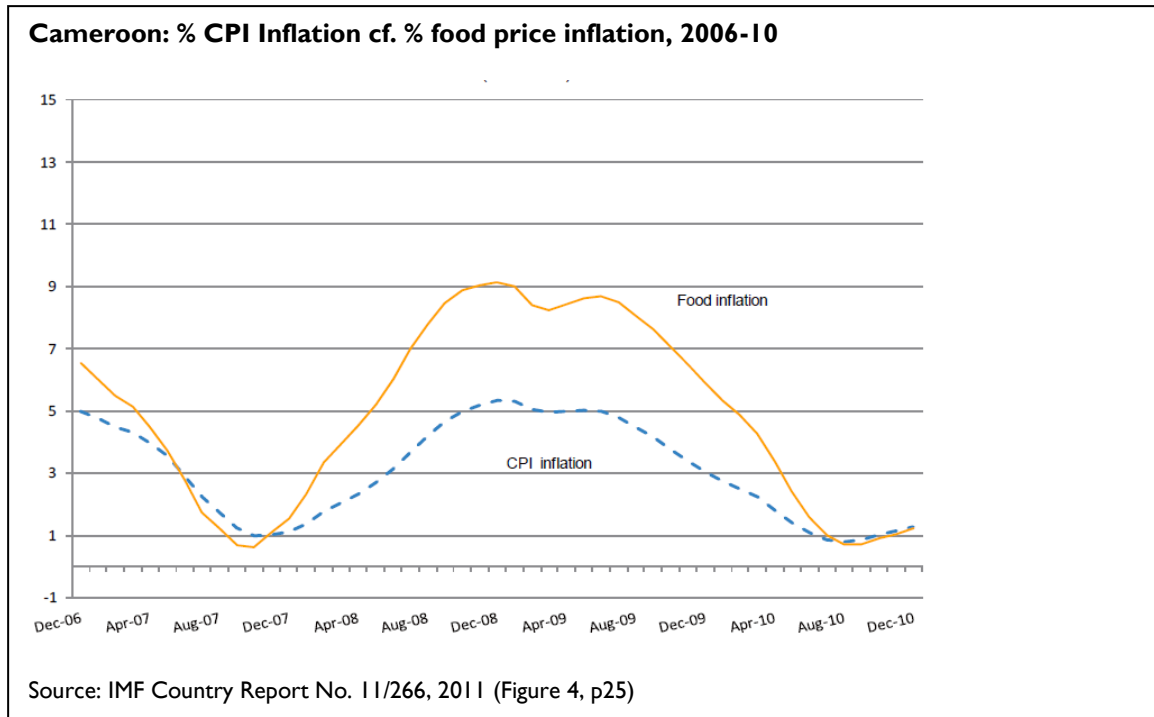
MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
	<ul style="list-style-type: none"> workers living within 10km End of year bonus where positive results achieved by the company (article 60) Annual leave allowance increases for every 5 years of service beginning at 18 work days per year (article 42) 			
National poverty line	<ul style="list-style-type: none"> The 2007 ECAM III national household survey (<i>Enquête Camerounaise auprès des ménages</i>) established the national poverty line at XAF 738 / person / day. The poverty line has not been updated since. Note also that this is based on Yaoundé prices. The poverty line refers to an adult's consumption needs : however official documents do not clearly distinguish between individual and household needs (« <i>Un ménage étant pauvre si en moyenne un équivalent-adulte de ce ménage vit avec moins de 738 FCFA par jour ou 22 454 FCFA par mois</i> » (INS Annuaire statistique, 2010) Poverty line for 6-person household, following national assumptions, divided by average number of earners (1.2): $XAF\ 22,454 \times 6 / 1.2 = XAF\ 112,270$ 	<p>XAF 738 / person / day</p> <p>XAF 22,454 / person / month</p>	Post-tax (net)	<p>XAF 22,454 (person)</p> <p>XAF 112,270 (household, 1.2 earners)</p>
WB \$1.25 PPP extreme poverty threshold	<ul style="list-style-type: none"> Source of calculation: World Bank PovCalNet The US\$ 1.25 / day PPP line is derived from the 2005 PPP exchange rate for “individual consumption expenditure by households” (World Bank, 2008): XAF 294.4969 per US\$1.00 (i.e.: XAF 294.4969 buys the same in Cameroon as does US\$1 in USA). This gives a figure of US\$ 1.25 (2005 PPP) = XAF 368.12 for 2005. We have inflated this using the national annual average CPI from 2005 (period of household survey) through to 2011 (IMF projection – latest national CPI figures are for 2010) – note that this does not specifically reflect local price increases in banana-growing regions, nor the consumption patterns of poor households; note also that food price inflation grew considerably quicker and higher than CPI though 2007-2009 (see graph below) Average national CPI in 2005: 184.983 (National Statistics Institute / IMF) National CPI in 2011: 221.334 (IMF staff estimate – national figure for 2010 is 215.7) Calculation of US\$ 1.25 (2005 PPP) for 2011: $XAF\ 368.12 \times (221.334 / 184.983) = XAF\ 440.46$ This daily figure is then converted to a monthly comparator figure: $XAF\ 440.46 \times 365 / 12 = XAF\ 13,397.3$ The per person monthly figure is converted to a household figure using national assumptions, ie a household of 6 members with 1.2 earners: $XAF\ 13,397.3 \times 6 / 1.2 = XAF\ 66,986.5$ 	XAF 440.46 / day / person (2011)	Post-tax (net)	<p>XAF 13,397.30 (person)</p> <p>XAF 66,986.50 (household, 1.2 earners)</p>

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
WB \$2 PPP poverty threshold	<ul style="list-style-type: none"> Calculation as above: US\$2 / day = XAF 588.992 @ 2005 PPP, inflated to XAF 704.74 for 2011. Monthly figure: XAF 704.74 x 365 / 12 = XAF 21,435.72 / month Household figure: XAF 21,435.72 x 6 / 1.2 = XAF 107,178.6 	XAF 704.74 / day / person (2011)	Post-tax (net)	<p>XAF 21,435.72 (person)</p> <p>XAF 107,178.6 (household, 1.2 earners)</p>
Median national income	<ul style="list-style-type: none"> The 2005 EESI survey of employment and informal economy indicates an average income per adult equivalent of XAF 23,800 (national), with a lower average of XAF 18,000 in rural areas (calculation from EESI 2005 data by Nguetse Tegoum et al: www.iza.org/conference_files/worldb2010/nguetse_tegoum_p6005.pdf) The same 2005 EESI survey (see p.38, www.ilo.org/wcmsp5/groups/public/---ed_dialogue/---dialogue/documents/publication/wcms_166750.pdf) indicates significant differences between formal and informal economy incomes: the average monthly wage in non-agricultural informal employment was XAF 27,300 and XAF 11,100 in agricultural informal employment; compared to XAF 137,400 in para-statal companies, XAF 124,300 in the public sector and XAF 103,600 in the private sector. Some 60% of workers in the informal economy earned less than XAF 6,000 / month. The national official figure of GDP per capita (note this is a different measure to the World Bank GNI per capita) is: XAF 594,300 / year (2009) (Services du Premier Ministre). This equates to XAF 49,525 / month Ministry of Agriculture data from 2011, give the (significantly lower) regional averages of GDP per inhabitant for banana-producing regions as follows (note that these are macro-economic averages, and not comparable to salary data): <ul style="list-style-type: none"> > Zone forestière monomodale (Provinces du Littoral et du Sud Ouest) XAF 21,264 / person / month > Zone forestière bimodale (Province du Centre, Sud et Est) XAF 14,585 FCFA / person / month <p>Source : Minader, <i>Investir au Cameroun</i></p>	<p>XAF 23,800 / month (2005 - national)</p> <p>XAF 18,000 / month (2005 - rural)</p> <p>XAF 49,525 / person / month (GDP per capita - 2009)</p>	Post-tax (net)	<p>XAF 23,800 (2005 – national)</p> <p>XAF 18,000 / month (2005 – rural)</p>
Cost of living expressed as basket of goods / cost of basic	<ul style="list-style-type: none"> The 2007 ECAM III survey established a basic needs basket (<i>panier de biens de consommation</i>) of 61 items – including food (based on 2900 calories / person / day) and non-food goods (including fuel) and basic services (INS ECAM 3, 2007) The cost of the basket was set at XAF 22,454 / month While the poverty line based on the basket has not been updated since 2007, it is possible to inflate the basket cost to 2011 prices, using the national CPI index: 	XAF 25,323.88 / person / month (2011 prices)	Post-tax (net)	<p>XAF 25,323.88 (person)</p> <p>XAF 126,619.39 (household, 1.2 earners)</p>

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MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
services	<ul style="list-style-type: none"> > 2007 CPI national average: 196.242 (National Statistics Institute / IMF) > 2011 CPI national average: 221.334 (IMF staff estimate – national figure for 2010 is 215.7) > Calculation of basic needs basket cost for 2011: XAF 22,454 x (221.334 / 196.242) = XAF 25,323.88 / person / month > This can be calculated for a household on the basis of national assumptions – i.e. 6-member household with 1.2 earners: XAF 25,323.88 x 6 / 1.2 = XAF 126,619.39 / month / household · Note also that food price inflation was markedly higher than overall CPI from 2007-2009 – see graph below · Banana Link / Peuples Solidaires (2011) fieldwork (based on questions relating to basic expenditure asked to a sample of 15 workers selected at random) identified the following parameters for living costs for a family of 4 (noting that average household size is 6); food XAF 30,000; rent XAF 14,000; electricity XAF 3,500; gas XAF 7,500; education XAF 1,200; other expenses 10,000; totalling XAF 66,200 / month 			

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
Salary aspirations and minimum ‘re-entry wage’ acceptable to unemployed workers	<ul style="list-style-type: none"> · The 2010 EESI 2 Employment and Informal Economy survey included questions on the wage aspirations of young job-seekers, and the minimum wage that would be necessary for them to accept a job offer [<i>salaire de réservation</i>] (see www.statistics-cameroon.org/downloads/EESI2/Situation_marche_travail_fr.pdf) · While the survey did not include job-seekers without a formal education, for those workers aged 17-40 surveyed with the lowest level of education qualification (CEPE – primary education certificate, 6 years), the average minimum acceptable salary was XAF 47,666 / month 	‘Minimum acceptable salary’ XAF 47,666 / month (2010, with CEPE primary education certificate)	Post-tax (net)	‘Minimum acceptable salary’ XAF 47,666 / month



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ILO CONVENTIONS

- Cameroon has ratified the Minimum Wage-Fixing Machinery Convention, 1928; the Minimum Wage Fixing Machinery (Agriculture) Convention, 1951; and the up-to-date Minimum Wage Fixing Convention, 1970.
- In its 2009 comment on the Government's report, the Committee of Experts on the Application of Conventions and Recommendations noted that the report on "Trends, profile and determinants of poverty in Cameroon in 2007", published by the National Institute of Statistics indicated that the monetary poverty threshold in 2007 – i.e. before the last increase in the guaranteed inter-occupational minimum wage (SMIG) – was XAF 22,454 per month. The report concluded that a worker earning only the SMIG (XAF 23,500 at the time), living alone and receiving no additional income in kind struggled to meet his critical needs and dropped into poverty as soon as he had to support an additional person in his household.

2. Colombia

World Bank 2005 PPP (see PovCalNet)	US\$ 1 = COP 1191.74 (2005 PPP)
Current exchange rate – www.xe.com (accessed at 6 Jan 2012)	US\$ 1 = COP 1,882.50

OVERVIEW

- There are 320 mainly medium-sized farms (20-100 hectares) in Uraba (70% of production) and a mixture of small farms and large plantations in Magdalena (30% of production).
- A sixth single national collective bargaining agreement (CBA) covering some 80% of medium and large farms (nearly all in Uraba and some in Magdalena) was negotiated and signed for the period 2011-2013 between the banana industry association, Augura, and the agro-industrial workers' union. As a result, collectively bargained wages and cash and non-cash benefits are considerably high with workers reportedly earning up to double the agricultural minimum wage.
- The Colombian government adopted in 2010 a new 'multidimensional' method of measuring poverty, alongside the previous income-only measure, known as the multidimensional poverty index (MPI) – *Indice de Pobreza Multidimensional (IPM)* – which assesses poverty in terms of education, health and living standards (such as assets and housing).
- Recent public debate has focused on the adequacy of the new (monetary) national 'poverty line', which was revised down from the previous figure of COP 281,385 (2009) to c.COP 187,079 (2010) per person. The revision was made on the basis of the latest ENIG (National Income and Expenditure Survey – 2006/2007).

2.1. Assumptions

HOUSEHOLD SIZE, NO. OF DEPENDENTS AND NO. OF EARNERS

	NOTES	VALUE
Average Family Size Of Typical Banana Worker	<ul style="list-style-type: none"> · The national average household size in 2010 was 3.7 (DANE, 2011); the average was 4.2 for the Atlantic region (including Magdalena-Uraba, the focus of Colombian banana growing) · 32.7% of head of household were women (DANE, 2011) 	4.2 members (Atlantic region)
Typical Number Of Wage Earners / Household	<ul style="list-style-type: none"> · 60.8% of household members were wage earners (aged 12 or over) in Atlantic region (DANE, 2008) – therefore, given that this constitutes 4,217,647 of a total of 9,445,469 (44.3%), the average number of wage earners is: $(4.2 / 100) \times 44.3 = 1.86$ [Children from twelve to fourteen (12-14) years old may work a maximum of four (4) hours a day and twenty-four (24) hours a week in light jobs (Article 161 of the LC).] 	1.86 wage earners (Atlantic region)

DAILY, WEEKLY AND MONTHLY WAGES

	NOTES	VALUE
Most Common Period Used For Wages	<ul style="list-style-type: none"> Minimum wage is set at a monthly rate in legislation (Decree No. 4834 as amended by No. 033) 	Monthly
Number Of Working Days / Month	<p>Working hours</p> <ul style="list-style-type: none"> Maximum duration of a normal working day is 8 hours a day or 48 hours a week with the exception of work that is especially unhealthy or dangerous; managerial and supervisory workers, and intermittent work; and in emergency situations (s161 of the LC) Employer and employee may agree to flexible working hours, so that the daily working hours are averaged over the week, with a minimum of 4 hours and a maximum of 10 hours per day, distributed over six days per week at most (ss161(a), d), 162 (1-a,b,c), 163 of the LC). Where shift work is not continuous, the working day can be extended beyond 8 hours, provided the average hours over a reference period of 3 weeks do not exceed the 8 hours limit. The hours worked beyond normal working hours are not considered overtime hours (ss161(c), 165 of the LC) <p>Rest periods</p> <ul style="list-style-type: none"> Weekly rest periods should have a duration of 24 hours and occur on Sunday (s172 of the LC) The employer and the employee may agree that said work period be performed in flexible work hours distributed in a maximum of six (6) days a week (s161 of the LC), with a mandatory rest day of 24 hours on Sunday (s172 of the LC) unless the employer and the worker agree that the weekly rest day is on Saturday (s179 (para 1) of the LC). 	<p>6 days per week</p> <p>26 per month <i>(calculation: 6 x 52 weeks / 12 months)</i></p>
Holiday Leave	<p>Annual leave</p> <ul style="list-style-type: none"> After one year, workers are entitled to 15 consecutive work days of annual leave (s186(1) of the LC) <p>Public holidays</p> <ul style="list-style-type: none"> All workers are entitled to leave with pay on the 18 established public holidays (s177(1) in the LC) – any worker who performs work during public holidays is entitled to a 75% premium to the normal salary (s179(1) of the LC) 	<p>15 days per year</p> <p>18 public holidays</p>

STATUTORY EMPLOYEE CONTRIBUTIONS

	NOTES	MINIMUM THRESHOLD	RATE/S (%)	IMPLICATIONS FOR WAGE DATA?
Income tax	Impuesto sobre Renta (DIAN)	Basic tax allowance is UVT 1090 / year. [UVT means	Progressive,	Unlikely – given that 2011 annual tax

(payable by employees)	website)	"Unidad de Valor Tributario" - Tax Value Unit. Instead of setting a range in Colombian pesos, DIAN has a UVT value that is updated at least every year. As of 2010, one UVT is equal to COP \$25.132]	from 0% to 33%.	allowance equates to [1090 x 25132] COP 27.4m, and annual minimum wage arises only to c.COP 7.6m / year.
Social security (payable by employees)	The integral social security system is established for pensions, healthcare, work-related risks (Ministerio de Salud y Protección Social República de Colombia website)	Every employer has the obligation to enrol employees in the social security entities that the employee voluntarily chooses.	4% healthcare 4% pension	Yes – 47.5% of the population contributes to social security schemes (DANE 2010 ECV, 2011)

2.2. Benchmark data

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
National minimum wage (NMW)	<p>Current wage rates</p> <ul style="list-style-type: none"> The national minimum wage for 2012 is COP 566,700 per month for workers in both urban and rural sectors (Decree No. 4919) An additional transportation allowance (<i>auxilio de transporte</i>) is set at COP 67,800 per month for 2012. Law No. 15 of 1959 regulated by Decree No. 1258 of 1959 created a transport allowance to subsidise the transport costs associated with employment (it is separate to salary payments and therefore falls outside of the minimum wage calculation). Workers earning up to two times the minimum monthly legal salary are eligible. A tripartite committee should fix the minimum wage every year, before or on 30th December, however, if the committee does not reach a consensus before that time, then the Government can announce the minimum wage unilaterally (s147(2) of the LC and Art 8 of Act 278 of 1996). 2012 was the first time in six years that the Government did <i>not</i> unilaterally announce the minimum wage, due to the agreement of Central Unitaria de Trabajadores (CUT) and the Asociación Nacional de Empresarios de Colombia (Decree No. 4919)] <p>Net wage calculated factoring in mandatory employee social security (ISS) contributions @ 8%: (COP 566,700 – COP 45,336) + COP 67,800 = COP 589,164</p>	COP 566,700 per month (plus COP 67,800 transportation allowance per month)	Pre-tax (gross)	COP 589,164 (net)

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
	<p>Legal treatment of in-kind allowances / fringe benefits</p> <ul style="list-style-type: none"> For rural workers facilities provided such as accommodation, meals or any other provision that may contribute to lowering the burden of the cost of living may be deducted from the minimum wage paid to workers (s146(2),(3) of the Labour Code). These allowances must be expressly provided in the contract of employment and not constitute more than the 30% of the minimum wage (s129(3) of the LC) <p>Defining, fixing and up-rating the minimum wage</p> <ul style="list-style-type: none"> The minimum wage is adjusted once a year, on or before 30 December by the Government after tripartite or bipartite discussions/recommendations (s147 of LC, s8 of Law No. 278) The minimum wage is to take into account cost of living, work patterns, economic capacity of businesses and employers, and conditions of each region and activity (s146 (1) of the LC) and should assure all workers the ability to subsidize personal and family needs at a material, moral and cultural level (ss145,146 of the LC). 			
<p>Collectively-agreed wage for banana sector (CAW)</p>	<p>Collective bargaining</p> <ul style="list-style-type: none"> The legislation provides that when collective agreements apply to more than two-thirds of workers of an industry in a specific economic region, the Government may extend the application of the collective agreement, partially or fully, to other companies within the industry in the same region if there is no other collective agreement providing more favourable conditions in those companies. When a collective agreement has been executed by a trade union that represents more than one third of workers of a company, the provisions of the said agreement shall extend to all workers in the company, regardless of whether they are affiliated (ss147,471,472 of the LC) <p>Sintrainagro CBA</p> <ul style="list-style-type: none"> Period covered: 2011-2013 Sector-wide: negotiated between SINTRAINAGRO agricultural trade union- whose membership includes 18,000 banana workers – and the Colombian Banana Growers' Association AUGURA representing 291 plantation owners (Source: Bananalink). Previous CBA 2009-2011 covered 90% of the national banana industry (Arce, 2010) <i>Salary increase</i> – the collectively-agreed basic salary and piecework salaries will increase by 5.5% in the first year, and an increase equal to the increase in the Consumer Price Index (CPI) in the second year. 	<p>[Not yet available]</p>	<p>Pre-tax (gross)</p>	<p>-</p>

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
	<i>n.b. More than 85% of Colombian banana workers are covered by collective agreements (WBF WG02 contacts)</i>			
National poverty line	<ul style="list-style-type: none"> The national extreme poverty line is equal to the value of a normative basket of food (<i>canasta normativa</i>). The extreme poverty line is multiplied by 2.4 to get the value, per person per month, of the other line: the moderate poverty line. (The parameter of 2.4 is known as the 'Orshansky coefficient' – the relationship between food (subsistence) spending and non-food spending. Official poverty measures in Colombia now use the average of Orshansky coefficients for Latin America.) According to the new methodology developed by the Departamento Nacional de Planeación (DNP) and Departamento Administrativo Nacional de Estadística (DANE), the national extreme poverty line (food only) for 2010 was COP 83,580. The poverty line (food and basic services) for 2010 was COP 187,079 per person per month (DNP). For our purposes, the per person monthly figure (poverty line) has been converted to a household figure using national / DANE assumptions, assuming a household of 4.2 members with 1.86 earners: $COP\ 187,079 \times (4.2 / 1.86) = COP\ 422,436.45$ <p><i>n.b. Poverty headcount ratio at national poverty line (% of population): 37.2% (World Bank, 2010)</i></p>	COP 187,079 per person per month	Post-tax (net)	<p>COP 187,079 (person)</p> <p>COP 422,436.45 (household, 1.86 earners)</p>
WB \$1.25 PPP extreme poverty threshold	<ul style="list-style-type: none"> Source of calculation: World Bank PovCalNet The \$1.25/day 2005 PPP line is derived from the 2005 PPP exchange rate for "individual consumption expenditure by households" (World Bank, 2008): COP 1191.74 per \$1.00 (ie COP 1191.74 bought the same in Colombia in 2005 as did US\$1 in USA). We have inflated this using the national annual average CPI from 2005 (period of household survey) through to 2011 (latest figures for December) – note that this does not specifically reflect local price increases in banana-growing regions, nor the consumption patterns of poor households Average national CPI in 2005: 80.87 (DANE, 1996-2011) National CPI in Dec 2011: 109.16 (DANE, 1996-2011) Calculation of US\$ 1.25 (2005 PPP) for November 2011: $COP\ 1191.74 \times (109.16 / 80.87) = COP\ 1608.6$ This daily figure is then converted to a monthly comparator figure: $COP\ 1608.6 (365 / 12) = COP\ 48,929.32$ The per person monthly figure is converted to a household figure using national / DANE assumptions, assuming a household of 4.2 members with 1.86 earners: $COP\ 48,929.32 \times (4.2 / 1.86) = COP\ 110,485.55$ 	COP 1608.6 / person / day (Dec 2011)	Post-tax (net)	<p>COP 48,929.32 (person)</p> <p>COP 110,485.55 (household with 1.86 earners)</p>

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MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
WB \$2 PPP poverty threshold	<ul style="list-style-type: none"> Calculation as above: COP 1906.78 / day for 2005, inflated to COP 2573.76 for Dec 2011. Monthly figure: COP 2573.76 x (365 / 12) = COP 78,285.2 Household figure: COP 78,285.2 x (4.2 / 1.86) = COP 176,773.03 	COP 2573.76 / person / day (Dec 2011)	Post-tax (net)	COP 78,285.2 (person) COP 176,773.03 (household with 1.86 earners)
Median national income	<ul style="list-style-type: none"> Median household income per capita, 2010: COP 446,502 (Source: MESEP con base en Encuestas de Hogares del DANE (<i>Encuesta Continua de Hogares 2002-2005 empalmada por MESEP y Gran Encuesta Continua de Hogares 2008 -2010</i>) (DNP)) 	COP 446,502 / month	Post-tax (net)	COP 446,502
Cost of living expressed as basket of goods / cost of basic services	<ul style="list-style-type: none"> There are several basic consumer baskets in Colombia: DANE sets the criteria for consumer baskets in each region of the country. <i>Canasta normativa</i> = food basket In general, the consumer basket comprises 135 articles grouped by category (food, transport, housing, education and recreation) – categories which vary according to the region and to average household incomes in these regions (divided into low-, medium- and high-income households) DANE [direct correspondance] confirms that the ‘reference’ household basket is constituted of the basic needs poverty line (food and non-food basic goods and services), multiplied by four (DANE also notes that rural households tend to be larger than this): COP 187,079 per person per month x 4 = COP 748,316 COP 748,316 canasta divided by 1.86 earners = COP 402,320.43 34.4% of households did not have sufficient means to meet their basic needs; 53.8% had just sufficient to meet basic needs (DANE, 2011) 	COP 748,316 / month	Post-tax (net)	COP 748,316

LEGISLATION

- Labour Code (Codigo del Trabajo), Decree No. 2663, of 5 August 1950 as amended up to Decree No. 535 of 24 February 2009 [online] Available at: www.ilo.org/dyn/travail/docs/1539/Codigo%20Sustantivo%20del%20Trabajo%20Colombia.pdf
- Law No. 278, concerning the Permanent Commission on the Harmonization of Wage and Labour Policies (Comisión Permanente de Concertación de Políticas Salariales y Laborales), of 30 April 1996, as amended [online] Available at: http://www.secretariasenado.gov.co/senado/basedoc/ley/1996/ley_0278_1996.html

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- Decree No. 4919 de 2011 Por el cual se fija el salario mínimo legal, 26 Dic 2011 [online] Available at: https://www.dane.gov.co/daneweb_V09/files/acerca/Normatividad/Decreto4919_2011.pdf
- Law No. 50 of 1990 (Ley No. 50 de 1990, diciembre 28) [online] Available at: <http://www.ilo.org/dyn/travail/docs/1542/Ley%2050%20de%201990.pdf>

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- Departamento Nacional de Planeación (DNP) website [online] Available at: www.dnp.gov.co/LinkClick.aspx?fileticket=5BhCjf8XeHc%3d&tabid=1370
- Dirección de Impuestos y Aduanas Nacionales (DIAN) website [online] Available at: <http://www.dian.gov.co/>
- International Labour Organisation, 2011. *Colombia – Minimum Wages*, TRAVAIL legal databases [online] Available at : http://www.ilo.org/dyn/travail/travmain.sectionReport?p_lang=en&p_countries=CO&p_sc_id=1&p_year=2011&p_structure=1
- International Labour Organisation, 2011. *Colombia – Working time*, TRAVAIL legal databases [online] Available at : http://www.ilo.org/dyn/travail/travmain.sectionReport?p_lang=en&p_countries=CO&p_sc_id=1001&p_year=2011&p_structure=2
- Ministerio de Salud y Protección Social República de Colombia website [online] Available at: <http://www.minproteccionsocial.gov.co/Paginas/default.aspx>
- World Bank Data website, last accessed 8 December 2011 [online] Available at: <http://data.worldbank.org/country/colombia>

ILO CONVENTIONS

- Colombia has ratified the Minimum Wage-Fixing Machinery Convention, 1928 and the Minimum Wage Fixing Machinery (Agriculture) Convention, 1951. It has not ratified the up-to-date Minimum Wage Fixing Convention, 1970.

3. Costa Rica

World Bank 2005 PPP (see PovCalNet)	US\$ 1 (2005 PPP) = CRC 278.96
Current exchange rate – www.xe.com (accessed at 6 Jan 2012)	US\$ 1 = CRC 512.30

OVERVIEW

- There are 160 farms averaging 300 hectares each (the majority of which are located on the Caribbean coastal plain). Where possible we have used regional micro-economic and demographic data relating to the main banana production area or to rural areas more broadly.
- The almost universal collective bargaining coverage of three decades ago no longer exists; today only two enterprise-level CBAs remain, of which only one is fully operative, covering two Chiquita farms in the Sixaola region (Chiriqui Land Company). We have used data from the Chiriqui Land Company CBA to represent collectively-agreed basic wages.
- In 2010, the Costa Rican government changed from using the *Encuesta de Hogares de Propósitos Múltiples (EHPM)* to measure poverty. The new *Encuesta Nacional de Hogares (ENAHO)* shows official data on poverty, unemployment and income among others.
- The National Wage Council (*Consejo Nacional de Salarios*) has requested that the ILO undertake a study of the private sector labour market in Costa Rica by end 2012 in order to inform and simplify minimum-wage setting. Currently, minimum wages are set at c.14 different skills /education levels, and for a plethora of occupations.

3.1. Assumptions

HOUSEHOLD SIZE, NO. OF DEPENDENTS AND NO. OF EARNERS

	NOTES	VALUE
Average Family Size Of Typical Banana Worker	· National average: 3.53 members (0.3 under 5 and 0.27 over 65 years old) – in rural areas this is 3.65 members per household, 0.35 under 5 and 0.25 over 65 years old (INEC, 2010)	3.65 members (rural areas)
Typical Number Of Wage Earners /	· Of the 3.53 members per household, 1.58 are in the workforce, 1.47 are employed. Percentage of female-headed households 33.7%. In rural areas: 1.48 of 3.65 household members are in the workforce, 1.37 are employed. Percentage of female-headed households in rural areas 25.7% (INEC, 2010)	1.48 wage earners (rural)

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Household		areas)
Typical Number Of Dependents Covered By Wage	<ul style="list-style-type: none"> Economic dependency ratio – refers to the relationship between the population under 15 years of age and people outside the workforce, compared to the total workforce: 1.23 (1.46 in rural areas) (INEC, 2010) 	1.46 (rural areas)

DAILY, WEEKLY AND MONTHLY WAGES

	NOTES	VALUE
Most Common Period Used For Wages	<ul style="list-style-type: none"> Daily rate set for agricultural sector (Decree N° 36637) 	Daily
Number Of Working Days / Month	<p>Working hours</p> <ul style="list-style-type: none"> The normal working hours shall not exceed 8 hours per day, 48 hours per week (s136 of the LC; art 58 of the Constitution); can be extended up to 10 hours unless the work is performed in dangerous or unhealthy conditions and as long as the 48 hour weekly limit is not exceeded (ss140,143 of the LC) <p>Rest periods</p> <ul style="list-style-type: none"> Every worker is entitled to a weekly rest day every six days worked (s152 of the LC) Number of hours per week worked in main job is 44.92, in rural areas this is 44.19 (INEC, 2010) 	<p>6 days per week</p> <p>26 per month (<i>calculation: 6 x 52 weeks / 12 months</i>)</p>
Holiday Leave	<p>Annual leave</p> <ul style="list-style-type: none"> Every worker is entitled to 2 weeks minimum of annual leave after 50 weeks of work performed with the same employer (s153 of the LC) <p>Public holidays</p> <ul style="list-style-type: none"> 9 paid public holidays (s148 of the LC) 	<p>10 days per year</p> <p>9 public holidays</p>

STATUTORY EMPLOYEE CONTRIBUTIONS

	NOTES	MINIMUM THRESHOLD	RATE/S (%)	IMPLICATIONS FOR WAGE DATA?
Income tax (payable by employees)	Impuesto sobre la Renta	Annual tax allowance of CRC 685,000 for 2012	Progressive: 0% up to CRC 685,000; 10% from CRC 685,000 – CRC 1,028,000; 15% above CRC 1,028,000 (Decreto No. 36822-H)	Yes – agricultural minimum wage equates to c. CRC 2.5m gross / annum

Social security (payable by employees)	Caja Costarricense de Seguro Social – CCSS	n/a	9.17% (Health and maternity coverage 5.50%; Pensions 2.67%; Supplementary Retirement Fund 1.00%) (Caja Costarricense de Seguro Social website)	Yes
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3.2. Benchmark data

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
National minimum wage (NMW)	<p>Current wage rates</p> <ul style="list-style-type: none"> As of 1 January 2012: the minimum wage for the private sector (including agriculture) for an unskilled worker for an ordinary work day (8 hours) is CRC 7,883.82; CRC 8,583.81 for a semi-skilled workers; and CRC 8,749.38 for a skilled worker (Decreto N° 36867-MTSS - www.scribd.com/doc/75152456/Lista-de-Salarios-Minimos-para-el-Sector-Privado-I-Semestre-2012) The minimum wage for an unskilled worker is a <i>minimum minimorum</i> – a floor wage for the the whole private sector The law requires payment of a Christmas Bonus (<i>aguinaldo</i>) equal to one-twelfth of total salary received during the twelve months ended November 30 of each year, to be paid within the first 20 days of December (Ley de Aguinaldo No. 2412). The <i>aguinaldo</i> must be paid in addition to the minimum wage, and not used to make up basic salary to the level of the minimum wage. <p>Monthly value arrived at on basis of daily rate (incl <i>aguinaldo</i> pro rata) for 26 working days in month, on basis of 6-day working week, factoring in social security contributions @9.17% and income tax due on portion over CRC 57,083 (CRC 685,000 / 12):</p> <ul style="list-style-type: none"> - CRC 8,540.81 (incl <i>aguinaldo</i>) x 26 = CRC 222,060.93 - Less 9.17% employee social security contribution: (CRC 222,060.93 - CRC 20,362.99) = CRC 201,697.94 - Less tax: <ul style="list-style-type: none"> > @0% CRC 0 – CRC 57,083 > @10% CRC 57,083 – CRC 85,666 = -CRC 2,858.3 > @15% CRC 85,666 – CRC 201,697.94 = - CRC 17,404.79 <p>Post-tax comparator = CRC 181,434.85</p>	<p>CRC 7,883.82 / day (unskilled, basic)</p> <p>CRC 8,540.81 / day (incl <i>aguinaldo</i>)</p>	Pre-tax (gross)	CRC 181,434.85 (net)

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
	<p>Legal treatment of in-kind allowances / fringe benefits</p> <ul style="list-style-type: none"> In kind allowances are permitted as a part of the remuneration and consist in the benefits perceived by the worker or his family in the form of foodstuffs, housing, garments and other goods for the personal immediate consumption (ss 164, 166 of the LC) <p>Defining, fixing and up-rating the minimum wage</p> <ul style="list-style-type: none"> Set by the tripartite National Wage Commission (Comisión Nacional de Salarios) by sector and occupation (Law-Decree No.832 concerning minimum wages Art.2,4,17,18,19) 2012 saw the advent of a new methodology for determining minimum wage increases: now based on half the Central Bank's inflation target for the coming year (www.elfinanciero.cr/accesolibre/2011/Octubre/30/nueva_metodologia_salarios.pdf) Every worker is entitled to have a remuneration which shall be sufficient to cover his material, moral and cultural needs and the family welfare (s177 of the LC) The minimum wage for piece-rate workers cannot be lower than the amount the worker would have received if the worker had worked an ordinary working day according to minimum hourly or monthly rates established in the legislation (Decree N° 36637-MTSS-on Minimum Wages Art. 6) 			
<p>Collectively-agreed wage for banana sector (CAW)</p>	<p>Chiriqui Land Co. CBA (two Chiquita farms in Sixaola) (January 2011-2013)</p> <ul style="list-style-type: none"> SITRACHIRI trade union confirms that the current collectively agreed minimum wage for Chiriqui Land Co. is CRC 8,186.31 per ordinary working day (8 hours), from January to June 2012. Piecework rates for mowing in article 33; weeding (article 34); loading, unloading and stowage of fertilizer bags/per bag (article 35); management of fertilizers/other products (articles 36-40); seeding (articles 41-44); packing (articles 95-99) etc. Number of holidays increase annually beginning with 12 days per year (article 14). <p>Monthly net figure arrived at by:</p> <ul style="list-style-type: none"> Multiplying current daily basic wage incl <i>aguinaldo</i> (CRC 8,814.25 x 26 days) = CRC 229,170.56 Factoring in tax due on portion over CRC 57,083 (CRC 685,000 / 12) and employee social security contribution (@9.17%): <ul style="list-style-type: none"> Less 9.17% employee social security contribution: (CRC 229,170.56 - CRC 21,014.94) = CRC 208,155.62 	<p>CRC 8,136.31 (basic)</p> <p>CRC 8,814.25 (incl <i>aguinaldo</i>)</p>	<p>Pre-tax (gross)</p>	<p>CRC 186,923.88 (net)</p>

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
	<ul style="list-style-type: none"> - Less tax: <ul style="list-style-type: none"> > @0% CRC 0 – CRC 57,083 > @10% CRC 57,083 – CRC 85,666 = -CRC 2,858.3 > @15% CRC 85,666 – CRC 208,155.62 = - CRC 18,373.44 <p>Post-tax comparator = CRC 186,923.88</p>			
National poverty line	<ul style="list-style-type: none"> · The national extreme poverty line (línea de extrema pobreza) is identified as the cost (per person) of the basic food basket (costo de la Canasta Básica Alimentaria). As of October 2011, this stood at CRC 39,904 (INEC, 2004-2011) · The national poverty line (línea de pobreza) was CRC 84,852 at Oct 2011 (INEC, 2004-2011) · In rural areas (zona rural) the figures were CRC 35,463 (línea de extrema pobreza) and CRC 71,615 (línea de pobreza) per month (Oct. 2011 – INEC data, 2004-2011) · The rural poverty line can be converted to a household figure using national assumptions (household of 3.65 members with 1.48 earners): <ul style="list-style-type: none"> > CRC 71,615 x 3.65 / 1.48 = CRC 176,618.07 <p><i>n.b. Poverty headcount ratio at national poverty line (% of population): 24.2% (World Bank, 2010)</i></p>	CRC 71,615 / person / month (rural)	Post-tax (net)	<p>CRC 71,615 (person)</p> <p>CRC 176,618.07 (household with 1.48 earners)</p>
WB \$1.25 PPP extreme poverty threshold	<ul style="list-style-type: none"> · Source of calculation: World Bank PovCalNet · The \$1.25/day 2005 PPP line is derived from the 2005 PPP exchange rate for “individual consumption expenditure by households” (World Bank, 2008): CRC 278.96 per \$1.00 · Therefore US\$1.25 (2005) = CRC 348.7 · We have inflated this using the national annual average CPI from 2005 (period of household survey) through to 2011 (latest figures for December) – note that this does not specifically reflect local price increases in banana-growing regions, nor the consumption patterns of poor households · Average national CPI in 2005: 88.86 (INEC, 1976-2011) · National CPI in Dec 2011: 149.86 (INEC, 1976-2011) · Calculation of US\$ 1.25 (2005 PPP) for Dec. 2011: CRC 348.7 x (149.86 / 88.86) = CRC 588.07 · This daily figure is then converted to a monthly comparator figure: CRC 470.46 (365 / 12) = CRC 17,887.23 · The per person monthly figure is converted to a household figure using national / INEC assumptions, assuming a household of 3.65 members with 1.48 earners: CRC 17,887.23 x 	CRC 588.07 / day (Dec 2011)	Post-tax (net)	<p>CRC 44,113.76 (household with 1.48 earners)</p>

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
	(3.65 / 1.48) = CRC 44,113.76			
WB \$2 PPP poverty threshold	<ul style="list-style-type: none"> Calculation as above: CRC 557.92 / day for 2005, inflated to CRC 940.91 for Dec 2011. Monthly figure: CRC 940.91 x 365 / 12 = CRC 28,619.57 Household figure: CRC 28,619.57 x (3.65 / 1.48) = CRC 70,582.02 	CRC 940.91 / day (Dec 2011)	Post-tax (net)	CRC 70,582.02 (household with 1.48 earners)
Median national income	<ul style="list-style-type: none"> Average monthly income of population in waged work: CRC 391,602 (Banco Central de Costa Rica, 2011) The average household income (on the basis of a household of 3.53 persons) CRC 804,366 and household per capita income CRC 268,592 (<i>Ingreso neto con imputación de valores no declarados y con ajustes por subdeclaración</i>) (INEC, 2010) In rural areas (on the basis of a household of 3.65 persons) household income is CRC 587,590 and household per capita income CRC 186,684 (<i>Ingreso neto con imputación de valores no declarados y con ajustes por subdeclaración</i>) (INEC, 2010) <p><i>n.b. GNI per capita (Atlas method): \$6,550 (World Bank, 2010)*</i></p>	CRC 391,602 / month	Post-tax (net)	CRC 391,602
Cost of living expressed as basket of goods / cost of basic services	<ul style="list-style-type: none"> As of October 2011, the national extreme poverty line (per person), calculated as the cost of the basic food basket - <i>Canasta Básica Alimentaria</i>, was CRC 39,904; in rural areas the basic food basket cost CRC 35,463 (INEC, 2004-2011) Costa Rica does not have a second level consumer basket (adding other goods and services to a food basket). Instead the government uses the Household Survey which defines the basic food basket plus other goods and services (electricity, water, transport, clothing) – the sum of these is considered to be equivalent to the ‘Cost of Living’ and the national poverty line. Accordingly, the per person national poverty line was CRC 84,852 / month and CRC 71,615 / month in rural areas (INEC, 2004-2011) The rural ‘Cost of Living’ per person / month can be converted to a household figure using national assumptions (household of 3.65 members): <ul style="list-style-type: none"> > CRC 71,615 x 3.65 = CRC 261,394.75 The rural monthly household ‘cost of living’ figure (CRC 261,394.75) divided by the average number of earners in a rural household (1.48) = CRC 176,618.07 	CRC 71,615 / person / month (rural, Oct 2011)	Post-tax (net)	CRC 71,615 (rural - person) CRC 261,394.75 (rural - household)

LEGISLATION

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ILO CONVENTIONS

- Costa Rica has ratified the Minimum Wage-Fixing Machinery Convention, 1928; the Minimum Wage Fixing Machinery (Agriculture) Convention, 1951; and the up-to-date Minimum Wage Fixing Convention, 1970.

4. Dominican Republic

World Bank 2005 PPP (see PovCalNet)	US\$ 1 (2005 PPP) = DOP 20.39608
Current exchange rate – www.xe.com (accessed at 17 Jan 2012)	US\$ 1 = DOP 38.7500

OVERVIEW

- The Dominican Republic has over 1200 banana farms, nearly all small and medium sized and mainly located in the Northwest, although some are found in the Southwest. It is estimated that a majority of farms located in the Dominican Republic are structurally dependent on Haitian migrant labour.
- There is no formal collective bargaining present in any of these farms – two larger Savid-owned farms have internal regulations with a workers' committee covering wage rates etc., but this has no binding legal status under national law. There has been a recent attempt (mid 2011) to form a trade union for national and migrant workers in the Northwest.
- Official estimates based on the National Labour Force Survey 2010 suggest that c 27% of workers are paid below the minimum wage for the industry and size of company in which they are employed (p.28 www.stp.gov.do/eWeb%5CArchivos%5CLibros%5CComposicion_Economica_Dominicana.pdf).
- The *canasta familiar* – and methodology for calculating consumer price inflation (IPC) – was revised in December 2010 (see graphic below).
- There is currently no official national poverty line – though a project is underway, with World Bank support, to develop one.

4.1. Assumptions

HOUSEHOLD SIZE, NO. OF DEPENDENTS AND NO. OF EARNERS

	NOTES	VALUE
Average Family Size Of Typical Banana Worker	<ul style="list-style-type: none"> · National average household size is 3.6 members (<i>El tamaño promedio de los hogares es de 3.6 personas por hogar</i>) (ONE ENHOGAR, 2009-2010 - www.one.gov.do/var/uploads/File/Resultados%20a%20destacar%20de%20la%20ENHOGAR%202009-2010.pptx) · Rural households tend to be larger: 4.3 members on average in Barahona province (SW) (www.one.gob.do/themes/one/dmdocuments/perfiles/Perfil_Barahona.pdf), and 3.88 in Dajabón (NW) (www.one.gob.do/themes/one/dmdocuments/perfiles/Perfil_Dajabon.pdf) for example · The national basket of goods (poorest quintile) is calculated on the basis of a 5-member household – to ensure consistency with national measures, we have used this figure 	5 members
Typical Number Of Wage Earners / Household	<ul style="list-style-type: none"> · The first quintile <i>canasta familiar</i> assumes 5 household members, and two earners per household (p.22 - www.bancentral.gov.do/publicaciones_economicas/otros/metodologia_IPC_base_diciembre_2010.pdf) 	2 earners
Typical Number Of	<ul style="list-style-type: none"> · Worker Rights Consortium (WRC) work on living wage in <i>maquiladores</i> proposes that the three family 	

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Dependents Covered By Wage	members whose expenses must be fully covered by the living wage are one adult and two school-age children – on the basis of a family of 4 (WRC, 2008). This assumes two earners per household	
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DAILY, WEEKLY AND MONTHLY WAGES

	NOTES	VALUE
Most Common Period Used For Wages	<ul style="list-style-type: none"> Daily: the minimum wage for agricultural work is assigned on a daily basis (10-hour day) (Resolution No. 5/2011) 	Daily
Number Of Working Days / Month	<p>Working hours</p> <ul style="list-style-type: none"> Note that statutory provisions on working time do not apply to agricultural workers (art. 281 of the LC) except that, in the case of agricultural work, the daily limit is set in 10 hours (art.281 of the LC) <p>Rest periods</p> <ul style="list-style-type: none"> Every worker is entitled to an uninterrupted weekly rest of 36 hours (art.163 of the LC) 	General provisions on working time do not apply to agricultural workers – 10 hours / day
Holiday Leave	<p>Annual leave</p> <ul style="list-style-type: none"> The employer shall provide every employee a paid vacation period of two weeks (14 days) (art. 177 of the LC) <p>Public holidays</p> <ul style="list-style-type: none"> There are 13 public holidays a year in the Dominican Republic (art.I of the Law No. 108) 	<p>14 days per year</p> <p>13 public holidays</p>

STATUTORY EMPLOYEE CONTRIBUTIONS

	NOTES	MINIMUM THRESHOLD	RATE/S (%)	IMPLICATIONS FOR WAGE DATA?	
Income tax (payable by employees)	<ul style="list-style-type: none"> Impuesto Sobre la Renta (ISR) 	Annual tax allowance of DOP 371,124.00 (note also that social security contributions are tax exempt)	Marginal rates : < DOP 371,124.00 : exempt DOP 371,124.01 to DOP 556,685.00 : 15% DOP 556,685.01 to DOP 773,173.00: 20% DOP 773,173.01 to DOP 71,132.00: 25%	No – banana workers wages is unlikely to reach annual tax threshold	See: www.dgii.gov.do/dgii/principalesImpuestos/Paginas/Impuestos-Sobre-la-Renta.aspx
Social security (payable by employees)	<ul style="list-style-type: none"> Sistema Dominicano de Seguridad Social (SDSS) – pension funds and family health insurance 	Social security contributions are due only on wages above the level of the minimum wage for the relevant sector	c.3%	No - social security contributions are due only on wages above the level of the minimum wage for the relevant sector	See: www.cnss.gob.do

4.2. Benchmark data

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST- TAX FIGURE?	POST-TAX (NET) COMPARATOR
<p>National minimum wage (NMW)</p>	<p>Current wage rates</p> <ul style="list-style-type: none"> · All workers are covered by a minimum wage rate by occupation and sector in general or specific basis (Resolution 5-2011, which came into effect 1 June 2011). · The minimum wage for agricultural workers is set for a 10-hour day at DOP 205 / day – an amount which increases or reduces in proportion to the number of hours worked over or under the 10 hours (Resolution No. 5/2011). This is the minimum wage which applies to field workers in banana farms. · For workers not covered by sector-specific wage minima, monthly minima are established according to value of company assets: <ul style="list-style-type: none"> > DOP 9,905 per month (general minimum wage for workers in the private sector who are not covered by a specific sectoral minimum wage, working in companies with a net worth of at least DOP 4,000,000); > DOP 6,810.00 per month (general minimum wage for workers in the private sector who are not covered by a specific sectoral minimum wage, working in companies with a net worth of at least DOP 2,000,000 and up to DOP 4,000,000); > DOP 6,035 per month (general minimum wage for workers in the private sector who are not covered by a specific sectoral minimum wage, working in companies with a net worth up to DOP 2,000,000)(Resolution 5-2011 Art.2) · Under Dominican Law, employers are required to pay an additional month of salary each year as an annual bonus, paid at Christmas time. This is a mandatory payment to all workers regardless of job performance or level of production. The <i>salario de navidad</i> is exempt from income tax (art. 222 of the LC). <p>To calculate monthly rate (see http://calculo.mt.gob.do):</p> <ul style="list-style-type: none"> > DOP 205 x 23.83 (working days per month) = DOP 4,885.15 / month > Include 13th month (Christmas bonus) pro rata: DOP 4,885.15 + (DOP 4,885.15 / 12) = DOP 5,292.26 > No income tax or social security levied at this level of pay (see ‘Assumptions’ below) <p>Legal treatment of in kind allowances / fringe benefits</p> <ul style="list-style-type: none"> · The salary is paid entirely in legal currency. However, part of the wages may be paid in kind. The legislation does not specify the percentage of a worker’s remuneration that may be paid in kind. The payment of wages through the issuance and delivery of certificates and other forms is 	<p>DOP 205 / day (10-hour day)</p>	<p>Pre-tax (gross)</p>	<p>DOP 5,292.26</p>

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
	<p>prohibited (Art.192, 195, 196 of the LC)</p> <p>Defining, fixing and up-rating the minimum wage</p> <ul style="list-style-type: none"> It is foreseen that the National Minimum Wage Committee adjusts minimum wages at least once every two years (art.456-458 of the LC) Minimum wages for private sector workers are set by occupation and sector by the National Salary Committee (art. 452-459 of the LC) Wages can also be fixed by collective agreement (art.113-128,214 of the LC) The minimum wage shall provide an income sufficient for the subsistence of the worker and for his family (Resolution 5-2011 Recital) 			
Collectively-agreed wage for banana sector (CAW)	<p>Quinta Pasadena regulation (not a binding CBA with a representative trade union) (hard copy)</p> <ul style="list-style-type: none"> Workers are eligible for 15 days annual leave in their first 1-2 years, then 20 days for 3-5 years and 24 days for 6+ years (art. 15(1)) Workers are eligible for a Christmas bonus consisting of an amount equal to 1/12 of their ordinary wages in a calendar year – not including overtime (art. 18) Point 5 of the Code of ethics requires workers to be paid a living wage; point 1 of the Salary policy requires a review in May on whether an adjustment of the salary is necessary including examining the <i>canasta familiar</i> which represents the primary basic costs of a Dominican family. No wage minima are specified in the CBA 		Pre-tax (gross)	
National poverty line	<ul style="list-style-type: none"> The Dominican Republic is in the process of developing national poverty lines, with the support of the World Bank (<i>Proyecto Metodología de Medición Oficial de Pobreza en la República Dominicana</i>). As of January 2012, there is still no definitive national poverty line. Refer to cost of first quintile <i>canasta familiar</i> (see below) <p><i>n.b. Poverty headcount ratio at national poverty line (% of population): 50.5% (World Bank, 2008)</i></p>	n/a	Post-tax (net)	n/a
WB \$1.25 PPP extreme poverty threshold	<ul style="list-style-type: none"> Source of calculation: World Bank PovCalNet The \$1.25/day 2005 PPP line is derived from the 2005 PPP exchange rate for “individual consumption expenditure by households” (World Bank, 2008): DOP 20.39608 per \$1.00 so UD\$ 1.25 (2005) = DOP 25.495 We have inflated this using the national annual average CPI from 2005 (period of PPP calculation) through to 2011 (www.bancentral.gov.do/estadisticas_economicas/precios/ipc_base_2010.xls) National CPI average through 2005: 71.44 (ONE IPC) 	<p>DOP 37.6786 / person / day (2011)</p> <p>DOP 1,146.06 / person / month (2011)</p>	Post-tax (net)	<p>DOP 1,146.06 (person)</p> <p>DOP 2,865.15 (household, 2 earners)</p>

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MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
	<ul style="list-style-type: none"> National CPI average through 2011: 105.58 (ONE IPC) Calculation of US\$ 1.25 (2005 PPP) for 2011: $\text{DOP } 25,495 \times (105.58 / 71.44) = \text{DOP } 37,6786$ This daily figure is then converted to a monthly comparator figure: $\text{DOP } 37,6786 \times 365 / 12 = \text{DOP } 1,146.06$ / person / month The per person monthly figure is converted to a household figure using national assumptions (see below), assuming a household of 5 members with 2 earners: $\text{DOP } 1,146.06 \times 5 / 2 = \text{DOP } 2,865.15$ 			
WB \$2 PPP poverty threshold	<ul style="list-style-type: none"> Calculation as above: US\$ 2 / day (2005 PPP) = 40.73816, inflated to DOP 60.28576 for 2011. Monthly figure: $\text{DOP } 60.28576 \times 365 / 12 = \text{DOP } 1,833.696$ / month Household figure (national assumptions): $\text{DOP } 1,833.696 \times 5 / 2 = \text{DOP } 4,584.24$ 	<p>DOP 60.2857 / person / day (2011)</p> <p>DOP 1,833.696 / person / month (2011)</p>	Post-tax (net)	<p>DOP 1,833.696 (person)</p> <p>DOP 4,584.24 (household)</p>
Median national income	<ul style="list-style-type: none"> According to the National Labour Force Survey in October 2010 (www.bancentral.gov.do/estadisticas.asp?a=Mercado_de_Trabajo), median individual income in all sectors, on the basis of average weekly hours was DOP 3,199.92 / week This figure is calculated as follows, using www.bancentral.gov.do/estadisticas_economicas/Mercado_de_Trabajo/pob_ingresos_rama.xls and www.bancentral.gov.do/estadisticas_economicas/Mercado_de_Trabajo/pob_horas_rama.xls: <ul style="list-style-type: none"> Weekly average: average hourly wage (all sectors) DOP 76.70 multiplied by average weekly hours (all sectors) 41.72 = DOP 3,199.92 / week Monthly average: $\text{DOP } 3,199.92 \times 52 / 12 = \text{DOP } 13,866.32$ The 2010 Labour Force Survey indicates that the average individual monthly income for the first (poorest) quintile of the population was DOP 5,501 GDP per capita was DOP 192,615.3 / year in 2010. This equates to DOP 16,051.275 / month / person (www.bancentral.gov.do/estadisticas_economicas/sector_real/pib_percapita_anual.xls) <p><i>n.b. GNI per capita (Atlas method): \$5,030 (World Bank, 2010)*</i></p>	<p>DOP 13,866.32 / month</p> <p>DOP 16,051.275 / month (GDP per capita, 2010)</p>	Post-tax (net)	DOP 13,866.32 / month

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
Cost of living expressed as basket of goods / cost of basic services (Canasta Familiar)	<ul style="list-style-type: none"> · The Central Bank revised its methodology for establishing and calculating the costs of the basic needs basket (<i>canasta familiar</i>) in Dec. 2010: www.bancentral.gov.do/publicaciones_economicas/otros/metodologia_IPC_base_diciembre_2010.pdf · The new <i>canasta familiar</i> includes goods (food and other basic needs) and services from 12 groups (see graphic below) · The Central Bank used the following assumptions: 5 different baskets are established – using the same categories of goods and services – for 5 different income quintiles, lowest to highest · The most relevant quintile / basket for this research is the first (poorest) quintile, which reflects spending on basic needs which cannot be substituted by cheaper alternatives. It is constructed on the basis of consumption patterns of those earning around the level of the minimum wage (around 50/50 food / non-food - 47.2% food). Estimates on health spending are low because, the Central Bank cites, c4m workers contribute to the national healthcare scheme. · The Central Bank expressly notes that the median cost of the <i>canasta familiar</i> "should not be used for wage negotiations" · The first quintile household basket assumes 5 household members, and two earners per household (p.22) · The cost of the first quintile <i>canasta familiar</i> was established at DOP 10,407.56 for December 2010. Using Central Bank inflation data for the first quintile (www.bancentral.gov.do/estadisticas_economicas/precios/ipc_quintiles_base_2010.xls) this figures is updated to Dec. 2011 prices as follows: <ul style="list-style-type: none"> > Dec. 2010 CPI (first quintile): 100 > Dec .2011 CPI (first quintile): 108.24 > DOP 10,407.56 x (108.24 / 100) = DOP 11,265.14 · Cost of first quintile <i>canasta familiar</i> (Dec. 2011) divided by average no. of earners per household (2): DOP 11,265.14 / 2 = DOP 5,632.57 	DOP 11,265.14 / month / household (Dec. 2011)	Post-tax (net)	DOP 11,265.14 (household)

* Gross national income (GNI), converted to U.S. dollars using the World Bank Atlas method, divided by the midyear population

MEASURE – OTHER RELEVANT BENCHMARKS	NOTES	VALUE (LOCAL CURRENCY)
The Worker Rights Consortium	<ul style="list-style-type: none"> · The WRC Living Wage Analysis for the Dominican Republic (<i>maquiladores</i>, not agriculture) established a net monthly living wage (based on 13 months of pay per year) of DOP 17,080.18 and a gross monthly living wage (before 	DOP 18,152.99 per month in 2008 (WRC -

<p>(WRC) performed a comprehensive market-basket analysis in order to establish a living wage standard for free trade zone apparel workers in the Dominican Republic (WRC, 2008)</p>	<p>mandatory payroll deductions) of DOP 18,152.99 (on the basis of family size of four).</p> <ul style="list-style-type: none"> · For purposes of comparison, the WRC consulted previous cost of living analyses by the Central Bank of the Dominican Republic, the Dominican Republic office of the United Nations Development Program, the Dominican Government's National Office of Statistics, and three of the country's central trade union bodies: CNUS, CASC, and CNTD. · In conducting its analysis, the WRC took, as a starting point, the broad agreement among researchers that a living wage should cover the cost of meeting a family's basic needs in the following categories of goods and services: food and water, housing and energy, clothing, health care, transportation, education and childcare, as well as modest funds for savings and discretionary spending. · This review showed that the WRC's living wage calculation falls near the middle of the range defined by other credible estimates. For example, the most recent Central Bank calculation for the cost of a basket of goods and services for five persons was DOP 18,021 per month in 2006, which adjusted for inflation was DOP 20,629.87 as of the date of the WRC's analysis. · A joint study released on 2 October 2008 by the Dominican trade union central bodies (CNUS, CASC, and CNTD) estimated the cost of basic goods for a family of three at DOP 27,106 per month 	<p><i>maquila</i>)</p> <p>DOP 27,106 per month in 2008 (trade union estimate - <i>maquila</i>)</p>
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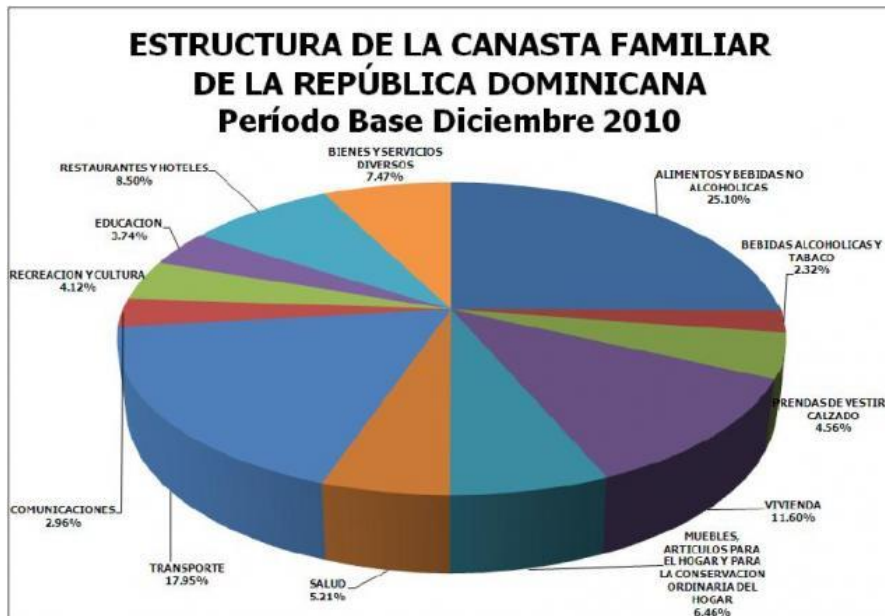
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- Worker Rights Consortium (WRC), 2008. *Living Wage Analysis for the Dominican Republic* (October 2008) [pdf] – see folder

ILO CONVENTIONS

- The Dominican Republic has ratified the Minimum Wage-Fixing Machinery Convention, 1928. In its 2006 comment on the Government's report, the Committee of Experts on the Application of Conventions and Recommendations noted that the minimum wage rates established by the National Wage Commission vary depending on the activity of the enterprise, its social capital and its geographical location.



5. Ecuador

World Bank 2005 PPP (see PovCalNet)	US\$1 (2005 PPP) = US\$0.5
Current exchange rate – www.xe.com (accessed at 6 Jan 2012)	US\$1 = US\$1 <i>Ecuador adopted the U.S. dollar as its official currency in 2000</i>

OVERVIEW

- The banana sector in Ecuador employs an estimated 148,000 people directly, but nearly 2 million Ecuadorians are thought to be dependent on the sector, and according to FENACLE only around 0.5% of banana workers are trade union members. There were 6,477 banana producers in the country in 2006, 70% of which were small producers (between 1 and 20 hectares) (Smith, 2010).
- There are approximately 6000 banana farms ranging from 1 to 1500 hectare, with medium- and large-scale farms accounting for 70% of production. Currently four banana plantations have negotiated collective bargaining agreements (CBA) covering around 1000 workers.
- The Ecuadorian government has espoused the concept of a ‘living wage’ (*salario digno*), characterised as the wage necessary for a household to purchase the extended basket of basic goods and services (Canasta básica familiar - CBF). The *salario digno* – which remains indicative, and non-binding – is calculated on the basis of the median value of the CBF divided by the average number of wage-earners in a household (1.6). The government has declared its commitment to ensuring that the national minimum wage reaches this target.
- Following lobbying by rural workers’ organisation, FENACLE, the Correa government has promised to clarify and strengthen the law in relation to company-wide and sector-wide collective bargaining.

5.1. Assumptions

HOUSEHOLD SIZE, NO. OF DEPENDENTS AND NO. OF EARNERS

	NOTES	VALUE
Average Family Size Of Typical Banana Worker	· Since July 2000, the average household is calculated on the basis of 4 members with 1.6 earners of the minimum wage (<i>Desde el mes de julio de 2000 se calcula el ingreso familiar con un hogar tipo de cuatro miembros con 1.60 perceptores de la Remuneración Básica unificada mínima</i>) (Ministerio de Coordinación de la Política Económica, 2010)	4 members / household
Typical Number Of Wage Earners / Household	· Since July 2000, the average household is calculated on the basis of 4 members with 1.6 earners of the minimum wage (Ministerio de Coordinación de la Política Económica, 2010) <i>n.b. 60% of women workers in Latin American plantations are single heads of household or the main breadwinners in the family. In addition, given that some banana producing regions have very few other employment options, if a</i>	1.6 wage earners / household

	household is reported as having two income earners, then the second income earner may well be in a situation of underemployment or effectively operating in the informal sector (Quesada, 2010)	
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DAILY, WEEKLY AND MONTHLY WAGES

	NOTES	VALUE
Most Common Period Used For Wages	<ul style="list-style-type: none"> Wages are fixed on a monthly basis (section I of the Ministerial Agreement N° 00249) 	Monthly
Number Of Working Days / Month	<p>Working hours</p> <ul style="list-style-type: none"> The hours of work shall not exceed 8 per day (s47 of the LC). Sectoral commissions can determine industries in which a limit of less than 8 hours will apply (s48 of the LC) The hours of work shall not exceed 40 per week (s47 of the LC) The work week shall not exceed 5 days in any week (s50 of the LC) <p>Rest periods</p> <ul style="list-style-type: none"> Saturday and Sunday are the weekly rest days. If work cannot be interrupted, another period of the same length shall be fixed by agreement between the employee and the employer (s50 of the LC). 	<p>5 per week</p> <p>21.7 per month (calculation: 5 x 52 weeks / 12 months)</p>
Holiday Leave	<p>Annual leave</p> <ul style="list-style-type: none"> Every worker shall be entitled to enjoy 15 consecutive days of paid annual leave, including the non working days (s69 of the LC) <p>Public holidays</p> <ul style="list-style-type: none"> Workers are entitled to enjoy the 9 public holidays listed in legislation (s65 of the LC) 	<p>15 days per year</p> <p>9 public holidays</p>

STATUTORY EMPLOYEE CONTRIBUTIONS

	NOTES	MINIMUM THRESHOLD	RATE/S (%)	IMPLICATIONS FOR WAGE DATA?
Income tax (payable by employees)	Impuesto a la renta 2012 (Resolución NAC-DGERCGC11-00437, RO 606 del 28 de diciembre de 2011)	Individual employees only pay tax on annual income over \$9,720 (2012)	Progressive scale from 0% to 35%: 0% applies to all income under \$9,720 (2012)	No – wages for banana workers are likely significantly lower than taxable base (eg minimum wage per annum = \$3,168)
Social security (payable by employees)	Statutory contributions to Ecuadorian Social Security Institute <i>Instituto Ecuatoriano de Seguridad Social</i> (IESS website)	None	Individual employees contribute between 9.35% - 11.35% of wages	Yes – and included as part of calculation of net wage (though note that, of the economically active population, the proportion of social security contributors hovers around 35% - out of 100 economically active persons, 65 do not pay social security premia (ILO, 2010)

5.2. Benchmark data

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
<p>National minimum wage (NMW)</p>	<p>Current wage rates</p> <ul style="list-style-type: none"> As of 1 January 2012 the national minimum wage is US\$292 per month (Ministerial Agreement No. 00369) The minimum wage covers all categories of workers in general, (included workers of small industries, agricultural workers and assembly plant "maquila" workers), domestic workers, craft workers, and microenterprise collaborators (Art I Ministerial Agreement No. 00369). A mandatory thirteenth month 'décimo tercer sueldo' (Christmas bonus 'Bono Navideño') is calculated by adding the remuneration earned by the worker in one year including benefits, commissions, supplementary pay and overtime pay, and dividing such amount by twelve. A fourteenth annual salary 'décimo cuarto sueldo' (Educational bonus 'Bono Escolar') equivalent to one complete minimum wage for private sector workers must be paid before March 15 in the coastal and insular regions and before September 15 in the highlands region. The purpose of this remuneration is to help workers pay school tuition for their children. Also calculated as 1/12th of salary – payable from the second year of employment – is the mandatory employer contribution to social security Reserve Funds (<i>Fondos de Reserva</i>) – this is not included in our figures, although the Ecuadorian government does include this in its comparison of minimum wage cf. 'salario digno'. <p>Net wage calculated factoring in compulsory employee social security contributions (cuota IESS) @ 9.35%: US\$340 – US\$ 31.79 = US\$ 308.21</p> <p>Legal treatment of in-kind allowances / fringe benefits</p> <ul style="list-style-type: none"> In-kind allowances are permitted as remuneration, including piece work (s95 of the LC) and its value shall be agreed between the parties (s393 of the LC) <p>Defining, fixing and up-rating the minimum wage</p> <ul style="list-style-type: none"> The minimum wage is adjusted annually with the participation of the National Wage Council (CONADES), a tripartite advisory body (s117 of the LC). In order to fix the minimum wage rates, the general cost of living in the country is taken into account for a worker considered as head of a household (s126 of the LC, Ministerial 	<p>US\$292 basic per month</p> <p>US\$ 340 (incl 13th and 14th month payments)</p>	<p>Pre-tax (gross)</p>	<p>US\$ 308.21 (net)</p>

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MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
	Agreement N° 00249)			
Sectoral minimum wage	<ul style="list-style-type: none"> Specific minimum wage rates by sector and occupation are provided annually by sectoral Committees, which in no case may be lower than the national minimum wage (<i>salario basico unificado</i>) (s117 of the LC, s1 Ministerial Agreement N° 00249) As indicated by the Labour Ministry (<i>Ministerio de Relaciones Laborales</i>), the sectoral minimum wage for agriculture and plantations for 2012 set by the <i>Comisión sectorial de la agricultura y plantaciones</i> is US\$292, with more senior agricultural positions earning a slightly higher rate. This is binding on all registered employers in the agriculture and plantation sector. <p>Net wage calculated factoring in compulsory employee social security contributions (cuota IESS) @ 9.35%: US\$340 – US\$ 31.79 = US\$ 308.21</p>	<p>US\$292 basic per month</p> <p>US\$ 340 (incl 13th and 14th month payments)</p>	Pre-tax (gross)	US\$ 308.21 (net)
Collectively-agreed wage for banana sector (CAW)	<p>Hacienda Italia CBA</p> <ul style="list-style-type: none"> Valid for 2 years (until 30 June 2012) (clause 6) Workers eligible for a quality bonus ranging from US\$5-10.30 per week depending on the quality reached (clause 9); in addition irrigation workers (operators and irrigators) are eligible for a performance bonus of US\$5.50 on completion of their work program (clause 10). Clause 11 awards a bonus of US\$5 for other various groups of workers. Workers are also eligible for a US\$91 bonus on Labour Day (1 May) (clause 27). Transport costs paid (clause 36); Christmas basket given to workers in December (clause 49). <p>Megabanana CBA</p> <ul style="list-style-type: none"> Applies only to the 920 permanent workers (clauses 4 and 5) and valid for 2 years (until 15 January 2013) (clause 6) Benefits for workers include: 5% increase (clause 19); US\$3 per month for each family dependent declared by a worker (up to 4 dependents) (clause 22(a)); US\$30 bonus at the completion of a year's work (after 5 years' service) (clause 22(b)); US\$20 per year for each 4-18 year old child's education (clause 22(c)); US\$40 bonus in December for each permanent worker (clause 33); and 1 May bonus of US\$20 for each worker (clause 42). 	(No wage figures available)	Pre-tax (gross)	

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
	<p>Reybanpac CBA</p> <ul style="list-style-type: none"> Applies to all permanent workers in the Grupo Wong's banana subsidiary (Reybanpac) CBA - 6567 workers (not a full-scale union but appears to have same legally-binding status as a CBA) (clause 5). Valid for 2 years (until January 2013) (clause 8) Wage increases are to be determined by productivity and on the basis of the financial situation of the company (clause 20) US\$5 to each dependent declared by a worker (clause 25) 			
National poverty line	<ul style="list-style-type: none"> In 2006, from the ECV-5^a Ronda results (INEC website) the Government revised and fixed the new poverty threshold at \$56.64 per person for the poverty line, and \$31.92 person for the extreme poverty line. The up-dating of these values is carried out using the CPI of November of each year adjusted by the average CPI of the months of April, May, and June in 2006. The national poverty line is defined as the food poverty line (the cost of 2,141 calories) plus the average non-food expenditure for households whose food expenditure per capita is close to the food poverty line: full methodology available from the INEC website. The poverty line for Sept 2011 was US\$71.82 (Banco Central del Ecuador, 2011) Using national assumptions of a 4-member household with 1.6 earners, the poverty line is converted to a household figure (ie to cover dependents of the earner) as follows: US\$ 71.82 x (4 / 1.6) = US\$ 179.55 <p><i>n.b. Poverty headcount ratio at national poverty line (% of population): 36.0% (World Bank, 2010)</i></p>	US\$71.82 / month per person (Sept 2011)	Post-tax (net)	<p>US\$ 71.82 (per person)</p> <p>US\$ 179.55 (household)</p>
WB \$1.25 PPP extreme poverty threshold	<ul style="list-style-type: none"> Source of calculation: World Bank PovCalNet The US\$ 1.25 / day line (2005 PPP) is derived from the 2005 PPP exchange rate for "individual consumption expenditure by households": US\$ 0.50 per US\$1.005 (ie US\$0.5 buys the same in Ecuador as does US\$1 in USA). This gives a figure of US\$ 0.64 for 2005. We have inflated this using the national annual average CPI from 2005 (period of household survey) through to 2011 (latest figures for November) – note that this does not specifically reflect local price increases in banana-growing regions, nor the consumption patterns of poor households Average national CPI in 2005: 102.08 (INEC website) National CPI in Nov 2011: 135.43 (INEC website) Calculation of US\$ 1.25 (2005 PPP) for November 2011: US\$ 0.64 x (135.43 / 102.08) = 	US\$ 0.85 / day / per person (Nov 2011)	Post-tax (net)	<p>US\$ 25.85 (per person)</p> <p>US\$ 64.63 (household)</p>

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MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
	<ul style="list-style-type: none"> US\$ 0.85 This daily figure is then converted to a monthly comparator figure: US\$ 0.85 (365 / 12) = US\$ 25.85 The per person monthly figure is converted to a household figure using national / INEC assumptions, assuming a household of 4 members with 1.6 earners: US\$ 25.85 x (4 / 1.6) = US\$ 64.63 			
WB \$2.00 PPP poverty threshold	<ul style="list-style-type: none"> Calculation as above: US\$ 1.02 / day for 2005, inflated to US\$ 1.36 for Nov 2011. Monthly figure: US\$ 1.36 (365 / 12) = US\$ 41.37 Household figure: US\$ 41.37 x (4 / 1.6) = US\$ 103.43 	US\$ 1.36 / day (Nov 2011)	Post-tax (net)	US\$ 41.37 (per person) US\$103.43 (household)
Median national income	<ul style="list-style-type: none"> Median income: all sectors (Sept 2011): US\$ 330 (INEC – Banco Central del Ecuador) Median income: agriculture sector (Sept 2011): US\$ 310 (INEC – Banco Central del Ecuador) Median income for women, 2010, economy-wide: US\$ 257.75 (INEC, 2011) Median income for men, 2010, economy-wide: US\$ 386.1 (INEC, 2011) Median salary in private sector for 2011: US\$625.70 (Presidencia de la República del Ecuador, 2012) 	US\$ 330 / month (economy-wide) US\$ 310 / month (agriculture)	Post-tax (net)	US\$ 330 / month (economy-wide) US\$ 310 / month (agriculture)
Cost of living expressed as basket of goods / cost of basic services (Canasta familiar)	<ul style="list-style-type: none"> The basic family basket (CFB – canasta familiar basica) (a basket of basic commodities other than just foodstuffs and basic services for family subsistence – for a typical household of 5 members – such as housing, transport costs, clothing, schooling and cultural or social expenditure) for November 2011 was US\$572.35 while the essential family basket (CFV – canasta familiar vital) (minimum quantity of products that can be purchased with the minimum household income) was US\$411.24 (INEC) The CFB and CFV are also calculated for cities in the banana producing region: cf Machala at US\$550.88 (Nov 2011) and US\$ 413.35, respectively (INEC) 	US\$411.24 per month / household (essential - CFV) US\$572.35 per month / household (basic - CFB)	Post-tax (net)	US\$572.35 (CFB)
'Salario digno'	<ul style="list-style-type: none"> The 'salario digno' ('living wage') is an indicative, non-binding figure calculated by the government (Ministry of Labour Relations – MRL) on the basis of the median (2011) 	US\$ 349.74 (for 2011-	Post-tax (net)	US\$ 370 (2012)

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MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
mandated by 2008 Constitution	Canasta básica familiar (CBF), divided by the average number of wage-earners in a household (1.6) (Ministerio de Relaciones Laborales website – Dirección de análisis salarial)	projected at US\$370 for 2012)		

LEGISLATION

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- Constitution of the Republic of Ecuador (Constitución Política de la República del Ecuador) of 20 October 2008 [pdf] Available at: <http://www.ilo.org/dyn/travail/docs/1258/Constitucion%20de%20Ecuador%202008.pdf>
- Ministerial Agreement No. 00369, 29 December 2011 [pdf] Available at: [http://www.captur.com/Docs/Acuerdo%2000369\[1\].pdf](http://www.captur.com/Docs/Acuerdo%2000369[1].pdf)

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- Ministerio de Coordinación de la Política Económica, 2010. *Coordinación de Consistencia Macroeconómica Dirección de Coyuntura – Informe de desempeño de la economía Ecuatoriana* [pdf] Available at: <http://mcpe.gob.ec/MCPE/documentos/infodesempe/3.%20julio%202010.pdf>
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ILO CONVENTIONS

- Ecuador has ratified the Minimum Wage-Fixing Machinery Convention, 1928 and the up-to-date Minimum Wage Fixing Convention, 1970.
- In its 2010 comment on the Government's report, the Committee of Experts on the Application of Conventions and Recommendations noted that article 328, paragraph 2, and transitional provision No. 25 of the new constitutional text, provides for the annual progressive adjustment of the minimum wage so as to cover the cost of the household basket of goods (canasta familiar).

6. Ghana

World Bank 2005 PPP (see PovCalNet)	US\$ 1 (2005 PPP) = GHC 4475.822 = GHS 0.4475822 Note: the 'second' Ghanaian Cedi (GHC) was replaced by the 'third' Ghanaian Cedi (GHS) on 1 July 2007; 10,000 GHC are equivalent to 1 GHS
Current exchange rate – www.xe.com (accessed at 16 Jan 2012)	US\$1 = 1.71650 GHS

OVERVIEW

- Until 2005, Volta River Estates (VREL) – an independent Fairtrade and organic plantation with five farms – was the only banana producing company in Ghana. VREL is the first-ever Fairtrade certified plantation in the world and has 662 workers. A Compagnie Fruitière subsidiary, Golden Exotic (GEL), established itself in the country in 2005 and has 1,500 permanent workers plus around 500 temporary workers (of which 300 are women who work mainly in the pack houses).
- The majority of banana workers in Ghana belong to a trade union and collective bargaining agreements are in place in both companies (Banana Link, n.d.). Workers in Ghana (Banana Link, n.d.) have calculated that wages would need to be multiplied by three or four to allow a typical household to live decently.
- Collective agreements in Ghana have an average duration of 2 years. However, most agreements have “wage opener” provisions, allowing for annual negotiation or re-negotiation of wages/salaries and other monetary aspects of the agreement including allowances. The most recent wage settlement is at GEL, with a 20% increase to wages agreed in January 2012.
- The official national poverty lines (Lower and Upper) were last updated in 2006 on the basis of the 2005-6 GLSS national living standards survey – we have applied official food and consumer price index figures to update the food and non-food elements of the basket used to determine the poverty lines to bring them up to date with other data.

6.1. Assumptions

HOUSEHOLD SIZE, NO. OF DEPENDENTS AND NO. OF EARNERS

	NOTES	VALUE
Average Family Size Of Typical Banana Worker	<ul style="list-style-type: none"> · Average household size in rural areas from 2006 Ghana Living Standards Survey: 4.4 members (GSS, 2008) · Ghana Living Standards Survey (2005–06) (Ghana Statistical Service 2007) shows that the average household size is six, comprising three children and three adults [ie 4.5 consumption units] · The average household size of the workers interviewed was six people, indicating that most are supporting several children (Banana Link, 2009) · Because of the proximity of the survey average (4.4) and the ‘consumption unit’ figure (4.5 units, assuming 3 adults and 3 children), we have used the survey figure for our calculations, for greater compatibility with the national approach in Central America, which does not establish “half consumption units” for children which are members of the household 	4.4 members

Typical Number Of Wage Earners / Household	<ul style="list-style-type: none"> The national average number of (employed) earners from the 23005-6 GLSS5 survey was 1.9. The national average for rural areas was 2.2, with greatest regional differences between Upper West (3.9) and Central (1.7) [direct communication with GSS] We have used the national rural average of 2.2 earners for our calculations (the average for rural households in Eastern region, where banana production is focused, is 2.1) Note however, that the 2005-6 GLSS survey data suggests a higher dependency ratio, consistent with a family of 6 with 2 earners: average annual household income was c. GHS 1,217 whilst the average per capita income was GHS 397. 	2.2 earners
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DAILY, WEEKLY AND MONTHLY WAGES

	NOTES	VALUE
Most Common Period Used For Wages	<ul style="list-style-type: none"> The minimum wage is established as a daily minimum wage (ILO, 2011) 	Daily
Number Of Working Days / Month	<p>Working hours</p> <ul style="list-style-type: none"> The hours of work of a worker shall be of a maximum of eight hours a day or forty hours a week except in cases expressly provided for in this Act (s33 of the Labour Act, exceptions contained in s34 of the Act) Working days Act 651 (34) <ul style="list-style-type: none"> > 8 hours per day > 40 hours per week > 5 working days a week > 260 working days a year (52 weeks in a year x 5 days per week) > 21.67 days per month (260/12 months = 21.67) However, note that Ghanaian convention is for workers to be paid 27 days / month for working 5 days / week – monthly minimum wage figures are calculated as daily minimum wage x 27 and income tax exemptions are on basis of 27 days / month, not 21.67. <p>Rest periods</p> <ul style="list-style-type: none"> Without prejudice to section 40, a worker shall be granted a daily continuous rest of at least twelve hours duration between two consecutive working days (s41(1) of the Labour Act) A worker shall, in addition to the rest periods provided in sections 40 and 41, be given a rest period of 48 consecutive hours, in every seven days of normal working hours, and the rest period may, for preference, start from Saturday and end on the Sunday following and shall wherever possible, be granted to all of the workers of the undertaking (s42 of the Labour Act) 	5 days per week 21.7 days per month (calculation: 5 x 52 weeks / 12 months) 27 days per month for purposes of minimum wage calculation
Holiday Leave	<p>Annual leave</p> <ul style="list-style-type: none"> In any undertaking every worker is entitled to not less than 15 working days leave with full pay in any calendar year of continuous service (s20(1), 21 of the Labour Act) <p>Public holidays</p> <ul style="list-style-type: none"> 10 days are specified in the Schedule to the Labour Act to be observed as public holidays every year throughout 	15 days per year 10 public holidays

	Ghana (s1(I) of the Public Holidays Law, Schedule)	
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STATUTORY EMPLOYEE CONTRIBUTIONS

	NOTES	MINIMUM THRESHOLD	RATE/S (%)	IMPLICATIONS FOR WAGE DATA?
Income tax (payable by employees)	Income tax	The minimum wage (GHS 1008 / year or GHS 84 / month) is tax exempt	(Monthly rates) First GHS 84: 0% GHS 85 – GHS104: 5% GHS 105 – GHS 164: 10% GHS 165 – GHS 1350: 17.5% Exceeding GHS 1350: 25% (Ghana Revenue Authority)	No – banana workers’ wages unlikely to meet taxable threshold
Social security (payable by employees)	Contribution to Social Security and National Insurance Trust (SSNIT) and second-tier pension scheme (NPRA- managed)	None – Basic SSNIT contribution is applicable to all persons with employment contracts aged 15-45. Note that the 5.5% contribution made by an employee is treated as income deductible relief (i.e. tax exempt) (s4.2 of the Pension Act 2008)	5.5% of basic salary (First tier mandatory basic national social security scheme (SSNIT); second tier mandatory occupational pension scheme)	Yes – included in calculation of net income (s3 Of Pensions Act 2008)
Other contributions	Trade union subs (for union members) – paid either through payroll deductions (“check-off”) or direct payments by members.	n/a	2010 Labour Research Service analysis of collective bargaining agreements in Ghana indicates that subs are levied at a rate between 1% and 3% of gross salary (Otoo, Osei-Boateng and Asafu-Adjaye, 2009)	Yes, where workers are organised – not included in current calculations

6.2. Benchmark data

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
National minimum wage (NMW)	<p>Current wage rates</p> <ul style="list-style-type: none"> National Daily Minimum Wage (NDMW) is GHS 3.73 per day from February 2011 (Communiqué 14 February 2011) Negotiations are underway by the National Tripartite Committee to determine the 2012 NDMW (Ghana Government, 2011) <p>Monthly net rate calculated as:</p>	GHS 3.73 per day	Pre-tax (gross)	GHS 95.17 (net)

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
	<ul style="list-style-type: none"> > Daily rate GHS 3.73 x 27 working days (see assumptions below) = GHS 100.71 > Mandatory employee social security contributions @5.5%: GHS 100.71 – GHS5.54 = GHS 95.17 <p>Legal treatment of in-kind allowances / fringe benefits</p> <ul style="list-style-type: none"> · No relevant legislation has been identified (ILO TRAVAIL database) <p>Defining, fixing and up-rating the minimum wage</p> <ul style="list-style-type: none"> · The national daily minimum wage is determined by the National Tripartite Committee (ss112,113(1)(a),(2) of the LC) · Minimum wage rates may also be set in collective agreements as long as these rates are higher than the national daily minimum wage. · If the Chief Labour Officer considers that the terms of a collective agreement are suitable for application to a class of employees who are engaged in the same type of work, or who work in the same area, an order to extend the collective agreement may be made. A notice must be published in the Official Gazette at least three months prior to the agreement being extended (ss98(c),109 of the LC) 			
<p>Collectively-agreed wage for banana sector (CAW)</p>	<p>Volta River Estates (VREL) and Golden Exotic (GEL) CBAs</p> <ul style="list-style-type: none"> · Both companies have a negotiated CBA with the General Agricultural Workers Union (GAWU) with wages above the national agricultural minimum wage · Both CBAs only cover workers on permanent contracts · As at Dec. 2011, following a six-month probationary period, field workers at VREL receive a basic salary of GHS 3.81 per day · All workers benefit from national health insurance, a pension scheme, paid maternity and sick leave, and 21 days of annual leave. · Monthly net rate for VREL CBA basic wage calculated as: <ul style="list-style-type: none"> > Daily rate GHS 3.81 x 27 working days (see assumptions below) = GHS 102.87 > Mandatory employee social security contributions @5.5%: GHS 102.87 – GHS 5.66 = GHS 97.21 > [We have not deducted trade union membership dues] · From Jan. 2012, the basic minimum agreed wage at GEL is GHS 5.76 · Monthly net rate for VREL CBA basic wage calculated as: <ul style="list-style-type: none"> > Daily rate GHS 5.76 x 27 working days (see assumptions below) = GHS 155.52 > Mandatory employee social security contributions @5.5%: GHS 155.52 – GHS 8.55 = 	<p>GHS 3.81 / day (VREL CBA minimum, Dec. 2011)</p> <p>GHS 5.76 (GEL CBA minimum, Jan. 2012)</p>	<p>Pre-tax (gross)</p>	<p>GHS 97.21 (VREL)</p> <p>GHS 146.97 (GEL)</p>

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
	<p>GHS 146.97 > [We have not deducted trade union membership dues]</p>			
<p>National poverty line</p>	<ul style="list-style-type: none"> · The national poverty line in Ghana is based on a food and basic needs concept, resulting in ‘Lower’ (food / extreme poverty) and ‘Upper’ (basic needs / poverty) lines. · The ‘Lower Poverty Line’ is determined by the minimum expenditure needed to meet the average nutritional requirements of one adult-equivalent (2900 calories). This lower poverty line was set at GHS 288.47 per year per adult in 2006 (on the basis of the 2005-6 GLSS survey) · The ‘Upper Poverty Line’ also comprises essential non food-consumption. This non-food allowance is defined as the observed non-food expenditure for households whose total expenditure is equal to the food line. The ‘Upper Poverty Line’ was set at GHS 370.89 per year per adult in 2006 (on the basis of the 2005-6 GLSS survey). · To arrive at current values for the Lower Poverty line we use food price inflation, as follows <ul style="list-style-type: none"> ○ ‘Lower Poverty Line’ (food only) inflated using food price inflation (GSS, 2011) ○ Food price index 2006 average: 188.6 (national, regional figures also available) ○ Food price index Nov. 2011 (most recent): 298.0 ○ ‘Lower Poverty Line’ inflated to Nov. 2011: $GHS\ 288.47 \times (298.0 / 188.6) = GHS\ 455.80$ · To arrive at current values for the Upper Poverty line we use the up-rated basis of food poverty, and inflate the non-food component using the CPI, as follows: <ul style="list-style-type: none"> ○ Non-food component: Upper Poverty Line (GHS 370.89) – Lower Poverty Line (GHS 288.47) = GHS 82.42 ○ CPI 2006 average: 197.5 ○ CPI Nov. 2011 (most recent): 366.9 ○ Non-food component inflated to Nov. 2011: $GHS\ 82.42 \times (366.9 / 197.5) = GHS\ 153.11$ ○ Total Nov. 2011 Upper Poverty Line: $GHS\ 455.80$ (food) + $GHS\ 153.11$ (non-food) = $GHS\ 608.91$ <p>Monthly rates: Lower Poverty Line $GHS\ 455.80 / 12 = GHS\ 37.98$ Upper Poverty Line $GHS\ 608.91 / 12 = GHS\ 50.74$</p> <ul style="list-style-type: none"> · To arrive at household values, we use assumptions based on national household survey data 	<p>GHS 455.80 / person / year (food only – Nov. 2011)</p> <p>GHS 608.91 / person / year (food and basic needs – Nov. 2011)</p>	<p>Post-tax (net)</p>	<p>GHS 50.74 (person, basic needs)</p> <p>GHS 101.48 (household, basic needs)</p>

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
	(see below) – a household of 4.4 members, with 2.2 earners: > Upper Poverty Line for household (monthly): $GHS\ 50.74 \times 4.4 / 2.2 = GHS\ 101.48$ <i>n.b. Poverty headcount ratio at national poverty line (% of population): 28.5% (World Bank, 2006)</i>			
WB \$1.25 PPP extreme poverty threshold	<ul style="list-style-type: none"> Source of calculation: World Bank PovCalNet The \$1.25/day 2005 PPP line is derived from the 2005 PPP exchange rate for “individual consumption expenditure by households” (World Bank, 2008): GHC4,475.82 per \$1.00 In light of currency change from GHC to GHS in 2007, this gives a figure in GHS of US\$ 1.25 (2005 PPP) = GHS 0.5594775 for 2005. We have inflated this using the national annual average CPI from 2005 (period of household survey) through to 2011 – note that this does not specifically reflect local price increases in banana-growing regions, nor the consumption patterns of poor households Average national CPI in 2005: 250.621 (National Statistics Office/IMF) National CPI in 2011: 511.331 (IMF staff estimate – national figure for 2010 is 470.260) Calculation of US\$ 1.25 (2005 PPP) for 2011: $GHS\ 0.5594775 \times (511.331 / 250.621) = GHS\ 1.1414773$ This daily figure is then converted to a monthly comparator figure: $GHS\ 1.1414773 \times 365 / 12 = GHS\ 34.7199$ The per person monthly figure is converted to a household figure using national assumptions, ie a household of 4.4 members with 2.2 earners: $GHS\ 34.7199 \times 4.4 / 2.2 = GHS\ 69.44$ 	<p>GHS 1.1414773 / day / person (2011)</p> <p>GHS 34.7199 / month / person (2011)</p>	Post-tax (net)	<p>GHS 34.7199 (person)</p> <p>GHS 69.44 (household, 2.2 earners)</p>
WB \$2 PPP poverty threshold	<ul style="list-style-type: none"> Calculation as above: US\$2 / day = GHS 0.895164 @ 2005 PPP, inflated to GHS 1.82636 for 2011. Monthly figure: $GHS\ 1.82636 \times 365 / 12 = GHS\ 55.55 / \text{month}$ Household figure: $GHS\ 55.55 \times 4.4 / 2.2 = GHS\ 111.1$ 	<p>GHS 1.82636 / day / person (2011)</p> <p>GHS 55.55 / month / person (2011)</p>	Post-tax (net)	<p>GHS 55.55 (person)</p> <p>GHS 111.1 (household, 2.2 earners)</p>
Median national income	<ul style="list-style-type: none"> Most recent data is from 2006 Ghana Living Standards Survey – 5th Round (GSS, 2008): average annual household income in Ghana in 2006 was c. GHS 1,217 whilst the average per capita income was GHS 397. This equates to GHS 33.08 per month. There were significant regional differences with Greater Accra region recording the highest per capita income (GHS 544) while per capita incomes in Upper West and Upper East regions averaged less than GHS 130 (2006 data). Gross national income (GNI) per capita: GHS 1,877.4 per annum = GHS 156.45 (www.statsghana.gov.gh/docfiles/GDP/national_%20income_2010.pdf) 	<p>GHS 33.08 / month / person (2006)</p> <p>GHS 156.45 / month / person (GNI per capita, 2010)</p>	Post-tax (net)	GHS 156.45 (GNI per capita, 2010)

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Cost of living expressed as basket of goods / cost of basic services	See 'National Poverty Line' above. Monthly costs (Nov. 2011): <ul style="list-style-type: none"> · Annual Lower Poverty Line GHS 455.80 / 12 = GHS 37.98 / adult-equivalent · Annual Upper Poverty Line GHS 608.91 / 12 = GHS 50.74 / adult-equivalent · To arrive at household values, we use assumptions based on national household survey data (see below) – a household of 4.4 members: <ul style="list-style-type: none"> > Upper Poverty Line for household (monthly): GHS 50.74 x 4.4 = GHS 223.26 	GHS 608.91 / person / year (food and basic needs – Nov. 2011)	Post-tax (net)	GHS 50.74 (person, basic needs) GHS 223.26 (household, basic needs)
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* Gross national income (GNI), converted to U.S. dollars using the World Bank Atlas method, divided by the midyear population

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ILO CONVENTIONS

- Ghana has ratified the Minimum Wage-Fixing Machinery Convention, 1928. In its 2006 comment on the Government's report, the Committee of Experts on the Application of Conventions and Recommendations noted that there is ongoing work by the National Tripartite Committee (NTC) for the determination of a national living wage.

7. Guatemala

World Bank 2005 PPP (see PovCalNet)	US\$ 1 (2005 PPP) = GTQ 4.540333
Current exchange rate – www.xe.com (accessed at 12 Jan. 2012)	US\$ 1 = GTQ 7.82350

OVERVIEW

- There is an unknown number of large non-unionized farms in the Pacific South – which was the location of a massive expansion in banana production in the late 1990s. There are around 35 (mainly unionised) farms in Izabel (Caribbean coast) which are typically around 250-300 hectares in size and mainly owned and controlled by multinational companies or two large national companies. Three large multinational companies control the majority of banana exports – almost entirely supplying the North American market.
- More than 20 of Del Monte’s farms are covered by a single collective bargaining agreement (CBA) organized by the oldest private sector union in the country – Sitrabi. Furthermore, seven Chiquita farms and two nationally owned farms have individual CBAs with individual unions affiliated to the national Unsitragua federation.

7.1. Assumptions

HOUSEHOLD SIZE, NO. OF DEPENDENTS AND NO. OF EARNERS

	NOTES	VALUE
Average Family Size Of Typical Banana Worker	<ul style="list-style-type: none"> · According to INE ENCOVI living conditions survey (2011) the national average household size is 4.91 persons. For rural areas, the average is 5.37, for urban areas 4.49. · Government / INE uses an average family size of 5.38 members for the purposes of calculating the value of the CBA food basket. Given the proximity to the 2011 survey figure of 5.37 (rural), and to avoid confusion in comparative calculation, we have used this figure. 	5.38 members
Typical Number Of Wage Earners / Household	<ul style="list-style-type: none"> · INE ENIGFAM survey 2009-2010 [direct communication with INE] gives national average of 2.23 income earners per household. · Average number of earners in rural households is 2.2: this is the figure we have used for the purposes of calculation of household needs 	2.2 (rural)

DAILY, WEEKLY AND MONTHLY WAGES

	NOTES	VALUE
Most Common Period	<ul style="list-style-type: none"> · The legislation provides the minimum wage rate calculated per day and per hour (Government Agreement n°388-2010 minimum conditions Art.1,2,3) 	Daily/Hourly

Used For Wages	.	
Number Of Working Days / Month	<p>The legal minimum wage is based on an assumption of 26.14 working days per month:</p> <ul style="list-style-type: none"> > $(\text{GTQ } 2,074 / 14) \times 12 = \text{GTQ } 1,777,71$ (basic monthly w/o 13th and 14th month pro rata) > $\text{GTQ } 1,777.71 / \text{GTQ } 68 = 26.14$ days <p>Working hours</p> <ul style="list-style-type: none"> . Except for those workers not subject to the limitations of working time, the hours of effective work during day-time shall not exceed 8 hours per day (art 102(g) Constitution, art.116 of the LC, art 6 Government Agreement n°388-2010 on minimum conditions) . In work that is not unhealthy or dangerous, the 8 hour limit can be extended by agreement between worker and employer by up to 2 hours, provided that weekly working time does not exceed the 48 hour weekly limit (art 118,124) . Except for those workers not subject to the limitations of working time, the hours of effective work during day-time shall not exceed 44 per week, equivalent to 48 hours exclusively for payment purposes (art 6 of the Government Agreement n°388-2010 on minimum conditions) <p>Rest periods</p> <ul style="list-style-type: none"> . All workers are entitled to enjoy a paid weekly rest period, after 5 or 6 days of work performed according to the custom of the undertaking (art 126 of the LC) 	<p>26.14 days / month</p> <p>6 days per week</p> <p>8 hours per day</p>
Holiday Leave	<p>Annual leave</p> <ul style="list-style-type: none"> . The minimum duration of the annual leave period to which all workers are entitled is 15 days (art 130 of the LC) <p>Public holidays</p> <ul style="list-style-type: none"> . 12 public holidays per year (art 127 of the LC) 	<p>15 days per year</p> <p>12 public holidays</p>

STATUTORY EMPLOYEE CONTRIBUTIONS

	NOTES	MINIMUM THRESHOLD	RATE/S (%)	IMPLICATIONS FOR WAGE DATA?
Income tax (payable by employees)	Impuesto Sobre la Renta (ISR)	Personal annual income tax allowance of GTQ 36,000 (Decreto 26-92)	Progressive from 15% to 31%	Unlikely – given that wages around legal and agreed minima will not come close to annual personal tax allowance of GTQ 36,000 – therefore not included in calculation of net wage
Social security (payable by employees)	Cuota laboral IGSS	None	Compulsory employee contribution at 4.83% of salary (except Peten, Santa Rosa, El Progreso – 2.83%)	Yes – included in calculation of net wage @ 4.83% - though note that INE/IGSS data suggest that only c.10% of all employees in agriculture and agri-business are covered by social security (INE, 2001-2010)

7.2. Benchmark data

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
<p>National minimum wage (NMW)</p>	<p>Current wage rates</p> <ul style="list-style-type: none"> There is no economy-wide national minimum wage rate. A legal minimum wage is determined for three sectors: agricultural activities, non-agricultural activities, export / textile activities (<i>maquila</i>). The relevant minimum for the banana sector is the agricultural minimum wage. From 1 Jan 2012, the minimum wage for agricultural workers is GTQ 68 per day (GTQ 8.50 per hour and GTQ 2,074 per month, including pro-rated Christmas and mid-year bonuses, excl GTQ 250 monthly productivity payment – see below) (Governmental Agreement No. 520-2011) Therefore the minimum monthly wage for agriculture, including all mandatory bonuses, is GTQ 2,324 Workers are entitled to a Christmas bonus (<i>Aguinaldo</i>) in Decree 76-78) and a mid-year bonus in Decree 42-92 “Annual Bonus for workers of the Private and Public Sectors” both calculated at the rate of one monthly salary per year worked. The employer must also pay the worker a Productivity Incentive Bonus of GTQ 250.00 every month (Decree 37-2001 of Congress) Remuneration for piece-rate workers cannot be lower than the applicable minimum wage rates (art. 103 of the LC) <p>Net rate calculated factoring in compulsory employee social security contribution (cuota laboral IGSS) @ 4.83%: GTQ2,324 – GTQ 112.25 = GTQ 2,211.75</p> <p>Legal treatment of in kind allowances / fringe benefits</p> <ul style="list-style-type: none"> Agricultural workers may receive up to 30% of their wages in food or other similar allowances intended for their direct personal consumption or that of their families who live with them and are financially dependent upon them (art 90 of the LC) <p>Defining, fixing and up-rating the minimum wage</p> <ul style="list-style-type: none"> Minimum wage rates shall be adjusted every year (art.113 of the LC) 	<p>GTQ 68 / day (agriculture)</p> <p>GTQ 2,324 / month (agriculture – incl. all bonuses)</p>	<p>Pre-tax (gross)</p>	<p>GTQ 2,211.75 (agriculture, net)</p>

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
	<p>workers (GTQ 1.0487 per hour from start of CBA and an additional GTQ 0.2796 from 22 Nov. 2010); for monthly-paid workers (GTQ 251.68 / month increase from CBA start and an increase GTQ 67.10 from 22 Nov 2010).</p> <ul style="list-style-type: none"> · Article 48 sets out piece rate wages · Article 59 payment of Christmas and annual bonuses; Article 86 provides for 15 days annual leave · Workers in the packing plant paid the minimum hourly rate are to be given GTQ 90 at the start of the holiday period for a return bus ticket from the plantation to the capital city (Art.61) · The CBA (Art. 11) provides for the national minimum wage to be paid, where the agreed wage falls below this rate after revision to the statutory minimum: this is the current situation, · “ Si como consecuencia de reformas que se hagan a la legislación de trabajo, incluyendo acuerdos gubernativos, y sus reglamentos, durante la vigencia de este Pacto, se establecieren mejores y mayores derechos y beneficios en favor de los (las) trabajadores (as), deben aplicarse desde la fecha de su vigencia” (Art. 11) 			
<p>National poverty line</p>	<ul style="list-style-type: none"> · The 2011 ENCOVI quality of life survey undertaken by the Instituto Nacional de Estadística (INE) established new (annual) poverty lines (INE ENCOVI, 2011) · The national extreme poverty line – is GTQ 4,380 per person per year (2011). This reflects only the ability to meet basic food needs (<i>Canasta básica alimentaria</i> – CBA). · The national (non-extreme) poverty line is GTQ 9,030 per person per year (2011). This is based on the per capita cost of the CBV basket (see below) which includes an additional amount corresponding to the percentage of average expenditure on consumption of other basic goods and services derived from the INE ENCOVI (2011) survey. · The corresponding (non-extreme, basic needs) poverty line for a family of 5.38 (govt basis) is GTQ 4048.45 / month · On the basis of the average rural household size of 5.38 members with 2.2 earners, the household poverty line (non-extreme, basic needs) equates to: $(GTQ\ 9030 \times 5.38) / 2.2 = GTQ\ 22,082.45$ per annum, or GTQ 1,840.20 per month 	<p>GTQ 9,030 / person / year</p> <p>GTQ 752.5/ person / month</p> <p>GTQ 4048.45 / household / month</p>	<p>Post-tax (net)</p>	<p>GTQ 752.5 (person)</p> <p>GTQ 4048.45 (household)</p> <p>GTQ 1,840.20 / month (household with 2.2 earners)</p>

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MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
	<i>n.b. Poverty headcount ratio at national poverty line (% of population): 51% (World Bank, 2006)</i>			
WB \$1.25 PPP extreme poverty threshold	<ul style="list-style-type: none"> Source of calculation: World Bank PovCalNet The \$1.25/day 2005 PPP line is derived from the 2005 PPP exchange rate for “individual consumption expenditure by households” (World Bank, 2008): GTQ 4.540333 per \$1.00 so UD\$ 1.25 (2005) = GTQ 5.6754 We have inflated this using the national annual average CPI from 2005 (period of household survey) through to 2011 (latest figures for December) – note that this does not specifically reflect local price increases in banana-growing regions, nor the consumption patterns of poor households National CPI in Dec 2005: 75.60 (INE IPC) National CPI in Dec 2011: 106.20 (INE IPC) Calculation of US\$ 1.25 (2005 PPP) for Dec. 2011: $GTQ\ 5.6754 \times (106.20 / 75.60) = GTQ\ 7.9722$ This daily figure is then converted to a monthly comparator figure: $GTQ\ 7.9722 (365 / 12) = GTQ\ 242.49$ The per person monthly figure is converted to a household figure using national / INEC assumptions, assuming a household of 5.38 members with 2.2 earners: $GTQ\ 242.49 \times 5.38 / 2.2 = GTQ\ 592.99$ 	<p>GTQ 7.9722 / day / person (Dec. 2011)</p> <p>GTQ 242.49 / month / person (Dec. 2011)</p>	Post-tax (net)	<p>GTQ 242.49 (person)</p> <p>GTQ 592.99 (household with 2.2 earners)</p>
WB \$2 PPP poverty threshold	<ul style="list-style-type: none"> Calculation as above: GTQ 9.08 / day for 2005, inflated to GTQ 12.755 for Dec 2011. Monthly figure: $GTQ\ 12.755 \times 365 / 12 = GTQ\ 387.98 / \text{month}$ Household figure: $GTQ\ 387.98 \times 5.38 / 2.2 = GTQ\ 948.79$ 	<p>GTQ 12.755 / day / person (Dec. 2011)</p> <p>GTQ 387.98 / month / person (Dec. 2011)</p>	Post-tax (net)	<p>GTQ 387.98 (person)</p> <p>GTQ 948.79 (household with 2.2 earners)</p>
Median national income	<ul style="list-style-type: none"> According to the 2011 employment and income survey <i>Encuesta Nacional de Empleo e Ingresos (ENEI)</i> undertaken by the National Statistics Institute (INE), national median monthly income in 2010 was GTQ 1,966.93. 	<p>GTQ 1,966.93 / month (2010)</p> <p>GTQ 1260.65 /</p>	Post-tax (net)	<p>GTQ 1,966.93 / month (all sectors)</p> <p>GTQ 1,260.65 /</p>

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) MONTHLY COMPARATOR
	<ul style="list-style-type: none"> The national average income in the agriculture sector (ENEI 2011) was GTQ 1260.65 in 2010. According to the 2011 ENEI, median monthly income in rural areas of the country was GTQ 2,528 in the public sector and GTQ 1,215 in the private sector (INE ENEI, 2011) 	month (agriculture, 2010)		month (agriculture)
Cost of living expressed as basket of goods / cost of basic services	<ul style="list-style-type: none"> The INE establishes two baskets of goods: food only, and extended basic needs. The Canasta Básica Alimentaria (CBA) includes 26 basic food requirements (Ministerio de Economía de Guatemala, 2008-2011) for a household with 5.38 members, on the basis of 2,210 calories. The rural CBA is based on intake of 2,362 calories / day (INE ENCOVI, 2011) The Canasta Básica Alimentaria (CBA) stood at GTQ 2,440.20 per household [5.38 members] per month (Dec. 2011) (INE, 2011) The Canasta Básica Vital (CBV) includes the costs of additional household spending on essential non-food goods and services. The CBV includes food, housing, clothing, education, transport and other categories; this basket is almost double the value of the Basic Food Basket (CBA). Canasta Básica Vital (CBV): GTQ 4,452.92 per household [5.38 members] per month (Dec. 2011) (INE, 2011) The CBA serves as the benchmark for the national extreme poverty line; the CBV for the national poverty line. <p>Canasta Básica Vital (CBV) divided by 2.2 earners / household: GTQ 4,452.92 / 2.2 = GTQ 2,024.05 per month</p>	GTQ 4,452.92 per household per month (CBV – Dec. 2011)	Post-tax (net)	GTQ 4,452.92 (household)

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ILO CONVENTIONS

CONFIDENTIAL DRAFT

- Guatemala has ratified the Minimum Wage-Fixing Machinery Convention, 1928; the Minimum Wage Fixing Machinery (Agriculture) Convention, 1951 and the up-to-date Minimum Wage Fixing Convention, 1970.
- In its 2006 comment on the Government's report, the Committee of Experts on the Application of Conventions and Recommendations noted that the cost of a household basket of essential goods (Canasta Básica Vital – CBV), according to the information of the National Institute for Statistics for the month of March 2006, was 2,725 quetzal (around US\$371) for a family of five persons. As, according to the Institute, in each family an average of two members have a job, the Government considers that the current level of the minimum wage in effect represents an overall purchasing power which enables workers to meet their most essential needs. The Committee understands that over half of workers in rural areas do not receive the wages, allowances and other supplements to which they are entitled.

8. Honduras

World Bank 2005 PPP (see PovCalNet)	US\$ 1 (2005 PPP) = HNL 9.662104
Current exchange rate – www.xe.com (accessed at 13 Jan 2012)	US\$ 1 = HNL 19.0698

OVERVIEW

- While there are some medium and large (including cooperative) nationally owned farms in Honduras, the main production of bananas for export occurs in large multinational farms which are almost all organized.
- There are eight trade unions within the banana sector (seven of which are coordinated by COSIBAH, a national union body). They all have company-specific collective bargaining agreements (CBA) – 4 in Dole farms, 2 in Chiquita farms and 2 in national farms which supply the multinational farms.
- In January 2012, the Honduran government and social partners achieved agreement for the first time in four years on increases to the minimum wage for 2012 and 2013.
- Trade unions have proposed that a ‘living wage’ to meet real costs of living would be c.HNL 9,500 – significantly higher than the current minimum wage.

8.1. Assumptions

HOUSEHOLD SIZE, NO. OF DEPENDENTS AND NO. OF EARNERS

	NOTES	VALUE
Average Family Size Of Typical Banana Worker	<ul style="list-style-type: none"> The <i>Instituto Nacional de Estadística (INE)</i> determines the cost of the basic food basket on the basis of a household of 6 members (in rural areas – 5 in urban areas) (INE, 2010) 	6 members (rural)
Typical Number Of Wage Earners / Household	<ul style="list-style-type: none"> National average number of earners per household in 2010: 2.7 (STSS, 2010 p.111) Average number of earners per household where principal earner is employed in agriculture: 2.6 (STSS, p.111) Data source: Base de datos EPHM , mayo 2010, Observatorio del Mercado Laboral, Dirección General de Salarios 	2.6 earners (agriculture)
Typical Number Of Dependents Covered By Wage	<ul style="list-style-type: none"> The age dependency ratio in Honduras is 74% as 38.4% of the population is under 15 years of age and 4.1% are 65 years or more. This ‘dependency ratio’ is the ratio of people whose age is defined as dependent (under 15 and over 64 years of age) and those defined as economically productive (15-64 years) within a population (INE) (<i>La razón de dependencia por edad en Honduras es 74.0%, dado que el 38.4% de su población es menor de 15 años de edad y el 4.1% tiene 65 años o más – Es la razón entre las personas que por su edad se definen como dependientes (menores de 15 años y mayores de 64) y las que se definen como económicamente productivas (15-64 años) dentro de una población.</i>) 	

DAILY, WEEKLY AND MONTHLY WAGES

	NOTES	VALUE
Most Common Period Used For Wages	<ul style="list-style-type: none"> The minimum wages can be set hourly, daily or monthly (Agreement No. STSS-223-2011) 	Monthly
Number Of Working Days / Month	<p>Working hours</p> <ul style="list-style-type: none"> The hours of work shall not exceed 8 per day (art.322 of the LC and art.128(1) of the Constitution) The hours of work shall not exceed 44 per week. However, the 44 hour limit does not apply to specified groups including work that by its nature cannot not be subject to the hours limit, e.g. agriculture, stockbreeding. These workers cannot be required to remain at work for more than 12 hours a day, and are entitled to a minimum rest period of one and a half hours (art.322,325 of the LC) <p>Rest periods</p> <ul style="list-style-type: none"> Daily rest period shall last at least 10 consecutive hours (art.327 of the LC) Every worker shall be granted one day's rest, which shall be preferably be Sunday, for every six days' work (art.338 of the LC) 	<p>6 days per week</p> <p>26 per month (calculation: 6 x 52 weeks / 12 months)</p>
Holiday Leave	<p>Annual leave</p> <ul style="list-style-type: none"> The period of time of annual leave differs in relation to the time of work performed with the same employer: 10 consecutive working days after one year of service; 12 consecutive working days after two year's consecutive service; 15 consecutive working days after three year's consecutive service; 20 consecutive working days after four or more year's consecutive service (art.346 of the LC) <p>Public holidays</p> <ul style="list-style-type: none"> All workers are entitled to 11 days of public holidays (art. 339 of the LC) 	<p>10 days per year (minimum)</p> <p>11 public holidays</p>

STATUTORY EMPLOYEE CONTRIBUTIONS

	NOTES	MINIMUM THRESHOLD	RATE/S (%)	IMPLICATIONS FOR WAGE DATA?
Income tax (payable by employees)	El Impuesto Sobre la Renta (ISR) : ISR is payable on gross income – 13 th and 14 th month payments are taxable only in excess of 10 x minimum wage.	HNL 110,000	<ul style="list-style-type: none"> Exempt from HNL 0.01 to HNL 110,000 15% from HNL 110,000.01 to 200,000 20% from 200,000.01 to 500,000 25% 500,000.01 and over 	No – low-wage incomes – at around the level of annual minimum wage, including statutory additions – arise to less than the personal tax allowance of HNL 110,00 (DEI, 2010)
Social security (payable by employees)	Employers must register their employees with the Instituto Hondureño de Seguridad Social (IHSS)	No – but ceiling on contributions at HNL 7,000 / month (IHSS Resolución SOJD. No. 02-29-03-2011)	<p>Total employee contribution 3.7%</p> <p>Enfermedad-Maternidad (EM) – 2.5%</p> <p>Invalidez, Vejez Y Muerte (IVM) – 1%</p> <p>Riesgo Profesional (RP) – 0.2%</p>	Yes – included in calculation @ 3.7% (though note that IHSS coverage is c.16% of national population (ILO, 2007)

8.2. Benchmark data

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
<p>National minimum wage (NMW)</p>	<p>Current wage rates</p> <ul style="list-style-type: none"> · The minimum wage is established by sector and varies by size of establishment. For the first time in 4 years, the 2012 rates were the result of agreement between government, unions and employers. (Acuerdo No. STSS-001-2012) · The relevant sectoral minimum for banana cultivation and processing is that set for agriculture, forestry, hunting and fishing (<i>agricultura, silvicultura, caza y pesca</i>): <ul style="list-style-type: none"> · 1 -10 employees: HNL 4,612.61 per month, HNL 153.75 daily (8 hrs) & HNL 19.22 hourly; · 11-50 employees: HNL 4,853.38 per month, HNL 161.78 daily (8 hrs) & HNL 20.22 hourly; · 51 – 150 employees: HNL 4,882.79 per month, HNL 162.76 daily (8 hrs) & HNL 20.34 hourly; · >151 employees: HNL 4,929.21 per month, HNL 164.31 daily (8 hrs) & HNL 20.54 hourly. <p><i>n.b. the minimum wage for >151 employees will increase to HNL 5,286.58 / month in 2013 (Acuerdo No. STSS-001-2012)</i></p> <ul style="list-style-type: none"> · A 13th month Christmas bonus (<i>Decimo tercer mes de salario – aguinaldo</i>) (Decree No. 112 28 October 1982) payable in December every year (STSS, 2010) · A 14th month bonus (<i>Decimo cuarto mes de salario – catorceavo</i>) (www.trabajo.gob.hn/biblioteca-y-documentos/leyes/reglamento%20del%20decimo%20cuarto.pdf) payable in June every year (STSS, 2010) · Seventh-day bonus (<i>Séptimo día</i>) Art 2 of Decree No. 112 of 28 October 1982 requires employers to pay workers one day’s minimum wage extra a week as a bonus [this is included in the monthly minimum wage rate] · Education bonus (<i>Bono Educativo</i>) Art 2 Decree 43 of 28 April 1997 requires employers of 15+ employees to pay an annual educational bonus to workers with school-age children: for 2012, this was set for agriculture at HNL 1,358.29 – HNL 1,393.29 (Secretaría de Estado en los Despachos de trabajo y seguridad social, 2011) <p>We have used the minimum wage for larger employers (>150 employees) for the purposes of our calculation. To arrive at a net monthly figure:</p> <ul style="list-style-type: none"> > Factor in and 13th and 14th months (both at 8.33%): HNL 4,929.21 + (HNL410.60 + HNL410.60) = HNL 5,750.41 	<p>HNL 4,929.21 / month (agriculture, >150 employees, basic)</p> <p>HNL 5,866.52 (incl. mandatory bonuses, pro-rated)</p>	<p>Pre-tax (gross)</p>	<p>HNL 5,649.46 (net)</p>

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
	<ul style="list-style-type: none"> > Factor in pro-rated educational bonus: HNL 5,750.41 + (HNL 1,393.29 / 12) = HNL 5,866.52 > Mandatory employee social security contribution @3.7%: HNL 5,866.52 – HNL 217.06 = HNL 5,649.46 <p>Legal treatment of in-kind allowances / fringe benefits</p> <ul style="list-style-type: none"> · Wages shall be paid in legal tender. However, any benefit in-kind received by a rural worker or rural worker’s family in the form of food, housing, and other articles intended for immediate personal consumption shall be regarded as part of the ordinary remuneration for work done, provided that the value assigned to such benefits does not exceed 30% of the cash wage and that such articles are provided by the employer at or below cost (art.365, 366 of the LC) <p>Defining, fixing and up-rating the minimum wage</p> <ul style="list-style-type: none"> · Minimum wages are adjusted at least one time per year. At the request of either employers or workers, minimum wage rates can also be revised in July if the inflation rate has increased by more than 12% (Art.35 of the Minimum Wage Act) · The Ministry of Labour together with the tripartite National Minimum Wage Commission fixes minimum wages by sector (art. 383,387,389 of the LC) · Wages can also be fixed by collective agreement (art. 60 of the LC) · Every worker is entitled to a minimum wage ‘sufficient to cover their needs and those of their family’ (Agreement N° STSS-223-2011 on Minimum Wages for 2011 Second Recital, art.382 of the LC), including increments in the costs of the goods and services in the economy of Honduras (Agreement N° STSS-223-2011 on Minimum Wages for 2011 Fourth Recital) 			
<p>Collectively-agreed wage for banana sector (CAW)</p>	<p>Dole Honduras CBA – Agrícola Santa Ines S.A (ASISA) and Sindicato de Trabajadores de la Empresa ASISA (SITRAEASISA)</p> <ul style="list-style-type: none"> · Sets the agreed minimum wage at HNL 19.9800 / hour (from March 2009); HNL 21.9780 / hour (from March 2010); and HNL 23.9560 / hour (from March 2011 to March 2012) (p.17) · We estimate* a net monthly wage as follows: <ul style="list-style-type: none"> > Daily: HNL 23.9560 / hour x 8 (assuming 8-hour day): HNL 191.648 > Monthly: HNL 191.648 x 26 (assuming 6-day week) = HNL 4,982.85 > Factor in pro rata 7th day bonus (@16.67% of basic wage) and 13th and 14th months (both at 8.33%): HNL 4,982.85 + (HNL 830.47 + HNL 415.24 + 	<p>HNL 23.9560 / hour – basic wage (2011)</p>	<p>Pre-tax (gross)</p>	<p>HNL 6,509.79 (net)</p>

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
	<p>HNL 415.24) = HNL 6,643.80</p> <ul style="list-style-type: none"> > Factor in pro-rated educational bonus: HNL 6,643.80 + (HNL 1,393.29 / 12) = HNL 6,759.91 > Mandatory employee social security contribution @3.7%: HNL 6,759.91 – HNL 250.12 = HNL 6,509.79 <p>* provisions of the CBA which state hours and bonuses not available</p> <p>Empresa Guaruma Agroindustrial S de R. L and Sindicato de Trabajadores (SITRAGUA) CBA</p> <ul style="list-style-type: none"> · Minimum agreed wage for Pack-house: HNL 225.85 / day (information from SAI) · Minimum agreed wage for field work: HNL 250.00 / day (information from SAI) · Scope of CBA: <i>a todas y todos los trabajadores permanentes exceptuándose a las y los empleados de confianza, esta disposición también será aplicada a los trabajadores y trabajadoras de finca La Mesa (clause 2)</i> · Working day: <i>La jornada de trabajo diurno no podrá exceder de ocho (8) horas diarias y cuarenta y cuatro (44) horas a la semana, equivalente a cuarenta y ocho (48) horas de salario (clause 6)</i> · Annual leave begins at 10 days for one year of service and increases for second, third and fourth year of service (clause 21); public holidays (clause 37) · Payment of thirteenth and fourteenth month salaries (clause 22); and the educational bonus (clause 24) · Salary amounts for specific tasks i.e. application of fertilizer / hectare (clause 39); desuckering (<i>deshije</i>) / hectare (clause 40) etc. · Productivity bonus: <i>La empresa se compromete a pagar un bono por producción a todos los trabajadores permanentes cuando se logren las metas acordadas de acuerdo al siguiente cuadro de productividad (clause 47)</i> · Net monthly wage calculated as follows: <ul style="list-style-type: none"> > Weekly (assuming 44-hour week paid as 48-hour week): HNL 1,355.10 > Monthly: HNL 1335.10 x 52 / 12 = HNL 5,872.10 > Factor in pro rata 13th and 14th months (both at 8.33%): HNL 5,872.10 + (HNL 489.15 + HNL 489.15) = HNL 6,850.40 > Factor in pro-rated educational bonus: HNL 6,850.40 + (HNL 1,393.29 / 12) = HNL 6,966.51 · Mandatory employee social security contribution @3.7%: HNL 6,966.51 – HNL 	<p>HNL 225.85 / day (pack-house)</p>		<p>HNL 6,708.75 (net)</p>

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
	<p>257.76 = HNL 6,708.75</p> <p>Chiquita CBA – Tela Railroad Company</p> <ul style="list-style-type: none"> · Scope of CBA: <i>es aplicable a todos sus trabajadores</i> (clause 1) · Basic salary is set at HNL 20.68 / hour (HNL 4,963.20 / month) from 1 June 2011; HNL 22.33 / hour (HNL 5360.26 / month) from 1 June 2012; and HNL 24.12 / hour from 1 June 2013 (clause 6) · Permanent workers eligible for an HNL 3,000 one-off bonus (<i>La empresa por una mera liberalidad, entregará a sus trabajadores permanentes un bono único por concepto de cierre de negociación de HNL 3,000</i>)(clause 6) · Working hours for agricultural work set at up to 12 hours / day (clause 7D) · Perfect attendance pay for permanent workers (clause 9) ranges from HNL 8 to 14 / day depending on the date they became permanent. · Seventh-day bonus : <i>La Empresa pagará el día de descanso semanal (séptimo día) a todos sus trabajadores permanentes que laboran por hora, tarea o destajo lo equivalente al pago del salario ordinario de 8 horas</i> (clause 9) · Minimum 10 days annual leave after one year of service, increases for the second, third and fourth year of service (clause 11); public holidays (clause 9) · Christmas bonus (thirteenth month bonus) : <i>La Empresa otorgará a todos sus trabajadores permanentes, un Décimotercer Mes en concepto de Aguinaldo de Navidad</i> (clause 19) · Annex 1 : <i>lista de precios y condiciones de los trabajos de agricultura</i> · Net monthly wage calculated as follows: <ul style="list-style-type: none"> > Factor in pro rata 13th and 14th months (both at 8.33%): HNL 4,963.20 + (HNL 413.60 + HNL 413.60) = HNL 5,790.40 > Factor in pro-rated educational bonus: HNL 5,790.40 + (HNL 1,393.29 / 12) = HNL 5,906.51 > Mandatory employee social security contribution @3.7%: HNL 5,906.51 – HNL 218.54 = HNL 5,687.97 	<p>HNL 20.68 / hour – basic wage (2011)</p> <p>HNL 4,963.20 / month – basic wage (2011)</p>		<p>HNL 5,687.97 (net)</p>
<p>National poverty line</p>	<ul style="list-style-type: none"> · The national poverty line is defined as the food line plus an allowance for essential non-food goods and services – based on the <i>Canasta Básica</i> (see below). Poverty lines are established nationally, and separately for urban and rural regions. · The rural non-food allowance is one-third the rural food line, so the rural National poverty line is 133 percent of the rural ‘food poverty’ line. For March 2011, the rural poverty line, calculated as the cost of the extended basket 	<p>HNL 1,424.03 / month / person (rural areas – March 2011)</p>	<p>Post-tax (net)</p>	<p>HNL 1,424.03 (person)</p> <p>HNL 8,544.18 (household)</p>

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
	<p>of goods (Costo Canasta Básica) / person / month in rural areas was: HNL 1,424.03 (INE, 2011)</p> <ul style="list-style-type: none"> Monthly poverty line for rural household, using national / INE assumption of 6 members: HNL 1,424.03 x 6 = HNL 8,544.18 With national / STSS assumptions on no. of earners per rural household (2.6), this equates to: HNL 8,544.18 / 2.6 = HNL 3,286.22 per earner: <p><i>n.b. Poverty headcount ratio at national poverty line (% of population): 60% (World Bank, 2010)</i></p>			HNL 3,286.22 (household / 2.6 earners)
WB \$1.25 PPP extreme poverty threshold	<ul style="list-style-type: none"> Source of calculation: World Bank PovCalNet The \$1.25/day 2005 PPP line is derived from the 2005 PPP exchange rate for “individual consumption expenditure by households” (World Bank, 2008): HNL 9.662104 per \$1.00 so US\$ 1.25 (2005) = HNL 12.07763 We have inflated this using the national annual average CPI from 2005 (period of household survey) through to 2011 (latest figures for December) – note that this does not specifically reflect local price increases in banana-growing regions, nor the consumption patterns of poor households National CPI in Dec 2005: 162.7 (BCH, 2011) National CPI in Dec 2011: 239.3 (BCH, 2011) Calculation of US\$ 1.25 (2005 PPP) for Dec. 2011: HNL 12.07763 x (239.3 / 162.7) = HNL 17.76 This daily figure is then converted to a monthly comparator figure: HNL 17.76 x 365 / 12 = HNL 540.32 The per person monthly figure is converted to a household figure using national / INE assumptions, assuming a rural household of 6 members with 2.6 earners: HNL 540.32 x 6 / 2.6 = HNL 1,246.89 	<p>HNL 17.76 / day / person (Dec. 2011)</p> <p>HNL 540.32 / month / person (Dec. 2011)</p>	Post-tax (net)	<p>HNL 540.32 (person)</p> <p>HNL 1,246.89 (household / 2.6 earners)</p>
WB \$2 PPP poverty threshold	<ul style="list-style-type: none"> Calculation as above: US\$2 = 19.32 / day for 2005, inflated to HNL 30.02 for Dec 2011. Monthly figure: HNL 30.02 x 365 / 12 = HNL 864.51 / month Household figure: HNL 864.51 x 6 / 2.6 = HNL 1,995.02 	<p>HNL 30.02 / day / person (Dec. 2011)</p> <p>HNL 864.51 / month / person (Dec. 2011)</p>	Post-tax (net)	<p>HNL 864.51 (person)</p> <p>HNL 1,995.02 (household / 2.6 earners)</p>
Median national	<ul style="list-style-type: none"> Median national income for 2010 was HNL 4,767 The national median income for workers in rural areas is HNL 2,878 (INE, 2010 – 	HNL 4,767 / month (2010 -	Post-tax (net)	HNL 4,767 (national)

MEASURE	NOTES	VALUE (LOCAL CURRENCY)	PRE-TAX / POST-TAX FIGURE?	POST-TAX (NET) COMPARATOR
income	<i>Ingreso promedio por trabajo</i>); by sector (<i>agricultura, silvicultura, caza y pesca</i>) HNL 2,233 and by occupation (<i>agricultores, ganaderos y Trab. Agrop.</i>) HNL 2,021 (INE, 2010 – <i>Ingreso Promedio por trabajo en la ocupacion Principal por año según rama y ocupacion</i>) <i>n.b. GNI per capita (Atlas method): \$1,870 (World Bank, 2010)*</i>	national) HNL 2,233 / month (2010 - agriculture)		HNL 2,233 (agriculture)
Cost of living expressed as basket of goods / cost of basic services (Canasta Básica)	<ul style="list-style-type: none"> As elsewhere, Honduras establishes the value of two baskets – one containing only basic food requirements for subsistence (<i>Canasta alimentos</i>) and the second the reflecting the costs of additional basic goods and services (<i>Canasta básica</i>) The cost of the essential food basket (<i>canasta alimentos</i>) / month and / person in March 2011 in rural areas: HNL 1,066.69 (INE, 2011) Cost of the extended basket of goods (<i>Costo canasta basica</i>) / person / month for March 2011 in rural areas: HNL 1,424.03 (INE, 2011) Monthly cost for rural household , using national / INE assumption of 6 members: HNL 1,424.03 x 6 = HNL 8,544.18 Monthly household cost of rural <i>Canasta Básica</i> / average no. of earners per household (2.6): HNL 8,544.18 / 2.6 = HNL 3,286.22 per earner 	HNL 1,066.69 / month (per person, food only, rural areas) HNL 1,424.03 / month (per person, food plus basic goods and services, rural areas)	Post-tax (net)	HNL 1,424.03 / month (person, rural) HNL 8,544.18 (household, rural)
Trade union perception of 'living wage'	<ul style="list-style-type: none"> « Los representantes de las centrales obreras del país estiman que un trabajador debería ganar unos 9,500 lempiras al mes como salario mínimo para satisfacer sus principales necesidades alimenticias y tener los recursos para sufragar el alquiler de la vivienda, salud, educación, entre otras necesidades básicas. » (El Heraldo, 2011) Note that this is not specific to rural workers, and is based on costs of living for urban areas. 	HNL 9,500 / month		HNL 9,500

* Gross national income (GNI), converted to U.S. dollars using the World Bank Atlas method, divided by the midyear population

LEGISLATION

- Agreement No. STSS-001-2012 on Minimum Wages for 2012 [pdf] Available at: www.laprensa.hn/var/laprensa_site/storage/original/application/9a87fe07e7f79c472ad586edaeae8c1c.pdf
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- Decree No. 189 promulgating the Labour Code, (Código del trabajo, La Gaceta No. 16,827-16,834, 15-18 and 20-23 July 1959) of 1 June 1959, as amended up, to Decree No. 32-2003, (La Gaceta No. 30,063, 16 April 2003) of 31 March 2003 [pdf] Available at: <http://www.ilo.org/dyn/travail/docs/946/Labour%20Code.pdf>

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- Decree No.230-2010 issuing the National Program of Hourly Work (Programa Nacional de Empleo por Horas) of 5 November 2010 [pdf] Available at: <http://www.ilo.org/dyn/travail/docs/954/Decreto%20230-2010.pdf>
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ILO CONVENTIONS

- Honduras has not ratified any of the ILO Conventions concerning the Minimum Wage.

FURTHER NOTES FROM STSS, 2010 REPORT

Año 2010, Rama de actividad económica: Agricultura, Silvicultura, Caza y Pesca

Perceptor medio x hogar: 2.6

Salario Medio por Trabajo del Hogar (A): HNL 5,952.79

Salario Medio por Persona Perceptora: HNL 2,264.33

Canasta Basica Promedio (B): HNL 6,313.27

Canasta Basica Promedio Por perceptor del Hogar: HNL 2,401.45

Brecha (A-B): -360.48

Cf : Cuadro No.III 7 (p70): Los asalariados que devengan menos de un salario mínimo al año 2010 habían un ingreso promedio por hogar de HNL 4,579.70 y 2.2 perceptores por hogar, la canasta básica de alimentos promedio fue de HNL 6,313.27, obteniendo una brecha negativa a nivel nacional de HNL 1,733.57. Los asalariados **privados** que devengan menos de un salario mínimo al año 2010 habían un ingreso promedio por hogar de HNL 5,026.90 y 3.1 perceptores por hogar, la canasta básica de alimentos promedio fue de HNL 6,313.27, obteniendo una brecha negativa a nivel nacional de HNL 1,286.37.

n.b. El pago de los costos laborales no salariales (colaterales) es la que permite a la mayoría de las familias asalariadas poder acceder a una canasta básica ampliada (282 productos, bienes o servicios, no solo la de alimentos.) el pago del catorceavo, treceavo mes, vacaciones, etc.