



PRESS RELEASE

A recent report underlines Ecuador's leadership in paying living wages in the banana sector

On 24 January 2023, the German Retail Working Group on Living Wages, comprising ALDI Nord, ALDI South Group, Kaufland, REWE Group, and dm-drogerie markt, released the results of the first wage gap analysis in the banana sector in Ecuador, highlighting the country's leadership in paying living wages in the banana sector.

The German Retail Working Group's first joint project aims to promote living wages and decent work in the banana sector. By 2025, each member must source at least 50% of its total banana volumes for the German market as 'living wage bananas.' The group notes that due to complex supply chains, mostly indirect business relationships, and a lack of operational tools, retailers previously had limited visibility into the wage situation of workers in their banana supply chains. The wage gap analysis is thus crucial in creating transparency and understanding social risks in the supply chain, and finding solutions to improve the wage and employment situation of workers. Ecuador was selected for the implementation activities because of its importance as a supplier country, the strong organizations in the sector, as well as its progress towards living wages as a result of the living wage policy. Banana producers recorded the wages using the IDH Salary Matrix to compare them with the Living Wage benchmark, which represents the minimum amount a worker should earn per week to maintain a basic standard of living for themselves and their family.

Among the findings of the study is the fact that, more than 99% of the workers of the 78 farms participating in the project and representing 64% of the total banana volumes purchased from Ecuador, were paid a living wage. It also finds that women make up 13.69% of the workforce and that only 9.81% of men had a slightly higher average wage gap than women (8.31%). This underlines Ecuador's pioneering role in the payment of living wages in the banana sector.

In Ecuador, a law embedded in the country's constitution obliges farms to adhere to the "Salario Digno" regulatory requirement, which mandates the payment of a living wage to their workers for a standard 40-hour workweek. It aims at ensuring that the workers in the banana sector receive fair and dignified compensation for their labor, and it is a crucial step towards promoting decent work and improving the standard of living for the workers. The legal requirement for "Salario Digno" is an important aspect of Ecuador's commitment to promoting social justice and protecting the rights of workers in the country. By requiring farms to comply with this policy, the Ecuadorian government is taking concrete steps towards ensuring that the workers in the banana sector are able to earn a wage that enables them to support themselves and their families with dignity.

In this context, Ecuador is ready to supply more than 99% of its bananas to Europe as a 'living wage' while serving as an important model for the working group's first project to transfer best practices to other countries producing the retailers' banana assortment.

The full report can be accessed [here](#).

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