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Monday 5th July 2021, 12:04 GMT

Fairtrade Base Wage for bananas

The Fairtrade Base Wage came into effect on 1 July, boosting wages by up to 15 per cent for thousands of workers on banana plantations



Photo credit: Fairtrade / Funnelweb Media

As part of its strategy to achieve living wages for banana plantation workers, Fairtrade has introduced the Fairtrade Base Wage for banana plantations, which came into effect on 1 July, as well as the Living Wage Differential.

The new Fairtrade Base Wage would increase the take-home pay of banana workers by up to 15 per cent, according to Fairtrade International, representing a major step toward a living wage for thousands of banana plantation workers across the world.

The Fairtrade Base Wage is set at 70 per cent of the take-home pay needed for a living wage, as established by the independent Global Living Wage Coalition.

“Every Fairtrade banana plantation worker will now get at least the base wage, even if the legal minimum wage is lower,” a press release from Fairtrade International outlined. “In origins where workers currently earn less than the Fairtrade Base Wage, such as West

Africa and the Dominican Republic, wages are estimated to increase by up to 15 per cent. More than 12,000 workers are set to benefit – that is around half of the total number of workers on Fairtrade certified banana plantations worldwide. In countries where workers already receive more, their wages can’t be lowered.”

“Fairtrade has realised that the minimum wage which we workers currently receive is not enough to cover basic family needs,” said Minel Bellamy, a banana worker and chair of the Fairtrade Worker Network in the Dominican Republic, “and thanks to this new fairer wage, we and our families will be able to feed ourselves better and we migrants will be able to send some resources to our families in Haiti.”

Fellow leader of the network Maria Jorge said that the base wage would mean better access to “health, education, self-improvement, happiness and motivation to continue working”. “With perseverance, hard work and a living wage,” she said, “anything can be achieved.”

Employers that apply the Fairtrade Base Wage have to agree on steps and a timeline with trade unions or other elected worker representatives to bridge any gap. Until incomes reach a negotiated living wage, up to half of the Fairtrade Premium can be paid out in cash to supplement worker’s incomes.

“This fixed Premium, unique to Fairtrade, is paid by buyers on top of the Fairtrade Minimum Price and set at US\$1 per box of bananas sold,” Fairtrade International stated. “Workers on banana plantations received more than €14.8m in Fairtrade Premium money in 2019. At the same time, Fairtrade is continuing its work to strengthen industrial relations and the ability of workers to unionise, to ensure a sustainable living wage rooted in collective bargaining.”

Making the differential

Fairtrade is also introducing a new Living Wage Differential, an additional voluntary payment per box of bananas sold, as a contribution towards a full living wage.

“Fairtrade is able to calculate the living wage differential for each Fairtrade-certified banana plantation a company purchases from, and the corresponding differential to be paid, in proportion to the company’s Fairtrade sourcing commitment,” Fairtrade explained. “Fairtrade will ensure contracts are put in place, and offer monitoring and evaluation services to measure impact. All payments will be verified by Fairtrade’s independent certifier, Flocert.”

Furthermore, tailored programmes addressing the challenges and specific root causes of low wages in each origin

will allow businesses to partner with Fairtrade to tackle key issues such as gender pay gaps and productivity.

“Workers in low-income countries are amongst the hardest hit by the global pandemic and its economic fallout, struggling more than ever to make ends meet. The Fairtrade Base Wage means better wages for banana workers and a safety net in uncertain times,” explained Nicolas Léger, Fairtrade’s global lead for bananas. “But with banana prices at rock bottom and export costs soaring, we also need everyone in the supply chain to play their part to make a living wage a reality for all banana

workers. Our unique data capabilities mean we can show businesses what is still needed to bridge the living wage gaps in their supply chains and we encourage more of them to work with us to achieve decent work and living wages for all.”

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