



GENDER PAY GAPS IN THE BANANA EXPORT SECTOR IN COLOMBIA

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ABSTRACT

This paper reports the findings of a study on gender pay gaps at the workplace level in the banana export sector in Colombia. The study used mixed methods and analysed 18 months of payroll data for two banana companies located in different regions. Depending on the company, the types of pay considered, and the type and occupations of workers, the gender pay gap ranges between 8% and 20%. Importantly, we found that the company with higher wages did not necessarily have a smaller gender pay

gap. The gap is mostly due to segregation of women into packing activities, as this prevents them from reaching the wage levels earned by men who work in the whole spectrum of activities on banana farms. Underlying this are a range of factors related not only to the context of each company but also to broader societal issues. Based on the findings, we identify a range of actions that can be taken by stakeholders to close the gap.

KEYWORDS: Gender, living wage, discrimination, gender pay gap, agricultural labour markets, global value chains

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and outputs. To Marcelo Delajara of the Anker Research Institute for his useful comments on presenting the findings to stakeholders and on improving this report. And to the attendees of the workshop held on 8 July 2022 in Apartadó and online for their active participation and their ideas on addressing gender pay gaps in the industry.

Likewise, sincere thanks go to the companies that voluntarily and generously opened their doors, taught us about working in the sector and the history and distinctive features of their plantations, and entrusted us with the anonymised analysis of their payroll data, and to the workers who trusted us to share their experiences in an active and open way. We hope that both this report, and the confidential reports to suppliers, provide an interesting and reflective outlook.

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EXECUTIVE SUMMARY

INTRODUCTION

This report presents the results of a pilot study on gender pay gaps in the Colombian banana export sector. It is part of a series of five pilot studies to test out a gender pay gap module and guidelines developed by Sally Smith, Richard Anker and Martha Anker for the Anker Research Institute.¹ The Colombia study was carried out in plantations belonging to two companies located in the departments of Antioquia and Guajira. It was funded by FAO (Food and Agriculture Organization of the United Nations), Fairtrade International and Fairtrade Germany and logistical support was provided by CLAC (Latin American and Caribbean Network of Fairtrade Small Producers and Workers).

METHODOLOGY

The study design was informed by a review of published reports and statistics. Analysis was carried out on one year of payroll data for administrative staff (including management) and 1.5 years for operational workers.² This made it possible to develop a gender profile of the workforce and analyse gender differences in wages and in the achievement of a living wage.³ The payroll analysis was complemented by information on employment policies and practices and gender-related issues from interviews with administrative staff and a cross-section of operational workers in each workplace. The results and preliminary

conclusions and recommendations of the study were discussed in a validation workshop with stakeholders from the industry (including trade union representatives) prior to finalizing this report

For each company, the payroll analysis included the following:

- To the extent possible, payroll data were supplemented by information on gender and occupation. Occupations were clustered into a smaller number of occupational groups for the analysis.
- All payments and deductions in the payroll were classified according to type to enable analysis across workers and time and coherence with the Anker living wage methodology.
- Payroll anomalies that could not be explained were excluded.
- Wage analysis excluded workers with artificially low wages for the month, such as workers who started or left during the month and who, therefore, did not work a full month.
- Analysis of basic wages for a standard working month as well as analysis of gross wages including overtime pay and cash bonuses and allowances, was carried out.

1 These other pilot studies are fresh fruits and vegetables in Morocco and garments in Bangladesh, Thailand and Turkey.

2 The main difference between administrative workers and operational workers is that administrative workers have a monthly salary while operational workers are paid on piece rate according to the terms agreed in the collective agreement/collective pact for each of the participating companies.

3 In this report, our analysis of gender pay gaps is limited to analysis of differences in pay between 'women' and 'men' as we do not have access to wage data that identifies transgender people or people of other genders (including but not limited to non-binary, gender fluid and agender people) as separate groups. This is because in rural Colombia, as in most parts of the world, it is not common for people to openly be gender non-conforming or for genders other than 'man' or 'woman' to be recorded in company or official registers. This is a limitation of almost all past and current research on gender pay gaps.

- Analysis of gender pay differentials by defined occupational groups was also carried out.
- The proportion of women and men earning a living wage was estimated, excluding overtime pay but including cash bonuses and allowances and in-kind benefits that are allowable under the Anker methodology. A calculation that includes severance pay was also done, for comparison.

The gender pay gap is defined as one minus the ratio of women's average wage to men's average wage, expressed as a percentage difference ($1 - (\text{women's average wage}/\text{men's average wage})$). For example, if women earn 75% of what men earn, the gender pay gap is 25%. If women earn 125% of what men earn, the gender pay gap is -25%.

GENDER PROFILE OF THE WORKFORCE AND GENDER-RELATED EMPLOYMENT POLICIES AND PRACTICES IN EACH COMPANY

Worker characteristics and turnover

In the two companies analysed, the proportion of women working in the operations area (which includes workers in the field, packhouse, warehouse and nursery as well as cleaners, drivers and security guards) ranges from 12-13%. The proportion of women in the administrative area (which includes field and packhouse coordinators and other supervisors and managers, accounting, logistics and export, standards and certification, occupational health and safety, and administrative assistants) differs in the two companies. In one company, the proportion is 31.0% while in the other it is 13.8%.

Staff turnover is low and does not exceed 2.5% in either company. The sector, in contrast to wider employment trends in the country, values experience in banana activities. Between 60% and 77% of the women employed as operational

workers are between 31 and 50 years old, and have children, which is a positive aspect of employment in the sector. There are differences between the companies in terms of family composition: while in one of the companies, 79% of women are married or live with a partner, in the other this percentage is 42%. A substantial number of women at both companies are working mothers who do not receive financial support from the fathers of their children, nor do they receive support in household tasks.

Types of work done by men and women and activities and opportunities for training and promotion

There is significant gender segregation in the activities carried out by men and women in banana activities (Cooper, 2015, van Rijn et al., 2016) and this is also the case at the study companies. While men perform almost every type of activity, women mainly carry out packing and cleaning activities. Packing activities are carried out by between 30% and 47% of the company's workers, of which between 22% and 40% are women. In both companies, the percentage of women workers in packing exceeds 62% of the total number of employed women. In cleaning, although the number of workers is low, the proportion of women workers exceeds 50%.

One good practice found at the companies visited that, according to stakeholders, is common in the country, is that multifunctional training is encouraged. That is, workers are trained to perform different activities within the production process. In the case of women, these include different cleaning and packing activities; while in the case of men, these include different cleaning, packing and field activities. This allows for the rotation of workers across various activities, minimising work-related illness and guaranteeing productivity when some workers are absent.

At one of the companies, only 6% of supervisors and managers are women, but at the other

company this percentage is 25%, which is higher than the proportion of women in the total workforce. This was achieved through introducing an apprentice coordinator position that specifically targeted women.

Types of contracts and forms of remuneration

All workers at one of the companies have permanent contracts, while for the other company around 80% of workers have permanent contracts and the remaining workers are on fixed term contracts for up to 2 years. In terms of wages, the companies analysed have three aspects in common: piecework remuneration; group-based remuneration for harvesting and packing activities; and the possibility of hiring part-time workers through a “special shift” contract. During the results validation workshop, stakeholders indicated that the special shift contract emerged in the 1990s as a way of encouraging participation by single women and mothers in banana sector activities. All of these contracted activities are subject to social security payments, which means the two companies operate within the country’s formal employment sector, which constitutes fewer than 16% of workers in rural areas (DANE, 2019).

Culture at work and gender stereotypes

The occupational health and safety/welfare personnel at the study companies work to ensure a good working environment and carry out specific promotion of gender equality. In one of the companies visited, the slogan “all workers are the same” was a constant refrain in interviews with workers. However, during interviews with women workers at one company, some men who had previously been interviewed took advantage of the music playing in the packhouse to make innuendos about the time it took to interview the women. This is despite specific training and work done on guaranteeing a good working environment and eliminating gender stereotypes and shows the

need for more training and targeted action in this regard. Among workers and stakeholders, the perception also remains that women often fight with each other at work. These fights are said to be usually associated with personal relationships originating at work, “fights over the same man”. During the stakeholder validation, participants also recognised that problems of sexual and occupational harassment of workers by coordinators still persist in the sector.

Finally, despite efforts to empower women to participate in workers’ organizations and committees, there is still resistance on the part of women to participate, both because of the time involved, and because of continued difficulties ensuring that women are able to participate on equal terms to men in these activities.

SIZE OF GENDER PAY GAPS AND DIRECT DETERMINANTS OF THESE GAPS

The table below indicates that the gender pay gap for operational workers in 2020 in the analysed companies, when all types of pay are included, is 19.4% and 11.8% respectively. This gap is substantially smaller (7.9%) in the case of company B when only pay for regular work activities is considered, whereas for company A this leads to a small increase in the size of the gap (from 19.4% to 19.6%). This difference in the gap at company B is associated with the fact that men receive overtime pay more frequently than women. Among company A’s administrative staff there is an even more dramatic change in the gender pay gap when overtime and cash allowances and bonuses are included: while for regular pay, the gender gap is in favour of women, when all types of pay are included, the gap swings to 13.5% in men’s favour. This is principally a result of production bonuses that are paid to workers in management positions, almost all of whom are men. Taking all these factors together, when all workers at each company are included in the analysis, the gender pay gap varies from 8.7% to 14.7%, depending on the company and the type of pay.

Summary of findings for participating banana companies: Average gender pay gap in monthly wages by company, type of worker and type of pay, January to December 2020

	Company A	Company B
Average gap in pay for regular work activities, operational workers	19.6%	7.9%
Average gap in pay including overtime pay, cash bonuses and allowances, operational workers	19.4%	11.8%
Average gap in pay for regular work activities, administrative staff	-1.2%	Not calculated as there is only 1 woman in the sample
Average gap in pay including overtime pay, cash bonuses and allowances, administrative staff	13.5%	
Average gap in pay for regular work activities, all employees	10.1%	9.9%
Average gap in pay including overtime pay, cash bonuses and allowances, all employees	8.7%	14.7%

Source: Payroll reports Companies A and B. Calculations by the research team.

Although the above table shows a larger gender pay gap in company A than in company B, it is worth mentioning that workers' wages, for both men and women, are higher in company A than in company B. In 2020, men in company A earned on average 81.8% more than men in company B, and women in company A earned 66.2% more than women in company B. The differences in wages between the two companies are in part due to differences in the collective agreements that set out the terms and conditions for operational workers in each company: one company is part of a collective bargaining agreement between the trade union SINTRAINAGRO and the association of banana producers and exporters, AUGURA, while the other company has a company-specific collective pact that is not negotiated by a trade union. This leads to differences in unit values paid per activity, the minimum wage rate per day, the number of days of work guaranteed to special shift workers, and the extra-legal benefits that workers receive. The company with the collective bargaining agreement has higher

wages than the company with the collective pact, but it should be emphasized that wage levels at each company are also affected by differences in production levels, markets and sales for each company, which affect productivity-based remuneration, and differences in labour market conditions and the cost of living between the departments in which the two companies are located.

It is also important to note that gender pay gaps occur because field activities – carried out only by men – are paid better on average than harvesting and packing activities. Additionally, even though remuneration for harvesting and packing is based on the output of all participants in this activity and paid on an equal basis to all participating workers, there are significant gender pay gaps within the harvesting and packing group. This is mainly due to: 1. Difference in the number of days worked by men and women, 2. Difference in the additional activities beyond packing that women can do compared to men.

EFFECT OF THE GENDER PAY GAP ON THE POSSIBILITY OF ACHIEVING LIVING WAGES

The Anker Living Wage estimate for the Caribbean coast of Colombia is COP 1,717,518 per month for May 2021.⁴ This living wage benchmark covers the banana-producing regions in the departments of Magdalena, Guajira and Antioquia. It is the average gross wage that a worker needs to be able to afford a basic, but decent, standard of living for him or herself and his or her family.

When the Anker Research Institute’s living wage baseline study was conducted in 2018, there was a difference of opinion among stakeholders in Colombia as to whether or not the majority of banana workers were able to access their full

severance benefit each year.⁵ As a result of this difference of opinion, the authors of the living wage study decided to include two estimates of the proportion of workers in the banana sector earning a living wage: one estimate excluded severance benefits, while the other included them.

For this study, it was decided that the same approach would be adopted for estimating the gender pay gap in achievement of a living wage. Our first estimate uses prevailing wages that only include annual interest on the annual severance deposit, prorated for one month (equal to 1% of average monthly wages). Our second estimate uses prevailing wages that include full severance benefits prorated for one month (equal to the average monthly wage divided by 12, plus 1% of the average monthly wage).

Proportion of operational workers earning a living wage at company A (using average wages for January to July 2021)

	Company A	Company B
Proportion of women earning a living wage, excluding severance pay	77%	0%
Proportion of men earning a living wage, excluding severance pay	94%	0%
Proportion of women earning a living wage, including severance pay	85%	0%
Proportion of men earning a living wage, including severance pay	97%	4%

Source: Payroll reports Company A. Calculations by the research team.

When comparing the prevailing average wages in 2021 for operational workers in company A with the estimated living wage of COP 1,717,518, we found that approximately 77% of women

earned a living wage compared to approximately 94% of men.⁶ When the severance benefit was included, the proportion of workers earning a living wage increased to about 85% of women

4 For information on the definition of a living wage and Anker Living Wage Benchmarks, see the Global Living Wage Coalition’s website: [About the Global Living Wage Coalition | Global Living Wage Coalition](#).

5 In the Anker methodology, deferred benefits that are not received within one year, such as pensions and severance pay, are excluded from wages when comparing prevailing wages with a living wage. The disagreement about whether severance pay should be excluded in the case of Colombia arose because workers in Colombia are able to access their severance pay each year if these funds are used for education or building or repairing housing. Some stakeholders argued that most workers withdraw their severance pay each year and as such, this income should be included as part of the prevailing wage. Other stakeholders argued that due to the existence of conditions for withdrawing the funds, this is not guaranteed income each year and therefore this income should be excluded from the prevailing wage.

6 We were unable to estimate the proportion of administrative workers who had a living wage, because we only had payroll data for 2020 for administrative workers.

and 97% of men. This gender gap in achieving a living wage is an important finding and indicates that efforts to move towards living wages must be gender responsive.

Women on a special shift contract in company A were more likely to earn a living wage than women on regular permanent contracts (86% compared to 81%, respectively). However, among men, the opposite was true (94% of men on regular permanent contracts earned a living wage compared to 88% of men on the special shift). When the severance benefit is included, the same proportion of women earned a living wage for both types of contracts (88%), while 98% of male permanent workers and 100% of male special shift workers earned a living wage.

As mentioned above, company B pays lower wages than company A. When severance pay was excluded, there were no workers earning a living wage at company B in 2021. When it was included, 4% of men earned a living wage (all of them are field workers on permanent contracts) but no women earned a living wage.

GOOD PRACTICES AND RECOMMENDATIONS FOR CLOSING GENDER GAPS

This pilot study allowed for the identification of a series of good practices that can help to promote gender equality in pay (and address other gender issues in the sector) that are not necessarily transversal to every company in the sector. Below is a summary of the good practices identified at the study companies and during the results validation workshop. This is followed by recommendations derived from the analysis of wages at the study companies and other information collected as part of the study. These recommendations are largely based on the findings at the two case study companies, which may not be representative of the banana industry in Colombia. However, there is substantial commonality across banana industry in the types of work that women and men do and how wages are determined, and

so we believe our recommendations, as well as the good practices we identified, are also likely to be relevant for other banana companies in Colombia, and potentially also other parts of the world where bananas are produced for export. Uptake of recommendations should not be seen as the sole responsibility of banana companies – achieving gender equality in pay will require the combined effort of all stakeholders in the industry with support from relevant national and international organizations.

GOOD PRACTICES IDENTIFIED THAT COULD BE REPLICATED IN OTHER BANANA COMPANIES

- i. **Offer permanent contracts to all workers** including special shift workers (many of whom are women).
- ii. **Guarantee a minimum number of work days for workers under the special shift hiring scheme.** Some companies achieve this by rotating workers between plantations where the collective agreement or pact maintains the same working conditions and benefits across plantations.
- iii. **Train workers in different activities** (multifunctional workers). This allows some rotation between activities, maintaining productivity while also reducing work-related illnesses associated with repetitive physical effort, and can enable special shift workers and cleaners (who are often women) to achieve higher pay.
- iv. **Create an apprentice coordinator role for women** as a transparent promotion mechanism to increase the proportion of women among field and packhouse coordinators, so that interested women have the opportunity to learn the role and perform it on a trial period basis.
- v. **Make positive gender actions explicit in collective agreements/pacts**, for example, giving women priority when filling and

replacing vacancies on plantations and other job opportunities within the company, such as managing plantation canteens.

- vi. **Institute specific job postings and programmes for women's employment** to redress the historical bias against women in the sector, and work with trade unions and other relevant organizations to encourage women to apply for these posts.
- vii. **Include the promotion of gender equality and a good working environment as part of the responsibilities of occupational health and safety/welfare offices** to help ensure continuous training and awareness raising in this area.
- viii. **Monitor achievement of living wages by each woman and man worker** using the Anker methodology and identify specific actions to raise the wages of workers who do not yet earn a living wage, recognising that there are gender aspects to this.

OTHER RECOMMENDATIONS FOR THE SECTOR DERIVED FROM THE GENDER PAY GAP STUDY

- i. **Conduct a comprehensive and gender-neutral job evaluation of all activities** related to banana production, harvesting and packing, comparing factors such as skills and effort required, level of responsibility and working conditions to address possible misconceptions about the value of different types of work and the abilities of women and men to do different types of work, and

ensure that workers in different occupations receive the same wage for work of equal value⁷.

- ii. Although the companies visited provide ongoing training to their workers, it is important to expand this work in the areas indicated below. The results of these trainings can be enhanced if they are developed in coordination with trade unions and other relevant entities such as the Women's Secretariats of local government:
 - a. **Train women in field activities.** The associations present in the stakeholders' workshop mentioned a programme targeting youth that could be adapted for training women in field activities and invited companies to rely more on them for these purposes.
 - b. **Expand training for all workers on gender stereotypes and sexual harassment and other forms of gender-based violence in the workplace.** Although some of this work is being done in the companies visited, the results of interviews suggest that it needs reinforcing. Participants in the stakeholder workshop recommended supporting these tasks using the benefit funds⁸ that already carry out these types of programmes.
 - c. **Provide training on teamwork and conflict resolution** for women and men to reduce friction of various

7 The concept of equal pay for work of equal value means that not only should all workers get equal pay for doing the same or a similar job, but also when they do work that is completely different but which, based on objective criteria, is of equal value. Equal pay is a recognized human right to which all people are entitled. For more information, see: [Guidelines: Equal Pay - An introductory guide \(ilo.org\)](#).

8 The family compensation funds are private non-profit corporations, subject to the control and surveillance of the State. Originally, they channelled the family allowances that some companies arranged for their employees which were enacted as mandatory for all companies in 1957. Their main functions are currently: (1) To collect, distribute and pay contributions to the family subsidy. (2) To organise and administer works and programmes established for the payment of the family subsidy in kind or in services, in accordance with the provisions of the law. (3) To execute, with other funds, or through linkages with public or private bodies and entities that carry out social security activities, service programmes, within the order of priorities indicated by law. Every formal worker contributes 4% of their social security contributions to the fund to which the company is affiliated.

kinds in the workplace. This specific training should contribute to improving workers' perceptions of problems at work associated with women and facilitate their recruitment.

- iii. **Develop women's skills and abilities to participate in workers' committees** to address women's reluctance to get involved in these committees and improve their effectiveness when they do participate.
- iv. **Clarify the requirements of certification standards and buyers' codes of conduct concerning safe use of chemicals** as misinterpretations of these requirements may be limiting employment opportunities for women.
- v. Until such time as women have equal opportunities as men to participate in field activities, should they wish to do so, companies should **reserve packing activities for women**, as far as possible. This should not apply to field workers who are assigned to lighter activities in the packhouse after having acquired long-term physical disabilities, and it should be a temporary measure as part of a wider strategy to increase women's participation in the banana sector, as there is a risk it could otherwise entrench occupational gender segregation.
- vi. **Improve the balance in remuneration for packing and other activities such as cleaning with respect to field work remuneration.** Despite the potential unpopularity of this measure, due to increased production costs, as long as field activities are dominated by men and the salaries for field activities cannot be matched in packing activities, there will continue to be significant gender gaps and it will be more difficult for women than for men to achieve a living wage.
- vii. The companies monitor worker absenteeism in general terms. However, the different causes of absenteeism for women and for men should be studied in order to **promote gender-appropriate policies to reduce absenteeism.** Successful policies in this regard would allow women to achieve higher wages and also result in a higher acceptance rate for women working overtime or working on weekends when the companies in the sector so require.
- viii. **Monitor salaries, activities performed, and days worked by gender.** This is the only way to identify the magnitude of the gender pay gap and progress toward closing the gap in each of the companies and get an idea of the strategies needed to close them. In this aspect, an actor such as CLAC can monitor the sector's progress through anonymised, periodic and transparent reporting, and continue with the identification and socialisation of good gender practices that lead to a reduction of pay gaps.
- ix. **Incorporate in companies' planning horizons specific strategies that lead to the reduction of gender pay gaps,** which recognise the particularities and abilities of each company.
- x. **Extend this pilot to small plantations in the Magdalena department.** The stakeholders participating in the workshop suggested that, both due to the size of the companies in the area and the conditions of the labour market in the region, women may be being hired for packing work under different (potentially less favourable) working conditions than those observed in this pilot.
- xi. **Expand the analysis of wages to examine the link between production cycles and gender pay gaps and a living wage.** We think that future studies should investigate how gender pay gaps relate to



the production cycle in order to improve our understanding of the large fluctuations in gender pay gaps observed throughout the

year and make better recommendations for actions that recognise this relationship.

GENDER PAY GAPS IN THE BANANA EXPORT SECTOR IN COLOMBIA

TABLE OF CONTENTS

ABSTRACT	I
ACKNOWLEDGEMENTS	II
EXECUTIVE SUMMARY	III
1. INTRODUCTION	1
1.1 Summary of study methodology	2
2. GENDER PROFILE OF THE WORKFORCE IN THE COUNTRY AND IN THE SECTOR	3
2.1 Overview of the national and regional employment context	3
2.2 Gender profile of the workforce in the banana companies studied	6
2.2.1 Proportion of women and men in the workforce	6
2.2.2 Workforce composition of the companies analysed	7
2.2.3 Types of employment relationships and contracts for women and men	9
2.2.4 Types of work performed by women and men	10
3. GENDER WAGE GAPS AND LIVING WAGE GENDER GAPS IN THE COLOMBIAN BANANA EXPORTING SECTOR	12
3.1 Overview of the wages system in the Colombian banana exporting sector	12
3.1.1 Common aspects between pilot study companies in terms of wages	13
3.1.2 Company-defined contract and remuneration arrangements	13
3.1.3 Additional cash benefits provided by companies	14
3.1.4 Gender and equity considerations	15
3.2 Gender pay gaps in the Colombian banana export sector	16
3.2.1 Previous studies of gender gaps in Colombia	16

3.2.2 Gender pay gap in gross cash wages, for the workforce	17
3.2.3 Changes in gaps observed when operational and administrative workers are combined	19
3.3 Proportion of women and men earning a living wage	22
3.3.1 Calculation of prevailing wages excluding and including the total value of severance benefits	23
3.3.2 Comparison of prevailing wages with the reference living wage	23
4. DIRECT AND INDIRECT DETERMINANTS OF GENDER PAY GAPS	25
4.1 Possible theoretical explanations of gender gaps	25
4.2 Statistical results for direct determinants of gender pay gaps	27
4.2.1 Differences in occupations performed by women and men	27
4.2.2 Differences in types of contracts between women and men	29
4.2.3 Differences in payment methods and access to additional pay and benefits for women and men	31
4.2.4 Differences in the amount of time worked by women and men	32
4.3 Indirect determinants associated with gender pay gaps	35
4.3.1 Workplace culture	35
4.3.2 Gender norms and stereotypes	36
4.3.3 National regulations that improve gender balance in the home	37
4.3.4 Representation of women in the sector in different associations	38
4.3.5 Work in the industry to improve gender balance	38
5. GOOD PRACTICES AND RECOMMENDATIONS ON HOW TO CLOSE GENDER PAY GAPS IN THE SECTOR	39
5.1 Good practices identified in the pilot study that have potential for replication in other banana companies	39
5.2 Other recommendations for the banana sector derived from this pilot study	40
6. SUMMARY AND CONCLUSIONS	43
7. REFERENCES	46
8. APPENDICES	47
8.1 Treatment of payroll data in the pilot study and lessons learned	47
8.2 Living wage calculation methodology	51

1. INTRODUCTION

This report presents the findings of an analysis of wages from a pilot study carried out in the Colombian banana exporting sector. In this study, the methodology designed by the Anker Research Institute (Sally Smith, Richard Anker and Martha Anker) was used to incorporate gender considerations in the analysis of living wages. Although studies that investigate the magnitude and causes of gender pay differences are not new in Colombia, the present study is pioneering in at least four aspects. The first is the use of payroll data in the quantitative analysis of wages. The second aspect is the identification of determinants of wage differentials that cannot be identified with aggregated data, namely: differences in working days, overtime pay, cash bonuses and allowances, and occupations within the sector itself. The third pioneering aspect is the use of mixed research methods, which combine quantitative payroll analysis with qualitative information from the different stakeholders of the company: workers, managerial and administrative staff, as well as key actors from the Association of Banana Growers of Colombia, AUGURA, and the National Union of Agricultural Industry Workers, SINTRAINAGRO. The fourth is the link with the living wage as calculated by the Anker Research Institute, which makes it possible to identify additional difficulties that women and their families may have in achieving a living wage. Along these lines, despite this being merely a pilot, the study's methodology and wealth of information enable gender pay gaps in the sector to be depicted in a way that is much closer to reality than any previous analysis.

This pilot study was made possible thanks to financing from Fairtrade International, Fairtrade Germany and FAO (the United Nations Food and Agriculture Organization), which allowed for two companies in the banana export sector to be visited, one located in the department of Urabá and the other in the department of Guajira. The first department is a traditional exporter and the second, a recent entrant into the sector (approximately 15 years). The Latin American and Caribbean Network of Fair Trade Small Producers and Workers, CLAC, provided support in selecting and inviting the companies that participated in this study, as well as the necessary logistics for socialising the results. Both companies, and the specific plantations visited, have been in existence for more than 5 years. Additionally, Fairtrade certified companies were selected. It is recognized that this certification has a positive impact on the establishment and execution of internal work processes and compliance with national labour laws and regulations.⁹ In the Colombian rural sector in general, these are not easy to comply with, and consequently only 12.3% of women and 15.6% of men in the rural sector are considered formal.¹⁰ As such, the two participating companies constitute case studies and are not necessarily representative of the sector in statistical terms. Nevertheless, we believe that these case studies provide valuable insights for understanding gender dynamics in the Colombian banana export sector.

The research team received support and supervision from Richard and Martha Anker and Marcelo Delajara from the Anker Research Institute, and involved a senior researcher in gender and living wages (Sally Smith), two

9 For analysis of the impact of Fairtrade and its impact on the banana sector, see https://files.fairtrade.net/publications/2016_LEI_BananaBaselineResearch_EN.pdf

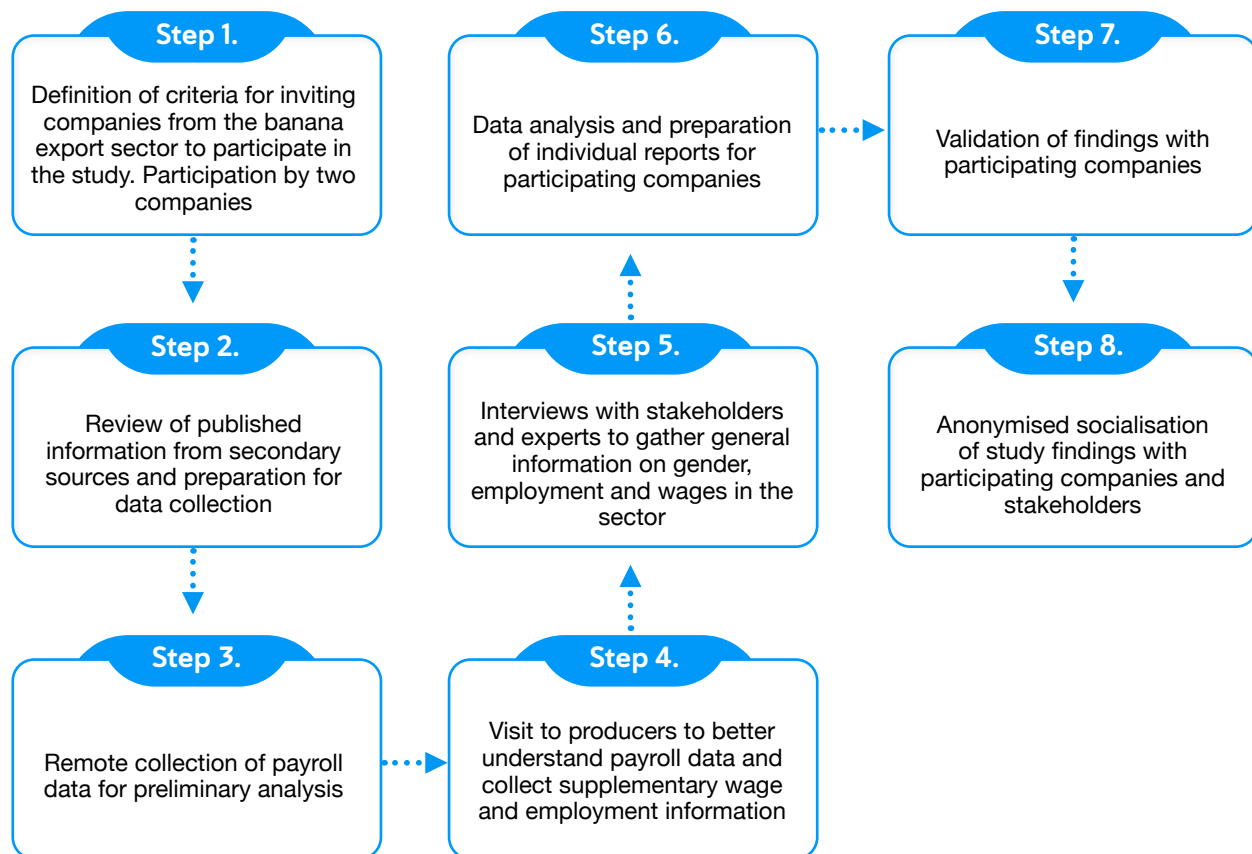
10 This is defined as the percent of women and men workers who contribute to health and pension schemes (DANE 2020, page 17).

Colombian experts, one in the agricultural sector (Carlos Andrés Escobar) and another in academic analysis of gender gaps (Luisa Fernanda Bernat Díaz), as well as a data analyst (Thiago de Oliveira Meireles) who performed the calculations associated with the companies' payroll data.

1.1 SUMMARY OF STUDY METHODOLOGY

Figure 1 provides an overview of the methodology applied in the analysis of the gender pay gap presented in this report.

Figure 1. Methodology Steps – Colombia gender pay gap study



The local research team visited both companies in November 2021, and payroll data corresponding to workers' pay was received for the period January 2020 to July 2021 in the case of company A, and to September 2021 in the case of company B.¹¹ In both cases, women and men operational workers present at the plantation on the day of the visit were interviewed: for companies A and B, 17 and 13 women were

interviewed respectively, as well as 10 and 8 men. The percentage interviewed with respect to the total number of operational workers is around one fifth of the total number of workers of each company as reported in October 2021. Likewise, a group of plantation administrators was interviewed at both companies; among them, the general manager, field/packhouse coordinators and the person responsible for

¹¹ For Administrative workers, we only received full payroll data for 2020 from each company.

social welfare. The companies supported the research team by allocating a private space to ensure the confidentiality of the information provided by workers during interviews.

For purposes of coherence with the Anker living wage methodology, some adjustments were made to the payroll data, as well as to the definition and classification of the different activities indicated on the payroll and in the occupational groups used in this report. It should be noted that the degree of detail of the piecework pay present in the payroll data, together with the fact that workers are trained to be able to be rotated between different production process activities (multifunctional workers) leads to high variability in the pay received daily by each worker, making this classification a painstaking process for the

research team. Details of adjustments made to the data are presented in Appendix 7.1.

This report is structured from the most general to the most specific. Section 2 presents a gender profile of the workforce in the country and in banana exporting regions, drawing on national survey data from 2019, and a detailed gender profile of the workforce in the two participating banana companies. Section 3 presents the first overall outcome of this study: gender pay gaps and how these are reflected in the percentage of women and men workers in each company who receive a living wage. Section 4 presents the analysis that allows for the factors explaining gender differences to be identified, and Section 5 concludes with a summary of findings and the recommendations derived from this pilot.

2. GENDER PROFILE OF THE WORKFORCE IN THE COUNTRY AND IN THE SECTOR

2.1 OVERVIEW OF THE NATIONAL AND REGIONAL EMPLOYMENT CONTEXT

In this section, we present the national context of employment and gender, making use of official statistics provided by the National Administrative Department of Statistics (DANE) from the 2019 Great Integrated Household Survey.¹² DANE does not have official labour market statistics at the municipal level, but there is gender-disaggregated information at the urban and rural sector levels. There are large differences between the two sectors. As can be seen from Table 1, women's participation in the labour market in rural areas is much lower

than that of men (39.1% vs 75.0%) and lower than that of women in urban areas (39.1% vs 56.7%). The unemployment rate among women is almost three times that of men in rural areas (11.6% versus 4.2%), and the pension enrolment rate, considered to be one of the indicators of formal employment in the country, is only 12.3% for rural women. This is 3.3 percentage points less than men's participation rate in rural areas and 30 percentage points less than women's pension participation rate in the country's urban sector. It is important to note that the working-age population in Colombia is made up of people age 12 and over in urban areas and 10 and over in rural areas.¹³

12 Information from the 2020 survey is not used for three reasons: 1. There was a change in the methodology used for the calculation of some labour market indicators. 2. New expansion factors were incorporated. 3. Due to the pandemic, DANE had problems with the primary collection of data to ensure statistical reliability, which prevents disaggregation of interest. These arguments allow us to infer that the information from 2019 presents a more realistic picture of normal conditions in the country.

13 Note that this definition was modified by DANE in 2021.

Table 1. Colombian labour market statistics: Differences between the rural and urban areas, annual data, 2019*

	Rural		Urban	
	Women	Men	Women	Men
Overall Labour Force Participation Rate	39.1%	75.0%	56.7%	73.6%
Employment rate	34.6%	71.9%	48.8%	66.6%
% Healthcare Enrolment	93.1%	89.6%	92.6%	90.3%
% Pension Enrolment	12.3%	15.6%	42.3%	44.7%
Unemployment rate	11.6%	4.2%	14.0%	9.5%
Inactivity rate	60.9%	25.0%	43.3%	26.4%

Source: DANE, report on women in the rural sector and calculations based on anonymised microdata Urbano, 2019.

* DANE considers the working-age population as the basis for the indicators in this table to be people aged 12 years and over in urban areas and 10 years and over in rural areas.

The above data show the difficulties faced by women in the labour market, especially in the country's rural areas. A more detailed look at the labour market situation in the rural sector in the export banana producing departments (Antioquia, Magdalena and Guajira) is presented in Tables 2 and 3. Table 2 shows that women's participation rates in rural areas in the departments of Antioquia and Magdalena are lower than rural women's participation rates shown in Table 1 (31.8% and 30.3% respectively), while in Guajira the overall participation rate is higher (56.7%). In all three departments, male participation rates exceed 70%.

Unemployment rates for women are between 4 and 5 times higher than for men in these departments. The rural unemployment rate

for women in the department of Antioquia is 5 percentage points higher than the rate for all rural areas, while Guajira has a low unemployment rate and a high participation rate for women relative to the national averages for women in rural areas.

The pension contribution rates of employed workers, understood as the best approximation of complete formality in employment, show that formal working relationships are more frequently found in rural Antioquia (46.4%) than in the other departments (37.3% in Magdalena vs 28.4% in Guajira). In the departments of Antioquia and Guajira, the sex difference in this contribution rate stands at 17 percentage points, while in Magdalena, this difference is almost 7 percentage points.

Table 2. Information on the Colombian labour market in rural areas producing bananas for export. Annual data, 2019

Department	Overall Labor Force Participation Rate	Unemployment Rate	% Workers with pension contributions (employees and own account workers)	% Employee pension contributors
Men				
Antioquia	75.8%	4.8%	25.3%	52.9%
Magdalena	70.3%	2.5%	15.2%	40.0%
Guajira	78.6%	0.6%	8.9%	36.3%
Women				
Antioquia	31.8%	16.7%	19.7%	35.3%
Magdalena	30.3%	10.3%	13.5%	33.5%
Guajira	56.7%	4.0%	8.4%	19.0%
Total				
Antioquia	54.9%	8.1%	23.9%	46.4%
Magdalena	52.2%	4.6%	14.8%	37.3%
Guajira	68.0%	2.0%	8.7%	28.4%

Source: DANE, Great Integrated Household Survey, Resto Urbano, 2019. Authors' calculations.

Table 3 compares wages and gender gaps among employed workers according to the level of formal employment. The table shows differences between contributors and non-contributors. Women non-contributors earn half or less than half of what contributors earn. When no discrimination is made between contributors and non-contributors (column 1 of the table), the gender gap for women exceeds 20%. In the department of Antioquia, rural women's wage disadvantage is approximately 9% higher than that of the departments of Magdalena and Guajira.

Differentiating between contributors and non-contributors, the gender gap for women in

informal employment exceeds 35%. Meanwhile, in formal employment, the average wage gap favours women in the departments of Magdalena and Guajira, where they earn 18.9% and 9.4% more than men, while in Antioquia, women contributing to pensions earn 4% less.

In summary, household survey data suggest that in areas of Colombia where bananas are produced for export, women are less likely than men to be employed or to be in formal employment, but those who have formal jobs can actually earn more, on average, than men. This is contextual information that is important as a reference for this study.

Table 3. Information on wages in the Colombian labour market in rural areas producing bananas for export, Annual data, in 2019 COP

Department	Average monthly wages	Average salaries of pension contributors	Average salaries of non-pension contributors
Men			
Antioquia	924.703	1.060.957	622.969
Magdalena	885.361	969.136	651.931
Guajira	1.037.421	1.180.872	535.540
Total	931.192	1.057.666	618.030
Women			
Antioquia	652.068	1.018.540	406.333
Magdalena	703.717	1.152.468	381.703
Guajira	815.553	1.291.605	315.781
Total	674.865	1.069.326	396.734
Gender gap by department			
Antioquia	29.5%	4.0%	34.8%
Magdalena	20.5%	-18.9%	41.5%
Guajira	21.4%	-9.4%	41.0%
Total	27.5%	-1.1%	35.8%

Source: DANE, Great Integrated Household Survey, Resto Urbano, 2019. Authors' calculations.

Note: We calculate the gender gap as the difference between men's and women's wages expressed as a percentage of men's wages.

2.2 GENDER PROFILE OF THE WORKFORCE IN THE BANANA COMPANIES STUDIED

This section presents the gender profile of the workers of the companies participating in this study. Indicators such as differences in the age distribution of workers, the proportion of women employed in the total workforce, their participation in administrative activities, the occupations they perform, and the types of contracts they have are factors that can assist the understanding of potential gender pay gaps (see section 4.1).

2.2.1 Proportion of women and men in the workforce

The two companies differ in size by approximately 60 workers. Despite this, there are similarities to be found in the proportion of women in operational positions. In company A, this proportion is 13.1% while in company B this proportion is 12.3% (Table 4). In both companies, this proportion is higher than that reported by another study of the banana sector (Cooper, 2015), which places this proportion at 7% for Colombia. However, it is slightly lower than the 15% reported in Fairtrade-certified plantations in Antioquia (Van Rijn et al, 2016). In addition

to the possible effect of Fairtrade certification, there are two potential explanations for this deviation from the national average. In one of the companies, this could be due to positive action that has been promoted in the wake of the signing of a collective bargaining agreement for the progressive recruitment of women and the replacement of vacancies by women. Due to its geographical location, the second

company has hired women with ease since its establishment, although they had to be trained for banana activities.

In the administrative area¹⁴, company A has a high proportion of women, 30.7% on average, while in company B, the percentage is lower, 13.8%, which corresponds to just 1 woman throughout the analysis period.

Table 4. Proportion of women among operational and administrative workers for the companies analysed. Average over the period: January 2020 to July/September 2021.

	Company A	Company B
Proportion of women among operational workers	13.1%	12.3%
Proportion of women among administrative workers	30.7%	13.8%

Source: Payroll reports Companies A and B. Calculations by the research team.

The turnover of operational staff in both companies is low. In the case of women, this turnover is 1.2% on average per year for company A and 0.9% for company B; in the case of men this indicator is 2.5% and 0.7% respectively. This makes the proportions presented in Table 4 relatively stable over the analysis period.

2.2.2 Workforce composition of the companies analysed

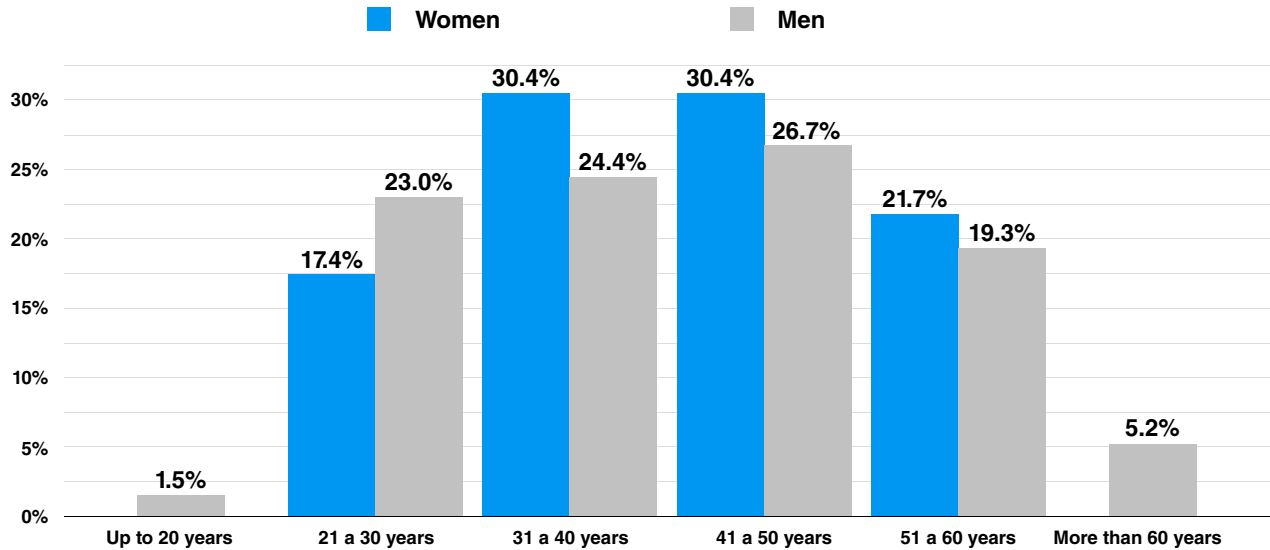
It is clear both from the previous studies that were reviewed and from the interviews conducted in the field that the sector values workers' experience. We do not have data on

each worker's years of experience, but a proxy for this metric is worker age. Figure 2 shows the age distribution of men and women operational workers at both companies. It is observed that the bulk of the working population is between 31 and 50 years old: 76.5% of women in company B are in this age range, while for company A this figure is 60.8%. In both companies, men are distributed over a wider range of ages and the only over-60s are men. This may be related to gender differences in the official pension age (57 years for women and 62 years for men). There are no women under 20 years of age in company A, and the proportion of women under 20 years of age in company B is low.

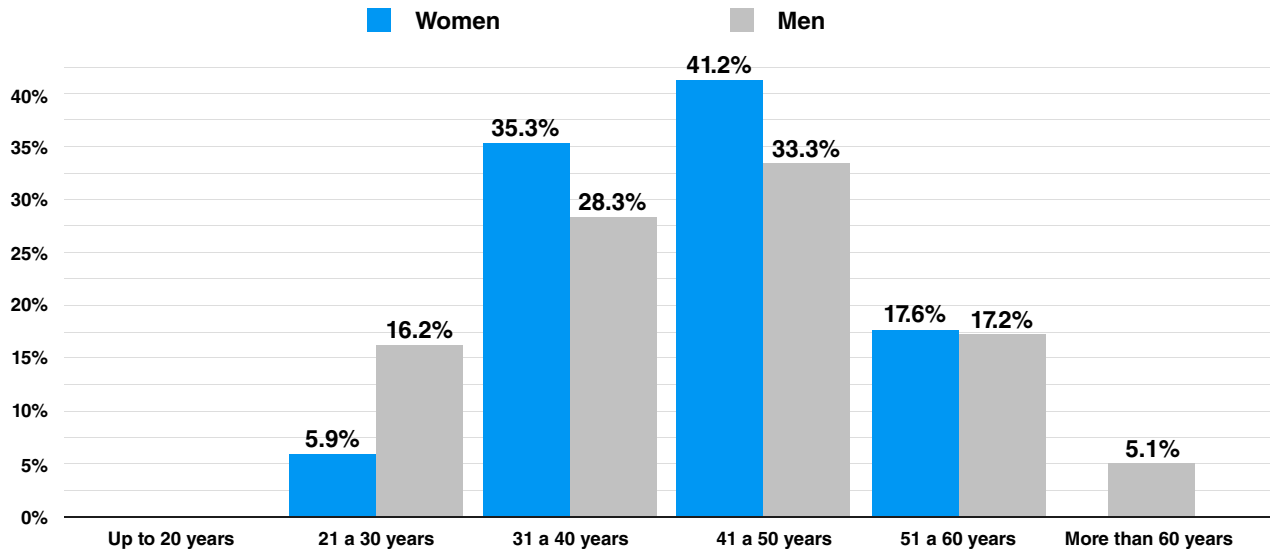
¹⁴ The administrative area includes occupations such as Warehouse Manager, Administrative Assistant, Accounting, Field Coordinator/Packer, Logistics and Exports, Standards and Certifications and Occupational Health and Safety.

Figure 2. Age distribution of operational workers in the companies analysed. Data as of July/September 2021.

COMPANY A



COMPANY B



Source: Data provided by companies A and B. Calculations by the research team.

In both companies, there is a high proportion of women with children who do not have the support of a partner. In the case of company A, the percentage of women with a partner is 42% (66% men) and there is a high percentage of single mothers. In company B, the percentage of women with a partner is higher at 79% (84.3%

men), but all women (single and with a partner) are mothers. The average number of children per worker at company B is 2.5. Several of the working mothers interviewed reported not receiving maintenance support from the fathers of their children.

2.2.3 Types of employment relationships and contracts for women and men

Section 3.1 will explain in detail the existing contractual relationships in the Colombian banana sector. Here, it is sufficient to point out that, in the companies analysed, the remuneration for operational personnel is piece-rate, on either permanent or fixed-term contracts. The sector also provides so-called “special shift” employment which has two important characteristics: it is a joint remuneration for harvesting fruit in the field, transporting it to the packhouse, and cutting, sorting and packing it in the packhouse, and it is not carried out every day. In the company with a *collective bargaining agreement*, special shift workers must be contracted for at least 6 days per fortnight, while for the company with a *non-unionised collective pact* there is no limit on the number of days that these special shift workers can be contracted for. During the results validation workshop, stakeholders indicated that the special shift contract emerged in the 1990s as a way of encouraging participation by single women and mothers in banana sector activities, which constitutes a good practice.

Table 5 presents the proportion of operational staff on each type of contract. In the case of company A, all contracts are permanent, while company B also has fixed-term contracts, which can be less than one year in duration (the company reports that its contracts run for a

minimum period of 4 months). Payroll data from company B do not allow for the differentiation of workers with special shift contracts by contract type. In company A, in 2020, 12% of operational workers with regular permanent contracts were women and this proportion decreased slightly in 2021 to 11.2%, which suggests a greater relative hiring of men under this contract type. Meanwhile, the proportion of women on permanent special shift contracts has remained stable at 46.7%. As will be seen below, the fact that women tend to be more frequently employed on special shift contracts than on permanent contracts correlates to the types of occupations carried out by men and women.

In company B, in 2020 all women were on permanent contracts, representing 10.1% of the total operational workers on this type of contract. In 2021, the number of women hired in this company increased by 70% versus January 2020. This increased the proportion of women among workers hired on a permanent basis to 13.5%. Since most newly employed women were hired on fixed-term contracts, the proportion of women among fixed-term workers increased from zero in 2020 to 17.4% in 2021, meaning women were slightly over-represented among fixed-term workers. Notwithstanding this, looking at the numbers of workers in company B associated with these percentages, there is evidence of a change in workforce composition that improves the gender balance, and the addition of more women to the total number of workers compared to 2020 in both categories.

Table 5. Percentage of operational workers by gender and type of contract at the beginning and end of the analysed period (% , January 2020 and July/September 2021)

Type of Contract	Company A				Company B			
	Women (Jan 2020)	Men (Jan 2020)	Women (Jul 2021)	Men (Jul 2021)	Women (Jan 2020)	Men (Jan 2020)	Women (Sept 2021)	Men (Sept 2021)
Regular permanent	12.0%	88.0%	11.2%	88.8%	10.1%	89.9%	13.5%	86.5%
Special Shift	46.7%	53.3%	46.7%	53.3%				
Fixed Term	All company A's contracts are permanent				0%	100.0%	17.4%	82.6%

Source: Payroll reports companies A and B. Calculations by the research team.

2.2.4 Types of work performed by women and men

There is a high degree of occupational segregation by gender in the banana export sector in Colombia and in other countries (Cooper, 2015, van Rijn et al., 2016). Normally, field activities are carried out by men, while women participate solely or mainly in cutting, sorting and packing the fruit in packhouses. This is related, on the one hand, to the physical strength required for some field activities (and the gender stereotyping that only men can do this type of work) and on the other to the supposed preference of most women for packhouse activities. Additionally, fertilisation activities are not allocated to women. Interviewees indicated that, in the past, women could carry out this activity, but the rules of different certifications (or possibly a misinterpretation of these rules) are now preventing women from working with chemicals.

Table 6 shows the distribution of men and women in the occupational categories defined in this study in December 2020. The first thing to note is that when considering all workers, participation of workers in field and packhouse activities differs between companies. 47.3% of workers at company A are in packing, while for company B this figure is 30.3%. 32% of company A's workers work in the field, while for company B this figure is 54.9%. However, this difference is

somewhat misleading because most workers at the two companies are multifunctional and men are often involved in activities in both the field and the packhouse. Whether men are classified as predominantly 'field' or predominantly 'packhouse' varies somewhat between the two companies, leading to the observed differences. In both cases, employment in these two activities forms the bulk of the companies' activities, and, more importantly, women do not participate in field activities in either company. In company A, 22.4% of packhouse workers are women (62.9% of the total number of employed women) and in company B this percentage is 37.8% (85.7% of the total number of employed women).

The participation of women in cleaning is high (50% of women in the group in company A and 33.3% in company B) but the weight of this group in the total number of workers is quite small.

The proportion of women employed in management positions (including general and deputy managers, and coordinators/supervisors for field, packhouse, quality and irrigation) in company B is 25% versus 6.2% in company A. Although there are no differentiated statistics for the sector in terms of the proportion of women in management activities and the proportion of women in operational jobs, seeing a better gender balance in management activities

in this company is a positive result. From the interviews conducted at company B, we learned that the woman at company B who was a coordinator accessed this position through a new role, “apprentice coordinator,” developed by the company to give women the opportunity to learn and carry out this position. If, after the

apprentice period, the worker has the skills and wishes to remain in the role, she can either choose to do so or return to her previous role.

For other administrative staff (i.e., excluding managers), women were only observed in company A and they represent half of the group.

Table 6. Number and distribution of employees by type of occupation and gender (December 2020)

Occupational Group	Company A				Company B			
	% Women in the group	Distribution between groups			% Women in the group	Distribution between groups		
		% All workers	% Women	% Men		% All workers	% Women	% Men
Cleaning	50.0%	1.9%	5.7%	1.2%	33.3%	2.5%	6.2%	1.9%
Field, Warehouse and/or Nursery	0.0%	31.9%	0.0%	38.4%	0.0%	54.9%	0.0%	63.2%
Packhouse	22.4%	47.3%	62.9%	44.2%	37.8%	30.3%	87.5%	21.7%
Other Workers	0.0%	2.4%	0.0%	2.9%	0.0%	3.2%	0.0%	3.8%
Long-term leave					0.0%	1.6%	0.0%	1.9%
Supervisors and Managers	6.2%	7.7%	2.9%	8.7%	25.0%	3.3%	6.2%	2.8%
Other Administrative staff	55.6%	8.7%	28.6%	4.7%	0.0%	1.6%	0.0%	1.9%
All	16.9%	100.0%	100.0%	100.0%	13.1%	100.0%	100.0%	100.0%

Source: Payroll reports Companies A and B. Calculations by the research team.

From this analysis the question arises of whether it is possible for women to enter different occupations, particularly those related to field activities. Despite the widespread perception of fieldwork as being harder work, some of the women interviewed who had more years of experience in the banana sector mentioned that they had done fieldwork in the past, albeit not necessarily in the plantation visited, and indicated a desire to do this work again. This desire not only relates to the ability to earn

higher wages but also to being able to work individually, away from the workplace issues that can arise when working as a team, as is the case in packhouse activities.

Interviews with management level staff at both companies indicate that this requires cultural changes. According to them, some field coordinators consider it unthinkable to hire women to do field activities, despite them being able to perform tasks such as removing stained

leaves from plants and phytosanitary work. Mention was made of men judging women for not dedicating sufficient time to childcare, and a strong conviction on the part of the women that all field activities, no matter which, are very hard work. In one of the companies, all but two of the women interviewed (one who coordinates fieldwork activities in the field and the other who wants to work with fertilisers) consider field work to be harder than packhouse work, mainly because it involves spending time in the sun and physical strength is required to carry out some of the activities. Head office management considers that these beliefs prevent women from opting for jobs in the sector. Meanwhile, workers, regardless of their gender or the company they work for, state that they do not want their children to work in the sector because they consider the work to be very hard.

The proportion of women workers interviewed in the other company that would prefer to do field work over packhouse work was similar. Women's involvement in field work is restricted by both companies to prevent them being

exposed to fertilisers, which, it is alleged, is driven by the rules of different certifications' regarding safe use of chemicals. Interviews with administrative staff from both companies indicate that, by protecting them from exposure to agrochemicals in fertilisation work, workplace health and safety restrictions combined with fruit certification restrictions reduce the types of positions available to women. For the research team, how these standards are being interpreted is an issue for review.

An additional threat to the jobs currently available to women is the need for permanent relocation of people from the field due to health issues, as these people end up being assigned to positions in the packhouse, reducing hiring opportunities for women. During visits to both companies, we were able to interview men who had previously worked in the field and who had been reassigned to assembling boxes, an activity that, in the absence of these transfers, could be carried out by women. This threat is also recognised by administrative staff.

3. GENDER WAGE GAPS AND LIVING WAGE GENDER GAPS IN THE COLOMBIAN BANANA EXPORTING SECTOR

The understanding of gender pay gaps begins with the understanding of the different types of employee remuneration, as well as the specific conditions offered by the companies analysed. Therefore, before presenting the gender analysis for the pilot companies, section 3.1 presents an overview of the wages system in the sector. Subsequently, the overall gender pay gaps found in this study are presented, while section 4 analyses the determinants of the gaps.

3.1 OVERVIEW OF THE WAGES SYSTEM IN THE COLOMBIAN BANANA EXPORTING SECTOR

In general, rural working conditions in Colombia are mainly informal and this is accentuated by gender. As mentioned in previous sections, informality, understood as the absence of worker health and pension payment contributions, is greater than 80% in the rural sector. Despite this gloomy backdrop in the Colombian agricultural sector, the banana industry, as an exporting sector, is one of the few that operates within the formal sector. Additionally, one of the companies

visited has a *collective bargaining agreement* that regulates working conditions and the other has a *collective pact*.¹⁵ This section uses the information in these documents to explain the common aspects and differences in each of the companies analysed, since in both cases and in compliance with what is stipulated by law, both the collective pact and the collective agreement in the plantations visited stipulate the working hours, extra allowances, regulatory aspects and in the case of piece-rate activities, their description together with their respective unit prices.¹⁶ Likewise, in both cases, the documents lay out clear mechanisms for monitoring the parties' adherence to these definitions.

3.1.1 Common aspects between pilot study companies in terms of wages

In terms of wages, the companies analysed have three aspects in common: remuneration of piecework activities; group-based remuneration for workers participating in harvesting and packing activities; and the possibility of hiring part-time workers through the special shift contract.

However, within these common aspects, each company's policies are different, from specific individual pay scales that differ between the companies, to the inclusion of harvesting and transportation to the packhouse when it comes to working out average remuneration for packing activities (one company does this, the other accounts for harvesting and transportation separately), as well as the restriction imposed

by the collective bargaining agreement, in the case of one of the companies, on assigning work for at least 6 days per fortnight for special shift workers. The most important differences in these aspects are presented below.

3.1.2 Company-defined contract and remuneration arrangements

With regard to contract types, the collective bargaining agreement at one company defines that employment contracts for the company's normal or permanent activities will be permanent from the beginning and fixed-term personnel will only be hired for specific tasks such as sowing in new production areas, transport or covering sick leave and holidays. The company that has a collective pact indicated that its initial contracts are fixed-term for six months and are changed to a permanent contract after two years.¹⁷

In terms of remuneration, there is a "baseline union wage" in the collective bargaining agreement which by definition should not be less than the legal minimum. Activities such as weed grubbing, gardening, gauntlet washing and cleaning the pulley that carries bananas to the packhouse, are remunerated at this baseline union wage. In the case of the collective pact, the reference is the legal minimum wage, which is not differentiated by geographical area or by economic sector in Colombia. For the years 2019 and 2020, this was COP 828,211 pesos and COP 877,803 pesos per month, respectively, excluding transport allowance.

15 Article 467 of the Colombian Substantive Labour Code defines a collective bargaining agreement as "that concluded between one or more employers or employers' associations, on the one hand, and one or more trade unions or trade union federations, on the other, to establish the conditions that will govern employment contracts during their term" provided that the 30% or more of the firm's employees are affiliated with a trade union. The collective pact, on the other hand, is a direct agreement between the company and the workers. The main difference between the two is that the latter usually only applies to those who sign up to it or to those who subsequently accede to it; that is, it does not automatically apply directly to all workers in the company in the same way that the collective bargaining agreement does. However, in the specific case of the participating company that has a collective pact, article 16 of the collective pact stipulates that the pact shall benefit all workers who are employed by the company and the workers who subsequently accede to it (i.e., in the same way that collective bargaining agreement does).

16 The general clauses in the collective bargaining agreement respected previous historical individual agreements on the part of the companies as expressed in interviews with the administration, but in the case of collective pacts these benefits do not have to be similar between companies, unlike in the case of collective bargaining agreements in which more than one employer participates.

17 By law, a fixed-term contract may be renewed for one year indefinitely without this automatically converting it into a permanent contract. This has implications for employee dismissals. In fixed-term contracts, compensation is paid based on how long is remaining until the end of the contract period. In permanent contracts there is a rule according to the number of years the contract has run for.

As indicated above, there are also differences in the way remuneration for activities related to harvesting and packing the product for export is determined. This is regulated both in the collective bargaining agreement and in the collective pact. In both cases, these activities are remunerated as a joint activity under a “*caja integral*” arrangement; this means that each worker does not get paid according to the value of their individual daily activities, but instead according to the average of the added cost for the employer of all the activities carried out to achieve the daily production goal, the prices of which are defined in the respective agreements. In the case of the collective bargaining agreement this is a single average, while in the collective pact there are two: one for the field team and the other for the packhouse team. The field team component covers harvesting the fruit and sending it to the packhouse, while the packing component covers all the activities that are carried out from the moment the product is received in the packhouse until it is packed for subsequent export.

In both cases, the group-based remuneration arrangement also applies to workers who are hired under “special shift” contracts, which explicitly refers to the hiring of additional workers when ordinary workers are not sufficient, specifically for harvesting and packing tasks.¹⁸ Special shift workers are also paid according to the law and enjoy the same statutory and extra benefits as the company’s ordinary workers, but there are differences in working days: the collective bargaining agreement stipulates that these workers must be given at least 6 days work per fortnightly pay period and if the employer allocates them fewer than 6 days, these workers must be paid the full 6 days at the baseline union wage. The agreement also stipulates that it can’t be the case that the majority of harvesting and

packing workers are on permanent special shift contracts. The company that has a collective pact in place also uses a special shift contract for some workers, but while this includes legal benefits in proportion to the number of days worked, it does not stipulate a minimum number of days of work in each payroll period.

The types of piece rate arrangements described above, while being an efficient contractual mechanism for production since they generate incentives for workers to meet packing and fruit care goals, can have implications for gender differences in wages. Previous studies on the sector have found that women’s participation in field activities in the sector is low (e.g., Cooper, 2015). If average group-based pay for harvesting and packing activities is lower than pay for those field activities that are paid individually and mostly carried out by men, the observed gender gap is associated with the different activities carried out by both groups. These gaps would be justified only to the extent that women do not want to participate in field activities or are less productive in doing so, despite being trained and having acquired experience in the work. Likewise, it is possible that the gender gap could be more marked in the company that has a collective pact if the joint field activities pay more than the joint packhouse activities, recognising that the joint field activities are normally carried out by men.

3.1.3 Additional cash benefits provided by companies

In terms of the additional cash benefits covered by each company’s collective agreement, the companies visited provide the following benefits¹⁹, although the amount of these differs between the two companies (Table 7):

18 The collective bargaining agreement also stipulates that, depending on the needs of the company, special shift workers may be assigned to tasks other than traditional field work tasks (basic maintenance tasks: bagging, pruning, sigatoka disease prevention, plant tying, leaf removal, removing suckers and pups, fumigation and fruit protection). Among the tasks to which they can be assigned are drainage construction and maintenance, fertilisation or miscellaneous tasks.

19 For both companies, these benefits do not constitute part of wages when it comes to social security and taxation.

Table 7. Comparison of benefits received by workers according to the type of collective agreement in place

Benefit	Company with collective bargaining agreement	Company with collective pact
Holiday bonus	X	X
Christmas allowance ²⁰	X	
Maternity allowance	X	X
Worker's death allowance	X	X
Bereavement allowance	X	X
Student support allowance	X	X
Seniority premium	X	
Sports allowances	X	X
Production bonus	X	X
Food allowance	X	
Additional staffing allowance	X	X
Glasses allowance	X	
Transport service allowance	X	X
Housing allowance	X	
Marriage leave allowance	X	

Notes: It should be remembered that conditional allowances, which in this case includes allowances for maternity, death/bereavement, student support, seniority, sports, glasses and marriage, are generally not included in the living wage analysis. In this study, we also excluded conditional allowances from the analysis of wages and the gender pay gap, in order to have monthly wage data that were more comparable among workers. Full details of the payments that were included/excluded in the analysis of gender pay gaps and in the living wage analysis are provided in Appendices 7.1 and 7.2. See footnote 15 for the difference between collective bargaining agreements and collective pacts.

Sources: Participating companies' collective pact and collective bargaining agreement.

3.1.4 Gender and equity considerations

There are explicit gender and equity considerations in the collective bargaining agreement, as opposed to in the collective pact. This may be due, among other reasons,

to the low proportion of women workers in the sector, which means they have less of a voice in direct negotiations with employers compared to the voice that women workers have with SINTRAINAGRO with the support of its Women's Department. Among these explicit considerations are:

20 In the case of the collective pact this is not explicit, but it is provided at the discretion of the company.

1. The parties' ratification of non-discrimination in access to employment and working conditions on the basis of gender, sexual orientation, race, age, descent, religion or political or trade union affiliation.
2. Intensification of training programmes and courses for women and for people over 40 years of age.
3. No age range requirement for selection processes.
4. Giving control and direct management of plantation canteens to unionised women heads of households who are trained in food handling.
5. Promote training and education activities for women heads of household to enable them to provide adequate food services on the farms.
6. Participation of unionised and trained women heads of household in making workwear for workers.
7. Recruitment of at least two women on permanent contracts during the term of the agreement, coordinating the training required for the execution of their work.

It should be noted that company B also has non-discrimination policies and takes specific actions in favour of women, but they are not explicitly referred to in its collective pact.

The above elements allow us to anticipate that gender gaps are not necessarily similar between the two companies analysed. These results are presented below.

3.2 GENDER PAY GAPS IN THE COLOMBIAN BANANA EXPORT SECTOR

3.2.1 Previous studies of gender gaps in Colombia

Traditional studies of gender gaps in the country are based on information reported by workers in DANE household surveys. For the banana exporting region, this results in an estimated gender pay gap of 27.5% for all workers, but there is considerable variation between departments and, especially, between formal and informal workers (see Table 3 of this report). In Magdalena, for example, the gender pay gap is -18.9% for formal workers (i.e., a gap in favour of women) compared to 41.5% for informal workers. The question on the survey form is 'How much do you earn monthly, without deductions, in your primary employment?'; and both DANE and the literature recognise the potential biases of this question. Firstly, there is no way of ascertaining whether the respondent actually earns the amount they report. In cases of low wages, there may be over-reporting among workers who earn very little and do not want to reveal the true value of their wages. In the case of high wages, it has been considered that there may be under-reporting if employees suspect that this information will subsequently be used to verify their correct payment of income taxes. Corrections to these potential cases of under- or over-reporting are difficult and costly and are not usually done at a large scale. Another issue with the question is that comparisons at the occupational level do not recognise differences between workloads and activities carried out within the sector or between different companies in the sector.

Despite the above limitations, the representativeness at the urban level for the 23 cities of the country, as well as the possibility of differentiating between urban and rural sectors, mean that this information is thus far the most suitable data source for quantifying and trying to understand gender gaps. As mentioned in the introduction to this report, this study's approach to gender gap analysis using company payroll data is pioneering. For the present analysis, gross wages were used, before deductions. Deductions can differ depending on the worker's life stage or financial decisions. For example, a worker may be paying for a house via payroll deduction, while others do not have such a loan

or, perhaps, at the same company, a housing loan is deducted from payroll for some workers while others make the payment from their wages. These differences make net wages less comparable between workers, hence the decision to work with gross wages.

As mentioned in the introduction, in order to be able to compare these wages with the Anker living wage estimate, some adjustments were made as presented in Appendix 7.1. Additionally, in order to better understand wage data trends, the lowest and highest 10% of pay was eliminated from the analysis. This reduces the influence of extreme values on the averages used, which we anticipated would be quite large given the small sample size for some groups.

3.2.2 Gender pay gap in gross cash wages, for the workforce

Table 8 presents a summary of the gender gap in wages when these include overtime pay and cash bonuses and allowances, broken down by company, type of worker and year. The latter breakdown has two purposes. First, to understand the behaviour of the gaps over a full year of operation, including bonuses and statutory and extra allowances that are agreed annually, and second, to be able to relate the wages behaviour of operational workers to that of administrative staff, for which we had no information for 2021.

Table 8. Summary of findings on gender gaps in gross wages, including overtime pay, cash bonuses and allowances, COP (January to December 2020 and January to July/September 2021, omitting the lowest and highest 10% of wages)

	Company A		Company B	
	Mean gross wages including overtime pay, cash allowances and bonuses	Median gross wages including overtime pay, cash allowances and bonuses	Mean gross wages including overtime pay, cash allowances and bonuses	Median gross wages including overtime pay, cash allowances and bonuses
2020 - operational workers	19.4%	17.7%	11.8%	8.7%
2020 - administrative staff	14.4%	14.7%	Only 1 woman on administrative payroll. Therefore, no indicators are calculated	
2021 - operational workers	14.7%	13.7%	12.0%	10.2%

Source: Payroll reports Companies A and B. Calculations by the research team.

The main results of the payroll analysis are as follows:

- 1. Wage levels in both companies differ by gender.** There are large differences by gender within each company and in both, women earn less than men, on average. In company A, the average difference in wages in 2020 between men and women

operational workers equates to a gender pay gap of 19.4%, while in company B the gender pay gap for operational workers is 11.8%. For 2021, the gender gap for operational workers is 14.7% in company A and 12.0% in company B.

The median values differ slightly from the mean values. This suggests some

differences in wage distribution that may potentially affect the behaviour of gender pay gaps but given the low number of women found in some income quintiles, this analysis was not considered in the scope of this report.

It should be mentioned that in both companies, women and men operational workers earn more than the average salaries reported by DANE (2019) for workers making health and pension contributions (formal employment) in banana-exporting departments (see Table 3). This deviation from the departmental averages is wider for company A than for company B. However, the gender pay gaps in both companies are larger than the gaps reported for formal workers at departmental level.

2. The wages levels of the two companies are different. For operational workers, men in company A earned on average 81.8% more than men in company B in 2020, while women in company A earned approximately 66.2% more than women in company B. Differences in the wage levels of the two companies are in part due to differences in the collective agreements that the companies are subject to, which leads to differences in unit values paid per activity, minimum wage rate per day, number of days of work that are guaranteed to special shift workers, and types of cash allowances and bonuses that are provided and the value of each allowance/bonus. The company with the industry-level collective bargaining agreement has higher wages than the company with the company-specific collective pact. However, wage levels at each company are also affected by differences in production volumes, markets and sales, which affect productivity-based remuneration, and differences in labour market conditions and in the cost of living between the departments where the two companies are located, as these influence workers' expectations for wages in each area.

3. Higher wage levels do not imply smaller gender pay gaps. The fact that workers earn more on average in company A than in company B does not mean that the gender pay gap is smaller. Observing the average behaviour of the gap in 2020 for operational workers, the gap for company A was 7.6 percentage points higher than that observed in company B (19.4% vs 11.8% against women). Looking at these figures in 2021, the difference in gaps between the two companies is reduced to 2.7 percentage points (14.7% vs 12.0% against women). Although there is a reduction in the percentage difference in gender pay gaps, associated with changes in the behaviour of wages in company A, differences in average wage levels at the two companies remain large.

Looking at why this change occurred, it is observed that, in both companies, comparing 2020 with 2021, average wages grew more than the minimum wage. In company A, average wages for women grew by 12.1%, while wages for men grew by 5.9%. This difference in wage growth between men and women appears to be a result of women working more days on average in 2021 than in 2020 because of higher production and/or sales in 2021 compared to 2020 (although we do not have data to confirm this) and this caused the narrowing of the average gap. On the other hand, in company B, wages for women and men grew on average at a similar rate, 16.6% and 16.9% respectively. Despite a more balanced average growth between genders, the gender pay gap widened, which is also confirmed by the increase in median gaps for this company. Given monthly fluctuations in wages, it would be useful to study wages over a longer period to understand whether these wage increases, which are associated with higher production by the companies, are sustained throughout 2021 or are a reflection of the production cycle of both companies.

4. The gender pay gap for administrative staff in company A is 14.5%, which is lower than the gender pay gap for operational workers. Although the difference in wages between women and men for administrative staff is similar to the difference for operational workers in absolute terms (i.e., the difference in pesos is around the same), average wages for administrative staff are higher than average wages for operational workers and so this results in a smaller gender pay gap for administrative staff.

The gender pay gap for administrative staff at company B was not calculated because there was only one woman on the management team.

Considering that production is not uniform throughout the year and the impact this cycle has on piecework wages, it is important to review how stable the average results of wages and gaps are over the analysed period. Figure 3 shows the monthly behaviour of gender pay gaps in gross wages including all types of pay for the available period. The graph has two reference points, represented by horizontal lines: the 0.0% point that would represent the absence of wage differences between men and women, and a second horizontal line that reflects the average wage gap for the entire period analysed. From this graph it is important

to note that both companies have had significant fluctuations throughout the period analysed, but the behaviour is different for each, according to the period of time analysed. In the first half of 2020, company B's gender pay gap narrowed and even went in favour of women in one month, while in the same period company A saw its gap widen.²¹ It should be noted that in the months in which the gaps in both companies widen, women earn between 25-30% less than men.

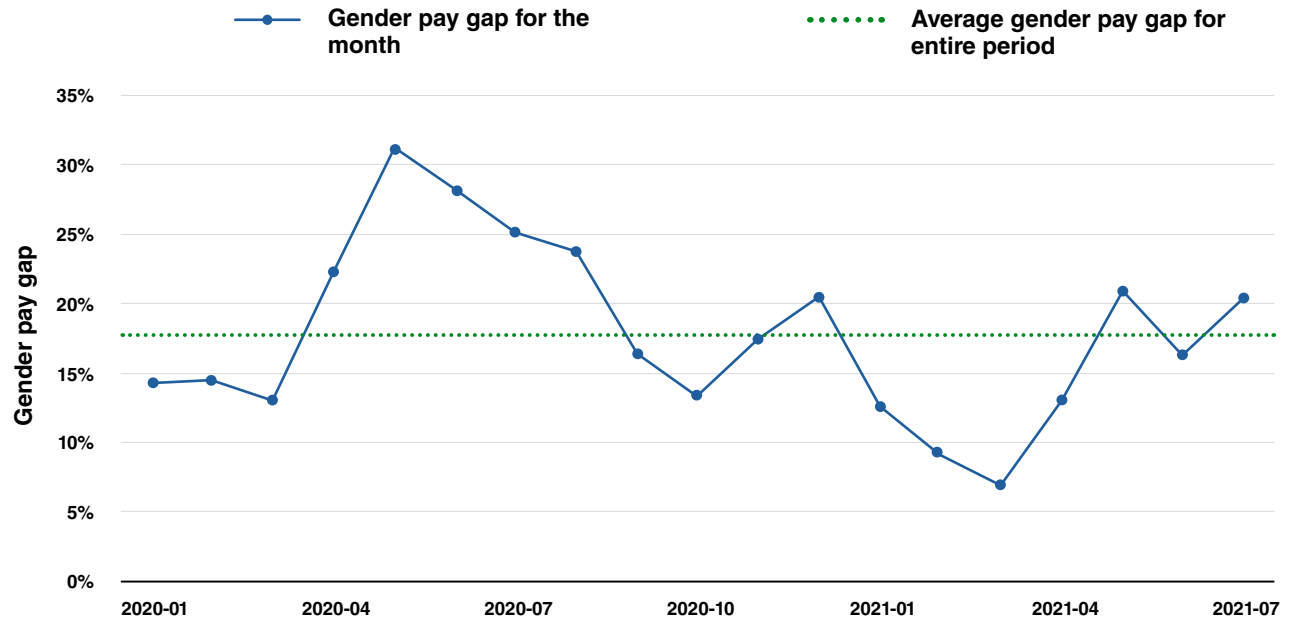
3.2.3 Changes in gaps observed when operational and administrative workers are combined

Taking operational and administrative staff together, the gender pay gap is smaller than the gap for only operational workers in the case of the company with higher salaries, and larger in the case of the company with lower salaries (a gap of 8.7% in company A and 14.7% in company B, see Figure 4). This happens because in company B, there is minimal representation of women in the administrative area and their wages, due to the fact they are still in training, are considerably lower than the rest of the administrative payroll. In the case of company A, there is a better gender balance with higher average wages for women in the administrative area.

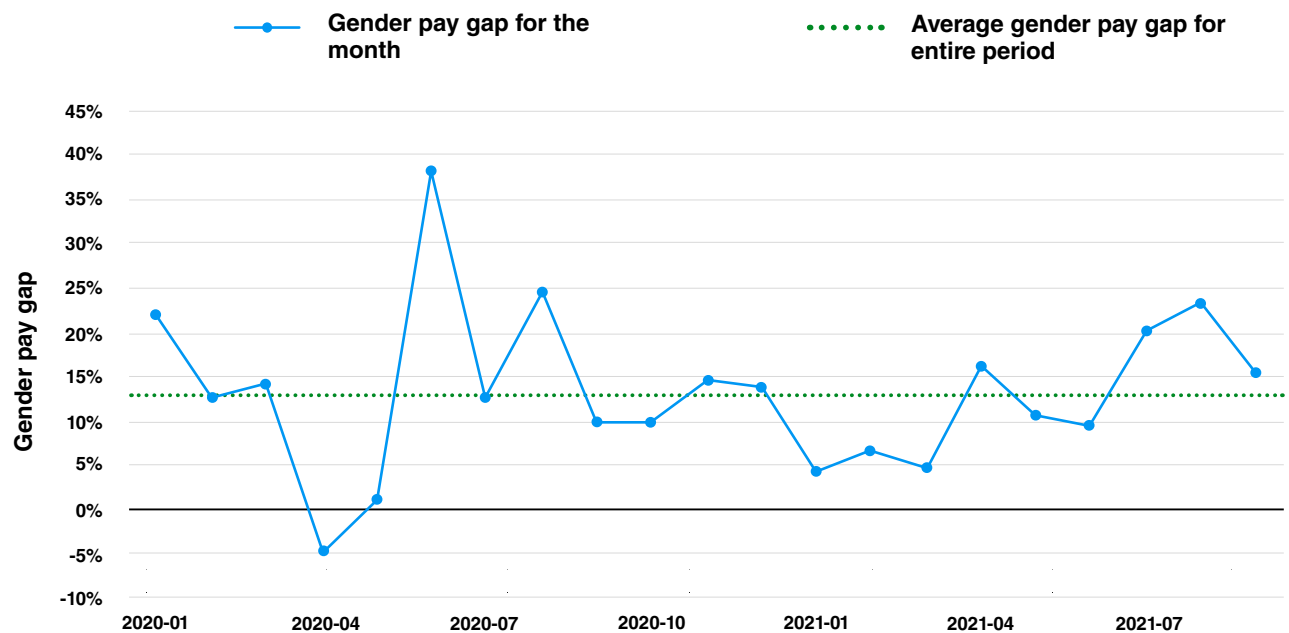
21 This reduction should be viewed with caution because in this period of time company B reported experiencing difficulties that led to a significant number of layoffs of both men and women and a decrease in days worked for both groups. This decrease in days explains the reduction in the gender pay gap at company B in that period.

Figure 3. Evolution of the gender pay gap for operational workers, including all types of pay, for the companies analysed (January 2020 to July/September 2021, omitting the lowest and highest 10% of wages)

COMPANY A



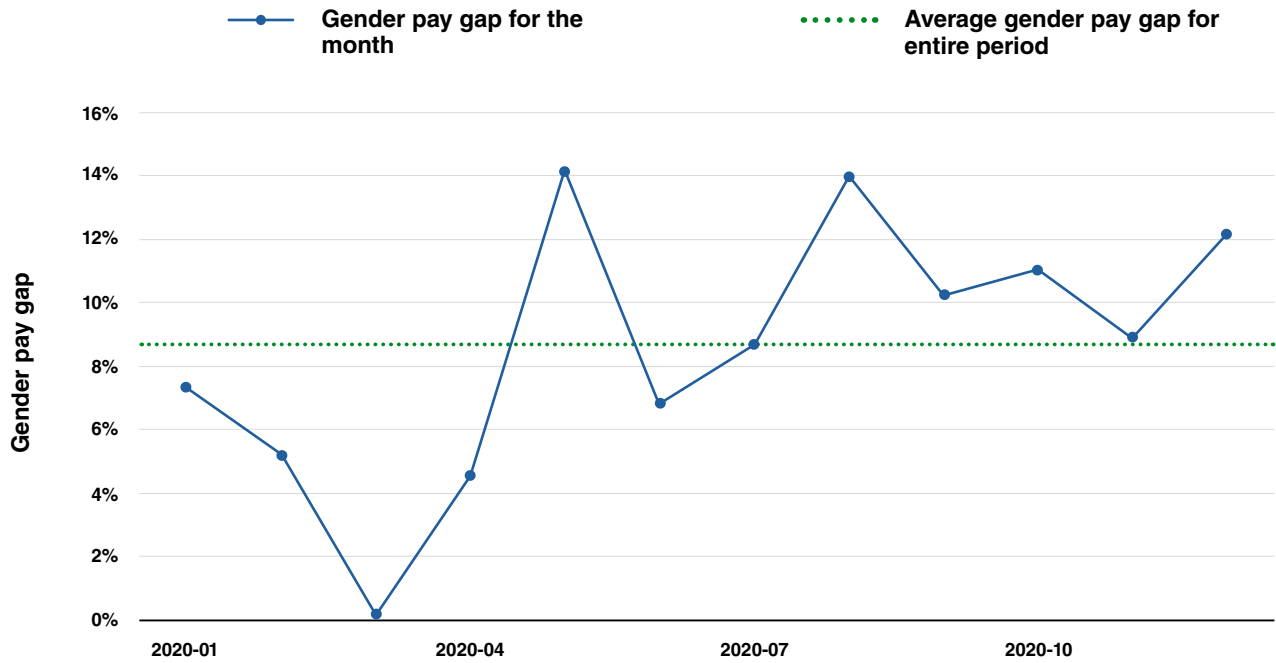
COMPANY B



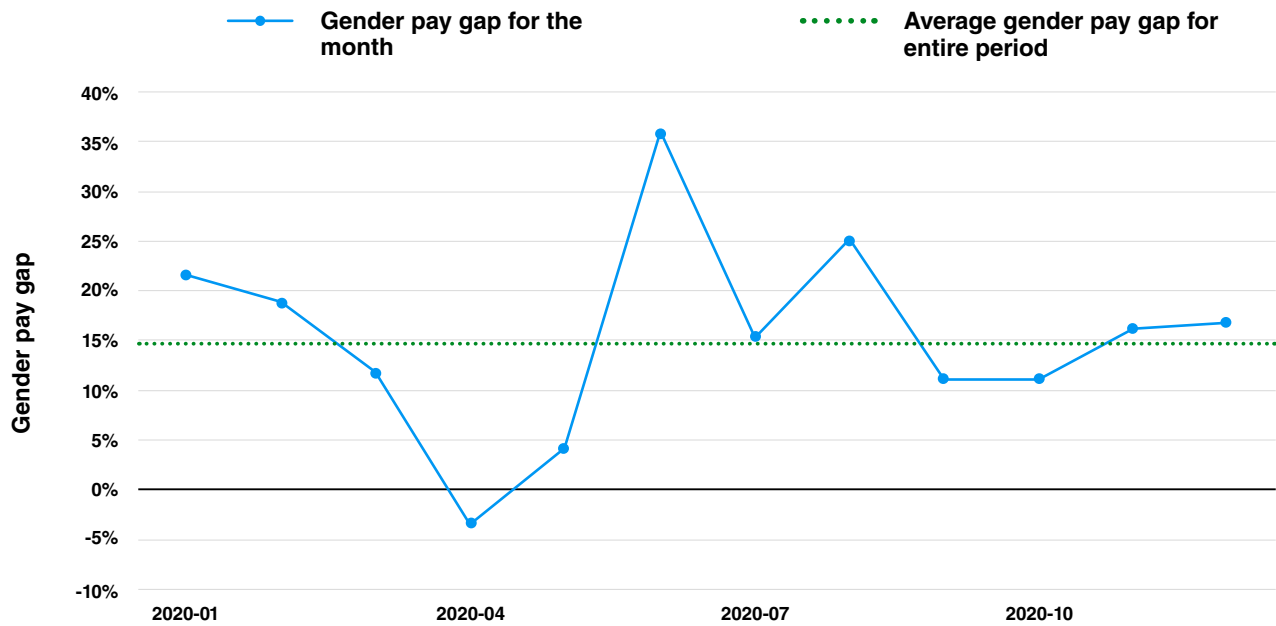
Source: Payroll reports companies A and B. Calculations by the research team.

Figure 4. Evolution of the gender pay gap for all workers (operational and administrative), including all types of pay, for the companies analysed (January to December 2020, omitting the lowest and highest 10% of wages)

COMPANY A



COMPANY B



Source: Payroll reports companies A and B. Calculations by the research team.

Summary of findings on gender gaps in gross wages

Despite the equal pay for equal work protection mechanism associated with group-based remuneration for harvesting and packing activities, average wages for women are lower than average wages for men in both of the companies analysed. This is true when the analysis is presented in relation to all workers in the company as well as when only operational workers are considered.

When overtime pay and cash bonuses and allowances are included, the gender pay gaps for operational workers (such as field and packhouse workers) in 2020 were 19.4% and 11.8% for companies A and B respectively. In 2021 these gaps changed to 14.7% and 12.0%. It is important to note that company A has higher average wages levels and the gender pay gap is wider for this company. In subsequent sections of this report, the factors associated with these gaps (determinants) will be identified.

The gender pay gap for administrative workers (including management) is not calculated for company B due to the low representation of women in administrative activities, but for company A the gap for administrative workers is lower than that of operational workers, at around 14.4%.

When all workers are considered together, the gender pay gap tends to be reduced in the case of company A (averaging 8.7% for the study period), while, due to the low representation of women among administrative workers, the opposite occurs in company B where the gap increases to 14.7% for the period.

3.3 PROPORTION OF WOMEN AND MEN EARNING A LIVING WAGE

The findings on gender pay gaps in the previous section suggest that, if women earn less on average, it must be more difficult for them to reach a living wage. The objective of this section is to present, for the companies analysed, what percentage of workers of each gender achieve a living wage.

The Anker Living Wage estimate for the Caribbean coast of Colombia is COP 1,717,518 per month for May 2021.²² This living wage benchmark covers the banana-producing regions in the states of Magdalena, Guajira and Antioquia. It is the gross wage that a worker needs to be able to afford a basic, but decent,

standard of living for him or herself and his or her family.

The results of this exercise are presented in Tables 9 and 10 of the following sections. The methodological detail for this analysis can be reviewed in Appendix 7.2. Note that the following were not included in prevailing wages for comparison to the living wage: (i) overtime pay, because a living wage needs to be earned in normal working hours; and (ii) benefits that are conditional and therefore not received by all workers, such as cash allowances for marriage, maternity and bereavement and allowances for glasses and sporting activities. However, allowances for educational expenses of workers' children were included in the prevailing wage because a majority of workers

²² For information on the definition of a living wage and the Anker Methodology living wage benchmarks, see the website of the World Wage Coalition: [About the Global Living Wage Coalition | Global Living Wage Coalition](#).

at both companies received this benefit. For this benefit, the average amount received per worker per month was included in prevailing wages. Also included in prevailing wages were travel allowances (or a fair and reasonable valuation of company-provided transport services – see Appendix 7.2) and pro-rata monthly amounts for service premiums, holiday bonuses and Christmas bonuses.

3.3.1 Calculation of prevailing wages excluding and including the total value of severance benefits

When the Anker Research Institute's living wage benchmark study was conducted in 2018, there was a difference of opinion among stakeholders as to whether the majority of banana workers were able to access their full severance benefit each year. As a result of this difference of opinion, the authors of the living wage study decided to include two estimates of the living wage: one estimate excluded severance benefits, while the other included them.

We adopted the same approach for this gender pay gap study. Our first estimate uses prevailing

wages that only include annual interest on the annual severance deposit, prorated for one month (equal to 1% of the average monthly wage). Our second estimate uses prevailing wages that include full severance benefits prorated for one month (equal to the average monthly wage divided by 12, plus 1% of the average monthly wage).

3.3.2 Comparison of prevailing wages with the reference living wage

When comparing the prevailing wages in 2021 for each operational worker in company A with an estimated living wage of COP 1,717,518, we found that approximately 77% of women earned a living wage compared to approximately 94% of men (Table 9). When the total severance benefit was included, the proportion of workers earning a living wage increased to about 85% of women and 97% of men. This gender gap in achieving a living wage is an important finding and indicates that efforts to move towards living wages must be gender sensitive.

Table 9. Proportion of operational workers in Company A who had a gross wage equal to or greater than the Anker Living Wage estimate for the study location, by type of contract and gender (% , January to July 2021)

Type of contract	% All workers with wages \geq Anker Living Wage estimate	% Women with wages \geq Anker Living Wage estimate	% Men with wages \geq Anker Living Wage estimate
Excluding full severance pay			
All workers	91.3%	76.9%	93.5%
Regular permanent contract	93.0%	81.3%	94.4%
Special shift	86.7%	85.7%	87.5%
Including full severance pay			
All workers	95.4%	84.6%	97.0%
Regular permanent contract	97.2%	87.5%	98.4%
Special shift	93.3%	87.5%	100.0%

Source: Payroll reports company A. Calculations by the research team.

When severance was not included, women on a special shift contract in company A were more likely to earn a living wage than women on regular permanent contracts (85.7% compared to 81.3%, respectively). However, among men, the opposite was true (94.4% of men on regular permanent contracts earned a living wage compared to 87.5% of men on the special shift). When the full severance benefit is included, the same proportion of women earned a living wage for both types of contracts (87.5%), while 98.4% of male permanent workers and 100% of male special shift workers earned a living wage.

Disaggregated by occupation (see Table 10), the proportion of workers in the Field, Warehouse and/or Nursery category earning a living wage was almost the same as the proportion of packhouse workers earning a living wage (91.7% versus 93.2%), but within the packing group, 87% of women earned a living wage compared to 95% of men. None of the cleaning staff earned a living wage, regardless of whether they were men or women, and only 2 out of 3 of the “other workers” (drivers and security workers) earned a living wage.

Table 10. Proportion of workers in Company A who had a gross wage equal to or greater than the Anker Living Wage estimate for the study location, by occupation and gender (% , January to July 2021)

Occupational Group	% All workers with wages \geq Anker Living Wage estimate	% Women with wages \geq Anker Living Wage estimate	% Men with wages \geq Anker Living Wage estimate
Excluding full severance pay			
Cleaning	0.0%	0.0%	0.0%
Field, Warehouse and/or Nursery	91.7%	NA	91.7%
Packhouse	93.2%	87.0%	95.0%
Other Workers	66.7%	NA	66.7%
Including full severance pay			
Cleaning	0.0%	0.0%	0.0%
Field, Warehouse and/or Nursery	97.6%	NA	97.6%
Packhouse	98.1%	95.7%	98.8%
Other Workers	100%	NA	100%

Source: Payroll reports company A. Calculations by the research team.

Note: NA indicates not applicable because there are no women/men working in this occupational group

As noted elsewhere in this report, company B's wage levels are lower than company A. When severance pay was excluded, there were no workers earning a living wage at company B in

2021. When it was included, 4% of men earned a living wage (all of them are field workers with permanent contracts) but no women earned a living wage.

4. DIRECT AND INDIRECT DETERMINANTS OF GENDER PAY GAPS

4.1 POSSIBLE THEORETICAL EXPLANATIONS OF GENDER GAPS

Studies that have sought to explain gender differences in wages have found multiple explanations for their existence. The methodology developed by the Anker Research Institute for the study of gender pay gaps distinguishes between direct and indirect determinants of pay differentials. Direct determinants include gender differences in work activities, working hours, types of contracts, forms of payment and individual worker characteristics that affect workers' wages. In turn, the root causes of these gender gaps include a number of "indirect determinants" in the workplace and in society at large, including employment policies and practices around recruitment, remuneration and promotion, social norms and attitudes towards women's and men's work, legal protections and state support for women and families, women's representation in trade unions and many other factors.

Below, we provide an overview of the **direct determinants** of gender pay gaps that could influence the size and nature of gender pay gaps for the case study companies in Colombia. Subsequently, the statistical findings on these direct determinants are presented. Then, in section 4.3, we discuss the indirect determinants that are associated with gender pay gaps at the participating companies.

1. Differences in occupations performed by men and women. If the occupations in which men participate are better paid than the occupations in which women participate, gender segregation between occupations generates wage differences. These differences may arise because of differences in men's and women's skills and experience, or they may be caused by discriminatory processes in the workplace; for example, men having greater access than women to

promotions or better paid activities, despite both having similar education and experience. Or they may be due to social norms and attitudes regarding the types of work considered suitable for women and men.

In the case of the two companies visited, there is gender segregation among occupations. Field work is mostly carried out by men, while women are concentrated in the packing activities carried out once the fruit arrives at the packhouse. As mentioned previously, harvesting and transporting the fruit to the packhouse, as well as cutting, sorting and packing activities in the packhouse, are remunerated as a joint activity, calculated as an average of the value of the final product produced per day per activity and participating worker. This value changes daily depending on the type and number of boxes of fruit to be packed. This generates fluctuations in workers' daily and monthly wages and gaps with respect to field activities, which are remunerated at different prices.

2. Differences in types of contracts between men and women. The type of employment relationship and contract a worker has affects their wages and access to various benefits. In many contexts, men are more likely to have a formal and permanent employment relationship than women, providing them with greater access to full-time work and wage-related benefits. Women are more often concentrated in informal, temporary or casual work, with irregular working hours and limited access to employment benefits and protections.

For the participating companies, there are important differences in this aspect. While under the collective bargaining agreement signed by company A most contracts are permanent except for justified exceptions,

company B's collective pact does not have this restriction. Likewise, the special shift concept, explained in section 3, generates differences between the two companies. Company A's collective agreement defines that these workers must be hired for at least 6 days per fortnight, a restriction that company B again does not have. These two aspects allow company B to adjust its cost structure with fixed-term contracts or by hiring special shift workers only for the number of days necessary. The duration of the fixed-term contracts used by company B may be less than one year; the company mentioned that the shortest term for which it hired staff was 4 months. Interestingly, despite this difference which suggests that there may be more labour turnover in company B than in company A, turnover is low for both companies.

- 3. Differences in payment methods and access to additional pay and benefits.** Men and women are sometimes paid differently, for example, by time or by piece/unit. There may also be differences in access to additional pay and benefits that constitute part of wages, such as overtime pay and benefits in kind such as housing. These differences can contribute to gender pay gaps.

For the participating companies, we examined all types of pay including pay for activities during regular working hours as well as overtime pay and cash bonuses and allowances. This differentiation allows us to identify whether the gaps that exist are due to differences in regular pay or in some specific type of remuneration, which is a novel aspect of this type of analysis. That is why in this study we calculate gender pay gaps associated with regular work and gender pay gaps including overtime pay, cash bonuses and allowances.

- 4. Differences in the amount of time worked by women and men.** This occurs when women, working full time, have higher

rates of work absenteeism associated with the double shift of work that women usually assume, including absences to take care of members of the household, the need for time off to attend to children's school matters, or domestic needs at home. More generally, women's disproportionate responsibility for unpaid care work means they are more likely than men to work part-time. Women may also work shorter hours than men because of gender differences in the type of work performed.

The piece rate remuneration systems observed in the companies participating in this study do not allow for the exact identification of the number of hours worked. Once daily production targets are met, workers can leave, and information on the frequency of this phenomenon is not reflected in the payroll data. We know that it happens through interviews with workers; in both companies, workers mentioned the possibility of leaving work early, for example, if field workers finish their work scheduled for the day before the official end of the working day. This implies that we do not have the exact hours worked as regular time or overtime and therefore cannot calculate hourly wages worked as is usually done in gender pay gap studies. To approximate this explanation of the gender pay gaps, we present statistics on the number of paid days by gender and by type of contract and by type of paid activity. These days are calculated by counting the payroll days for which there is activity logged for each worker. Then, these counts of days worked are averaged by month and gender.

- 5. Differences in age and marital status between men and women.** Some employers prefer to hire young and/or single women who do not have the same level of responsibility for unpaid care work as older women who are married and/or have children. This is in order to pay lower wages (due to lack of experience), to prevent

absenteeism related to unpaid care work, and also to reduce the possibility of paying maternity leave in the case of women with a partner. At the same time, married women often opt for more flexible jobs, working fewer hours to be able to meet double shift obligations. This is one explanation of wage differences between men and women and even between single and married women.

The companies participating in this study supplemented payroll data with socio-economic information on their workers, so this analysis allows for the characterisation of workers according to their age, marital status and number of children. In the analysis carried out in the present study, we found no evidence that age and marital status explained the observed gender gaps. In the case of age, no correlation was found between age and wages. In the case of marital status, this lack of correlation is explained by the fact that the majority of workers are between 30 and 50 years of age on both plantations and are either married or have a partner.

6. Differences in education and experience levels between men and women.

Typically, wages increase in line with years of education and work experience. When there are differences in these indicators between women and men, then gender pay gaps resulting from these differences will be observed. However, differences in education level and experience may also be a result of different opportunities for men and women in terms of access to education and to work, in which case the contribution of this inequality of opportunity must be reviewed to understand how to close the wage gap.

In the case of our two study companies, we do not have information on workers'

education and work experience. However, we can infer from the interviews carried out that most workers over 40 years of age have not completed secondary education. Additionally, due to the skills required for the activities to be carried out, both in the cultivation and in the harvesting and packing of bananas, experience, regardless of how it was acquired, is an important condition of entry and continuity in the company. In general, men and women can acquire experience in two ways: either because they are taught by their family or friends or because they join employment associations²³ that provide them with the initial entry into the company to learn how to perform specific activities before they subsequently seek direct employment. Interviews with workers revealed that men were more likely than women to have access to these opportunities for acquiring skills and experience.

4.2 STATISTICAL RESULTS FOR DIRECT DETERMINANTS OF GENDER PAY GAPS

In this section we seek to identify, with the available statistical information, which of the direct determinants presented above may explain to a greater or lesser extent the gender pay gaps observed in section 3.2 of this report.

4.2.1 Differences in occupations performed by women and men

In section 2.2.4, we reported the concentration of women into packing and cleaning activities and in the case of company B, minimal participation of women in administrative activities. Figure 5 shows how this is associated with gender differences in pay. The graph compares, for both companies, the evolution of each company's

23 Article 1 of Law 10 of 1991 defines these employment associations as: "The Employment Associations will be productive economic organisations whose associates contribute their work capacity for an indefinite period, while some also deliver to the service of the organisation a technology or skill, or other assets necessary for the fulfilment of the objectives of the company."

average wage for men and women over time (excluding overtime pay, cash bonuses and allowances), focusing on groups in which there is wide participation of women (packhouse) versus activities in which women do not participate (field, warehouse and/or nursery).

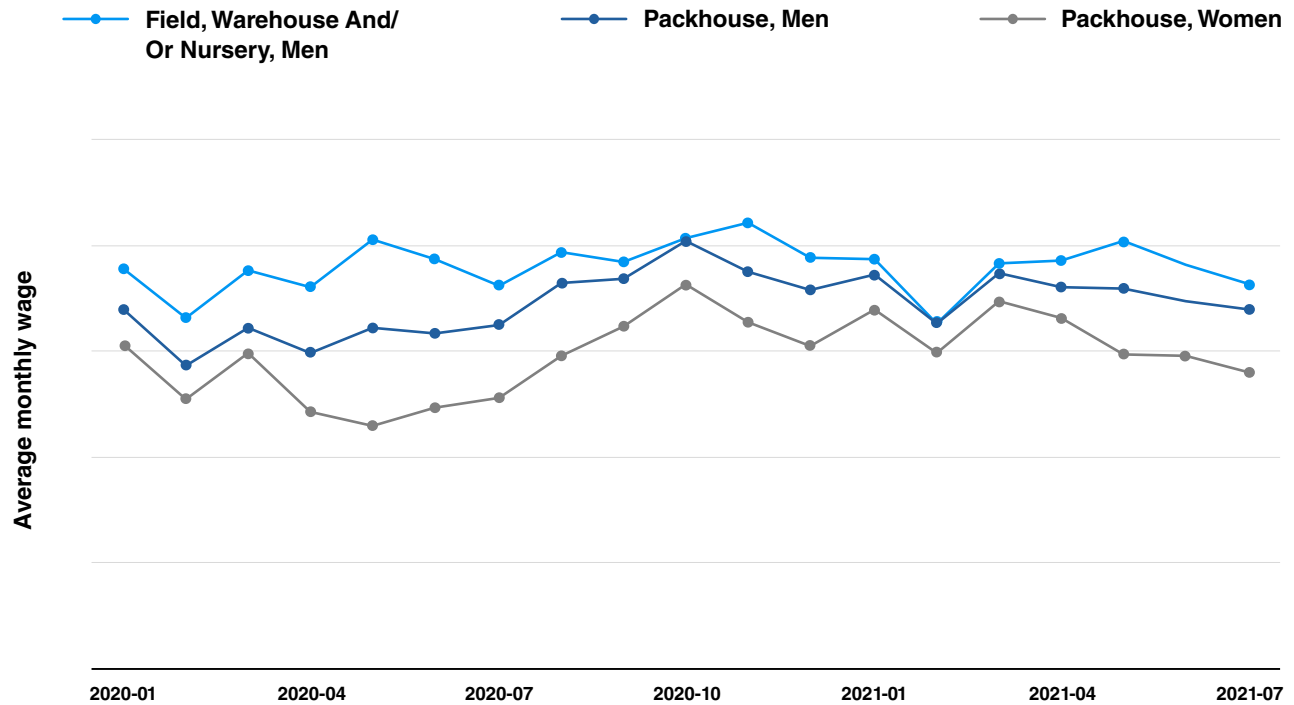
The first thing that stands out from comparing each company's field-related and packhouse groups is that, regardless of the time period, field workers receive higher wages than packhouse workers. Additionally, in packing, women's

wages are lower than men's wages. In this last aspect, as already mentioned in relation to Table 8, wage differences between men and women in company B are smaller than those observed in A.

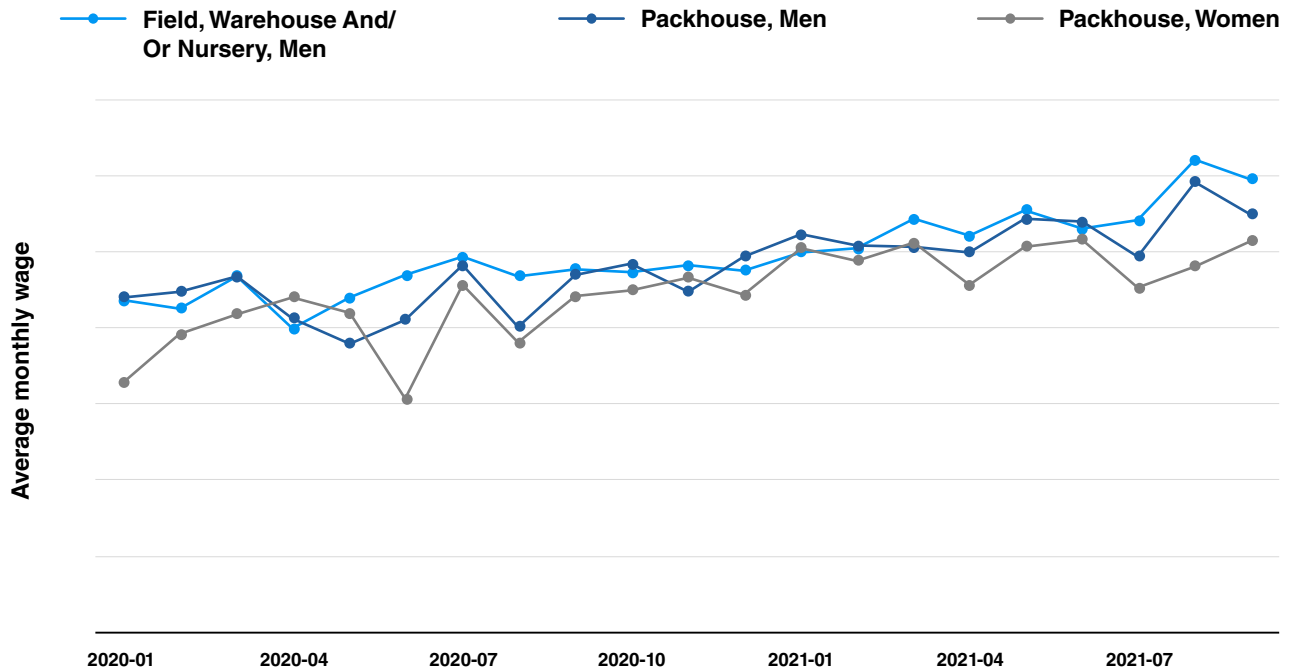
Small gender differences in wages are also observed in cleaning activities. These are not presented in Figure 5, but the important thing to note about this occupation is that wage levels are lower than in packing (see Figure 6 of next section).

Figure 5. Wage differences between occupational groups over the study period, excluding overtime pay, cash bonuses and allowances (COP, omitting the lowest and highest 10% of wages).

COMPANY A



COMPANY B



Source: Payroll reports Companies A and B. Calculations by the research team.

4.2.2 Differences in types of contracts between women and men

To understand how different types of contracts relate to gender pay gaps, it is important to recall the information from section 2.2.3 of this report. It mentioned how women account for a higher proportion of fixed-term workers (company B) and special-shift workers (company A) than of workers on regular permanent contracts. Wage differences (excluding overtime pay and cash bonuses and allowances) depending on the type of contract may therefore explain the gender gaps observed, the summary of which is presented in Figure 6. Before starting on analyzing the gender pay gap by company, it is important to keep in mind that pay in company A is much higher than in company B for the same occupation and type of contract, and so it is likely that women in company A have higher wages than women in company B even if the gender pay gap is greater in company A.

Starting with company A, the only occupational group for which there is a substantive difference in average wages based on type of contract is ‘Field, Warehouse and/or Nursery’. For this group, who are all men, workers with regular permanent contracts earn more on average than special shift workers. For all other groups, there are no substantive differences in wages based on type of contract, but for packhouse workers, women on both types of contract earn less, on average, than men on both types of contract.

For company B, field workers on permanent contracts earn more, on average, than field workers on fixed-term contracts. Among packhouse workers, there are only small differences based on the type of contract for both women and men. For cleaners, women on permanent contracts earn the least, followed by women on fixed-term contracts, and then men on permanent contracts. However, there is only a small number of workers in this group and so these results are difficult to interpret. From the

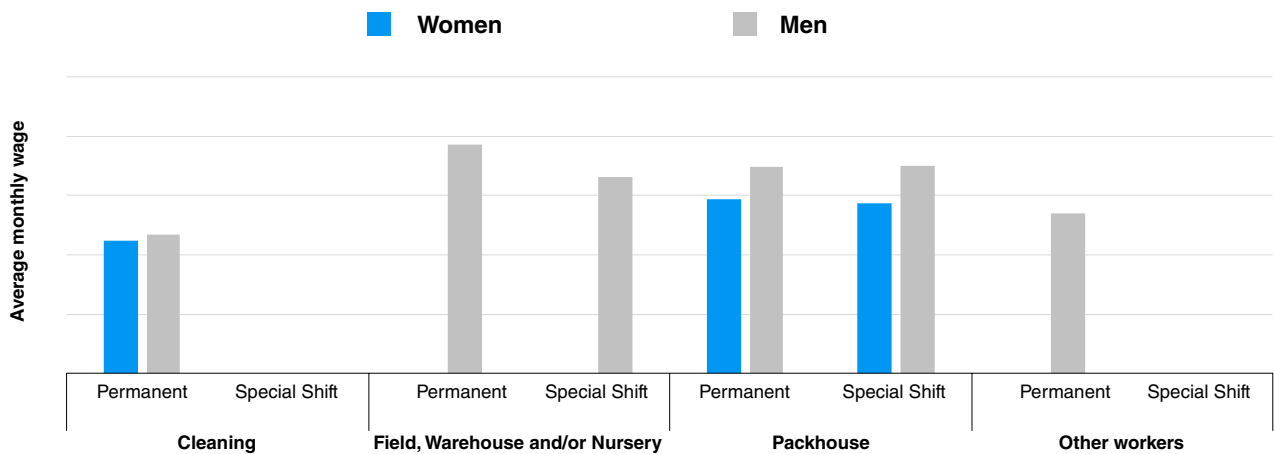
workshop with stakeholders, it emerged that the cleaning staff is divided into two: packhouse cleaning staff (commonly called “Eco-ok/Eco-Key” in payroll records) that participates in the group-based remuneration scheme for packhouse workers, and the cleaning staff in the rest of the plantation that is paid the legal minimum monthly wage. The wide difference

observed in this group in company B is most likely associated with wage differences between these two groups.

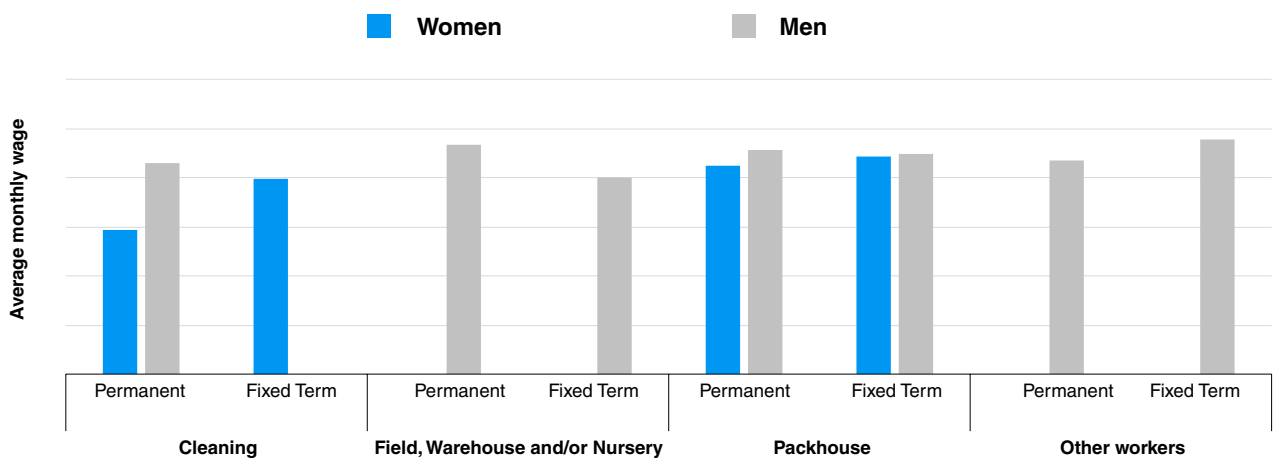
Overall, this analysis suggests that the type of contract may affect the size of gender pay gaps, but not consistently, and that occupation is likely to have more impact than the type of contract.

Figure 6. Average monthly wages for operational workers excluding overtime pay, cash bonuses and cash allowances, by gender, occupational group and type of contract (2020, sample omitting the lowest and highest 10% of wages)

COMPANY A



COMPANY B



Source: Payroll reports Companies A and B. Research team calculations.

4.2.3 Differences in payment methods and access to additional pay and benefits for women and men

Gender differences in opportunities to work overtime, as well as in opportunities to obtain different allowances and cash bonuses, can contribute to gender differences in wages. Table 11 presents the gender pay gaps for operational workers for three components of wages: (i) regular productive activities, (ii) overtime pay, (iii) pay corresponding to cash bonuses and cash allowances. It shows that, regardless of the time period or the company, men receive more overtime pay than women. The overtime

gender pay gap in company A was 42.5% in 2020 and 19.9% in 2021 while in company B no women received overtime pay in 2020 and the gender gap was 77.8% in 2021.

Gender gaps in cash bonuses and allowances received by all workers are much smaller for both companies. There was not much difference in company A, as women received 6.1% more than men for this form of pay in 2020 and men received 4.9% more than women for this in 2021. In 2020, women in company B received 5.7% less than men and in 2021 this gap increased to 7.7%.

Table 11. Breakdown of gender pay gaps for operational workers, by regular work, overtime pay and cash bonuses and allowances (COP, 2020 and January to July/September 2021, omitting the lowest and highest 10% of wages)

	Company A		Company B	
	2020	Jan-Jul 2021	2020	Jan-Sep 2021
Gender pay gap in average gross wages excluding overtime pay, cash bonuses and allowances	19.6%	14.6%	7.9%	8.4%
Gender pay gap in average monthly overtime pay	42.5%	19.9%	100.0%	77.8%
Gender pay gap in average cash bonuses and allowances	-6.1%	4.9%	5.7%	7.7%

Source: Payroll reports companies A and B. Research team calculations.

This means that overtime pay is widening the gender pay gap in the two companies. Table 12 is a comparative analysis of the gaps excluding and including overtime pay and cash bonuses and allowances for operational workers and for administrative workers, to see the effect they have on the overall gap.

When only operational workers are analysed, in most cases, the inclusion of overtime pay as well as cash bonuses and allowances tends to increase the gender gap. This affects company B more than company A, as the gap widens by 4 percentage points after the inclusion of these payments. In the case of company A, the changes are less than one percentage point

and may even slightly reduce the overall gap of the operational workers. This is due to the pay gap in favour of women in the payment of cash bonuses and allowances in 2020.

In the case of company A's administrative workers, the inclusion of these payments generates wage gaps to women's disadvantage of 13.5%, while when not considered, the gender gap was 1.2% in favour of women. This is largely a result of production bonuses that are paid to coordinators and other types of managers, who are mostly men, while other types of administrative workers, many of them women, do not receive these additional payments.

Table 12. Effect on gender gaps of the inclusion of overtime pay and cash bonuses and allowances (January 2020 to July/September 2021, sample omitting the lowest and highest 10% of wages)

	Company A		Company B	
	Average gender pay gap excluding overtime pay and cash bonuses and allowances	Average gender pay gap including overtime pay and cash bonuses and allowances	Average gender pay gap excluding overtime pay and cash bonuses and allowances	Average gender pay gap including overtime pay and cash bonuses and allowances
Operational workers, 2020-2021	18.0%	17.8%	9.6%	12.9%
Operational workers, 2020	19.6%	19.4%	7.9%	11.8%
Operational workers, 2021	14.6%	14.7%	8.4%	12.0%
Administrative staff, 2020	-1.2%	13.5%	Not calculated due to there being only 1 woman in the sample	
All workers (operational and administrative), 2020	10.1%	8.7%	9.9%	14.7%

Source: Payroll reports companies A and B. Research team calculations.

When all operational and administrative workers are considered together, average wages excluding additional payments for women are observed to be 10.1% lower than those of men for company A and 9.9% lower for company B. This happens despite company A paying higher average wages than company B. However, for company A, the gap is reduced when overtime pay, cash bonuses and allowances are included (8.7%) while for company B, including these payments makes the gap wider (14.7%). That is, for company A, when all workers are considered together, overtime pay, cash bonuses and allowances have a mitigating effect on gender gaps. This does not occur in company B and is associated with the fact that women are under-represented in this group in the company, while company A has a significant percentage of women in this group (31%) who receive higher average wages than women engaged in operational work. This leads to the apparent narrowing of the gap.

For the year 2020 and considering only operational workers (that is, excluding administrative staff), company A's gender pay gap for regular

work is 19.6% while for company B it is 7.9%. Looking at the entire period for which data are available, company A's gap is 18.0% while company B's is 9.6%. This again reflects an interesting aspect of different behaviours between companies: periods of more than one year suggest a widening of the gap in regular pay in company A and a reduction of the gap in company B. In this case, these reductions evidenced in company B are related to the difficulties faced by the company in 2020 and are counteracted by wage performance in the first months of 2021.

4.2.4 Differences in the amount of time worked by women and men

Table 13 investigates gender pay differences related to the number of days worked by men and women according to their contract type and type of remuneration. Separating out pay for regular days, pay for days when overtime is worked, and paid leave days helps to explain the gender pay gaps between men and women. The first thing to note in the table is that the number of days with overtime pay is higher for men than women: in company A, men, depending

on their type of contract, receive overtime pay on between 1.8 and 1.5 days per month, while women receive overtime pay between 1.1 and 1.3 days per month; while in company B, men receive overtime pay on 1.3 days versus between 0.2 and 0.5 days for women. This contributes to wage disparities, as discussed in the previous section.

Looking at the total number of paid days, women on special shift contracts in company A were paid on average one day less than women on permanent contracts and men regardless of contract. Additionally, this was the group that had the most days of sick leave on average. Considering that sick leave for is paid at two

thirds of the average daily wage in the previous week, this accentuates wage differences. In the case of company B, the same effect can be seen among women on permanent contracts. In this case, women in this group have 2.4 fewer paid days than the rest of the groups. Likewise, they have an average of 1.6 days of sick leave. Comparing the data from this table between 2020 and 2021²⁴ shows that sick leave was more prevalent in 2020 which makes sense given the pandemic and helps explain the reduction in company A's gender gap between 2020 and 2021. This again reiterates the need to continue to monitor these gaps in order to better understand how external phenomena affect the long-term trend.

Table 13. Average number of paid days for operational workers (regular days, days with overtime pay, weekend pay and paid leave) according to type of contract and gender (January 2020 to July/September 2021, sample omitting the lowest and highest 10% of wages)

Type of paid day	Company A				Company B			
	Regular Permanent	Special Shift	Regular Permanent	Special Shift	Term Permanent	Fixed Term	Indefinite Term	Fixed Term
	Women	Women	Men	Men	Women	Women	Men	Men
Regular days	16.4	16.8	17.7	17.4	15.0	18.7	17.2	17.8
Days with overtime pay	1.3	1.1	1.8	1.5	0.2	0.5	1.3	1.3
Paid weekends	3.9	3.8	3.9	3.8	3.5	4.0	3.8	3.8
Paid holidays	1.4	1.3	1.4	1.3	1.1	1.3	1.2	1.2
Sick leave days	0.8	1.6	0.7	1.2	1.6	0.2	0.9	0.2
Paid leave days (Miscellaneous)	1.9	0.2	0.5	0.2	0.2	0.0	0.2	0.1
Maternity leave days	0.6	0.0	0.0	0.1	0.0	0.0	0.0	0.0
Total paid days (excluding vacation days)	25.2	24.2	25.3	25.1	21.6	24.4	24.1	24.0

Source: Payroll reports companies A and B. Calculations by the research team.

As we have repeatedly pointed out in this report, piecework pay affects workers' wages and the gender pay gaps. For this reason, it is important

to review the correlation between gender differences in the number of days worked and gender pay gaps, to support the previous

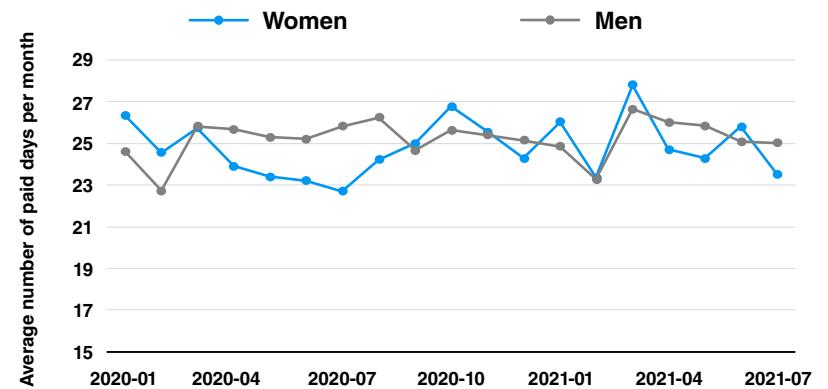
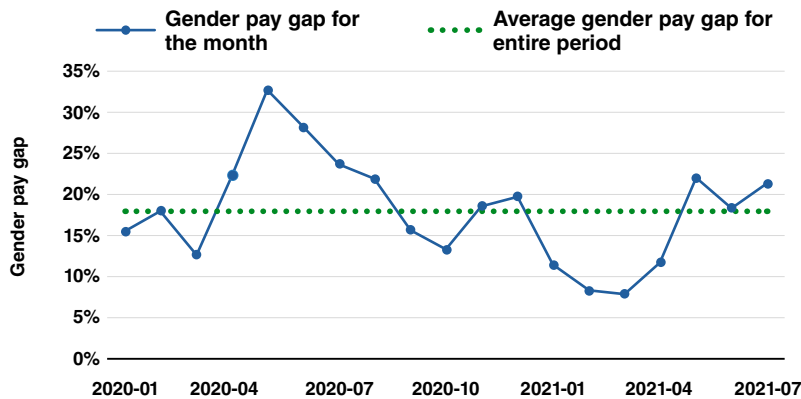
24 These tables are available to interested parties on request.

statements regarding the number of days worked and their potential impact on the gaps. Figure 7 presents this correlation. What this figure shows is that, regardless of the wage level obtained through piecework, the closer the number of days worked by men

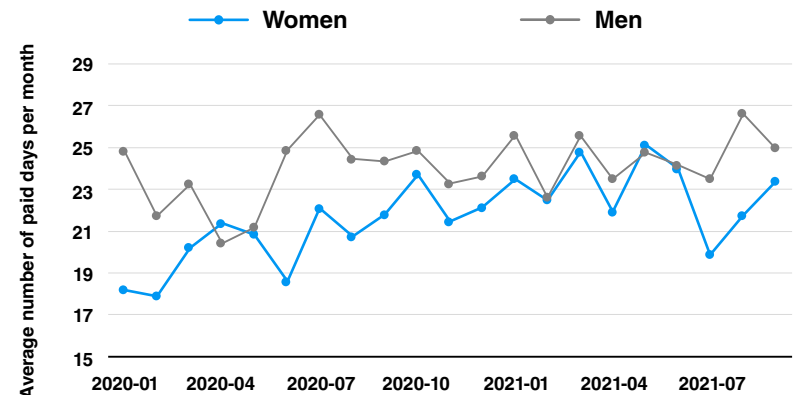
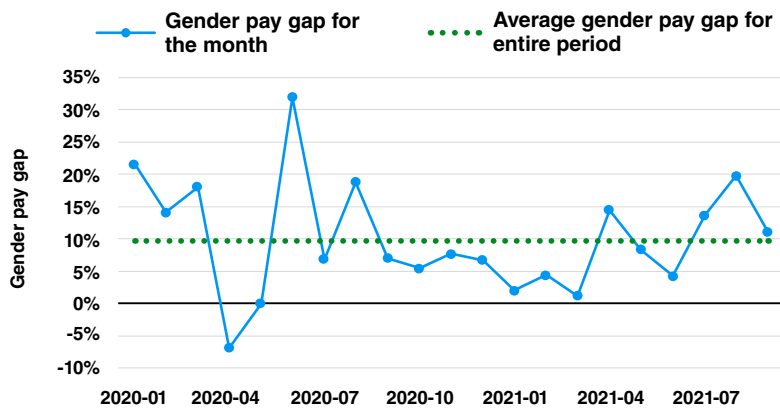
and women (right-hand side panels of the figure), the smaller the gender pay gap (left-hand side panels of the figure). This is further evidence that the amount of time work is one of the direct determinants of gender pay gaps at the participating companies.

Figure 7. Gender pay gap in gross wages and average number of paid days per month by gender for operational workers (January 2020 to July/September 2021, omitting the lowest and highest 10% of wages)

COMPANY A



COMPANY B



Source: Payroll reports companies A and B. Calculations by the research team.

Summary of direct determinants of gender gaps for the participating companies

Summarizing the statistical results on direct determinants of gender pay gaps at the two participating companies:

1. Differences in occupation between men and women. This aspect has the greatest influence on gender differences in wages. Women who perform operational work are mostly concentrated in packing activities and a small proportion in cleaning while men are spread across all types of operational activities. This would not be a problem if it weren't for the fact that it is combined with piecework remuneration that pays more for fieldwork than packing. This means that, despite the existence of the group remuneration mechanism in packing activities, there are differences in the average pay levels between packing activities and other activities carried out solely by men.

2. Differences in types of contracts between women and men. For packhouse workers, gender differences in wages are also observed for workers with different types of contracts. However, the influence of contract type on wages for women and men is not consistent and the gender differences that are observed are largely associated with differences in occupation and the number of days worked by men and women, as discussed below.

3. Differences in payment methods and access to additional pay and benefits. The average amounts received by men and women operational workers for overtime work differ significantly. The difference in both companies exceeds 10% of the current minimum monthly wage in 2022 and in the most extreme case observed reaches 30%. Among administrative workers, men are more likely than women to receive production bonuses as these are only received by coordinators and other managers, who are mostly men. This is therefore an important contributor to gender pay gaps in both companies.

4. Differences in the amount of time worked by women and men. On average, women work fewer days than men in both companies and this contributes to gender differences in wages. The more similar the number of days worked by men and women, the smaller the observed gender pay gaps.

4.3 INDIRECT DETERMINANTS ASSOCIATED WITH GENDER PAY GAPS

In the previous section, we reviewed the direct and observable determinants of gender pay gaps based on the available quantitative data. In this section, we will review the indirect determinants or underlying causes of these gender differences, identified from interviews conducted in the field with workers and key informants. As mentioned in the introduction to the previous section, these indirect determinants can include many different factors in the workplace and in society at large,

including employment policies and recruitment, remuneration and promotion practices, social norms and attitudes towards women's and men's work, legal protections and state support for women and families, women's representation in trade unions and many other factors. Here, we focus on the factors that emerged as most relevant for the participating companies and study area.

4.3.1 Workplace culture

It is well known that a culture of respect and non-discrimination at work reduces employee

turnover, improves productivity and conflict resolution, and promotes equitable access to new activities and promotions. Previous research in the Colombian banana sector (Gómez, 2004), although this only refers to the Urabá area and does not investigate similarities or differences among other departments where bananas are grown for export, showed that, at the time that study was carried out, 94.7% of the 67 women banana workers who were interviewed referred to a perception of discrimination. Likewise, more than 90% of these women mentioned that women experienced differential treatment depending on personal relationships with field coordinators, age and physical attractiveness. In the stakeholders' workshop to validate the results of this pilot study, a union representative stated that there is still a problem of workplace and sexual harassment of workers by coordinators in some companies in the sector, as also reported in Gómez (2004), and that this makes it less likely that women will want to work, or continue working, in the sector.

In the companies visited for this study, 18 years after the findings of the previous study, evidence suggests that the situation has improved, but since these are Fairtrade-certified companies, this improvement could be only among companies with this or other certifications. Upon investigation of the treatment of men and women within the companies, workers perceive equal treatment by the administration and the official line of the workers interviewed in relation to joint work carried out by both genders is "we are all equal." The management of both companies recognise that work must be done continually with workers and coordinators to prevent sexual harassment of workers. This work is done through the Occupational Health and Safety/Occupational Welfare Offices. Also, administrative staff from company B recognise that for some men coordinators it is still unthinkable that women could carry out coordination roles. To tackle this, the company recently created an apprenticeship position with the aim of promoting women who are interested in becoming coordinators. This apprenticeship concept has two

advantages: according to what was observed in the payroll, it allows the worker to carry out some packing activities for which she receives remuneration, in addition to coordination work, while learning the tasks of this new position. At the same time, it generates a transparent promotion mechanism to the extent that if the worker does not meet expectations during the learning period, she can resume her former activities, but if she demonstrates her ability, she can remain in the coordination role, providing both co-workers and superiors with evidence of women's skills development. Similar and complementary mechanisms should be sought for this concept in other occupations currently dominated by men since coordination positions are limited.

This suggests that there are still difficulties in accepting women in different occupations and considering them for promotions. In this regard, practices such as the one proposed by company B are necessary to facilitate women's access to new activities or promotions, since this gives them access to better remuneration, thereby improving women's average wages and reducing the gender pay gap.

4.3.2 Gender norms and stereotypes

Despite the official line of equality among all workers, some gender barriers remain evident, not only for coordinators, but also among operational workers. In one of the companies analysed, the interviewers and the women interviewed took note of catcalls from the male workers during the interviews with women. Taking advantage of the music that plays while they are working, they shouted to the women to return to work while they were being interviewed. The women interviewed noticed this. The older women commented: *"If we respect their interview time and, in the meantime, cover their activities, why don't they respect ours?"* The younger women, despite drawing our attention to this issue, preferred to ignore them. This happened openly, despite training carried out by the companies on fair and equal treatment.

The workers also recognise that in the Urabá area it is considered problematic to employ women due to fights that occur between them. There is a belief among women that they are “hot-headed”, that is, that they quarrel frequently. Some commented on experiences from previous workplaces where “*fights over the same man*” reached the point where one worker threw her rival’s clothes into the toilet. In this regard, to avoid this type of conflict and to work on these stereotypes, targeted measures within the company are key, as well as coordinated work with organisations in the sector. The Women’s Department of SINTRAINAGRO can support this process, as well as coordination with actions promoted by the Women’s Secretariats in each department (part of local government).

The stakeholder workshop evidenced another gender stereotype that was not evident in field visits: men who work in the banana sector prefer that their spouses/partners do not work in the sector or in other sectors because: 1. this gives them economic independence which enables them to end their romantic relationships; and 2. “*She neglects the home*”, which potentially prevents the woman from negotiating the possibility of working overtime with her partner or other household members. Work on this stereotype at the sectoral and enterprise levels would help to broaden the supply of employment for women both in its intensive and extensive range and would also help to reduce friction between men and women who work together. Workshop participants identified that companies could make use of State-managed benefit funds²⁵ as well as collaborating with SINTRAINAGRO for these purposes.

4.3.3 National regulations that improve gender balance in the home

Women employees in Colombia are entitled to 18 weeks maternity leave on full pay. In addition, Law 2114 of 2021 extended the paternity leave that had been in force since 2002 (Maria Law) which was 8 days, provided that the father had contributed 36 weeks of health fund payments, creating shared parental leave and flexible parental leave. Under the new law, the father is entitled to two weeks of paid paternity leave. This applies to children born of the spouse or partner, as well as to adoptive parents. Flexible parental leave means that parents may freely distribute the last six weeks of the mother’s maternity leave to each other. This leave, in the case of the mother, is independent of nursing leave. Although the workforce profile shows there may be a few cases with the option of this flexible parental leave, interviews with administrative staff indicated that the men took very few days off for this purpose. This aspect should be studied in greater depth, as the non-use of this leave may be further evidence regarding the need for work on gender stereotypes noted above.

In addition, the payment mechanism for both sick leave and paternity leave is the same: if the worker complies with the legal requirement, in this case, registering the birth before the child reaches 30 days of age, having worked at the company for at least two weeks before the birth, and having made statutory contributions, the company must pay the leave. The company, in turn, must request the reimbursement of this leave from the health provider chosen by the worker (Health Promotion Company, EPS) and today this is not an efficient process. In interviews with the administrative staff in one of the companies studied, reference was made to this leave reimbursement exercise by EPS as

25 The family compensation funds are private non-profit corporations, subject to the control and surveillance of the State. Originally, they channelled the family allowances that some companies arranged for their employees which were enacted as mandatory for all companies in 1957. Their main functions are currently: (1) To collect, distribute and pay contributions to the family subsidy. (2) To organise and administer works and programmes established for the payment of the family subsidy in kind or in services, in accordance with the provisions of the law. (3) To execute, with other funds, or through linkages with public or private bodies and entities that carry out social security activities, service programmes, within the order of priorities indicated by law. Every formal worker contributes 4% of their social security contributions to the fund to which the company is affiliated.

“the way in which institutions use companies as banks” referring to the company’s immediate obligation to pay for workers’ leave and the time and associated costs of the reimbursement process with EPS. This poor functioning of the system generates an additional perverse incentive for companies not to encourage the use of paternity leave among their workers, not only in the sector but in the Colombian labour market in general.

4.3.4 Representation of women in the sector in different associations

In the 2004 study mentioned above, 75% of women indicated that they did not have time for trade union activities because they were engaged in childcare (Gómez, 2004). They also mentioned a fear of participating in workers’ organizations because they could be attacked or killed for their involvement and could face recriminations from men. At the same time, they asked the Women’s Department of SINTRAINAGRO for greater rotation among training participants so that more women had the opportunity to be trained, and 37% of them wanted to have seminars on collective bargaining.

In this pilot, from payroll data, field interviews and interviews with administrative staff, it was verified that women’s participation in training is high, but women’s participation in workplace committees is still low. In company A, one woman participates in this type of activity, and her incorporation is recent. The administration pointed out that uncertainty for workers around participating in these bodies continues to be a limitation despite ongoing training provided by SINTRAINAGRO, as well as the company

actively promoting women’s participation. They indicated that some women who were involved in the past were inhibited by their male peers. This leads us to conclude that there is still work to be done to ensure that women workers can actively participate in workers’ organizations and committees and that women’s concerns are adequately heard and taken into account in the work streams of these bodies.

4.3.5 Work in the industry to improve gender balance

Some actions have been taken by SINTRAINAGRO (and companies) to improve the industry’s gender balance, although this relates mostly to Urabá where SINTRAINAGRO has more influence than in other departments where bananas are produced for export. The follow-up and monitoring of the collective bargaining agreement commitment to hire more women on permanent contracts and to favour them when filling vacant positions in roles that they are able to perform is one example of this. However, so far efforts have been concentrated on guaranteeing access, and there is no systematic monitoring of the potential difficulties experienced by these new hires or how long they stay at their new roles. It is important to complement current efforts with monitoring and identification of difficulties in order to identify further actions that could enhance these efforts to improve the gender balance in the sector.

In addition, it is necessary to jointly identify with companies new activities in which women can participate. This exercise must be accompanied by training in companies on fair treatment in terms of gender to ensure this participation does not disadvantage workers of any gender.

5. GOOD PRACTICES AND RECOMMENDATIONS ON HOW TO CLOSE GENDER PAY GAPS IN THE SECTOR

From the discussions that the research team had with workers and managers during visits to the study plantations as well as discussions with a wider group of stakeholders during the results validation workshop, we were able to identify a series of good practices that help to promote gender equality in pay (either directly or indirectly) and/or that address other gender issues in the Colombian banana industry, including the need to close gender gaps to a living wage. These good practices are not necessarily transversal to every company in the sector. Many are likely to be relevant not only in Colombia but also in other banana-exporting regions of the world. In this section, we summarize the good practices that are already in existence and then expand on them to make a series of recommendations that are derived from the discussions with stakeholders as well as the statistical analysis of payroll data at the two case study companies and other information collected as part of the study.

It must be emphasized that uptake of these good practices and recommendations should not be seen as the sole responsibility of banana companies. Achieving gender equality in pay and addressing the root causes of gender pay gaps such as discriminatory gender norms and stereotypes, requires the combined effort of all stakeholders in the industry and support from relevant national and international organizations.

5.1 GOOD PRACTICES IDENTIFIED IN THE PILOT STUDY THAT HAVE POTENTIAL FOR REPLICATION IN OTHER BANANA COMPANIES

- i. **Offer permanent contracts to all workers including special shift workers.** This helps to ensure that all workers enjoy the protections offered by labour law and have access to social security and reduces the risk that workers in packhouses (often women) are employed on less favourable terms than other workers on banana plantations.
- ii. **Guarantee a minimum number of work days for workers under the special shift hiring scheme** (many of whom are women) to ensure a stable income for these workers. Some companies can achieve this by rotating workers between plantations where the collective agreement or pact maintains the same working conditions and benefits across plantations.
- iii. **Train workers in different activities (multifunctional workers).** This allows rotation between activities, maintaining productivity while also reducing work-related illnesses associated with repetitive physical effort, and can enable special shift workers and cleaners (who are often women) to achieve higher pay.
- iv. **Create an apprentice coordinator role for women** as a transparent promotion mechanism to increase the proportion of women among field and packhouse coordinators, so that interested women have the opportunity to learn the role and perform it on a trial period basis. In one of the case study companies, this allowed two women in the recent history of the company to try out this role, with support and monitoring from management, and one of them stayed on as a coordinator.
- v. **Make positive gender actions explicit in collective agreements/pacts**, for example, giving women priority when filling and replacing vacancies on plantations and other job opportunities within the company, such as managing plantation canteens. This needs to be accompanied by monitoring by

worker organizations to ensure compliance with these actions (as SINTRAINAGRO is doing in Urabá).

- vi. **Institute specific job postings and programmes for women's employment** to redress the historical bias against women in the sector. Alongside this, take measures to overcome barriers to uptake of these opportunities such as by working with trade unions or organizations like CLAC to disseminate employment announcements and support women to apply for jobs.
- vii. **Include the promotion of gender equality and a good working environment as part of the responsibilities of occupational health and safety/welfare offices.** This encourages a continuous programme of awareness raising and training on gender-related issues.
- viii. **Monitor achievement of a living wage by each woman and man worker** in the company using the Anker methodology and identify specific actions to raise the wages of workers who do not yet earn a living wage, recognising that there are gender aspects to this. This is already being done by at least one banana exporting company in Urabá.

5.2 OTHER RECOMMENDATIONS FOR THE BANANA SECTOR DERIVED FROM THIS PILOT STUDY

The recommendations below are largely based on the findings at the two case study companies, which may not be representative of the sector. However, there is substantial commonality across the banana industry in the types of work that women and men do and how wages are determined, and so we believe that our recommendations are also likely to be relevant for other banana companies in Colombia, and potentially also other parts of the world where bananas are produced for export.

- i. A key finding of the study is that gender pay gaps are largely associated with work in the field being remunerated at higher rates than work in the packhouse, since women rarely engage in field work. It is possible that this is a result of gender biases in the valuation of activities when remuneration rates for each activity are established, as this is a common cause of gender pay gaps worldwide. To investigate this, it is recommended that industry stakeholders collectively **conduct a comprehensive and gender-neutral job evaluation of all activities related to banana production, harvesting and packing**, comparing factors such as skills and effort required, level of responsibility and working conditions, to address possible misconceptions about the value of different types of work. This is to ensure that workers in different occupations receive the same wage for work of equal value.
- ii. Although the companies visited provide ongoing training to their workers, it is important to expand this work in the areas indicated below. The results of these trainings can be enhanced if they are developed in coordination with trade unions and other relevant entities such as departmental women's secretariats:
 - a. **Train women in field activities.** During the research, the team learned of the existence of a programme sponsored by Fundabana-no that is aimed at young people and focused on training and involving them in cultivation activities, since neither current workers nor their own children want to work in the sector because they consider field activities to be very hard. This example is important because it tackles one of the main barriers to women's involvement in field activities and workers already recognise the effectiveness of this activity. Reviewing this experience and adapt-

ing it specifically for women could allow more women in the area to successfully access the sector.

- b. Expand training for all workers on gender stereotypes and sexual harassment and other forms of gender-based violence** in the workplace. Despite ongoing work to tackle gender stereotypes and sexual harassment by the case study companies (and probably other companies in the sector), there are still prejudices among both women and men workers regarding women's involvement in field activities and promotion to coordinator positions. These barriers may affect the success of any other action to expand women's access to different occupations. Joint work on these issues between benefit funds²⁶ that already carry out these types of programmes and the women's department of SINTRAINAGRO, and inclusion of men working in the sector, is likely to be more effective than efforts by companies alone.
- c. Provide training on teamwork and conflict resolution for women and men** to reduce friction of various kinds in the workplace, especially in packhouses. Most stakeholders in the validation workshop recognised this as an aspect that can prevent companies from hiring women. This type of training could therefore help to mitigate these labour conflicts and progressively change attitudes in this regard.
- iii. Develop women's skills and ability to participate in workers' committees** to address women's reluctance to get involved in these committees and improve their effectiveness when they do participate. Alongside the development of women's leadership skills, this could include actions such as reserving at least a third of seats for women and providing training for committee members on inclusive decision making.
- iv. Clarify the requirements of certification standards and buyers' codes of conduct concerning safe use of chemicals**, specifically with regards women's involvement in these activities. Informal consultations with experts in these standards suggest that the exclusion of women from this activity may be due to a misinterpretation of the standard(s). Stakeholders at the validation workshop indicated that this restriction previously came from Rainforest Alliance and has been corrected in the most recent update of the standard, but it is not clear whether this is widely understood and whether there are also restrictions linked to other standards. Since this limits women's involvement in one of the few field activities that they have previously engaged in (application of fertilisers), it is important to verify whether such requirements are correctly understood and applied.
- v. As mentioned earlier, the special shift contract was designed with a view to improving women's access to banana production activities. Currently, per the study results, there is a significant percentage of men in packing both on permanent contracts and on special shift contracts. Reserving the packing and special shift activities for women, to the extent possible, can ex-**

26 The family compensation funds are private non-profit corporations, subject to the control and surveillance of the State. Originally, they channelled the family allowances that some companies arranged for their employees which were enacted as mandatory for all companies in 1957. Their main functions are currently: 1. To collect, distribute and pay contributions to the family subsidy. 2. To organise and administer works and programmes established for the payment of the family subsidy in kind or in services, in accordance with the provisions of the law. 3. To execute, with other funds, or through linkages with public or private bodies and entities that carry out social security activities, service programmes, within the order of priorities indicated by law. Every formal worker contributes 4% of their social security contributions to the fund to which the company is affiliated.

pand access for more women to the sector. However, this should not apply to field workers who are assigned to lighter activities in the packhouse after having acquired long-term physical disabilities, and it should be a temporary measure that is part of a wider strategy to increase women's participation in the banana sector, as there is a risk it could otherwise entrench occupational gender segregation.

- vi. Another way to reduce gender gaps is to **improve the balance in remuneration for packing and other activities such as cleaning with respect to field work remuneration**. Despite the potential unpopularity of this measure due to increased production costs, as long as field activities are dominated by men and the salaries for field activities cannot be matched in packing activities, there will continue to be significant gender gaps and it will be more difficult for women than for men to achieve a living wage.
- vii. The companies monitor worker absenteeism in general terms. However, companies should **study the different causes of this absenteeism for women and for men and adopt appropriate policies to reduce absenteeism**. In the case study companies, unauthorised absenteeism and paid leave was generally higher for women than for men, which reduces women's pay (since workers earn more when they come to work than when they are on paid or unpaid leave). Interviews indicated that male absenteeism was more frequent on the Monday following the fortnightly wage payment, while absenteeism among women was seen as more justified as it typically relates to women's higher burden of responsibility for care work. Having additional information on this aspect could

result in the creation of preventive measures to reduce absenteeism. Successful policies in this regard would allow women to achieve higher wages and also result in a higher acceptance rate for women working overtime or working on weekends when the companies in the sector so require.

- viii. **Extend this pilot to small plantations in the Magdalena department**. Stakeholders participating in the workshop suggested that, both due to the size of the companies in the area and the conditions of the labour market in the region, women may be being hired for packing work under different (potentially less favourable) working conditions than those observed in this pilot. Extending this pilot to some small plantations in this area would help to ensure relevance to the different contexts of banana production in Colombia.
- ix. **Expand the analysis of wages to examine the link between production cycles and gender pay gaps and a living wage**. This study recognises the distinctive features of the analysis period that affected production levels at each company, including the SARS-CoV-2 pandemic. It would be useful to review the findings alongside historical information on the evolution of production in the sector, to identify potential links between production cycles and gender pay gaps and the gap to a living wage. Likewise, we believe that future studies that can relate the production cycle to wage differences will allow a better understanding of the large fluctuations in the gender pay gaps observed throughout the year and make recommendations for actions that recognise this relationship.

6. SUMMARY AND CONCLUSIONS

This pilot study has allowed an in-depth exploration of wages and gender pay gaps in two companies in the Colombian banana export sector. Although the findings from these companies may not be statistically representative for the sector as a whole, discussion of the results with a wider group of stakeholders suggests that there is substantial commonality in both the nature of gender pay gaps in the sector and in the main direct and indirect determinants of these gaps.

An interesting aspect of the study is that the wage system of both companies involves remuneration based on piecework and group-based remuneration of activities associated with harvesting and packing. These elements are general to the sector and not only to the companies concerned. Both have positives for workers and the company. From the workers' point of view, they earn wages that are higher than the country's legal minimum wage (which only 10.3% of workers in Colombia achieved in 2021²⁷) and have the possibility to earn considerably more than this, depending on the types of activities they are involved in. From the company perspective, this wage system improves productivity by generating incentives for workers and allows costs for packing activities to be adjusted according to product demand.

Despite these positive elements of remuneration in the sector, the payroll analysis found significant and sustained differences in wages for women and men that lead to gender pay gaps.

Depending on the company, the types of pay considered (regular pay either with or without overtime pay and additional cash bonuses and allowances), the types of workers included (operational or administrative or both) and type of occupation, as well as the period of analysis, the gender pay gap ranged between 8% and 20% (see Table 14).

Thanks to the differences between companies A and B, we were able to show that higher number of days worked, and higher average wage levels, do not necessarily translate into lower gender pay gaps. We found that gender pay gaps are mostly due to the segregation of women into packing activities since this: (1) prevents women from reaching the wage levels earned by men who work in the whole spectrum of activities on banana plantations, including better-paid field activities, and (2) can limit the number of days worked if packing activities are done on a special shift contract. Gender pay gaps are also associated with women receiving lower amounts of overtime pay and production bonuses than men.

Tabla 14. Summary of findings in participating banana companies: Average gender pay gap in monthly wages by company, type of worker and type of pay, January to December 2020

	Company A	Company B
Average gap in wages for regular work activities, operational workers	19.6%	7.9%
Average gap in wages including overtime pay, cash bonuses and allowances, operational workers	19.4%	11.8%

27 Taken from <https://www.portafolio.co/economia/governance/en-colombia-mas-trabajadores-ganan-menos-del-salario-minimo-561226>

	Company A	Company B
Average gap in wages for regular work activities, administrative staff	-1.2%	Not calculated due to only 1 woman in the sample
Average gap in wages including overtime pay, cash bonuses and allowances, administrative staff	13.5%	
Average gap in wages for regular work activities, all employees	10.1%	9.9%
Average gap in wages including overtime pay, cash bonuses and allowances, all employees	8.7%	14.7%

Source: Payroll reports Companies A and B. Calculations by the research team.

There is also a gender gap in achievement of a living wage.

We compared average wages for January to July 2021 for each woman and man worker (excluding overtime but including cash allowances and bonuses) with the Anker Living Wage estimate of COP 1,717,518 per month for the Caribbean coast of Colombia (May 2021 estimate), differentiating between wages including and excluding the annual severance pay benefit (“cesantia”). For the company with higher wages, 77% of women and 94% of men earn a living wage when the severance benefit is excluded, increasing to 85% and 97%, respectively, when the severance benefit is included. For the other company, when severance benefit is excluded, no operational workers earn a living wage, and only 4% of workers – all of them men – earn a living wage when the severance benefit is included. This implies that efforts to ensure workers earn a living wage need to be cognizant of the gendered aspects of living wage gaps.

Underlying these findings from the payroll analysis are a range of indirect determinants (root causes) of gender pay gaps that relate not only to the particular context of each company but also to broader societal factors. Despite ongoing training on gender equality and a good working environment by both companies, the culture of the workplace was one in which forms of machismo and discriminatory perceptions about the character and abilities of women persist. This culture and general attitudes towards women’s place in the banana industry

(including among women themselves) are informed and influenced by gender norms and stereotypes in wider society. These remain, to a large extent, based on traditional ideas about appropriate work and roles for women and men, despite an increasing number of women in administrative positions in the industry (according to stakeholders), affirmative action by companies and trade unions to increase women’s involvement in other occupations, and relatively high proportions of women in the industry who have sole financial responsibility for households. Women still also face difficulties participating actively and effectively in worker organizations and committees, due to the time this takes up and male dominance of these spaces.

Going forward, the industry should start monitoring wages, activities performed and days worked by gender to determine the magnitude and nature of the gender pay gap in each company and to identify the strategies needed to close these gaps. Taking into account that since January 2021 the governments of Germany and the Netherlands and, from June 2022, Belgium have been promoting the purchase of bananas from companies that pay their workers a living wage, it is important that the diagnosis for the sector in Colombia be expanded to verify the degree of representativeness of the results of this pilot study. Companies, with the collaboration of actors such as SINTRAINAGRO, AUGURA and ASBAMA, must begin to incorporate into their planning horizons a roadmap for the transition

from current wages to living wages, recognising that women have more difficulty in achieving a living wage than men. To this end, CLAC could play an important role as a coordinating body for efforts to address gender pay gaps by different actors in the sector, providing support

and transparent accountability on progress in reducing gaps in employment and wages and helping to identify factors that can limit these advances, including plantation size and local labour market characteristics.

7.

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8. APPENDICES

8.1 TREATMENT OF PAYROLL DATA IN THE PILOT STUDY AND LESSONS LEARNED

This section summarises the adjustments made to the payroll data received from the two participating companies and details how the data were used for the analysis of prevailing wages in the pilot study. These adjustments were made in order to organize the data into manageable categories, ensure coherence with the Anker living wage methodology, and enable reliable comparisons of monthly wages across time.

As expected for a pilot study, lessons emerged from the experience of using payroll data in Colombia. The research team requested payroll data from the companies for the last 1.5 calendar years, which was provided (albeit with some gaps for administrative workers). The fact that the research team was unaware of how payroll systems operate and how they are set up meant that it was only possible to understand at a later stage of the analysis that this request did not cover information corresponding to the payment of social benefits that are registered in other modules of the payroll system, when the worker leaves the company permanently. One of the lessons learned from this exercise is that there is a need for the research team to investigate the different payroll reports that these systems can generate in order to access all necessary information, including data on the start and termination of contracts that does not necessarily appear in payroll queries. Had this have been done, some of the adjustments that are reported below would not have been necessary.

Use only of information on workers at the plantations visited. The companies analysed have other plantations in addition to those visited. For this analysis, only information on

operational and administrative employees associated with the plantations in question was used.

Gender corrections. The gender of each worker was not included in the payroll data provided by one of the companies. This information was added by the research team based on the gender of workers' names.

Missing contract type information. Although the companies provided additional information on the type of contract (permanent/special shift/fixed term) for active workers at the time of the visit (November 2021), we did not ask for information on people who were on the payroll during the study period (January 2020 to July/September 2021) but who no longer worked at the plantation at the time of the visit. For this reason, the figures disaggregating the data according to this criterion omit these observations. The month in which the largest number of observations are lost as a result of this criterion is March 2020, in which there was no information for 49 men and 3 women. The month in which the lowest number of observations were lost is July 2021, in which there is no information for just 13 men.

Classification of occupations. Most of the operational workers who appeared in the payroll data had fixed occupations. At the time of the visit, management informed us that this is historical information. Today, operational workers are expected to be multifunctional, both to mitigate occupational health risks and ensure productivity. For this reason, the company reported the main work carried out by the workers who were on the payroll at the time of the visit, which enabled the classification of occupations for the purposes of the study.

For this report, the main worker occupations were grouped into occupational groups, so that there

would be a sufficient number of workers in each group for a reliable analysis. The occupational groups for operational workers were: (i) 'Field, Warehouse and/or Nursery', (ii) 'Packing', (iii) Cleaning, and (iv) Other workers (mostly drivers and security guards/gate controllers), plus (v) workers on long term leave (who were excluded from the wage analysis). Salaried personnel were grouped into: (i) Supervisors and Managers (mostly Coordinators) and (ii) Other Staff.

Workers without primary occupation data were assigned an occupational group based on the types of activities they performed according to payroll data.

Classification of payments and wage deductions. The table below describes all the different types of payments and deductions that were present in the payroll data for one or both companies. Each payment and deduction was classified into one of the categories shown in the table:

Table A1. Classification of payments and deductions in the payroll data for the purposes of analysis

Category	Description
A. DAILY MONETARY WAGES	
A1. Wages	Pay for work-related activities on weekdays during standard working hours (up to 48 hours per week). This can be monthly pay or pay per piece. This includes pay for meetings and trainings in which workers participate during standard hours.
A2. Overtime pay	Pay for activities outside normal working hours, including activities on weekends and holidays. ²⁸ The collective bargaining agreement specifies that workers may work a maximum of 4 overtime hours per week.
A3. Weekends	Average weekly daily wage as weekend rest pay. This is part of standard employment pay. By law, Sunday is not paid when the worker misses work for a day or more in the week without presenting the appropriate grounds for just cause, or because they were absent without employer authorisation or permission.
A4. Public Holidays	Average daily wage of 18 public holidays per year. This is part of standard wages.
A5. Sick Leave	By law, two-thirds of the average daily wage is paid for up to 180 days (the social security system reimburses the company if sick leave exceeds 2 days). This leave is part of the standard hourly working wage.
A6. Maternity Leave	By law, 18 weeks of maternity leave on full pay. This is part of standard employment pay. There are no separately recorded maternity payments on the payroll data received from company B.

²⁸ These include two types of payments: (i) payments that were encoded in payroll data as being paid at premium rates, generally because they were made on a Saturday, Sunday or public holiday; (ii) payments described as "overtime pay" in the payment description. We do not know if this covers all activities that were performed outside of standard working hours, since the payroll data does not have a record of hours worked when the pay method is piecework.

Category	Description
A7. Paid leave (miscellaneous)	Authorised paid leave for emergencies, bereavement, medical appointments, etc. Company B pays 125% of the national minimum wage for this type of paid leave. Part of the wage for standard working hours. Company B's payroll has mass holiday pay and these payments appear to be made in the fortnight prior to the worker's leave.
A8. Holidays	By law, workers receive 15 days of paid holiday per year after completing 1 year of work. This is part of standard employment pay.
A9. Other pay	Non-regular pay that does not fit into the above categories and are not part of standard work payments, such as severance pay.
B. ALLOWANCES AND BONUSES PAID IN CASH	
B0. Transport allowance	Statutory cash allowance for workers earning up to twice the national minimum wage, or the company must provide transport instead. Company A provides a transport service for its operational workers. For administrative staff, statutory allowance is paid (only when the employee receives less than twice the minimum monthly wage) and also vehicle allowance is paid. Company B pays the official transport allowance with pro rata deductions for days when a worker does not come to work. Until October 2020, most workers used company-provided transport, but some workers received the transport subsidy instead. The transport service was discontinued in October 2020 and all workers have received the transport allowance since then.
B1. Service Premium	Statutory bonus. One month's average wages paid annually - 50% in June and 50% in December. Pro rata if a worker has not completed a year of service.
B2. Holiday Allowance	Non-statutory bonus, in the case of company A part of a collective bargaining agreement worth 162,755 pesos for the first year of the agreement. The second year is paid with the agreed wage increase (5.62% under the current agreement). It is paid when workers take holidays or pro rata according to when the worker provides services. In the case of company B it is a non-statutory bonus, part of a collective pact corresponding to two days at the national minimum wage, paid when workers take holidays.
B3. Bonus for signing a collective pact	Non-statutory bonus, part of company B's collective pact. 13% of the national minimum monthly wage, paid to all workers on payroll following signing of the collective agreement.
B4. Christmas Bonus	Non-statutory bonus, in the case of company A it is part of a collective agreement worth 162,750 pesos for the first year of the agreement. The second year is paid with the agreed wage increase (5.62% under the current agreement). This is paid no later than 22nd December of each year. In the case of company B it is a non-statutory bonus, at the discretion of the employer. Paid to all workers on payroll in November.
B5. Production bonus allowance	Company A pays a production premium if the gross production per hectare-year specified in the agreement is reached.

Category	Description
B6. Other allowances and bonuses (Conditional)	Other benefits and various conditional cash bonuses that are agreed in the collective agreement, such as travel allowances to attend workers' committees, rental allowance, marriage allowance, bereavement allowance, birth allowance for a child, support for children's education, etc. It also includes seniority premiums, glasses allowance, sports allowance.
C. SEVERANCE PAY	
C1. Severance pay	Statutory allowance. This comprises one month of the average wages deposited in each worker's Severance Fund in January of the following year. These funds can only be accessed if: (i) a worker leaves the company; (ii) uses the money to make payments for his or her own, spouse's, or children's education; or (iii) uses the funds to build or improve his or her home.
C2. Severance pay: Annual Interest	Statutory allowance. 12% interest on the annual severance deposit paid in cash to workers before February 14 of each year. Paid pro rata if a worker has not worked a full year, or if a worker leaves.
D. DEDUCTIONS	
D1. Pension Fund	4% of gross wages excluding cash and bonus allocations
D2. Health Fund (EPS)	4% of gross wages excluding cash and bonus allocations
D3. Withholdings at source	Individuals with annual income exceeding 38.8 million pesos in 2020 (39.6 million pesos in 2021) are subject to income tax at progressive rates. This only applies to senior managers.
D4. Other deductions	Other non-statutory deductions such as repayment of loans.

Monthly aggregates of daily wages. In order to be able to make an adequate comparison to the living wages calculated by the Anker Research Institute for the sector, as well as to the legal minimum wage, the research team calculated gross monthly wages defined as the sum of the daily value received for all the activities carried out during the calendar days corresponding to that month, which generates some differences with respect to the aggregation of the individual fortnightly totals reported in the payroll. Take as an example the 10th fortnight of the year 2020. It begins on Monday, April 27, and ends on Sunday, May 10. This fortnight was paid in May, but covers work carried out over 4 business days during the month of April. In the research team's calculations, the four days of April corresponding to the 10th fortnight would be part of April's calculation. Differences between the aggregate of the fortnights corresponding to the same month and the wage aggregate calculation

described above may vary to the extent that daily field activities depend on the production cycle, while harvesting and packing activities depend on market demand. Any payments and deductions that were made biweekly, semi-annually or annually were grouped by category for the year and then divided according to the number of months worked by each worker. This was done to smooth out peaks and troughs in wage data that would make month-to-month comparisons difficult.

Adjustment of holiday pay dates. Company B records holiday pay in the payroll period for the fortnight prior to the period in which they are taken. These payments were moved to the time when the holidays were actually taken. This adjustment was made to reduce the peaks and troughs effect on monthly wage data (although this problem was not completely eliminated).

Exclusion of non-regular pay and deductions from wage analysis. Payments and deductions that were not part of regular wages were excluded. These were mainly: (i) Severance pay (ii) Deductions for food purchased at the on-site canteen; (iii) Payments and deductions linked to the various revolving funds and loan schemes administered by the company and the Fairtrade committee. These payments and deductions were excluded to make workers' wages more comparable to each other and over time. Payments and deductions related to the Fairtrade committee are not considered as wages, according to the Anker methodology.

Exclusion of some cash bonuses and allowances from wage analysis. For the wage analysis, we excluded conditional cash bonuses and allowances that are only received by some workers. This includes allowances for marriage, maternity, death/bereavement, glasses, sports activities and children's education. This was done to make monthly wage data more comparable among workers.

Exclusion of transport allowance from wage analysis. This exclusion is due to the fact that in company B, depending on the period, workers either received a cash allowance or had access to company-provided transport, which constitutes a benefit in kind, the amount of which is difficult to estimate adequately. However, this benefit was taken into account for the analysis of the living wage gap (using a fair and reasonable value of transport when it is provided in kind), since the Anker living wage methodology requires its inclusion. Similarly, the cash allowance for children's education expenses was also included as part of the payment of a living wage, as it was received by a majority of workers in 2020 and 2021.

Treatment of missing information in payroll reports. Workers on sick leave as reported on the payroll were excluded from the wage

analysis, since the months following their sick leave were not found.

8.2 LIVING WAGE CALCULATION METHODOLOGY

The prevailing gross wages for working women and men were calculated using payroll data from January to July 2021. Administrative staff were not included in the analysis because we did not have complete payroll data for them for 2021.

When comparing prevailing wages with the living wage, overtime pay should be excluded because a living wage should be earned in regular working hours. This includes pay for work performed on weekends and holidays. Cash allowances and bonuses and benefits in kind are included in wages if they meet certain criteria.²⁹ The following wage components were included for comparison with the living wage benchmark:

Prevailing gross wages = Average monthly wages per standard working month + Cash allowances and bonuses prorated for one month (service premium + severance deposit interest + holiday bonus + Christmas bonus) + Average monthly transport allowance or cost + Average monthly value of children's education support per worker

Information on how each of these components of prevailing wages was calculated is provided below.

Average monthly wage per standard working hours for each worker. This was calculated from January to July 2021 using payroll data. This includes pay for: (i) tasks performed on regular business days, (ii) weekend rest days, (iii) holidays, (iv) sick leave, (v) other authorised

²⁹ These criteria are set out in the Anker methodology handbook on living wages, which can be found at: <https://www.elgaronline.com/search?q1=anker&searchBtn=>

paid leave. It does not include the payment of overtime for hours worked on weekdays, weekends or public holidays.³⁰

When calculating the average monthly wage for each worker, we excluded the months in which the worker did not work any regular working days, and we also excluded the months in which holidays were paid. This was done to remove those months in which workers earned a wage that was lower or higher than normal, thereby ensuring the average monthly wage was more comparable among workers.

Service premium. Pro-rated per month, this was worked out using the average monthly wages for standard working hours in 2021 (see above) divided by 12 to arrive at the pro rata monthly service premium amount for 2021.

Interest on the severance deposit. Pro-rated per month, this was worked out by taking 1% of the average monthly wages for standard working hours for 2021 (see above). This value was used because workers receive interest of 12% per annum on their severance deposit, which is equivalent to 1% of the average monthly wages

Holiday allowance. Pro-rated by month. For company A, holiday allowance was calculated by dividing the amount agreed in the collective bargaining agreement for 2020-21 (171,902 pesos including 5.62% inflation for 2021) by 12 to reach a monthly value (14,325 pesos). For company B, the holiday allowance stipulated in the collective pact is 2 days of average wages. This amount was divided by 12 to obtain a monthly value for each worker.

Christmas bonus payment. Pro-rated by month. For company A, this was calculated by dividing the amount agreed in the collective bargaining agreement for the year 2021 (COP 162,750) by 12 to obtain a monthly value (13,563

pesos). For company B, we used the amount the company paid in 2021 (COP 130,000) and divided it by 12 to get a monthly value.

Monthly transport allowance or value of transport provided by the company. In company B, since October 2020, all workers receive a transport allowance in cash, so the amounts received each month were used to calculate the current salaries for company B.

In company A, almost all workers use company-provided transport and do not receive a transport allowance in cash. When benefits in kind, such as transport, are counted as part of a living wage payment, a fair and reasonable" value must be calculated. In the Anker methodology, this value may not exceed (i) the actual cost to the company, and (ii) the amount that workers would pay if they purchased the good or service independently, and (iii) how much the benefit saves the worker and their family.

The cost for company A to provide its worker transport service in 2021 was COP 428,000,000 for 180 workers. Workers in the Administration who receive a monetary transport allowance are excluded. This is a monthly payment of COP 198,148 per worker as a cost to the company.

The research team conducted a brief market study of the equivalent transport costs in the market, which indicated that banana plantation workers in Urabá would normally have to pay between COP 43,200 and COP 648,000 per month if they had to travel to work using public transport; the differences are due to the fact that the workers' homes are sometimes located several kilometres from a main road or because the workers' homes are not located in the same municipality as the plantation. Transport costs can be considerably lower for people in Urabá who do not work on banana plantations, but generally no less than around COP 43,200 per

30 For each worker, the average monthly wage for standard working hours was calculated as follows: (i) the average daily rate, (a), was calculated by dividing the gross wage (excluding overtime) by the number of days paid for that month; (ii) (a) was multiplied by the number of days worked in the month to obtain the standard hourly wage for that month, (b); and (iii) (b) for each month from January to July 2021 was used to calculate the average monthly wage for standard working hours.

month for people who need to take a bus to get to work, according to local sources.

National household expenditure data were also reviewed to determine the percentage of household consumption expenditure that households in the Caribbean region of Colombia typically spend on transport. We then made reasonable assumptions to estimate the percentage of household expenditure that would be spent on commuting for a full-time worker. Using this approach, we estimated that about 3% of net wages would be spent on going to work if a worker had to pay for transport services themselves. This amounted to COP 56,620 per month using the average net wages for 2021 at company A.

We compared these estimated values with the actual cost to the company of providing transport and decided to take the estimate that was based on national household expenditure data as the value of this benefit in kind, as indicated in Table A2, to ensure that families have sufficient funds remaining for all of their other essential needs. We felt that the market survey values were too wide a range to be used to estimate typical transport costs, while most of the cost to the company can be considered a business expense. A comprehensive living wage study would be needed to determine a more accurate value for this benefit in kind.

Table A2. Summary of the value of free company transport as part of the payment of a living wage in company A, considering the actual cost to the company, market cost and replacement value based on household expenditure data

Transport: Commuting to and from work for 5 days a week	
Monthly transport cost per worker for the company (Average cost)	COP 198,148
Estimated market cost of transport to work for a full-time worker living in Urabá	COP 43,200 to 648,000
Maximum value available for transport based on household expenditure data = 3% of the average net wages from January to July 2021	COP 56,620
Estimated value of free transport as part of a living wage payment	COP 56,620

Source: Payroll reports companies A and B. Calculations by the research team.

Average monthly value of support for children's education. This was calculated by: (i) adding together all education support received by workers in 2021; (ii) dividing this amount by the total number of employees in 2021 to obtain an average annual amount per worker; (iii)

dividing the annual amount by 12 to obtain the average monthly value of children's education support per worker in 2021. For company A this monthly value is COP 3,371 per worker, while for company B it was COP 2,398.